Al Rajhi MSCI Saudi Equity ETF

(Public, open-ended exchange-traded fund listed on the Main Market)

Fund Manager (Al Rajhi Capital)

Terms and Conditions

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

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

Al Rajhi MSCI Saudi Equity ETF has been certified as being Shariah compliant by the Shariah Committee appointed for the investment fund.

These Terms and Conditions of the Fund, together with the other documents, are subject to the Investment Funds Regulations (IFR). They contain complete, clear, accurate, and non-misleading information about the Investment Fund, and shall be kept updated and amended. Investors are also required to read the Fund’s Terms and Conditions and the other documents before making any investment decision in the Fund. The Fund’s performance may also be reviewed in its reports.
A Unitholder shall be deemed to have signed and accepted the Fund’s Terms and Conditions upon subscribing to any listed unit of the Fund.
Investors are advised to read and understand the Fund’s Terms and Conditions. if in doubt, please consult a professional adviser.

Date of issuance of the Terms and Conditions: 06/01/1448H, corresponding to 22/06/2026G.
Date of approval by the CMA: 22/06/2026G.

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Fund Summary

Name of the Investment Fund	Al Rajhi MSCI Saudi Equity ETF.
Fund Category / Fund Type	Public open-ended exchange-traded fund.
Fund Manager	Al Rajhi Capital.
Fund Objective	Al Rajhi MSCI Saudi Equity ETF aims to track the performance of the MSCI Saudi Arabia Domestic Total Market Islamic M-Series Index, as determined in accordance with the standards of the Shariah Supervisory Committee of the Fund Manager. The Fund invests primarily in shares of Saudi companies with large, medium, and small market capitalisations that are listed on the Saudi Exchange, including the Main Market and the Parallel Market "Nomu", before deducting fees and expenses.
Risk Level	High.
Minimum Subscription and Redemption through the Market Maker in the Primary Market.	50,000 Units of the Fund, or multiples thereof, representing one or more Creation Units, or an equivalent value of SAR 500,000.
Minimum Subscription and Redemption by any Investor in the Secondary Market.	There is no minimum subscription or redemption requirement in the Secondary Market, as investors may buy and sell the Fund's Units based on buy and sell orders, in the same manner as shares are traded on the Saudi Exchange.
Dealing and Valuation Days	Any Business Day in the Kingdom, in accordance with the official business days of Saudi Tadawul Group, which are Sunday to Thursday.
Announcement Days	Any Business Day in the Kingdom, in accordance with the official business days of Saudi Tadawul Group, which are Sunday to Thursday.
Redemption Payment Date	Primary Market: Units are created and redeemed through the Fund Manager or the appointed Market Maker, and the redemption proceeds shall be paid within a maximum of two business days. Secondary Market: Investors may buy and sell the Fund's Units based on buy and sell orders, in the same manner as shares are traded through any licensed broker in the Saudi Exchange.

Initial Offering Unit Price (Nominal Value)	SAR 10
Fund Currency	SAR
Fund Term	Open-ended.
Fund Commencement Date	10/08/2026G.
Date of issuance of the Terms and Conditions and their latest update.	The Fund’s Terms and Conditions were issued on 06/01/1448H, corresponding to 22/06/2026G.
Early Redemption Fee, if any.	N/A
Benchmark Index	"MSCI Saudi Arabia Domestic Total Market Islamic M-Series Index"
Fund Operator	Al Rajhi Capital.
Custodian's Name	HSBC.
Auditor	Deloitte and Touche & Co. - Chartered Accountants.
Fund Management Fees	Unitholders shall bear only the Fund Management Fee, which is 0.25% per annum of the Fund’s NAV.
Subscription Fees	N/A
Redemption Fees	N/A
Custody Fees	Borne by the Fund Manager.
Transaction Costs	The Fund shall bear the trading commissions and fees arising from transactions involving the purchase and sale of securities, in accordance with the prevailing commission rates in the relevant markets, which are payable to brokers, financial markets, regulatory authorities, and custodians.
Other Fees and Expenses	Borne by the Fund Manager.
Performance Fee, if any.	N/A

Definitions

The Fund	Al Rajhi MSCI Saudi Equity ETF.
Fund Manager / Manager / Company	Al Rajhi Capital.
Board	Fund Board.
Custodian	A capital market institution licensed to provide custody services for clients' securities.
CMA	The Capital Market Authority of the Kingdom of Saudi Arabia.
Days for Receiving Subscription and Redemption Requests	Each business day in the Kingdom, in accordance with the official business days in the Kingdom of Saudi Arabia. During official holidays, the Fund Manager shall not accept any applications.
Redemption Requests	Sale Request for Fund Units.
Subscription Requests	Purchase Request for Fund Units.
Initial Public Offering (IPO)	It is the initial period of the Fund during which the Fund's Units are offered at their nominal value to all investors.
Fund Commencement Date	10/08/2026G.
Risks	Any circumstance or event that could have an adverse effect on the Fund's performance.
Benchmark Index	It is the benchmark used for measuring the performance of the investment fund.
Shari'a Supervisory Committee	It is the Shariah Supervisory Committee of the Fund Manager.
Announcement Day	It is the business day following the dealing day, on which the unit price is announced.
Valuation Day	The day on which the NAV of the Fund is calculated.
Dealing Day	The days of subscriptions and redemptions of units in the investment fund.

A business day	Any business day in the Kingdom, in accordance with the official business days of the Authority.
Total assets of the Fund	The value of the Fund's assets, as valued in accordance with the asset valuation methodology set out in these Terms and Conditions.
Net assets of the Fund	The Fund's total assets after deducting all liabilities and actual expenses charged to the Fund.
Investment Unit (Unit)	A Unitholders' interest in the Investment Fund, which is divided into units, including fractions of a unit. Each unit shall be treated as an undivided interest in the assets of the Investment Fund.
Relevant Parties	They mean the persons to whom the definition set out in the Glossary of Defined Terms used in the IFR and the Real Estate Investment Funds Regulations applies, namely: 1. The Fund Manager and the Sub-Fund Manager 2. The Custodian and the Sub-Custodian 3. Market Maker 4. The Developer and the Engineering Office 5. The Property Manager, where applicable 6. The Accredited Valuer 7. Auditor 8. Fund Board 9. The members of the Board of Directors, or any executive officers or employees of any of the above parties 10. Any Unitholder whose ownership exceeds 5% of the NAV of the Investment Fund 11. Any affiliate of, or person controlling, any of the aforementioned persons
Nominal Value	The unit price during the IPO, equivalent to SAR 10.
Investor / Client / Unitholder	Any person or company that invests in units of the Fund.
Qualified Client	Investor clients to whom the definition of "Qualified Client" applies, as set out in the Glossary of Defined Terms used in the CMA's regulations and rules, including any amendments thereto.

Institutional Client	Investor clients to whom the definition of "Institutional Client" applies, as set out in the Glossary of Defined Terms used in the CMA's regulations and rules, including any amendments thereto.
Retail Client	Any client who is neither a qualified client nor an institutional client.
Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund.	These are the controls and financial ratios applied by the Shariah Supervisory Committee of the Fund Manager to classify companies and investments as Shariah-compliant investments, in accordance with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund, and therefore eligible for investment.
Shares	Shares of any company, wherever incorporated. The definition of "Shares" includes any instrument with capital-like characteristics, such as initial public offerings, rights issues, and rump offerings.
Swaps Contracts	A financial instrument or contract whose value is derived from the value of other real or financial assets, including equities, foreign currencies, commodities, and gold. Such financial contracts have a specified term, as well as a price and certain terms agreed upon at the time the contract is executed between the seller and the buyer. Swaps contracts, in particular, are agreements to exchange future cash flows or a specific asset owned by one party for cash flows or an asset owned by the other party, according to a structure that has been agreed upon in advance, provided that they comply with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund.
Money Market Transactions	Deposits and short-term trade finance contracts with a term of one year or less. The primary purpose of these instruments is to provide liquidity to companies, individuals, and governments to meet their short-term cash needs. These include Murabaha, Mudarabah, Wakalah, Ijarah, Musharakah contracts, and any other contract that complies with the

	Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund.
Money Market Funds	Investment funds registered with the CMA or with GCC and/or foreign regulatory authorities under the regulations of another jurisdiction that is subject to regulatory standards at least equivalent to those applicable to investment funds in the Kingdom. Such funds invest primarily in Money Market Transactions and comply with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund.
Exchange-Traded Funds / Real Estate Investment Traded Funds	Investment funds divided into equal units that are traded on a securities exchange during continuous trading sessions, in the same manner as shares of companies. Such funds must be approved by the CMA or by GCC and/or foreign regulatory authorities under the regulations of another jurisdiction that is subject to regulatory standards at least equivalent to those applicable to investment funds in the Kingdom, provided that they comply with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund.
Exchange Traded Fund (ETF)	Investment funds whose primary investment objective is to track the performance of a specific index, and whose units are traded on the Main Market or the Parallel Market.
Passive Management	A management approach whereby the Fund Manager tracks the weightings of the components of a specific index with the aim of replicating the performance of that index.
Publicly Offered Investment Funds	Investment funds offered to the public that are licensed and approved by the CMA, or by GCC and/or foreign regulatory authorities under the regulations of another jurisdiction subject to regulatory standards at least equivalent to those applicable to investment funds in the Kingdom, and which comply with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund.

Saudi Equity Markets	All markets in which securities are traded in the Kingdom of Saudi Arabia, including the Main Market, Tadawul, the Nomu Market, and any other markets through which securities are traded.
Exceptional Circumstances	Circumstances which the Fund Manager believes may adversely affect the Fund’s assets or objectives as a result of any changing economic, political, and/or regulatory factors. This includes any sharp decline in financial markets due to urgent international economic or political conditions, where the Fund Manager is unable to immediately assess the impact of such exceptional circumstances.
Value Added Tax (VAT)	An indirect tax imposed on all goods and services that are regularly and continuously purchased and sold by taxable persons, subject to certain exceptions. It applies to every individual or company carrying on an economic activity whose annual taxable revenues exceed SAR 375,000.
Registered Subscribers in the Fund	Unitholders registered in the Fund Register as at the record date for cash distributions by the Fund, as determined by the Fund Operator.
Savings and Investment Programs	Periodic subscriptions made by the client through the electronic channels of Al Rajhi Capital under a Systematic Investment Plan, or subscriptions made by companies or institutions for their employees by contracting with fund managers to invest their employees’ monthly savings in a range of investment funds. The Fund Manager may reduce the minimum subscription or additional subscription amount for this category of programmes.
Chargeable Unitholder	A Unitholder who owns a unit in the Investment Fund. Such person subject to zakat collection may be a natural or legal person.
Rules for Zakat Collection from Investors in Investment Funds	The rules issued pursuant to Minister of Finance Resolution No. (29791) dated 09/05/1444H, as amended or reissued from time to time.

Chinese Wall	A set of organisational and procedural controls imposed by the Company to separate departments whose interests may potentially conflict. This segregation is primarily intended to protect confidential and inside information relating to advisory and financing activities, and to prevent its leakage between the Asset Management Department, Brokerage Department, Custody Department, or Investment Banking Department. This ensures the integrity of investment decisions and prevents any misuse of undisclosed information.
Creation Unit	A Creation Unit is the standard quantity of units of an Exchange-Traded Fund that constitutes a single dealing unit in the Primary Market. It may only be created and redeemed by the Market Maker in accordance with the Fund's approved creation and redemption mechanism, against delivery of the basket of securities matching the components of the Index and/or the Cash Component, as determined by the Fund Manager.
Cash Component	The Cash Component is the Fund's total cash assets less total liabilities, divided by the number of outstanding units. It represents the cash amount required to offset any differences between the value of a single basket and the Fund's units during the subscription or redemption period. The Cash Component means the cash amount added to, or deducted from, the basket of securities when creating or redeeming the Fund's units, in order to settle any differences between the market value of the components of the basket and the NAV of the creation unit on the dealing day.
Indicative Net Asset Value (iNAV)	The value of one unit of the Exchange-Traded Fund at a specific point in time during the market's official trading hours. It is calculated by dividing the total value of the Fund's assets, based on the last traded price, plus available cash and less any accrued fees calculated on the basis of the Fund's NAV as at the end of the most recent trading day, by the number of outstanding traded units.

