



**SEDCO Capital Global Sukuk Public  
Feeder Fund**

**TERMS AND CONDITIONS**



“An open-ended feeder public investment fund, Shariah-compliant, established in accordance with the provisions of the Investment Funds Regulations issued by the Board of the Capital Market Authority in the Kingdom of Saudi Arabia”

#### Fund Manager:



**Saudi Economic and Development Securities Company (SEDco Capital)**  
CMA License No. (11157-37)

#### Acknowledgements and Explanatory Statement

The Fund's Terms and Conditions have been reviewed and approved by the Fund's Board of Directors. The Fund Manager and the members of the Fund's Board of Directors are jointly and severally responsible for the accuracy and completeness of the information contained in these Terms and Conditions. Furthermore, the members of the Fund's Board of Directors and the Fund Manager acknowledge and confirm the correctness and completeness of the information contained in these Terms and Conditions and confirm that the information and data contained herein are not misleading.

The Capital Market Authority has approved the offering of the Fund's Units. The Authority does not bear any responsibility for the contents of these Terms and Conditions, nor does it provide any assurance regarding their accuracy or completeness. The Capital Market Authority does not make any recommendation regarding the feasibility of investing in the Fund, and its approval of the offering of the Fund's Units should not be considered as a recommendation to invest in the Fund. The decision to invest in the Fund lies with the Investor or its representative.

SEDco Capital Global Sukuk Public Feeder Fund has been certified as being Shariah compliant by the Shariah Supervisory Committee appointed for the investment Fund.

The Terms and Conditions of the investment Fund and all other documents are subject to the Investment Funds Regulations and contain complete, clear, correct, and non-misleading information about the investment Fund, and are up to date and amended.

Investors must read and understand the Fund's Terms and Conditions along with its other documents before making an investment decision. The Fund's performance can also be reviewed in its reports.

Investors are advised to read and understand the Fund's Terms and Conditions. In case of difficulty in understanding these Terms and Conditions, consulting a professional advisor for guidance is recommended.

Date of CMA Notification for Fund Unit Offering  
13/10/2025

Date of Issuance of Terms and Conditions  
13/10/2025

CEO  
**Abdulwahab Abed**

Chief Governance and Compliance Officer  
**Montaser Foudah**



This document is an unofficial English translation of the official Arabic document and is provided for information purposes only. The Arabic document published on the CMA's website ([www.cma.org.sa](http://www.cma.org.sa)) remains the only official, legally binding version and shall prevail in the event of any conflict between the two languages versions.

## Terms and Conditions Guide

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Fund Summary	
<b>Fund Name</b>	SEDCO Capital Global Sukuk Public Feeder Fund.
<b>Fund Category/Fund Type</b>	An open-ended feeder public investment fund, Shariah-compliant.
<b>Fund Manager Name</b>	Saudi Economic and Development Securities Company (SEDCO Capital).
<b>Fund Objective</b>	The Fund aims to achieve long-term capital growth for its unitholders by primarily investing in the SEDCO Capital Global Sukuk Fund ("the Master Fund"), which is Shariah-compliant and registered in Luxembourg. The Fund specifically seeks to invest in the Master Fund, which in turn invests in a diversified portfolio of U.S. dollar-denominated sukuk. The investment objective of the Master Fund is to outperform its benchmark index. The Fund will not distribute any dividends, as it aims to reinvest the profits generated by the Master Fund.
<b>Risk Level</b>	High Risk.
<b>Minimum Subscription and Redemption</b>	Minimum Subscription: 10 Saudi Riyals.
	Minimum Additional Subscription: 1 Saudi Riyals.
	Minimum Redemption: 10 Saudi Riyals.
<b>Days of Dealing/Valuation</b>	Every Business Day of the week (Sunday to Thursday).
<b>Days of Announcement</b>	The Fund Manager will publish Unit prices on the Business Day following the dealing/valuation day on the website of the Saudi Stock Exchange (Tadawul) and on the Fund Manager's website.
<b>Redemption Payment Date</b>	A maximum of five (5) Business Days from the valuation day for the purpose of redemption based on the published Net Asset Value (NAV).
<b>Unit Price at Initial Offering (Nominal Value)</b>	Ten (10) Saudi Riyals.
<b>Fund Currency</b>	Saudi Riyals.
<b>Fund Duration and Maturity Date</b>	The Fund is open-ended with no specific duration or maturity date.
<b>Fund Start Date</b>	The inception date will be decided after the offering period is complete
<b>Terms and Conditions Issuance Date, and its last update</b>	13/10/2025
<b>Early Redemption Fee</b>	Not applicable.
<b>Benchmark Index</b>	<p>The benchmark for the Master Fund is Dow Jones Sukuk Total Return (ex-Reinvestment) (DJSUKTXR) (Bloomberg ticker symbol: DJSUKTXR)</p> <p>The Benchmark Index provider is Standard &amp; Poor's Dow Jones Indices LLC (the "Index Provider"), which is not affiliated with the Master Fund or the Master Fund Manager.</p> <p>The Index Provider determines the composition of the Benchmark Index, the relative weights of the securities in the Benchmark Index and publishes information regarding the market capitalization of the Benchmark Index.</p>
<b>Fund Operator Name</b>	Saudi Fransi Capital Company.