	The indicative unit value is also announced every 15 seconds during trading hours through the Fund Manager's website and the Saudi Tadawul Group website.
Market Maker	The Market Maker is Al Rajhi Capital or any other Capital Market Institution authorised to deal and appointed by the Fund Manager. The Market Maker enters buy and sell orders on an ongoing basis during trading hours to provide liquidity for the traded units of the Exchange-Traded Fund.
Basket of Shares	A number of shares, together with cash components, whose value is equivalent to the value of one creation unit of the Exchange-Traded Fund's Units. The Fund Manager publishes information on the Basket of Shares on each business day.
In-Kind Subscription and Minimum In-Kind Subscription	Subscription to the Fund may be made through in-kind, non-cash contributions, provided that the securities offered are consistent with the portfolio components announced on the Fund Manager's website and fall within the assets that the Fund is permitted to own. The minimum in-kind subscription is one basket of the Fund's assets, with a value equivalent to one creation unit, comprising 50,000 units of the Exchange-Traded Fund or an equivalent value of SAR 500,000 during the IPO. The subscriber shall bear, through the Fund Manager, a subscription fee of up to 1% of the total value of the invested amount. The Fund Manager may waive this fee.
Cash Subscription and Minimum Cash Subscription	Direct cash subscription by accepting a cash amount determined by the Fund Manager in consideration for the creation of the Fund's units. The minimum cash subscription shall be one basket or SAR 500,000 during the IPO, whichever is higher. The subscriber shall bear, through the Fund Manager, a subscription fee of up to 1% of the total value of the invested amount. The Fund Manager may waive this fee.
Basket Components	The Fund Manager shall specify, through its website, the details of the basket, including its components and weightings, to be delivered against each creation unit upon subscription, or which the Fund Manager is required to deliver against each

	creation unit upon redemption, in cases of in-kind settlement of subscription or redemption requests.
Primary Market Operations	The issuance and cancellation of units of the Exchange-Traded Fund by the Fund Manager and through the Market Maker.
Rebalancing	Periodic processes carried out by the Fund Manager to ensure that the Fund remains aligned with the components of the Index and that the Fund maintains sufficient cash to meet expenses and any other liabilities.
Tracking Difference	The percentage by which the Fund's performance deviates from the performance of the Benchmark Index over the annual comparison period.
Classification of Companies by Market Capitalisation	Companies listed on the Saudi Exchange are classified in descending order based on their Free Float Market Capitalisation, and their relative weightings are determined accordingly. Classification of companies by market capitalisation means categorising listed companies into segments according to the size of their free float-adjusted market capitalisation. Companies are ranked in descending order by market capitalisation and then divided into segments in accordance with the index provider's methodology. Large-cap companies are those falling within the top 70% of the Saudi market's cumulative total market capitalisation. Mid-cap companies include those falling after the large-cap segment up to 85% of the market's cumulative coverage, while small-cap companies include those falling after the mid-cap segment up to 99% of the investable market's cumulative coverage.

1) Investment Fund:

a) Name of the Fund, Including its Category and Type

Al Rajhi MSCI Saudi Equity ETF.
A public open-ended exchange-traded fund.

b) Date of Issuance of the Fund's Terms and Conditions and Latest Update, If Any

The Fund's Terms and Conditions were issued on 06/01/1448H, corresponding to 22/06/2026G.

c) Date of the Authority's Approval of the Offering of the Investment Fund's Units

The CMA's approval was obtained on 22/06/2026G.

d) Term of the Investment Fund

Al Rajhi MSCI Saudi Equity ETF is a public open-ended exchange-traded fund with an indefinite term.

2) Applicable Law:

Al Rajhi Capital (the "Company") is a closed joint-stock Saudi company licensed by the Capital Market Authority (the "Authority" or the "Regulator") to conduct securities activities, including managing, dealing as principal and agent, underwriting, arranging, advising, and custody, under Capital Market Authority Licence No. (37/07068).

The Fund is an open-ended investment fund. Both the Fund and the Fund Manager are subject to the Capital Market Law, its Implementing Regulations, and other relevant laws and regulations applicable in the Kingdom of Saudi Arabia.

3) Investment Policies and Practices:

a) Investment Objectives of the Investment Fund

The Fund aims to achieve capital growth by replicating the MSCI Saudi Arabia Domestic Total Market Islamic M-Series Index, which complies with the standards of the Shariah Supervisory Committee of the Fund Manager. The Fund seeks to achieve this objective by investing in the securities comprising the Index in a manner that reflects their relative weightings in the Index, thereby enabling the Fund to track and match the performance of the Index as closely as possible. The Fund seeks to achieve this objective through an investment management approach based on a passive investment methodology, with the aim of minimising the tracking difference between the Fund and the Index to the lowest possible level.

b) Types of Securities in which the Fund Primarily Invests

The Fund primarily invests in shares of companies listed on the Saudi Exchange, based on their market capitalisation, and listed on the Saudi Exchange, including the Main Market and the Parallel Market "Nomu", provided that such shares comply with the Shariah standards of the Fund Manager.

c) Any Policy for Concentrating Investments in Specific Securities, an Industry, a Group of Sectors, a Particular Country, or a Specific Geographical Region, including the Minimum and Maximum Limits for Such Securities

The Fund invest at least 95% of its NAV in shares of companies listed on the Saudi exchange that comply with the standards of the Shariah Committee of the Fund Manager. The Fund may also invest up to 5% of its NAV, for the benefit of the Fund and for liquidity purposes, in investment-grade Money Market Transactions entered into with a counterparty regulated by the Saudi Central Bank or by a regulatory authority outside the Kingdom equivalent to the Saudi Central Bank. It may also invest in publicly offered Money Market Funds licensed by the Capital Market Authority or by a regulatory authority equivalent to the Authority, provided that such funds comply with the standards of the Shariah Committee of the Fund Manager, including funds managed by the Fund Manager. The Fund seek to maintain a low Tracking Difference, not exceeding 2% annually, between the Fund's performance and the performance of the Index. However, there is no guarantee that the Fund Manager will be able to match the performance of the Index.

d) Investment Percentage Table for Each Investment Area, including the Minimum and Maximum Limits

The following table sets out the investment concentration policy, as a percentage of the Fund's net assets, for each investment area, including the applicable minimum and maximum limits:

Type of Investment	Minimum Limit	Maximum Limit
Shares of companies listed and traded on the Saudi Exchange, including the Main Market and the Parallel	95%	100%

Market "Nomu", which comply with the Shariah standards of the Fund Manager.		
Money markets, Money Market Transactions, and Money Market Funds that comply with the standards of the Shariah Supervisory Committee of the Fund Manager.	0%	5%
The Fund may invest in Shariah-compliant swap contracts with a counterparty that is subject to the Financial Adequacy Rules issued by the Authority or by an equivalent regulatory authority, and in accordance with the structure approved by the Fund's Manager's Shariah Committee. Such investments are made for the purpose of tracking the performance of the benchmark index and providing liquidity to the Fund.	0%	5%

*The Fund Manager may hold up to 100% of the Fund's assets in cash, or in money market instruments and money market funds, under exceptional circumstances.

e) Statement of the Credit Rating of the Fund's Investments

The Fund's principal investments be limited to the securities comprising the Fund's Benchmark Index, namely shares of companies listed on the Saudi Exchange, including the Main Market and the Parallel Market "Nomu". Most investee companies listed on the Saudi Exchange are not rated by approved credit rating agencies. With respect to money market transactions, the Fund shall invest in investment-grade instruments entered into with a counterparty regulated by the Saudi Central Bank, or by a regulatory authority outside the Kingdom equivalent to the Saudi Central Bank. The Fund may also invest in publicly offered Money Market Funds licensed by the Capital Market Authority, or by a regulatory authority equivalent to the Authority, provided that such funds comply with the standards of the Shariah Committee of the Fund Manager.

f) Statement of the Maximum Percentage of Unrated Investments and Any Other Restrictions Relating to Credit Rating

The Fund invest up to 5% of its NAV in investment-grade money market transactions entered into with a counterparty regulated by the Saudi Central Bank, or by a regulatory authority outside the Kingdom equivalent to the Saudi Central Bank. The Fund may also invest in publicly offered money market funds licensed by the Capital Market Authority, or by a regulatory authority equivalent to the Authority, provided that such funds comply with the standards of the Shariah Committee of the Fund Manager. The Fund shall not invest in any unrated instruments.

g) Securities Markets in which the Fund is Likely to Purchase and Sell its Investments

The Fund invests primarily in the components of the Index, in line with their respective weightings in the Index.

h) Investment by the Fund Manager, or Intention to Invest, in the Units of the Investment Fund

The Fund Manager, its affiliates, or employees may invest in the Fund, provided that such investment shall not receive any preferential treatment compared with the investments of other Unitholders in the Fund.

i) Transactions, Techniques, and Instruments that the Fund Manager May Use for the Purpose of Making Investment Decisions for the Fund

The Fund Manager may use the investment transactions, techniques, and instruments necessary to achieve the Fund's objective of tracking the performance of the Index, in accordance with a passive investment management methodology. This includes investing in the securities comprising the Index in line with their relative weightings, and rebalancing the components of the Fund's portfolio to reflect any changes to the constituents and weightings of the Index. The Fund Manager may also hold a portion of the Fund's assets in cash or short-term money market instruments for liquidity management purposes and to manage cash flows arising from the creation and redemption of the Fund's Units. Through these transactions and techniques, the Fund Manager does not seek to outperform the Index, but rather to replicate its performance and minimise the tracking difference to the lowest possible level.

j) Types of Securities that May Not Be Included in the Fund's Investments

The Fund shall not invest in any securities that are not consistent with the Fund's objectives and strategies or with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund.

k) Any Other Restriction on the Types of Securities or Other Assets in which the Fund May Invest

There are no other restrictions on the type or types of securities or assets in which the Fund may invest, other than those imposed under the investment restrictions set out in the IFR and the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund.

l) Limit on the Investment of the Fund's Assets in Units of an Investment Fund or Funds Managed by the Fund Manager or Other Fund Managers

The Fund's investment in any other investment fund, whether managed by the Fund Manager or by other fund managers, shall not exceed 5% of the Fund's NAV. Management fees shall apply when investing in an investment fund managed by the Fund Manager or by other fund managers.

m) Powers of the Investment Fund to Lend and Borrow, the Fund Manager's Policy on Exercising Lending and Borrowing Powers, and its Policy on Pledging the Fund's Assets

The Fund Manager may engage in securities lending up to a maximum of 30% of the Fund's NAV, provided that such lending complies with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund. The Fund may obtain financing that complies with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund, for the purpose of enhancing the Fund's assets, up to a maximum of 15% of the Fund's NAV. The Fund Manager does not intend to pledge or lend the Fund's assets.

n) Maximum Exposure to Any Counterparty

The Fund Manager shall comply with the requirements and restrictions of the Investment Funds Regulations in respect of the maximum exposure to any counterparty.

s) Fund Manager's Policy for Managing the Fund's Risks

The Fund Manager seeks to make investment decisions that are consistent with sound and prudent investment practices and that achieve the Fund's objectives as set out in the Fund's Terms and Conditions and other relevant documents. This includes the Fund Manager exercising due care to ensure that:

- sufficient liquidity is available to meet any expected redemption requests;
- the Fund's investments are not concentrated in a particular security, country, geographical region, industry, or sector, unless otherwise provided in the Terms and Conditions; and
- the Fund does not assume any unnecessary investment risks in relation to its investment objectives.

o) Benchmark Index, Reasons for Its Selection, Suitability for the Fund's Investment Strategies and Objectives, Information on the Index Provider, and the Basis and Methodology Used to Calculate the Index (Total Return or Price Return)

Benchmark index, reasons for its selection, and suitability for the Fund's investment strategies and objectives:

The Benchmark Index is the MSCI Saudi Arabia Domestic Total Market Islamic M-Series Index. The Index was selected due to its suitability for the Fund's strategy, as it seeks to reflect the overall performance of companies in the Saudi market, including the Main Market and the Parallel Market "Nomu", across different market capitalisation segments: large, mid, and small cap, and across a diverse range of sectors. The weightings of the companies are determined by the Index Provider based on each company's free float-adjusted market capitalisation.

Index Provider:
The Index Provider is MSCI Inc. Investors may track the performance of the Index on the Fund Manager's website at https://alrajhi-capital.sa/ar.

The Index service and related data are also provided through the website of the Benchmark Index Provider at www.msci.com.

Basis and Methodology Used to Calculate the Benchmark Index:
The MSCI Saudi Arabia Domestic Total Market Islamic M-Series Index is designed to represent the performance of large-, mid-, small-, and micro-cap equities in the Saudi equity market. The Index follows a weekly trading calendar from Sunday to Thursday.

The following steps are also followed by the Index Provider for the inclusion of companies in the Index:

- **Companies listed on the Saudi Exchange are classified in descending order based on their Free Float Market Capitalisation**, and their relative weightings are determined accordingly. Classification of companies by market capitalisation means categorising listed companies into segments according to the size of their free float-adjusted market capitalisation. Companies are ranked in descending order by market capitalisation and then divided into segments in accordance with the index provider's methodology. Large-cap companies are those falling within the top 70% of the Saudi market's cumulative total market capitalisation.
  Mid-cap companies include those falling after the large-cap segment up to 85% of the market's cumulative coverage, while small-cap companies include those falling after the mid-cap segment up to 99% of the investable market's cumulative coverage.
- **The Index Provider also applies certain criteria to assess the liquidity of the companies comprising the Index in order to determine whether they may be included in, or remain part of, the Index:**
  - Minimum free float market capitalisation of SAR 50 million for new companies and SAR 25 million for companies already included in the Index.

  - The company must have been traded on at least 50% of the Saudi market's total trading days on a quarterly basis.
  - Minimum 12-month average traded value ratio to free float market capitalisation: 5% of free float market capitalisation.
- **The MSCI Global Islamic Indexes methodology follows Shariah investment principles** and does not permit investment in companies that are directly engaged in, or derive more than 5% of their revenue from, prohibited business activities, such as alcohol, tobacco, pork-related products, conventional finance, defence and weapons, gambling, and other prohibited activities. In addition, the MSCI Global Islamic Indexes do not permit investment in companies that generate significant interest income or have a high level of non-compliant debt.

MSCI uses three financial ratios to screen such companies:

1. The issuer's total debt to its 36-month average market capitalisation, which must not exceed 33.33%.
2. The issuer's total cash and securities generating non-Shariah-compliant returns to its 36-month average market capitalisation, which must not exceed 33.33%.
3. The issuer's total cash and receivables to its 36-month average market capitalisation, which must not exceed 49.00%.

If a company derives any portion of its total income from interest income and/or prohibited activities, the Shariah screening criteria of the Index require that such portion be deducted from dividends. The Fund Manager shall purify the non-permissible income on a periodic basis, and such purification shall be disclosed in the Fund's periodic reports.