<b>Custodian Name</b>	Saudi Fransi Capital Company.
<b>Auditor Name</b>	Ernst & Young Professional Services.
<b>Management Fees</b>	The Fund Manager is entitled to a Fund management fee equivalent to 0.8% of the Fund's Net Asset Value per year. This fee is calculated on an annual basis each Business Day and deducted and paid to the Fund Manager at the end of each Gregorian month. Note that the Feeder Fund management fee does not include the fees applicable to the Master Fund. The Master Fund management fee is 0.25% of the fund's net asset value.
<b>Subscription and Redemption Fees</b>	Subscription Fee: up to 1.5% of the subscription value. Redemption Fee: Not applicable. Early Redemption Fee: Not applicable.
<b>Custodian Fees</b>	The Fund pays a fee to the Custodian equivalent to (0.04%) of the Net Asset Value annually, with a minimum of (35,000) Saudi Riyals.
<b>Fund Operator Fees</b>	The Fund pays fees to the Fund Operator equivalent to (0.03%) of the Net Asset Value annually, up to a limit of (15,000) Saudi Riyals.
<b>Dealing Expenses</b>	These fees are paid by the Fund based on the actual cost, and the total amount will be disclosed in the Fund's reports.
<b>Other Fees and Expenses</b>	The Fund Manager has the right to charge the Fund for all other expenses and costs resulting from the Fund's activities. These expenses and costs include, but are not limited to, banking transaction costs, currency exchange fees, printing and publishing fees for periodic reports and Unitholder meetings. In all cases, only the actual fees and costs will be deducted in addition to the taxes imposed by law, with a maximum of (1%) of the Fund's Net Asset Value (NAV) annually.
<b>Performance Fees</b>	Not applicable.

## Terms and Definitions

- (1) **Kingdom or Saudi Arabia:** The Kingdom of Saudi Arabia.
- (2) **Authority or CMA:** The Capital Market Authority in the Kingdom.
- (3) **Capital Market Law:** The Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H, including any amendments made from time to time.
- (4) **Investment Funds Regulations:** Investment Funds Regulations issued by the Board of the Authority in the Kingdom of Saudi Arabia pursuant to Resolution 1-219-2006 dated 03/12/1427H corresponding to 24/12/2006G based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H and amended by CMA Board Resolution No. 2-22-2021 dated 12/07/1442H corresponding to 24/02/2021, and any other amendments that may occur thereto.
- (5) **Capital Market Institutions Regulations:** The Capital Market Institutions Regulations issued by the Board of the Authority under Resolution No. 1-83-2005 dated 21/05/1426H, corresponding to 28/06/2005G, pursuant to the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H, and amended by the CMA Board Resolution No. 4-122-2024 dated 13/04/1446H, corresponding to 16/10/2024G, and any other amendments that may occur thereto.
- (6) **Anti-Money Laundering Law:** Anti-Money Laundering Law issued by Royal Decree No. (M/20) dated 05/02/1439H corresponding to 25/10/2017G.