Index Rebalancing:
The MSCI Saudi Arabia Domestic Total Market Islamic M-Series Index is reconstituted and rebalanced in accordance with the criteria set out above on a quarterly basis, with index reviews conducted in March, June, September, and December.
Method for Calculating the Index Performance:

Method for calculating the Index performance: the Index performance is calculated based on the total return of the Index, which measures market performance, including price performance and income from cash distributions. Such income is reinvested in the Index and therefore forms part of the Index's total performance.
Calculation methodology: Total Return of the Index = Total Return of the Index on the day preceding the Index Valuation Day × ([Adjusted Market Capitalisation of the Index on the Index

Valuation Day + Dividends Received by the Index on the Index Valuation Day] / Initial Market Capitalisation of the Index).

p) Dealing in Securities Derivatives

The Fund may invest in securities derivatives issued by an issuer that is subject to the prudential rules issued by the Authority, or by a regulatory authority equivalent to the Authority, for the purposes of efficient portfolio management, achieving the investment objectives, and meeting the hedging requirements relating to the Fund's investments, provided that such derivatives comply with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund.

q) Any Exemptions Approved by the CMA in respect of Any Investment Restrictions or Limits

N/A

4) Principal Risks of Investing in the Fund:

a. The Fund is considered a high-risk investment fund and is exposed to high volatility due to the concentration of its investments. Accordingly, Unitholders should be aware of the principal risks that may adversely affect the Fund's performance.
b. There is no assurance that the Fund's investment objectives will be achieved, as market conditions and trading practices are constantly changing. The past performance of the Fund or the Fund's Benchmark Index is not a guarantee of future performance.
c. There is no guarantee that profits will be realised, that significant losses will be avoided, or that the Fund's performance relative to the Benchmark Index will be repeated or matched in the future.
d. Prospective Unitholders should note that investment in the Fund is not a bank deposit.
e. Unitholders should understand that they may lose part or all of their investment. The redemption amount may be lower than the price at which they subscribed to the Fund. The value of the Fund's underlying investments may decline, and Unitholders may not be able to recover the amount they invested in the Fund.
f. The following is a list of the principal potential risks associated with investing in the Fund. Prospective Unitholders should consider the investment-related risk

factors before investing in this Fund, including, but not limited to, the following:

1. **Equity Market Risks**

   The Fund invests primarily in equities, which are exposed to market risks and high volatility. At the same time, there is no assurance or guarantee that the Fund will achieve positive performance. Investors should be aware of the risks associated with this type of investment. Investors should also understand that all equities are subject to decline as a result of factors affecting the growth of those companies, which may be influenced by various internal and external factors and may lead to a decline in the Fund's Unit Price.

2. **Passive Management Risks**

   The Fund adopts a passive management strategy, which aims to replicate the performance of the Benchmark Index. Under this strategy, the Fund is required to hold the components of the Index, even if market conditions change, which may adversely affect the Fund's performance and the value of its Units.

3. **Concentration Risks**

   The Fund may concentrate its investments in a particular sector, making it exposed to changes affecting that sector. As a result, the Fund may carry higher risk compared with more diversified funds, which may lead to a decline in the Fund's Unit Price.

4. **Risks of Investing in Money Market Instruments**

   If the Fund's assets are invested in Money Market Instruments or Money Market Funds, the Fund will be exposed to credit risk. This includes the possibility that the counterparty may be unable or unwilling to pay the amounts due or meet its obligations on time, or may be unable to make payment at all, which may reduce the Fund's Unit Price.

5. **Economic Risks**

   Investment in the Fund involves risks arising from the geographical allocation of the markets in which the Fund invests. Accordingly, any adverse changes in the economic conditions of the country or countries in which the Fund invests may have a negative impact on the value of the Fund's Unit.

6. **Risks of Compliance with the Shariah Standards Approved by the Shariah Supervisory Committee Appointed for the Fund**

Shariah non-compliance risk may arise if any investee company or security is excluded because it becomes non-compliant with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund. This may result in the sale of such shares at a price that may be unfavourable. In addition, the exclusion of a number of companies due to their non-compliance with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund may make the Fund's investments more concentrated, which could increase volatility and other risks that may affect the Fund's Unit Price.

7. Liquidity Risks

The Fund is exposed to the risk of being unable to execute redemption transactions due to a shortage of liquidity in the equity markets, or if the value of Units redeemed on any dealing day is equal to 10% or more of the Fund's NAV. In such cases, the Fund Manager may be required to defer redemption to a later date, which may delay the execution of clients' redemption requests.

8. Legal Risks

Companies may face certain legal risks as a result of failure to comply with applicable laws and legal procedures. Such risks may arise from the companies in which the Fund invests and the possibility that they may be exposed to legal risks or litigation brought by individuals or companies. Accordingly, this may result in a decline in the value of the Fund's investments and its NAV, which may reduce the value of the Fund's Units.

9. Currency Risks

The Fund's investments are concentrated in the Saudi financial market. However, the Fund Manager may invest a portion of the Fund's assets in certain other countries for the purpose of diversifying the Fund's investments. This exposes the Fund to foreign exchange risk against the Fund's currency, which may affect the Fund's Unit Price.

10. Risks of Investing in Other Investment Funds

The Fund's investments in other investment funds may expose Unitholders to the risks associated with those investee funds. This may adversely affect the Fund's investments and performance, as well as the Unitholders in the Fund.

11. Conflict of Interest Risks

Subject to all applicable laws and regulations, potential conflicts of interest involving fund managers and their affiliates may arise from time to time. This may include any undisclosed activity or interest of the Fund's Board members or related parties that may potentially conflict with the interests of the Fund. In such cases, the Fund Manager is required to act in good faith and with integrity, and to exercise due care in managing the Fund. The Fund Manager shall also apply the necessary procedures for separating departments and work teams within the Fund Manager, known as the Information Barrier, in order to limit conflicts of interest and information leakage. In addition, the Fund Manager shall apply the necessary supervisory measures and controls in accordance with the Investment Funds Regulations and the approved policies and procedures of the Company's management. These measures are intended to mitigate the adverse effects of conflicts of interest, ensure transparency, and use best efforts to prioritise the interests of Unitholders over those of the Fund Manager.

12. Value Added Tax and Zakat Risks

Investment in the Fund may result in the imposition of certain taxes by the competent authorities. Some of these taxes may apply to the Fund and its investments, while others may apply to the investor. The Fund shall bear VAT charges on all expenses and costs arising from its activities. If VAT, zakat, or any other tax is deducted from, or imposed on, the Fund, the Fund's assets will decrease, which may adversely affect the Fund's Unit Price.

13. Risks of dependence on the Fund Manager's Personnel

The Fund's performance depends, to a large extent, on the capabilities and expertise of the Fund Manager's personnel. The resignation or absence of any such personnel, without a suitable replacement being available, may have a material impact on the Fund's performance. The absence of any of these personnel may adversely affect the Fund's performance and, consequently, the Unit Price.

14. Political and Legal Risks

The Fund may be exposed to risks arising from changes in applicable regulatory, legal, and tax rules, or from any government actions relating to the Fund's investments, which may adversely affect the Fund's performance. The Fund's performance may also be affected by changes in governments, wars, expropriation, asset freezes, changes in prevailing laws in those countries, or any adverse political events or circumstances in the regions where the Fund invests its assets. This may affect the Fund's investments and, consequently, its NAV, which may in turn affect the Unit Price.

15. Trading Suspension Risks

A suspension of trading in the market as a whole, or in a group of securities, may result in a lack of available cash or the loss of a number of investment opportunities. This may adversely affect the Fund's performance and Unit Price, or delay the fulfilment of redemption requests.

16. Issuer Risks

These include changes in the financial condition of the issuer or the counterparty, as well as changes in specific economic or political conditions that may adversely affect a particular type of security or issuer. Since the relevant asset is affected by the issuer's condition, this may lead to a decline in the value of its shares and, consequently, may adversely affect the Fund's performance and Unit Price.

17. Risks of Creating Units for Cash

The issuance of the Fund's Units against cash contributions may involve additional risks, as the investor may incur additional fees, including, but not limited to, trading, issuance, and transfer fees. The value of the Fund's assets may also decrease or increase, which may adversely affect the number or value of the Units issued against the cash subscription.

18. Market Maker Pricing Risks

These are the risks relating to differences between the Indicative Unit Value and the prices that the Market Maker is able to quote. Such prices may differ from the Indicative Unit Value, and there is no guarantee that a narrow spread between the two prices will be maintained. This may, in turn, affect the costs of buying or selling Units in the market.

19. Risks of Concentration of Creation and Redemption of Creation Units with a Single Market Maker

The creation and redemption of Creation Units may only be carried out by entities licensed to act as Market Makers. If the Fund relies on a single Market Maker, it may be exposed to the risk of business disruption affecting that Market Maker, or its inability to perform its duties. The absence of an alternative Market Maker may result in the Fund's Units trading in the market at a value higher or lower than their actual NAV.

20. Tracking Difference Risks

There is no guarantee that the Fund's investment objectives will be achieved. Changes in the Fund's investments and the reweighting of the Index tracked by the Fund may result in tracking differences. In addition, the total return on investment in the Fund's Units will be reduced as a result of fees and expenses. In the event of any temporary suspension or disruption in the trading of the securities comprising the Index, or in the event of a market disruption, it may not be possible to rebalance the Fund's investment portfolio to match the weightings of the Index components.

21. Emerging Markets Risks

The Saudi equity market is considered an emerging market and is classified as high risk. In emerging markets, the majority of market capitalisation is typically concentrated in a limited number of companies, which makes the Fund more exposed to market volatility and lower liquidity compared with investment in more developed markets. This may adversely affect the Fund's performance and Unit Price.

22. Parallel Market Risks

The Parallel Market "Nomu" is considered riskier than the Main Market, given the more flexible disclosure and listing requirements applicable to companies compared with the Main Market. Companies listed on the Parallel Market are also subject to higher volatility. Accordingly, the Fund's investments may be adversely affected by these risks, including the possibility of a sudden decline in their value and the potential loss of part or all of the capital invested. This may, in turn, adversely affect the Fund's Unit Price.

5) Risk Assessment Mechanism:

The Fund Manager follows an internal mechanism for assessing the risks relating to the Fund's assets.

6) Target Class for Investment in the Fund:

Any individual or legal person recognised as such under the laws of the Kingdom may subscribe to the Fund, taking into account the Fund's investment objectives and the risks associated with them.

7) Investment Restrictions / Limits:

In managing the Fund, the Fund Manager shall comply with the restrictions and limits imposed by the Investment Funds Regulations, the Fund's Terms and Conditions, and any amendments thereto.

8) Currency:

The Fund's currency is the Saudi Riyal, in which its investments and Units shall be denominated.

9) Service Charges, Commissions, and Fees:

a. Details of all Payments from the assets of the Investment Fund and the Method of Calculation

Management Fees

Unitholders shall bear only the Fund Management Fee, which is 0.25% per annum of the Fund's NAV. Any amount exceeding the Management Fee shall be paid by the Fund Manager. This percentage is calculated on each valuation day and deducted from the Fund's assets, and is payable at the end of each Gregorian year.

b. Table Showing All Fees and Expenses, including the Method of Calculating Service Charges, Commissions, and Fees, and the Time of Payment by the Fund

Management Fees	Unitholders shall bear only the Fund Management Fee, which is 0.25% per annum of the Fund's NAV. This percentage is calculated on each valuation day and deducted from the Fund's assets, and is payable at the end of each Gregorian year.

* The above fees are stated before the calculation of VAT.

** The number of days in a year is calculated on the basis of 365/366 days, depending on the number of days in the relevant year.

*** Any amount exceeding the fees stated above shall be paid by the Fund Manager.

c. Hypothetical Table Showing the Fund's Cost Ratio to the Fund's NAV at the Fund and Unitholder Levels over the Life of the Fund, including Recurring and Non-Recurring Costs

An example illustrating the ratio of the Fund’s costs, as set out above, to the Fund’s NAV, assuming that the invested amount is SAR 100,000, the Fund size is SAR 10 million, and the realised return at the end of the financial year is 10%, excluding VAT.

Total Fund Assets	**Cost Ratio for the Fund**	**Cost Ratio for the Unitholder**
Fund Management Fee of NAV *Dealing Expenses shall be paid by the Fund based on actual costs, and their total amount shall be disclosed in the Fund’s periodic reports.	0.25%	0.25%
Total Annual Fees and Expenses	25,000	250
Hypothetical Return of 10%	1,000,000	10,000
Hypothetical net investment at the end of the Financial Year	10,975,000	109,750

* Any amount exceeding the fees stated above shall be paid by the Fund Manager.

d. Transaction fees imposed on subscription, redemption and transfer of ownership payable by Unitholders

Except as provided in Section 11, “Dealing”, there are no subscription, redemption, or transfer of ownership fees.

e. Information about discounts and special commissions and an explanation of the Fund Manager’s Policy on Discounts and Special Commissions

The Fund Manager may, at its sole discretion, reduce or waive the subscription fee.

f. Information Relating to Zakat and/or Tax

Given that investment periods in the Fund vary from one Unitholder to another, and that the prices of the Fund’s Units vary from time to time, the Unit Price, the time at which Zakat becomes due, and the beginning and end of the Zakat year will vary accordingly. Therefore, the Fund Manager shall not pay the Shariah Zakat due on the monies subscribed in the Fund. Instead, each investor shall be responsible for calculating and paying their own Zakat. The Fund Manager also undertakes to provide the Zakat, Tax and Customs Authority with all reports and requirements relating to Zakat returns. The Fund Manager shall also provide Unitholders with such returns upon request, in accordance with the Rules. The chargeable Unitholder acknowledges that their investment in the Fund is subject to the Rules for Zakat Collection from

Investors in Investment Funds, issued pursuant to Ministerial Resolution No. (29791) dated 09/05/1444H. Accordingly, chargeable investors subject to the provisions of these Rules who own investment Units in the Fund are required to calculate and pay Zakat on such investments.

With respect to VAT, the fees and expenses stated herein are exclusive of VAT. VAT shall be charged separately at the rates prescribed under the VAT Law and its Implementing Regulations.

The rules of the Zakat, Tax and Customs Authority may also be reviewed through its website: https://zatca.gov.sa/ar/Pages/default.aspx.

Requirements of the Zakat, Tax and Customs Authority

The Fund shall comply with the following requirements, and any other requirements, relating to the rules for Zakat collection from investors in investment funds:

- The Fund must register with the Zakat, Tax and Customs Authority.
- The Fund shall submit the required returns to the Zakat, Tax and Customs Authority.
- The Fund shall provide Unitholders with the information necessary to calculate the Zakat base in respect of their investment in the Fund.

g. Any special commissions arranged by the Fund Manager

N/A

h. Hypothetical Example Illustrating All Fees, Expenses, and Transaction Charges Paid from the Fund's Assets or by Unitholders, Based on the Fund's Currency

An example illustrating the mechanism for calculating the fees set out above, assuming that the invested amount is SAR 100,000, the Fund size is SAR 10 million, and the realised return at the end of the financial year is 10%, excluding VAT.

Total Fund Assets	**Fund Fees and Expenses (SAR)**	**Investor Fees and Expenses (SAR)**
Fund Management Fees	25,000	250
Total Annual Fees and Expenses	25,000	250
Hypothetical Return of 10% + Capital	11,000,000	110,000
Hypothetical net investment at the end of the Financial Year	10,975,000	109,750

* All the above fees are exclusive of VAT.

*** Any amount exceeding the fees stated above shall be paid by the Fund Manager.

10) Valuation and Pricing

a) Method for Valuing Each Asset Held by the Fund

The Fund Operator shall value the Fund's assets on each valuation day as follows:

a. The Fund shall be valued on each valuation day. The valuation shall be made in the Fund's currency and shall be determined based on all assets comprising the portfolio, less the amounts payable by the Fund at that time.
b. The valuation method shall depend on the type of asset. The Fund Manager may rely on reliable systems for determining values, prices, and exchange rates.
c. The following principles shall be applied when valuing the Fund's assets:
    1. If the assets are securities listed or traded on any regulated securities exchange or through an automated pricing system, the closing price on that exchange or system shall be used.
    2. If the securities are suspended, they shall be valued based on the last price before the suspension, unless there is conclusive evidence that the value of such securities has fallen below the suspended price.
    3. For investment funds, the latest published NAV per Unit shall be used.
    4. For deposits, the nominal value plus accrued interest/profit shall be used.
    5. For any other investment, the fair value determined by the Fund Manager shall be used, based on the methods and rules disclosed in the Fund's Terms and Conditions, after being verified by the Fund's Auditor.
d. The NAV per unit shall be calculated using the following formula: (total assets – payables – accrued expenses) / number of units outstanding at the time of valuation.

b) Number and Frequency of Valuation Points

- **NAV of the Fund and NAV per unit at the end of the business day (NAV):** This is calculated by determining the total value of the Fund's assets based on the daily closing prices at the end of the official business days of the Saudi market, together with the available cash component, less the accrued fees calculated as at the end of the business day. The result is then divided by the number of outstanding units to calculate the Fund's NAV per unit. The Fund's assets shall be valued on the official business days of the Saudi market, and the NAV per unit shall be announced at the end of each trading day in the Saudi market.
- **Indicative Net Asset Value per Unit (iNAV):** This is calculated by determining the total value of the Fund's assets based on the last traded price and the available cash component. Accrued fees, calculated on the basis of the Fund's NAV as at the end of the most recent trading day, are then deducted. The result is divided by the number of

outstanding traded Units. The iNAV shall be announced during the Saudi market's trading hours and updated every 15 seconds.

The Fund's iNAV per Unit and NAV per Unit shall be announced on the Fund Manager's website at https://alrajhi-capital.sa/ar and on the Saudi Exchange website at www.saudiexchange.sa. Accurate and up-to-date information on registered Unitholders shall also be maintained by the Securities Depository Center (Edaa).

c) Procedures to Be Taken in the Event of a Valuation Error or Pricing Error

All affected Unitholders, including former Unitholders, shall be identified and compensated if any asset of the Fund is incorrectly valued or if the Unit Price is incorrectly calculated. The Authority shall be notified immediately of any valuation or pricing error representing 0.5% or more of the unit price. Such error shall also be disclosed immediately on Al Rajhi Capital's website and on any other publicly available website, in accordance with the controls determined by the Authority, as well as in the Fund reports prepared by the Fund Manager pursuant to Article 78 of the Investment Funds Regulations. The Fund Manager shall also submit to the Authority a summary of all valuation and pricing errors in accordance with Article 79 of the same Regulations.

d) Method for Calculating the Unit Price for the Purpose of Executing Subscription and Redemption Requests

- The Fund's **NAV and the Fund's NAV per unit** shall be calculated using the following formula:
  (total assets – payables – accrued expenses) / number of units outstanding at the time of valuation.
- The Fund's **iNAV per unit** shall be calculated as follows:
  (total assets – payables – accrued expenses) / number of units outstanding at the time of valuation), at the valuation point during trading hours.

e) Place and Time of Publication of the Unit Price, and Frequency of Publication

The iNAV per unit shall be announced during trading hours, and the Fund's NAV per unit shall be announced at the end of the Saudi market's trading hours, through the Fund Manager's website at https://alrajhi-capital.sa/ar and the Saudi Exchange website at www.saudiexchange.sa. In the event of any technical failure on either website, the Fund Manager shall announce the same as soon as possible.

11) Dealing:

a) Details of the Initial Offering

- The initial offering shall be made to the public on 03/08/2026G for a period of 30 business days until 14/09/2026G, at an initial offering price of SAR 10 per unit offered. The Fund Manager may terminate the IPO and commence the operation of the Fund before such date if the minimum amount required to commence the Fund’s operation is raised. The Fund Manager may also extend the IPO of the Fund for an additional 30 business days after notifying the CMA.
- The minimum amount required to commence the Fund’s operation is SAR 10 million.
- The minimum subscription during the IPO and in the primary market is one creation unit, equivalent to 50,000 units, or SAR 500,000 during the IPO, whichever is higher. A cash subscriber through the Fund Manager shall bear a subscription fee of up to 1% of the total value of the invested amount, and the Fund Manager may waive this fee.
- The Fund Manager shall accept in-kind and cash subscriptions during the IPO.
- Any investor wishing to subscribe or redeem in-kind or in cash in the Fund, whether such party is an investor or a Market Maker, shall bear a fee of up to 1% of the total value of the invested amount.

b) Responsibilities of the Fund Manager in relation to subscription and redemption requests

This provision shall apply during the IPO and to the primary market operations specified above.

c) Subscription and Redemption Procedures, including the Place for Submitting Requests and the Period between the Redemption Request and Payment of Redemption Proceeds to the Unitholder or Transfer of Ownership

As the Fund is an Exchange-Traded Fund, investors may buy and sell the Fund’s units in the secondary market during trading hours on the Saudi Exchange, using the same mechanism applicable to the trading of listed shares.

The creation and redemption of the Fund’s units in the primary market shall be carried out exclusively through the Market Maker, in coordination with the Fund Manager, in accordance with the creation and redemption mechanism approved for the Fund’s creation units. This mechanism is intended to enhance the liquidity of the Fund’s units and help maintain the trading price of the unit close to the Fund’s NAV.

Creation of the Fund's Units

The Fund's Units shall be created in accordance with the following steps:

1. The Fund Manager shall disclose, on a daily basis before the start of trading, the components of the basket of securities and the cash component associated with the creation or redemption of a creation unit.
2. The Market Maker shall submit a request to the Fund Manager to create one or more creation units in accordance with the approved size of the Fund.
3. The Market Maker shall deposit the basket of securities comprising the Fund's index, together with the cash component, if any, with the Custodian, in accordance with the basket components announced for that day.
4. The Custodian shall verify receipt of the assets and confirm that they comply with the requirements for creating the creation unit.
5. Upon completion of the verification process, the Custodian shall issue the Fund units corresponding to the creation unit and transfer them to the Market Maker's account with the Securities Depository Center (Edaa).

   - The Market Maker may then sell the units in the market or retain the newly created units in its inventory.
   - At the end of the day, the Custodian shall verify and reconcile the number of units issued against the basket of shares received. If there are any discrepancies between the number of units issued and the basket of shares received, the Custodian shall resolve them.
   - The Fund Manager may, at its sole discretion, create or redeem units of the Fund directly without recourse to the Market Maker, in order to provide liquidity for the Fund in the secondary market for investors wishing to subscribe in cash or redeem in kind. A cash subscriber shall bear the costs of purchasing the basket, transfer fees, and any additional costs relating to the creation or redemption of units. The Fund Manager may accept or reject cash subscription requests at its discretion.

Redemption of the Fund's Units

The Fund's units shall be redeemed on the basis of the creation unit in accordance with the following steps:

1. The Market Maker shall submit a request to the Fund Manager to redeem one or more creation units of the Fund's units.
2. The Market Maker shall deliver to the Custodian the number of Fund units equivalent to the creation unit.
3. The Custodian shall verify receipt of the units and confirm that they match the redemption request.

4. Following verification, the Custodian shall transfer the corresponding basket of securities and cash component, if any, to the Market Maker's account in an amount equivalent to the value of the redeemed creation unit.
5. The redemption of units shall be executed and settled in coordination with the Saudi Exchange and the Securities Depository Center (Edaa).

Settlement of the Cash Component

If there are any cash differences arising from changes in the prices of the securities comprising the basket, or from any other adjustments, the cash component shall be calculated and settled at the end of the dealing day in accordance with the Fund's policies and in coordination between the Fund Manager, the Custodian, and the Market Maker.

d) Any Restrictions on Dealing in the Fund's Units

N/A

e) Circumstances in which Dealing in Units May Be Deferred or Suspended, and the Procedures Followed in Such Cases

Powers of the Fund Manager and the circumstances in which it may defer or reject subscription or redemption:

- If so requested by the CMA.
- If the Fund Manager considers that suspending, or rejecting, subscription or redemption is in the interests of the existing Unitholders.
- If dealing is suspended in the main market in which the securities or other assets held by the Investment Fund are traded, whether generally or in respect of the Fund's assets which the Fund Manager reasonably considers to be material relative to the Fund's NAV. The Fund Manager may defer the redemption of units for a maximum period until the next dealing day. This shall occur if the total percentage of all redemption requests from Unitholders to be satisfied on any dealing day reaches 10% or more of the Fund's NAV.

- The Fund Manager may reject any subscription or redemption request in the Fund if the Fund Manager considers that such subscription or redemption would result in a breach of the Capital Market Authority's regulations or the Anti-Money Laundering Law.

If the valuation of the Fund, subscription, or redemption is suspended, the Fund Manager shall take the following procedures:

1. Ensure that any suspension continues only for such period as is necessary and justified, taking into account the interests of Unitholders.

2. Review the suspension regularly and consult with the Fund Board, the Custodian, and the Fund Operator in this regard on a regular basis.
3. Notify the Authority and Unitholders immediately of any suspension, stating the reasons for such suspension. The Authority and Unitholders shall also be notified immediately upon the end of the suspension, using the same method used for the suspension notice. The suspension shall also be disclosed on the Fund Manager's website and on any other publicly available website, in accordance with the controls determined by the Authority.

f) Procedures for Selecting Redemption Requests to Be Deferred

N/A

g) Provisions Governing the Transfer of Ownership of Units to Other Investors

Ownership of units shall be transferred between Unitholders by trading such units on the Saudi Exchange.

h) Minimum Number or Value of Units that a Unitholder Must Subscribe for, Transfer, or Redeem

The minimum subscription in the primary market or during the IPO shall be one creation unit. The number of units per creation unit is 50,000 units, or an equivalent value of SAR 500,000.

i) Minimum Amount that the Fund Manager Intends to Raise and the Procedures to Be Taken if Such Minimum Amount Is Not Raised by the Fund

The minimum amount required to commence the Fund's operation is SAR 10,000,000. If the minimum amount is not raised during the IPO, the Fund Manager shall return all subscription amounts to the Unitholders, together with any returns generated from their investment, without any deduction.

12) Distribution Policy:

a) Income and Profit Distribution Policy

The Fund Manager shall reinvest the dividends of dividend-paying companies in the Fund. Accordingly, the Fund shall not make any periodic distributions to Unitholders.

b) Approximate Entitlement and Distribution Date

N/A

c) Method of Payment of Distributions

N/A

13) Reporting to Unitholders:

a) Information Relating to Financial Reports, including Interim and Annual Financial Periods

- The Fund Manager shall prepare the quarterly statement, interim financial statements, annual reports, including the annual financial statements, and summary reports in accordance with the requirements of Annexes (3) and (4) of the Investment Funds Regulations, and any amendments thereto. These shall be provided to Unitholders upon request free of charge.

- The annual reports shall be made available to the public within a period not exceeding three (3) months from the end of the reporting period, at the places and by the means specified in paragraph (b) of Article 78 of the Investment Funds Regulations, and any amendments thereto, as well as on the Fund Manager's website, the Exchange's website, and any other publicly available website in accordance with the controls determined by the Authority.