- (7) **Fund Manager:** Saudi Economic and Development Securities Company (SEDCO Capital).
- (8) **Fund Operator:** Saudi Fransi Capital Company.
- (9) **Custodian:** Saudi Fransi Capital Company.
- (10) **Board of Directors or Board of Directors of the Fund:** Refers to the board whose members are appointed in accordance with the provisions of the Investment Funds Regulations and as stipulated in these Terms and Conditions, to oversee the duties of the Fund Manager.
- (11) **Units:** The share of any holder in the Fund, which consists of Units or parts thereof, with each Unit being considered as representing an undivided share in the net Assets of the Fund.
- (12) **Initial Offering Period:** The period during which the Fund's Units are offered for subscription in accordance with these Terms and Conditions.
- (13) **Net Asset Value (NAV) of the Fund:** The total value of the Fund Assets minus its liabilities.
- (14) **Total Asset Value of the Fund:** The value of the Fund Assets as assessed in accordance with the asset valuation methods specified in these Terms and Conditions.
- (15) **Unitholder, Investor, Subscriber, or Client:** These terms are synonymous and are used to refer to a person who owns Units in the Fund in accordance with these Terms and Conditions, representing an undivided share in the Net Asset Value (NAV) of the Fund.
- (16) **The Fund:** SEDCO Capital Global Sukuk Public Feeder Fund.
- (17) **Master Fund:** SEDCO Capital Global Sukuk Fund.
- (18) **Feeder Fund:** An investment fund whose primary investment objective is to invest all of its assets in another investment fund.
- (19) **Open-Ended Fund or Open-Ended Investment Fund:** An investment fund with changing capital, the units of which would increase with the issuance of new units, and decrease with redemption by unitholders of some or all of their units. Unitholders are entitled to redeem the value of their units at their net asset value on dealing days set in the fund's terms and conditions in accordance with the Investment Funds Regulations.
- (20) **Calendar Day:** Means any day, whether a Business Day or not.
- (21) **Business Day:** A Business Day in the Kingdom of Saudi Arabia according to the official working days of the Authority.
- (22) **Terms and Conditions:** Refers to these Terms and Conditions, which govern the operation of the Fund and the relationship between the Fund Manager and Investors and are signed between the Fund Manager and the Unitholders.
- (23) **Fund Assets or Investments:** Refers to all the Fund Assets and Investments, which include cash and cash equivalents such as bank deposits, securities, and any other assets, whether tangible or intangible, that the Fund may own.
- (24) **Value Added Tax (VAT):** An indirect tax imposed on all goods and services bought and sold by businesses, with some exceptions. VAT is levied at each stage of the supply chain, from production and distribution to the final sale of the good or service, in accordance with the VAT Law issued by Royal Decree No. (M/113) dated 02/11/1438H and its implementing regulations, including any amendments that may occur.
- (25) **Ordinary Fund Resolution:** Means a resolution requiring the approval of Unitholders representing more than 50% of the total Units held by those present at a Unitholders' meeting, whether attending in person, by proxy, or through modern technological means.
- (26) **Special Fund Resolution:** Means a resolution requiring the approval of Unitholders representing 75% or more of the total Units held by those present at a Unitholders' meeting, whether attending in person, by proxy, or through modern technological means.
- (27) **Fund Currency or Saudi Riyal:** Refers to the Saudi Riyal, the official currency of the Kingdom, which is used for the valuation of Unit prices.





- (28) **Subscription Form:** The document used to subscribe to the Fund and purchase its Units, along with any required documents in accordance with the regulations of the Authority and the Anti-Money Laundering Law and its implementing regulations. It includes any attached information signed by the Client for the purpose of subscribing to and purchasing Units of the Fund, subject to the Fund Manager's approval.
- (29) **Zakat Authority:** The Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia.
- (30) **G:** Gregorian calendar.
- (31) **H:** Hijri calendar.
- (32) **Accountants Authority:** The Saudi Organization for Certified Public Accountants.
- (33) **Exceptional Circumstances:** Refers to any situations beyond the control of the Fund Manager, which the Fund Manager believes, if they occur (or any of them), could negatively and unusually affect the Fund Assets due to various political, economic, or regulatory factors. These include, but are not limited to, an economic crisis, force majeure, war, currency collapse, general government decisions, or government decisions related to precautionary and preventive measures, wars, civil unrest, civil disobedience, natural disasters, economic blockade, trade boycott, legislative decisions of the markets, suspension of trading, inability to communicate with the market for any reason such as computer system failure, or any reason beyond the control of the Fund Manager.
- (34) **Shariah Supervisory Committee:** is a specialized committee composed of Islamic Sharia scholars, responsible for reviewing and approving investment funds to ensure their compliance with the provisions and principles of Islamic Sharia. The committee oversees the Fund's operations by issuing fatwas, Sharia opinions, and Sharia directives, and monitors the implementation of Sharia decisions to ensure ongoing compliance.
- (35) **Management Company Fees:** A fee specific to the Master Fund paid to the Management Company in exchange for providing regulatory, administrative, and operational oversight. This includes fund compliance, risk management, distribution, governance, and ensuring compliance with regulations and regulatory requirements. The Management Company is Mult Concept Fund Management S.A., which is not affiliated with the target fund manager.
- (36) **Mitigation Fees:** A fee specific to the Master Fund charged on subscriptions or redemptions to offset trading costs and protect unitholders from value declines. It is calculated at the discretion of the Investment Manager in the event of significant inflows or outflows.
- (37) **Investment Manager:** Manages the target fund's portfolio and has full authority to make asset allocation and investment decisions consistent with the fund's objectives. Note that the investment manager of the target fund is UBS Asset Management Switzerland AG.