- The interim financial statements shall be prepared and made available to the public within thirty (30) days from the end of the reporting period, at the places and by the means specified in the Fund's Terms and Conditions, as well as on the Fund Manager's website, the Exchange's website, and any other publicly available website in accordance with the controls determined by the Authority.

- The quarterly statement shall be published in accordance with the requirements of Annex (4) of the Investment Funds Regulations, and any amendments thereto, within ten (10) days from the end of the quarterly period, at the places and by the means specified in the Fund's Terms and Conditions, as well as on the Fund Manager's website, the Exchange's website, and any other publicly available website in accordance with the controls determined by the Authority.

b) Information on the Places and Means by which the Fund Reports Prepared by the Fund Manager Are Made Available

The Fund Manager shall make the reports of the Fund it manages available for inspection by Unitholders free of charge. The Fund Manager shall also make all NAV figures of the Fund available on the Fund Manager's website and on the Saudi Exchange website.

c) Information on the Means of Providing Unitholders with the Annual Financial Statements

Unitholders and prospective investors may obtain copies of the annual financial statements free of charge through the Saudi Exchange website at www.saudiexchange.sa, at the Fund Manager's head office, or through the Fund Manager's website at www.alrajhi-capital.com.

d) Date of the First Audited Annual Financial Statements

The first audited annual financial statements shall be issued for the financial year ending 31/12/2026G.

e) Provision of the Fund's Audited Annual Financial Statements

Unitholders and prospective investors may obtain copies of these statements free of charge through the Saudi Exchange website at www.saudiexchange.sa, at the Fund Manager's head office, or through the Fund Manager's website at www.alrajhi-capital.com.

14) Register of Unitholders

a. Statement on the Preparation and Maintenance of an Updated Register of Unitholders in the Kingdom:

As the Fund is exchange-traded, this provision shall not apply to it. The Securities Depository Center Co. (Edaa) shall prepare and maintain the Register in the Kingdom.

b. Statement of Information on the Register of Unitholders:

As the Fund is exchange-traded, this provision shall not apply.

15) Unitholders' Meeting:

a) Circumstances in which a Unitholders' Meeting Shall Be Convened

- The Fund Manager may, on its own initiative, call for a Unitholders' Meeting, provided that the subject matter of the meeting does not conflict with the responsibilities of the Fund Manager.
- The Fund Manager shall call for a Unitholders' Meeting within ten (10) days of receiving a written request from the Custodian.
- The Fund Manager shall call for a Unitholders' Meeting within ten (10) days of receiving a written request from one or more Unitholders who, individually or collectively, own at least 25% of the value of the Fund's units.

b) Procedures for Calling a Unitholders' Meeting

1. The Fund Manager shall call for a Unitholders’ Meeting by announcing the invitation on its website and on the Saudi Exchange “Tadawul” website, and by sending written notice to all Unitholders and the Custodian. Such notice shall be given not less than ten (10) days and not more than twenty-one (21) days before the date of the meeting. The announcement and notice shall specify the date, venue, time, and proposed agenda of the meeting. The Fund Manager shall also, at the same time as sending the notice to Unitholders in relation to any meeting, provide a copy of such notice to the CMA.

2. The Fund Manager shall call for a Unitholders’ Meeting within ten (10) days of receiving a written request from one or more Unitholders who, individually or collectively, own at least 25% of the Fund’s units.

3. When preparing the agenda for a Unitholders’ Meeting, the Fund Manager shall take into consideration the matters that Unitholders wish to include. Unitholders who own at least 10% of the value of the public fund’s units may add one or more items to the agenda of the Unitholders’ Meeting, provided that the proposed item does not conflict with the responsibilities and duties of the Fund Manager under the Investment Funds Regulations.

4. The Fund Manager may amend the agenda of the Unitholders’ Meeting during the announcement period referred to in paragraph (1) above, provided that such amendment is announced on its website and on any other publicly available website in accordance with the controls determined by the Authority, and that written notice is sent to all Unitholders and the Custodian at least ten (10) days before the meeting and not more than twenty-one (21) days before the meeting.

5. The quorum required to convene a Unitholders’ Meeting shall consist of Unitholders who collectively own at least 25% of the value of the Fund’s units.

6. If the quorum requirements set out in the preceding paragraph are not met, the Fund Manager shall call for a second meeting by announcing it on its website and on the Saudi Exchange “Tadawul” website, and by sending written notice to all Unitholders and the Custodian at least five (5) days before the date of the second meeting. At the second meeting, any number of Unitholders holding any number of units, whether present in person or by proxy, shall constitute a valid quorum.

7. Each Unitholder may appoint a proxy to represent them at the Unitholders’ Meeting.

8. If the Unitholders approve any proposed resolutions at a Unitholders' Meeting, and such approval requires an amendment to the Fund's Terms and Conditions, the Fund Manager shall amend these Terms and Conditions in accordance with the approved resolution.

c) Voting Method of Unitholders and Voting Rights at Unitholders' Meetings

1. Unitholders' Meetings may be held, deliberations may take place, and resolutions may be voted on through meetings conducted by means of technology, in accordance with the terms determined by the Fund Manager or by the CMA.
2. In the case of proposed Fundamental Changes, the approval of Unitholders representing more than 50% of the total units held by Unitholders present at the Unitholders' Meeting shall be obtained, whether such attendance is in person, by proxy, or through modern technology.
3. Each unit held by a Unitholder shall carry one vote at the Unitholders' Meeting.

16) Rights of Unitholders

a. List of Unitholders' Rights

- To obtain, free of charge, an updated copy of the Fund's Terms and Conditions and their own Unitholder register in Arabic.
- To obtain, free of charge, the Fund's audited financial statements upon request.
- To be notified of any change to the Fund's Terms and Conditions, and to receive a summary of such change before it becomes effective, according to the type of change and the period specified in the Investment Funds Regulations.
- To be notified of any change in the Fund Board.
- To obtain, upon request, an updated copy of the Fund's Terms and Conditions annually, showing the actual fees and charges and information on the Fund's performance.
- To be notified of the Fund Manager's intention to terminate the Investment Fund at least twenty-one (21) calendar days before termination, other than in the events provided for in the Terms and Conditions.
- To receive redemption proceeds within the specified times.
- To obtain the procedures for handling complaints upon requesting them from the Fund Manager.

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

b. Fund Manager's Policy on Voting Rights related to any Assets of the Public Fund it Manages

The Fund Manager shall disclose, on its website and on the Exchange's website, the policies relating to the voting rights it exercises at the general meetings of the funds in which the Fund invests.

17) Responsibility of Unitholders

Unitholders in the Fund acknowledge and agree as follows:

- Investment in the Fund is made entirely at the investor's own responsibility. The Fund Manager makes no representation or guarantee as to the performance or profitability of any investment managed in the Fund. The Fund Manager shall have no legal or consequential liability for any decline in the value of the investments managed, or any decrease in the Fund's assets, except in cases arising from gross negligence, misconduct, or default.
- Except for the loss by a Unitholder of all or part of their investment in the Fund, a Unitholder shall not be liable for the debts and obligations of the Fund.
- Unitholders acknowledge their obligation to provide the Fund Manager with their correct postal and/or email address and other contact details, including for notices and account statements relating to their investments. The Fund Manager shall be released from any liability, and the Unitholder waives any rights or claims against the Fund Manager, arising directly or indirectly from the Unitholder not being provided with account statements, notices, or any other information relating to the investments, or arising from the Unitholder's inability to respond, verify the accuracy of information, or correct any alleged errors in the account statements, notices, or any other information.
- If a Unitholder is subject to the laws of any jurisdiction other than the Kingdom of Saudi Arabia, such Unitholder shall comply with those laws without imposing any obligation on the Fund or the Fund Manager.

18) Characteristics of Units

The Fund Manager may, in coordination with the Market Maker, issue an unlimited number of units of equal value, all of which shall be of one class and of the same type and shall have the same value.

19) Changes to the Fund's Terms and Conditions

a) Provisions Governing Changes to the Fund's Terms and Conditions, and the Approvals and Notices Required under the Investment Funds Regulations

This Fund shall be subject to all provisions governing changes to the terms and conditions of public investment funds, and to the approvals and notices required under the Investment Funds Regulations and any amendments thereto.

b) Procedures to Be Followed for Notifying Any Changes to the Fund's Terms and Conditions

1. Provisions regulating Changes to the Fund's Terms and Conditions and the Approvals and Notices specified in the Investment Funds Regulations

The Fund Manager shall comply with the requirements of the Investment Funds Regulations and any amendments thereto when making any change to the Fund's Terms and Conditions, according to the following types of changes:

- **Fundamental Changes:**
  a. The Fund Manager shall obtain the approval of the Unitholders in the relevant Fund for the proposed Fundamental Change by way of an Ordinary Fund Resolution.
  b. After obtaining the approval of the Unitholders, the Fund Manager shall obtain the Authority's approval of the proposed Fundamental Change to the public fund.
  c. The term "Fundamental Change" means any of the following:
     1. A material change to the objectives, nature, or category of the public fund.
     2. A change that has an impact on the risk profile of the public fund.
     3. The voluntary withdrawal of the Fund Manager from its position as manager of the Fund.
     4. Any other cases determined by the Authority from time to time and notified to the Fund Manager.
  d. The Fund Manager shall obtain the approval of the Fund Board before making any Fundamental Change.
  e. The Fund Manager shall notify Unitholders and disclose the details of the Fundamental Changes on its website and on any other publicly available website, in accordance with the controls determined by the Authority, ten (10) days before the change takes effect.

f. Details of the Fundamental Changes shall be stated in the public fund reports prepared by the Fund Manager.
g. Unitholders of an open-ended public fund may redeem their units before any Fundamental Change takes effect, without being charged any redemption fees, if any.

- **Non-Fundamental Changes:**

a) The Fund Manager shall notify the Authority and Unitholders, and disclose on the Fund Manager's website and on any other publicly available website, in accordance with the controls determined by the Authority, any Non-Fundamental Changes to the public fund it manages ten (10) days before the change takes effect. Unitholders of the open-ended public fund may redeem their units before the Non-Fundamental Change takes effect, without being charged any redemption fees, if any.

b) The Fund Manager shall obtain the approval of the Fund Board before making any Non-Fundamental Change.

c) A "Non-Fundamental Change" means any change that does not fall within the Fundamental Changes described in the preceding paragraph.

d) Details of the Non-Fundamental Changes shall be stated in the public fund reports prepared by the Fund Manager.

20) Termination and Liquidation of the Investment Fund:

a. Circumstances Requiring Termination of the Investment Fund and the Related Procedures under the Investment Funds Regulations

This Fund is an open-ended fund and has no specified termination date. However, the Fund Manager shall have the right to terminate the Fund if it becomes clear that the size of the Fund's assets does not justify continuing to manage the Fund in a practical, appropriate, and economically viable manner, or due to certain changes in the regulations governing the management of the Fund, or if the size of the Fund falls below the minimum amount permitted for the Fund to continue, as specified in the Fund's Terms and Conditions, or for any other emergency reason. The Fund Manager shall notify the Authority and Unitholders in writing within five (5) days of the occurrence of the event requiring termination of the Fund.

b. Procedures for Terminating the Investment Fund

If a decision is made to terminate the Fund, the Fund Manager shall take the following steps:

a) Comply with the provisions relating to termination of the Fund as set out in the Fund's Terms and Conditions.
b) The Fund Manager shall complete the sale of the Fund's assets and distributing the proceeds due to Unitholders prior to the termination of the Fund.
c) For the purpose of terminating and liquidating the Fund, the Fund Manager shall prepare a plan and procedures for the termination of the Fund in a manner that serves the interests of Unitholders. The Fund Manager shall obtain the approval of the Fund Board, where applicable, for such plan before taking any action in this regard.
d) The Fund Manager shall notify the Authority and Unitholders in writing of the details of the plan and procedures for terminating and liquidating the Fund at least twenty-one (21) days before the intended termination date of the Fund, without prejudice to the Fund's Terms and Conditions.
e) The Fund Manager shall comply with the plan and procedures for terminating and liquidating the Fund approved in accordance with paragraph (c) above.
f) The Fund Manager shall notify the CMA and Unitholders in writing of the termination of the Fund within ten (10) days of the expiration of the Fund's term, in accordance with the requirements of paragraph (d) of Annex (10) of the Investment Funds Regulations, and any amendments thereto.
g) The Fund Manager shall treat all Unitholders equally during the process of terminating or liquidating the Fund and shall take their interests into account, in accordance with the provisions of the Law and its Implementing Regulations.
h) The Fund Manager may not charge any management fees from the date on which the liquidation of the Fund commences.
i) The Fund Manager shall distribute the amounts due to Unitholders immediately upon the expiry of the Fund's term, without delay and in a manner that does not conflict with the interests of Unitholders or the Fund's Terms and Conditions.
j) The public Fund Manager shall announce, on its website, the Exchange's website, or any other publicly available website in accordance with the controls determined by the Authority, where applicable, the expiry of the Fund's term. The private Fund Manager shall also notify Unitholders thereof at the places and by the means specified in the Fund's Terms and Conditions.
k) The Fund Manager shall provide Unitholders with the Fund termination report, in accordance with the requirements of Annex (14) of the Investment Funds Regulations and any amendments thereto, within a period not exceeding seventy (70) days from the date of completion of the Fund's termination. The report shall include the Fund's final audited financial statements for the period following the most recent audited annual financial statements.

c. Upon Expiry of the Fund's Term

The Fund Manager shall not charge any fees deducted from the Fund's assets.

21) Fund Manager

a) Name of the Fund Manager, and its Duties and Responsibilities

Al Rajhi Capital

- The Fund Manager shall act in the Unitholders' interests in accordance with the provisions of the Investment Funds Regulations, the CMA Regulations, the Fund’s Terms and Conditions, and any amendments thereto, in relation to the Fund.
- The Fund Manager shall comply with all principles and duties stipulated in the Capital Market Institutions Regulations, including the fiduciary duty to Unitholders, which includes acting in their best interests and exercising reasonable care.
- In relation to investment funds, the Fund Manager shall be responsible for the following:
  1. Managing the Fund.
  2. Operating the Fund, including providing administrative services to the Fund.
  3. Offering the Fund’s units.
  4. Ensuring the accuracy and completeness of the Fund’s Terms and Conditions in relation to the Fund, and ensuring that they are complete, clear, accurate, and not misleading.
- The Fund Manager shall be responsible for complying with the Investment Funds Regulations, whether it performs its responsibilities and duties directly or delegates them to a third party in accordance with the provisions of the Investment Funds Regulations and the Capital Market Institutions Regulations
- The Fund Manager shall be liable to Unitholders for the Fund’s losses arising from its fraud, negligence, misconduct, or wilful default.
- The Fund Manager shall develop policies and procedures to monitor the risks affecting the Fund’s investments and ensure mitigating them promptly, Such policies and procedures shall include conducting a risk assessment at least annually.
- The Fund Manager shall implement a compliance monitoring programme for each Investment Fund it manages and shall provide the Capital Market Authority with the results of such implementation upon request.

b) Licence Number Issued by the Capital Market Authority and its Date

Al Rajhi Capital holds Licence No. (07068/37), issued on 10/03/1429H, corresponding to 18/03/2008G. It is a capital market institution licensed pursuant to the Capital

Market Institutions Regulations issued under the Authority's Resolution No. (5-34-2007) dated 04/06/1428H, corresponding to 19/06/2007G.

c) Registered Address and Head Office Address of the Fund Manager

Al Rajhi Capital, Head Office
8467 King Fahd Road – Al Muruj District
Unit No. 654
Riyadh 2743-12263
Tel: +966 8001245858
Fax: +966 114600625
Kingdom of Saudi Arabia

d) Fund Manager's Website Address

www.alrajhi-capital.com

e) Statement of the Fund Manager's Paid-up Capital

The paid-up capital is SAR 500,000,000.

f) Summary of the Fund Manager's Financial Information, including Revenue and Profit for the Previous Financial Year

Item	Year Ended 31/12/2025G
Income	2,465,159,731
Expenses	468,367,687
Zakat	202,431,738
Net Income	1,794,360,306

g) Key Roles, Responsibilities, and Duties of the Fund Manager in relation to the Fund

- The Fund Manager shall be responsible for managing the Fund and seeking to achieve its investment objectives. It shall also take into account the interests of Unitholders within the framework of the Terms and Conditions, and shall comply with the Fund's investment policies, practices, and investment restrictions set out in Article 43 of the Investment Funds Regulations.

- The Fund Manager shall comply with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund, as set out in the Terms and Conditions. It shall also periodically ensure compliance with such Shariah standards and notify the Fund Board of any material breaches.
- The Fund Manager shall monitor liquidity to meet any potential subscription or redemption requests.
- The Fund Manager may appoint a Sub-Fund Manager if it deems it necessary.

h) Any Other Business Activities or Interests of the Fund Manager that Are Material or May Conflict with the Activities of the Investment Fund

N/A

i) Fund Manager's Right to Appoint a Sub-Fund Manager

The Fund Manager may appoint one or more third parties, or any of its affiliates, to act as Sub-Fund Manager for any investment fund it manages. The Fund Manager shall pay any related fees and expenses.

j) Provisions Governing the Removal or Replacement of the Fund Manager

a) The Authority shall have the power to remove the Fund Manager in relation to a specific investment fund, and to take any action it deems appropriate to appoint a replacement fund manager for that fund, or to take any other measure it deems appropriate, upon the occurrence of any of the following events:
   1) The Fund Manager ceases to carry on the activity of managing investments and operating funds, or the activity of managing investments, without notifying the Authority thereof pursuant to the Capital Market Institutions Regulations.
   2) The Fund Manager's licence to carry on the activity of managing investments and operating funds, or the activity of managing investments, is cancelled, withdrawn, or suspended by the Authority.
   3) The Fund Manager submits an application to the Authority to cancel its licence to carry on the activity of managing investments and operating funds, or the activity of managing investments.
   4) The Authority considers that the Fund Manager has breached the Law or its Implementing Regulations in a manner that the Authority deems material.
   5) The investment portfolio manager who manages the assets of the Investment Fund dies, becomes incapacitated, or resigns, and there is no other person registered with the Fund Manager who is capable of managing

the assets of the Investment Fund or the assets of the funds managed by that investment portfolio manager.

6) Any other event which the Authority considers, on reasonable grounds, to be of material significance.

b) The Fund Manager shall notify the Authority of any of the events referred to in sub-paragraph (5) of paragraph (a) above within two (2) days from the date of its occurrence.

c) Upon the removal of the Fund Manager in accordance with the events set out in sub-paragraphs (1), (2), (3), (4), (5), and (6) of paragraph (a) above, the Authority shall direct the removed Fund Manager to call for a Unitholders' Meeting within fifteen (15) days from the date of the Authority's removal decision, in order to appoint the Custodian or another entity, by way of an Ordinary Fund Resolution, to search for and negotiate with a replacement fund manager and to determine the period specified for such search and negotiation.

d) Upon the occurrence of the event set out in paragraph (c) above, the Fund Manager shall notify the Authority of the results of the Unitholders' Meeting within two (2) days from the date on which it is held.

e) The Fund Manager shall cooperate with, and provide the Custodian or the appointed entity authorised to search and negotiate with, any documents requested from it for the purpose of appointing a replacement fund manager, within ten (10) days from the date of the request. Both parties shall maintain the confidentiality of the information.

f) When the replacement fund manager agrees to manage the Fund and the management of the Fund is transferred to it, the Fund Manager shall send the written approval of the replacement fund manager to the Authority immediately upon receipt.

g) If the Authority exercises any of its powers under paragraph (a) above, the Fund Manager shall cooperate fully to assist in facilitating the smooth transfer of responsibilities to the replacement fund manager during the first sixty (60) days following the appointment of the replacement fund manager. The removed Fund Manager shall transfer to the replacement fund manager, where necessary and appropriate and at the sole discretion of the Authority, all contracts relating to the relevant Investment Fund.

h) If no replacement fund manager is appointed within the period specified for searching for and negotiating with a replacement fund manager referred to in paragraph (c) above, Unitholders may request the liquidation of the Fund by way of a Special Fund Resolution.

22) Fund Operator

a) Name of the Fund Operator

Al Rajhi Capital

b) Licence Number Issued by the Capital Market Authority and its Date

Al Rajhi Capital holds Licence No. (07068/37), issued on 10/03/1429H, corresponding to 18/03/2008G. It is a capital market institution licensed pursuant to the Capital Market Institutions Regulations issued under the Authority's Resolution No. (5-34-2007) dated 04/06/1428H, corresponding to 19/06/2007G.

c) Registered Address and Business Address of the Fund Operator

Al Rajhi Capital, Head Office
8467 King Fahd Road – Al Muruj District
Unit No. 654
Riyadh 2743-12263
Tel: +966 8001245858
Fax: +966 114600625
Kingdom of Saudi Arabia

d) Statement of the Fund Operator's Principal Roles and Responsibilities in relation to the Investment Fund

- Ensuring the completion of unit issuance and redemption processes.
- Displaying and publishing the components of the basket of shares and the cash components, if any.
- Ensuring the publication of information relating to the Index.
- Recording all amounts relating to the Fund's investments, expenses, and fees in the Fund's account, and carrying out the necessary reconciliations.
- Ensuring that all Fund investments are made in accordance with the Fund's Terms and Conditions and the Investment Funds Regulations.
- Valuing the Fund's assets for the purpose of pricing the Fund's units at the time specified in the Fund's Terms and Conditions.
- Distributing profits to Unitholders in accordance with the Fund's Terms and Conditions, if any.
- Publishing the Fund's NAV on the business day following the dealing day on the website and Tadawul's website.
- Executing subscription and redemption requests in accordance with the Fund's Terms and Conditions.

- Ensuring the accurate application of the Fund's Terms and Conditions.
- Preparing the Fund's financial statements in accordance with the Investment Funds Regulations.
- Providing reports to Unitholders as stipulated in the Investment Funds Regulations.
- Providing reports relating to the CMA.

e) Fund Operator's Right to Appoint a Sub-Operator

The Fund Operator may appoint one or more third parties, or any of its affiliates, to act as Sub-Operator for any investment fund it operates. The Fund Operator shall pay any related fees and expenses.

f) Tasks Delegated by the Fund Operator to a Third Party in relation to the Investment Fund

The Fund Operator may appoint any third party to perform, on its behalf, part or all of the Fund Operator's duties in local or foreign markets.

23) Custodian

a) Name of the Custodian

HSBC

b) Licence Number Issued by the CMA and its Date

HSBC is a legal person licensed pursuant to the Capital Market Institutions Regulations under Licence No. (05008-37), dated 17/10/1426H, corresponding to 19/11/2005G.

c) Registered Address and Business Address of the Custodian

Al Aqiq District – KAFD, Financial Boulevard 1.10-B, Riyadh 13519 – 3001, Kingdom of Saudi Arabia.

d) Principal Roles and Responsibilities of the Custodian in relation to the Fund

The Custodian shall be responsible for safekeeping and protecting the Fund's assets on behalf of all Unitholders, and for taking all administrative measures relating to the custody of the Fund's assets.

The Custodian shall also:

- open accounts for the Fund Manager and the Market Makers;

- execute issuance and redemption requests approved by the Fund Manager after coordinating with Saudi Tadawul in relation to the issuance and redemption of units;
- review the portfolio components in light of the information announced by the Fund Manager;
- upon execution of a unit issuance request, arrange for the transfer of the basket of shares and other cash components from the account of the Market Maker or investors to the Fund's account;
- upon execution of a unit redemption request, verify the availability of the units in the account of the Market Maker or investors;
- arrange for the issuance and cancellation of the Fund's units, and ensure that the listing or suspension of listing has been properly carried out;
- upon issuance, ensure that the basket of shares and cash components are proportionate to the number of creation units requested; and
- upon redemption, ensure that the Fund's units and their value are proportionate to the basket of shares and its value transferred to the account of the Market Maker or investors.

e) Custodian's Right to Appoint a Sub-Custodian

The Custodian may appoint one or more third parties, or any of its affiliates, to act as Sub-Custodian for the Fund. The Custodian shall pay any related fees and expenses.

f) Tasks Delegated by the Custodian to a Third Party

The Custodian may appoint any third party to perform, on its behalf, part or all of the Custodian's duties in local or foreign markets.

g) Provisions Governing the Removal or Replacement of the Custodian

a) Authority's Power to Remove and Replace the Custodian

The Authority may remove the Custodian appointed by the Fund Manager or take any measure it deems appropriate upon the occurrence of any of the following events:

1. The Custodian ceases to carry on custody activities without notifying the Authority thereof pursuant to the Capital Market Institutions Regulations.
2. The Custodian's licence to carry on custody activities is cancelled, withdrawn, or suspended by the Authority.
3. The Custodian submits an application to the Authority to cancel its licence to carry on custody activities.

4. The Authority considers that the Custodian has breached the Law or its Implementing Regulations in a manner that the Authority deems material.

Any other event which the Authority considers, on reasonable grounds, to be of material significance.

If the Authority exercises any of its powers under paragraph (a) above, the relevant Fund Manager shall appoint a replacement Custodian in accordance with the Authority's instructions. The Fund Manager and the removed Custodian shall cooperate fully to assist in facilitating the smooth transfer of responsibilities to the replacement Custodian during the first sixty (60) days following the appointment of the replacement Custodian. The removed Custodian shall transfer to the replacement Custodian, where necessary and appropriate and at the sole discretion of the Authority, all contracts relating to the relevant Investment Fund.

b) Fund Manager's Power to Remove and Replace the Custodian

1) The Fund Manager may remove the Custodian appointed by it by written notice if it reasonably considers that the removal of the Custodian is in the interests of Unitholders. The Fund Manager shall notify the Authority and Unitholders of this immediately and in writing.

2) If the Fund Manager removes the Custodian, it shall appoint a replacement Custodian within thirty (30) days from the Custodian's receipt of the written notice issued pursuant to paragraph (1) above. The removed Custodian shall cooperate fully with the Fund Manager to facilitate the smooth transfer of responsibilities to the replacement Custodian. The removed Custodian shall transfer to the replacement Custodian, where necessary and appropriate, all contracts relating to the relevant Investment Fund.

3) The Fund Manager shall immediately disclose on its website the appointment of a replacement Custodian. The public Fund Manager shall also disclose the appointment of a replacement Custodian for the public fund on any other publicly available website, in accordance with the controls determined by the Authority.

24) Fund's Board of Directors:

a. Names of the Fund Board Members and the Type of Membership

The Fund shall be supervised by a Fund Board consisting of four members, including two independent members to whom the definition set out in the Glossary of Defined Terms used in the Authority's regulations applies. The Fund Board consists of the following members:

- **Mr. Nawaf bin Waleed Al-Ghemlas (Chairman of the Board – Non-Independent Member)**
- **Dr. Anas bin Abdullah Al-Eissa (Non-Independent Member)**
- **Mr. Ali bin Abdullah Al-Segayh (Independent Member)**
- **Mr. Abdulaziz bin Saleh Al-Omair (Independent Member)**

b. Summary of the Qualifications of the Fund's Board Members

Mr. Nawaf bin Waleed Al-Ghemlas (Chairman of the Board – Non-Independent Member)

Mr. Nawaf Al-Ghemlas serves as Head of Wealth Management at Al Rajhi Capital and has more than 15 years of experience in the financial sector. Mr. Nawaf served as Regional Manager of Corporate Banking at Al Rajhi Bank. Prior to that, he worked in corporate banking at Riyad Bank, Banque Saudi Fransi and the Saudi British Bank, in addition to other entities. Mr. Nawaf holds a bachelor's degree in Finance from Prince Sultan University in Riyadh.