## Terms and Conditions

### (1) Investment Fund

#### a) Name, Class, and Type of the Fund

SEDCO Capital Global Sukuk Public Feeder Fund is an open-ended feeder public investment fund, Shariah-compliant.

#### b) Issue Date of Fund Terms and Conditions and Last Update

13/10/2025

#### c) Date of CMA Approval for Offering Fund Units

13/10/2025

#### d) Fund Duration and Maturity Date

The Fund is open-ended with no specific duration or maturity date.

### (2) Governing Law

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.

### (3) Investment Policies and Practices

#### a) Investment Objectives of the Fund

The Fund aims to achieve long-term capital growth for its unitholders by primarily investing in the SEDCO Capital Global Sukuk Fund ("the Master Fund"), which is Shariah-compliant and registered in Luxembourg. The Fund seeks to invest in the Master Fund, which in turn invests in a diversified portfolio of U.S. dollar-denominated sukuk. The investment objective of the Master Fund is to outperform its benchmark index. The Fund will not distribute any dividends, as it aims to reinvest the profits generated by the Master Fund.





**b) Type of Securities the Fund will Primarily Invest In**

The Fund invests its assets primarily in the Master Fund.

**c) Investment Concentration Policies in Certain Securities, Industries, Groups of Sectors, Countries, or Specific Geographic Regions, Including the Minimum and Maximum Limits for those Securities**

The Fund aims to invest all of its assets in the Master Fund, which in turn invests in a diversified portfolio of U.S. dollar-denominated sukuk. The Master Fund does not focus on any specific industry, group of sectors, country, or geographical region.

**d) The Table Below Shows the Minimum and Maximum Investment Percentages for Each Type of Investment.**

Type of Investment	Minimum Percentage of Net Asset Value (NAV)	Maximum Percentage of Net Asset Value (NAV)
Master Fund	100%	100%

**e) Securities Markets Where the Fund May Potentially Buy and Sell Its Investments**

The Fund's investment will be in the Master Fund (SEDCO Capital Global Fund).

**f) Disclosure of whether the Fund Manager Intends to Invest in the Fund's Units**

The Fund Manager and/or its employees and/or affiliates may invest in the Fund's Units from time to time during the Fund's term, in accordance with the regulatory requirements stipulated under the Investment Funds Regulations.

**g) Types of Transactions, Methods, and Tools that the Fund Manager May Use to Make Investment Decisions for the Fund**

Investment decisions are made by the Master Fund (the Investment Manager). The Master Fund is established by the Saudi Economic and Development Securities Company (SEDCO Capital) through the SEDCO Capital Global UCITS platform in Luxembourg. The Master Fund's Investment Manager has been appointed to make all investment decisions related to the Master Fund.

The Fund Manager may invest in securities issued by the Fund Manager or any of its affiliates, in accordance with the Fund's objectives.

**h) Types of Securities that Cannot Be Included in the Fund's Investments**

Investment will only be made in the Master Fund (SEDCO Capital Global Sukuk Fund).

**i) Any Other Restrictions on the Types of Securities or Other Assets in Which the Fund May Invest**

There are no other restrictions except for the investment constraints and limits imposed by the Investment Funds Regulations and these Terms and Conditions.

**j) The Extent to which the Fund Assets May Be Invested in Units of a Fund or Funds Managed by the Fund Manager or Other Fund Managers**

As the Fund is an open-ended feeder public investment fund that is Shariah-compliant, all of the Fund's investments will be in the Master Fund (SEDCO Capital Global Sukuk Fund), which is Shariah-compliant and registered in Luxembourg.