Dr. Anas bin Abdullah Al-Eissa (Non-Independent Member)

Dr. Anas Al-Eissa serves as Secretary of the Shariah Committee and Head of the Shariah Department at Al Rajhi Capital. He holds a PhD from the Higher Judicial Institute at Imam Mohammad Ibn Saud Islamic University, as well as a master's degree and a bachelor's degree in Shariah from the same university. He worked in the Shariah Group at Al Rajhi Bank and has contributed to the fields of Shariah and legal advisory and training.

Mr. Ali bin Abdullah Al-Segayh (Independent Member)

Mr. Ali Al-Segayh currently serves as Head of Governance, Risk and Compliance at a government entity. Prior to that, he served as Head of Governance, Risk and Compliance at the Riyadh Region Municipality. He also served as Deputy Chief Executive Officer of the National Risk Management Unit and, before that, as an Advisor at the Ministry of Economy and Planning. Mr. Ali previously worked in the private sector, most notably as Head of Compliance and Anti-Money Laundering at Jadwa Investment, and before that at Gulf International

Bank and JP Morgan Chase Bank, in addition to his work at the Capital Market Authority. Mr. Ali holds a master's degree in Business Administration from Alfaisal University and a bachelor's degree in Management Information Systems and Leadership Management from New Mexico State University.

Mr. Abdulaziz bin Saleh Al-Omair (Independent Member)

Mr. Abdulaziz bin Saleh bin Abdulaziz Al-Omair currently serves as Chief Executive Officer of Wasl Commercial Investment Company, a position he has held since 2012G. Prior to joining Wasl, he served as Head of Sales and Key Investors at Al Rajhi Capital. He has more than 15 years of experience in corporate finance, investment services and marketing. He also serves as a member of the board of directors of Al Rajhi REIT Fund, Arabian Shield Cooperative Insurance Company, Bidaya Home Finance Company and a number of commercial and industrial companies. He holds a bachelor's degree in Business Administration from Webster University in Geneva, Switzerland.

Description of the Roles and Responsibilities of the Fund Board

The role of the Fund Board and the nature of the services provided by the Board are as follows:

The responsibilities of the Fund Board members include the following:

1. Approving all material contracts, resolutions and reports to which the public fund is a party, including, without limitation, approving contracts for the provision of fund management services and custody services. This shall not include contracts entered into pursuant to investment decisions in respect of any investments made, or to be made in the future, by the Fund.
2. Approving a written policy in relation to the voting rights attached to the Fund's assets.
3. Supervising and, where appropriate, approving or ratifying any conflicts of interest disclosed by the Fund Manager.
4. Meeting at least twice annually with the Compliance Committee of the Fund Manager, or its Compliance Officer, to review the Fund's compliance with all applicable laws, rules and regulations, including, without limitation, the requirements set out in the Investment Funds Regulations and any amendments thereto.
5. Approving all changes stipulated in Articles 62 and 63 of the Investment Funds Regulations and any amendments thereto before the Fund Manager obtains the approval of, or notifies, the Unitholders and the Authority, as applicable.

6. Ensuring the completeness and accuracy of the Fund's Terms and Conditions and any other document, whether a contract or otherwise, containing disclosures relating to the public fund, the Fund Manager and its management of the public fund, in addition to ensuring that the foregoing complies with the provisions of the Investment Funds Regulations and any amendments thereto.
7. Ensuring that the Fund Manager discharges its responsibilities in a manner that serves the interests of the Unitholders, in accordance with the provisions of the Investment Funds Regulations and any amendments thereto and the Fund's Terms and Conditions.
8. Reviewing the report containing the assessment of the performance and quality of the services provided by the parties responsible for providing material services to the Fund, as referred to in paragraph (l) of Article 9 of the Investment Funds Regulations, in order to ensure that the Fund Manager discharges its responsibilities in a manner that serves the interests of the Unitholders, in accordance with the Fund's Terms and Conditions and the provisions of the Investment Funds Regulations and any amendments thereto.
9. Assessing the mechanism by which the Fund Manager deals with the risks relating to the Fund's assets, in accordance with the Fund Manager's policies and procedures for monitoring the risks relating to the Fund and addressing them.
10. Acting honestly, in good faith, and with due care, skill, diligence and prudence, in a manner that serves the interests of the Unitholders.
11. Recording minutes of meetings, including all proceedings of the meetings and the resolutions adopted by the Fund Board.
12. Reviewing the report containing all complaints and the actions taken in respect thereof, as referred to in paragraph (m) of Article 9 of the Investment Funds Regulations and any amendments thereto, in order to ensure that the Fund Manager discharges its responsibilities in a manner that serves the interests of the Unitholders, in accordance with the Fund's Terms and Conditions and the provisions of the Investment Funds Regulations and any amendments thereto.

c. Details of the Remuneration of the Fund Board Members

The remuneration expected to be paid to the Fund Board shall form part of the Fund's Management Fee.

d. Statement of Any Actual or Potential Conflict between the Interests of a Fund Board Member and the Interests of the Fund

The Fund Board members may be members of other investment funds with investment objectives similar to those of the Fund, whether managed by the Fund Manager or by any other fund manager. Accordingly, in the course of performing his duties, a Fund Board member may find himself in a position involving a potential conflict of duties or interests with one or more funds. In such cases, the Board member shall observe his obligations to act in the interests of the relevant Unitholders, according to his role and responsibility as a Fund Board member, by acting honestly, in good faith and with due diligence to the extent practicable, without disregarding his obligations towards the clients of other funds when considering any potential conflict of interest. In cases that require voting, such member shall abstain from voting if the Fund Board members consider it necessary. As at the date of preparation of the Fund's Terms and Conditions, there is no actual conflict between the interests of any Fund Board member and the interests of the Fund.

e. Fund Boards on Which a Fund Board Member Serves

The investor in this Fund acknowledges that the Fund Board members may hold similar memberships in other investment funds. The Fund Manager shall endeavour to disclose and update, from time to time, the names of all investment funds managed by the company in which one or more of the Fund Board members serve. The following table sets out the current memberships of the Fund Board members in licensed investment funds operating in the Kingdom of Saudi Arabia.

	Non-Independent Member		Independent Member	
Fund Name	**Mr. Nawaf Al-Ghemlas (Chairman of the Board)**	**Dr. Anas Al-Eissa**	**Mr. Abdulaziz Al-Omair**	**Mr. Ali Al-Sugayh**
Al Rajhi Petrochemicals Fund	✓	✓	✓	✓
Al Rajhi Fund Cap-Large	✓	✓	✓	✓
Al Rajhi Real Estate Monthly Distribution Fund	✓	✓	✓	✓
Al Rajhi Takaful Endowment Fund	✓	✓	✓	✓
Al Rajhi Tarahum Endowment Fund	✓	✓	✓	✓

Al Rajhi Awaeed Fund	✓	✓	✓	✓
Al Rajhi Monthly Distribution Fund 2	✓	✓	✓	✓
Al Rajhi Mid/Small-Cap Fund	✓	✓	✓	✓
Al Rajhi Momentum Fund	✓	✓	✓	✓
Al Rajhi Inclusion Fund	✓	✓	✓	✓
Al Rajhi Monthly Distribution Fund	✓	✓	✓	✓
Al Rajhi Saving and Liquidity Fund - SAR	✓	✓	✓	✓
Al Rajhi Saving and Liquidity Fund - USD	✓	✓	✓	✓
Al Rajhi Sukuk Fund	✓	✓	✓	✓
Al Rajhi Balanced Fund	✓	✓	✓	✓
Al Rajhi Growth Fund	✓	✓	✓	✓
Al Rajhi Conservative Fund	✓	✓	✓	✓
Al Rajhi Saudi Equity Fund	✓	✓	✓	✓
Al Rajhi GCC Equity Fund	✓	✓	✓	✓
Al Rajhi Global Equity Fund	✓	✓	✓	✓
Al Rajhi Arab Equity Markets Fund	✓	✓	✓	✓
Al Rajhi Materials Sector Equity Fund	✓	✓	✓	✓
Al Rajhi MSCI Saudi Multi Factor Index Funds	✓	✓	✓	✓
Al Rajhi Growth and Dividends Fund	✓	✓	✓	✓

Al Rajhi Freestyle Saudi Equity Fund	✓	✓	✓	✓
Al Rajhi Diversified Distribution Fund	✓	✓	✓	✓
Al Rajhi Enhanced Savings Fund	✓	✓	✓	✓
Health Associations Endowment Fund	✓	✓		✓
Orphans Associations Endowment Fund	✓	✓		✓
Autism Associations Endowment Fund		✓		✓
Quran Associations Endowment Fund	✓	✓		✓
Eastern Region Associations Endowment Fund	✓	✓		✓
Doyof Al Rahman Associations Endowment Fund	✓	✓		✓
ALSuqia Association Endowment Fund	✓	✓		✓
Al Rajhi Endowment Fund	✓	✓		✓
Health Awqaf Fund	✓	✓		✓
Al-Shifa Health Endowment Fund	✓	✓		✓
Al Rajhi REIT Fund	✓		✓	
Al Rajhi Real Estate International Fund	✓	✓	✓	✓
Al Rajhi Sukuk International Fund	✓	✓	✓	✓
Al Rajhi Capital Real Estate Development Opportunities Fund (1)			✓	

Al Rajhi Elite Real Estate Fund	✓			
Al Rajhi Capital Real Estate Opportunities Fund (12)			✓	
Lifestyle Hospitality Fund			✓	

25) Shariah Supervisory Committee:

a) Names and Qualifications of the Shariah Supervisory Committee Members

The Shariah Supervisory Committee of the Fund consists of three (3) members, as follows:

His Eminence Sheikh Dr. Saleh bin Mansour Al-Jarboa (Chairman)

Sheikh Saleh obtained his bachelor's degree, master's degree and PhD from Imam Mohammad Ibn Saud Islamic University. He serves as Chairman of the Shariah Board at Al Rajhi Takaful Cooperative Insurance Company. He is also a lawyer and an accredited arbitrator at the GCC Commercial Arbitration Centre in Bahrain.

His Eminence Sheikh Dr. Saad bin Turki Al-Khathlan (Member)

Sheikh Saad obtained his bachelor's degree, master's degree and PhD from Imam Mohammad Ibn Saud Islamic University. He currently serves as a Professor in the Department of Fiqh at the College of Shariah, Imam Mohammad Ibn Saud Islamic University, Riyadh. He is a former member of the Council of Senior Scholars in the Kingdom of Saudi Arabia.

His Eminence Sheikh Dr. Abdullah bin Mohammed Al-Luhaidan (Member)

Dr. Abdullah obtained his bachelor's degree, master's degree and PhD from Imam Mohammad Ibn Saud Islamic University. He currently works as a lawyer and arbitrator in Riyadh. He previously served as a judge and judicial inspector at the Ministry of Justice.

b) Roles and Responsibilities of the Shariah Supervisory Committee

The role of the Shariah Supervisory Committee shall be as follows:

1. Reviewing and examining the Fund's Terms and Conditions, objectives and investment policies to ensure their compliance with Shariah provisions.

2. Providing Shariah opinion to the Fund Manager with respect to compliance with Shariah provisions.
3. Determining the Shariah controls and provisions with which the Fund Manager shall comply in the course of managing the Fund's investments.
4. Establishing a mechanism for calculating the element that must be excluded from the Fund, if any, and ensuring that it is excluded.
5. Monitoring the Fund's investments and activities in accordance with the Shariah standards approved by the Shariah Supervisory Committee.

c) Details of the Remuneration of the Shariah Supervisory Committee Members

The Fund shall not bear any costs for Shariah advisory services.

d) Details of the Criteria Applied to Determine the Shariah Compliance of Assets Intended for Investment, the Periodic Review of Such Assets, and the Procedures Followed in the Event of Non-Compliance with the Shariah Standards Approved by the Shariah Supervisory Committee Appointed for the Fund

The Fund shall be governed by the controls for investment and trading in shares and commodities issued by the Shariah Supervisory Committee of the Fund Manager, which include the following:

First: Controls for Commodity Murabaha Funds

Definition of Mudarabah: Mudarabah is an arrangement whereby a person provides funds to another person to trade with such funds, and the profit is shared between them as agreed. The Mudarabah in this Fund is a form of collective Mudarabah, which is defined here as a contract between the capital providers (the Unitholders) and the Mudarib (the Fund Manager), whereby the Mudarib shall invest their funds in an activity expected to generate an appropriate profit. The profit shall be distributed between them as agreed, and in the event of loss, the financial loss shall be borne by the capital providers, while the Mudarib loses its effort.

Shariah Standards Approved by the Shariah Supervisory Committee Appointed for the Fund**:**

a. Where the Fund invests in other funds managed by Al Rajhi Capital, the Fund shall be governed by the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund Manager, which include the following:

b. Where the Fund enters into transactions involving the purchase of commodities (metals) and their subsequent sale on a deferred-payment basis, the Fund Manager shall comply with the following:

- The commodities must be owned by the Fund and specifically allocated to it, by number and location, pursuant to the relevant documents, before being sold to the purchaser.
- The Fund shall not sell or purchase commodities in respect of which deferment is impermissible, such as gold, silver and currencies.
- The Fund shall not purchase from the client any commodity that it has sold to such client on a deferred-payment basis.
- If the Fund sells a commodity to a client, it shall not sell such commodity, as agent on behalf of the client, to the party from which the Fund purchased it for itself.

c. The Fund units shall not be traded except after the Fund has commenced its activities and continues to carry on such activities through its investment assets.

d. The Fund units shall not be traded after the Fund has ceased carrying on its activities, such as cessation for liquidation, if the Fund's assets include debts or cash. In such case, the rules and conditions of currency exchange and the rules governing the sale of debt must be applied.

Second: Controls for Equity Funds

The Fund shall be governed by the controls for investment and trading in shares issued by the Shariah Supervisory Committee of the Fund Manager, as follows:

Joint stock companies, in terms of their purposes, activities, and the controls governing dealings in their shares, are divided into three types:

Type One: Joint stock companies with permissible purposes and activities. Investment and trading in the shares of such companies shall be permissible in accordance with the terms and rules of sale.

Type Two: Joint stock companies with impermissible purposes and activities, such as companies engaged in alcohol, tobacco and pork products, gambling companies, interest-based banks, companies engaged in immoral activities and indecent films, investment funds investing in interest-bearing bonds, and companies specialised in trading and dealing in debts. Investment and trading in the shares of such companies shall be absolutely impermissible.

Type Three: Joint stock companies whose purposes and activities are permissible, but certain impermissible matters may arise in some of their dealings, such as dealing in riba through borrowing or deposits. With respect to this type of joint stock company (Type Three), the Shariah Supervisory Committee has resolved as follows:

First: Investment and trading in the shares of this type of joint stock company shall observe the following controls:

- The permissibility of dealing in the shares of such companies is subject to need. If there are joint stock companies that comply with the avoidance of riba-based dealings and satisfy the relevant need, such companies must be relied upon to the exclusion of others that do not comply with this requirement.
- The total amount borrowed on the basis of riba, whether long-term or short-term borrowing, shall not exceed (33%) of the total market value, unless such value is lower than the book value. It should be noted that riba-based borrowing is prohibited, regardless of its amount. The market value shall be calculated based on its average value for each quarter of the year.
- The amount of income generated from an impermissible element shall not exceed (5%) of the company's total income, whether such income is generated from interest-bearing investment, the conduct of an impermissible activity, the ownership of an impermissible asset or otherwise. If certain income is not disclosed, an effort shall be made to identify it, with due regard to prudence in this respect.
- The percentages specified above are based on juristic discretion and may be reconsidered as appropriate.

Second: If the circumstances of the companies change such that the foregoing controls no longer apply to them, prompt disposal thereof by selling their shares shall be required, to the extent possible, provided that the waiting period shall not exceed ninety (90) days from the date of becoming aware of such change.

Third: The company's activities and the prescribed ratios for the permissibility of investing and trading in its shares shall be determined by reference to the most recent financial statements issued for that purpose, whether annual, quarterly or monthly, and whether audited or unaudited.

Fourth: It shall not be permissible to participate in the establishment of companies whose articles provide for impermissible dealings in their activities or purposes.

Fifth: The company shall apply the above-mentioned controls to investment and trading in shares. Investment means the acquisition of a share with the intention of earning its return, i.e. its annual profit, while trading means buying and selling with the intention of profiting from the difference between the two prices. This shall apply whether the company undertakes such activity itself or through others, and whether the company's dealings are for its own account or for the account of others by way of intermediation (brokerage), as in the case of trading brokerage, or by way of managing third-party funds, as in investment funds, whether on an Ijarah or Mudarabah basis, or by way of agency on behalf of others and appointing others as agents, as in the management of investment portfolios.

Sixth: The Fund Manager shall exclude the impermissible element from shares and other securities in accordance with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund.

26) Investment Adviser:

N/A

27) Distributor:

N/A

28) Auditor:

a) Name of the Auditor

Deloitte and Touche & Co. - Chartered Accountants

b) Registered Address and Business Address of the Auditor

Metro Boulevard – Al-Aqiq, King Abdullah Financial District, P.O. Box 213, Riyadh 11411, Kingdom of Saudi Arabia

Metro Boulevard – Al-Aqiq, King Abdullah Financial District, P.O. Box 213 - Riyadh 11411, Saudi Arabia

www.deloitte.com

c) Key Roles and Responsibilities of the Auditor in relation to the Fund

The Auditor's responsibility is to express an opinion on the financial statements based on the audit work it performs, which shall be conducted in accordance with the auditing standards generally accepted in the Kingdom of Saudi Arabia. Such standards require the auditor to comply with the requirements of professional ethics, and to plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. The Auditor's responsibilities also include performing procedures to obtain audit evidence supporting the amounts and disclosures presented in the financial statements. In addition, the Auditor shall assess the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates used, as well as evaluating the overall presentation of the financial statements.

d) Provisions Governing the Replacement of the Fund's Auditor

Deloitte and Touche & Co. Chartered Accountants shall be the external auditor of the Fund. The Fund Manager reserves the right to change the Auditor as it deems appropriate, after obtaining the approval of the Fund Board. The Fund Board members shall have the right to reject the appointment of the Auditor or direct the Fund Manager to change the appointed Auditor in any of the following cases:

- There are existing and significant allegations of professional misconduct against the Auditor relating to the performance of its duties.
- The Fund's Auditor is no longer independent.
- The Auditor of the public fund is no longer registered with the Authority.
- The Fund Board determines that the Auditor does not have the qualifications and experience sufficient to perform the audit duties satisfactorily.
- The Authority, at its sole discretion, requests the replacement of the Auditor appointed in relation to the Fund.

29) Fund Assets:

- The Fund's assets shall be held by the Custodian for the benefit of the Fund.
- The Custodian shall segregate the Fund's assets from its own assets and from the assets of its other clients.
- The assets of an investment fund shall be deemed to be owned by the Unitholders of that fund collectively as common ownership. The Fund Manager, Sub-Fund Manager, Fund Operator, Custodian, Sub-Custodian, adviser or distributor shall not have any interest in, or claim against, the Fund's assets, unless the Fund Manager, Sub-Fund Manager, Fund Operator, Custodian, Sub-Custodian, adviser or distributor is a Unitholder in the Fund, to the extent of its ownership, or such claims are permitted under the provisions of the Investment Funds Regulations and any amendments thereto and are disclosed in the Fund's Terms and Conditions.

30) Complaint Handling:

The Fund Manager shall receive complaints from investors in the Fund through the Customer Service Unit at the toll-free number 8001245858, by fax at 011/4600625, or through the investment centres.

- If the competent judicial authorities or the Capital Market Authority request the outcome of any complaint submitted by any investor in the Fund, the Fund Manager shall provide them with all documents related to the matter.
- The Fund Manager shall provide investors with the procedures for handling complaints upon request.
  If a settlement cannot be reached, or if no response is received within fifteen (15) Business Days, the subscriber shall have the right to file his complaint with the Capital Market Authority – Investor Protection Department. The subscriber shall also have the right to file his complaint with the Committee for the Resolution of Securities Disputes after the lapse of ninety (90) calendar days from the date of filing the complaint with the Authority, unless the Authority notifies the complainant that the complaint may be filed with the Committee before the expiry of such period.

31) Other Information:

a. Conflict of Interest Policies

The policies and procedures relating to the handling of conflicts of interest shall be provided upon request free of charge.

b. Competent Judicial Authority for Considering Any Dispute Arising from or in connection with Investment in the Funds

The Fund's Terms and Conditions shall be governed by the laws and regulations of the Kingdom of Saudi Arabia in force, and any future amendments thereto, in a manner consistent with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund and adopted by Al Rajhi Capital. Any dispute arising between the Fund Manager and the investors shall be referred to the Committee for the Resolution of Securities Disputes.

c. List of Documents Available to Unitholders

Unitholders shall have the right to review the Fund's Terms and Conditions, each contract referred to in the Fund's Terms and Conditions, and the financial statements of the Fund Manager.

d. **Any Other Information Known, or Which Should Reasonably Be Known, to the Fund Manager or the Fund Board, and Which May Reasonably Be Requested by Current or Potential Unitholders or Their Professional Advisers, or Which Is Expected to Be Included in the Fund's Terms and Conditions upon Which an Investment Decision Will Be Made**

N/A

e. **Any Exemptions from the Restrictions of the Investment Funds Regulations Approved by the Capital Market Authority, Other than Those Mentioned in the Investment Policies and Practices**

N/A

32) Additional Information Requirements:

1. Unitholders of Al Rajhi MSCI Saudi Equity ETF acknowledge and agree to the Fund's Terms and Conditions by subscribing to the Fund.
2. The Fund shall have two valuation points:

- NAV of the Fund and NAV per unit at the end of the business day (NAV): This shall be calculated by determining the total value of the Fund's assets based on the daily closing prices at the end of the day in the Saudi market, in accordance with the official business days, together with the available cash component, less the accrued fees calculated at the end of the business day. The result shall then be divided by the number of outstanding units to calculate the NAV per unit. The Fund's assets shall be valued on the official business days of the Saudi market, and the NAV per unit shall be announced at the end of each trading day in the Saudi market.
- Indicative Net Asset Value per Unit (iNAV): This shall be calculated by determining the total value of the Fund's assets based on the latest price and the available cash component. Any accrued fees calculated based on the Fund's NAV as at the end of the last trading day in the Saudi market shall then be deducted, and the result shall be divided by the number of outstanding traded units. The iNAV shall be announced during trading hours in the Saudi market and updated every 15 seconds.

The iNAV per unit and the NAV per unit shall be announced on the Fund Manager's website: https://alrajhi-capital.sa/ar and on the Saudi Exchange website:

www.saudiexchange.sa. Accurate and updated information on registered Unitholders shall also be maintained by the Securities Depository Center (Edaa).

3. The Market Maker is Al Rajhi Capital. The ETF Fund Manager shall have the right to appoint one or more Capital Market Institutions licensed to conduct dealing activities to act as Market Maker for the Fund.

Functions of the Market Maker:

- Seeking to provide liquidity by continuously entering buy and sell orders during trading hours.
- Entering a buy order and a sell order within a specified price range of (2%) of the Indicative Net Asset Value (iNAV) per Unit published by the Fund Manager.
- Maintaining orders on a continuous basis during trading and until five minutes before market close. The Market Maker may enter orders during trading hours.
- The Market Maker shall submit a subscription request to issue Units, or request redemption to cancel units, in coordination with the Fund Manager and the Custodian.
- Contributing to the stability of the price and demand for Fund Units in the market by intervening to increase the supply of, or demand for, the units when necessary.
- Providing initial liquidity to the Primary Market for the creation of trading units, whereby the Market Maker shall create units of the Fund and offer them in the market.
- The Market Maker shall exert its best efforts in market making, with the aim of seeking to keep the trading price close to the Indicative unit price during trading.
- The Market Maker shall conduct market making activities and seek to create a balance between the bid and ask prices of the Fund units, based on the latest value per unit.
- In the event of in-kind exchange procedures for the basket of shares between the Fund Manager and the Market Maker for the purpose of creating units in the Fund or cancelling existing units of the Fund, the units shall be valued based on the market closing price, while the components of the basket shall be valued based on the latest NAV per unit.

4. There is no guarantee as to the accuracy or matching of the Fund's performance and the performance of the Index.

5. While the Fund seeks to replicate the performance of its Benchmark Index, whether through a replication or optimisation strategy, there is no guarantee that it will achieve perfect replication. The Fund Manager also relies on the index licence granted by the third-party index provider to use and track the Benchmark Index of its Fund. If the index provider terminates or changes the index licence, this will affect the Fund's ability to continue using and replicating its Benchmark Index to achieve its investment objective. The Fund Manager or

any of its affiliates shall not be liable in the event of any financial loss to the Fund, unless such loss results from its misconduct or negligence.

6. **Brief Description of the Index Methodology and Rules:**
   The MSCI Saudi Arabia Domestic Total Market Islamic M-Series Index is designed to represent the performance of large-, mid-, small-, and micro-cap equities in the Saudi equity market. The Index follows a weekly trading calendar from Sunday to Thursday.

   .
7. Index information is available on the website of the index provider, MSCI, and on the Fund Manager's website.
8. **Statement of Any Circumstance or Circumstances That May Affect the Accuracy and Completeness of the Index Calculation:**
   Exceptional circumstances that may affect the accuracy and completeness of the Index calculation may arise as a result of technical system failures in transmitting and updating prices directly and accurately.
9. **Description of the Fund Manager's Plan if the Index Calculation Is Suspended by the Service Provider:**
   In such case, the Fund Manager shall rely on another service provider. If the index provided by the alternative service provider differs, the Fund Manager shall take all required procedures and obtain the necessary approvals from the Unitholders and the relevant parties to use the new index.
10. **Statement of the Tracking Difference Margin against the Index**

    The Fund Manager seeks to maintain a Tracking Difference margin compared with the performance of the Index, with a maximum of 2% annually after deducting fees and expenses, while reducing the Tracking Difference margin between the Fund's performance and the Index's performance to the minimum possible level. However, there is no guarantee that the Fund Manager will be able to match the performance of the Index.

33) Acknowledgement by the Unitholder:

The Unitholder shall be deemed to have signed and accepted the Terms and Conditions of Al Rajhi MSCI Saudi Equity ETF upon purchasing any unit of the Fund. The Unitholder shall also be deemed to acknowledge and agree to the characteristics of the units subscribed for.