**k) The Fund's Authority to Lend and Borrow, the Fund Manager's Policy on Exercising Lending and Borrowing Powers, and its Policy Regarding Pledging Fund Assets**

The Fund may obtain any financing for its account provided that it does not exceed (15%) of the Fund's Net Asset Value (NAV), and that the financing maturity period does not exceed one year, and after obtaining the approval of the Fund's Board of Directors and the Fund's Sharia Supervisory Committee, provided that the Fund does not intend to engage in any lending operations, and the financing amount depends on the financing terms and market conditions prevailing at the time.

The Fund may also borrow from banking entities (licensed by central banks) to cover redemption requests, in accordance with what is stipulated in the Investment Funds Regulations.

Although the Fund Manager does not intend to pledge the Fund Assets, if the Fund Assets need to be pledged, the Fund Manager will apply any instructions or controls issued by the competent authorities in this regard.

**l) Maximum Limit for Transactions with Any Counterparty**

As the Fund is an open-ended feeder public investment fund that is Shariah-compliant, there is no investment by any counterparty other than the investment in the Master Fund.

**m) A Statement of the Fund Manager's Policy for Managing Fund Risks**

When making investment decisions, the Fund Manager will exercise caution to ensure that these decisions align with the highest standards of investment practices, aiming to achieve the Fund's investment objectives.





**n) Benchmark Index, along with Information about the Index Provider and the bases and the methodology used to calculate the Index**

The benchmark index for the Master Fund is the Dow Jones Sukuk Total Return (ex- Reinvestment) Index (Bloomberg ticker symbol: DJSUKTXR) (the "Benchmark Index").

The index provider is Standard & Poor's Dow Jones Indices LLC (the "Index Provider"), which is not affiliated with the Master Fund or the Master Fund Manager.

The Index Provider determines the composition of the Benchmark Index, the relative weightings of securities within the Benchmark Index, and publishes information regarding the market capitalization of the Benchmark Index.

Full information about the benchmark index, its components, calculation mechanism, rules for periodic review and rebalancing, and the general methodology behind the index can be obtained directly from the index provider's website:

<https://www.spglobal.com/spdji/en/indices/equity/dow-jones-islamic-market-us-5-10-40-capped-index/#overview>

**o) Where Derivatives are used, there must be a prominent statement that states the purpose of using such instruments (e.g. efficient portfolio management, meeting investment objectives or merely for hedging purposes from the price volatility)**

Not applicable.

**p) Any Exemptions Approved by the Authority Regarding Investment Restrictions or Limits**

Not applicable.

**(4) Key Risks of Investing in the Fund**

- a) The Fund is exposed to high volatility due to the composition of its investments.
- b) The past performance of the Fund or the benchmark index is not an indicator of the Fund's future performance.
- c) There is no guarantee for Unitholders that the Fund's absolute performance or its performance relative to the benchmark will repeat or match its past performance.
- d) Investing in the Fund is not considered a deposit with any bank.
- e) Investors are subject to the risk of losing money when investing in the Fund.
- f) This Fund is classified as high-risk, and the risks that may lead to changes in the Fund's net assets or returns include the following:

**- Capital Market Risks**

Since the Fund is valued based on the market value of the securities it owns, the capital value of the Fund's Investments will remain volatile due to fluctuations in the financial market. No guarantee or assurance can be provided for the future performance of securities, and past performance records do not reflect future results.

**- Economic Risks**

Capital markets in which the Fund invests are linked to the overall economic situation, which impacts on profitability, inflation levels, interest rates, and unemployment rates. Therefore, economic fluctuations can negatively or positively affect the Fund's performance.

**- Unit Price Volatility Risk**

The Unit price of the Fund is subject to fluctuations due to the volatility of the prices of the securities in which the Fund invests, which may negatively impact on the investments of the Unitholders.

**- Political, Legal, Regulatory, and Legislative Risks**

These risks include political instability, the issuance of new legislation or laws, or changes to existing legislation or laws, which may negatively impact the Fund's Investments.

**- Interest Rate Fluctuation Risks**

These are risks arising from fluctuations in the value of financial instruments due to changes in interest rates. As a result, the value of securities and company shares can be positively or negatively affected by interest rate fluctuations.

**- Potential Conflict of Interest Risks**

The Fund is exposed to various conflicts of interest as the Fund Manager, its subsidiaries, directors, officers, and their companies may be directly or indirectly involved in numerous activities and businesses that may sometimes compete with the Fund. These risks arise in situations where the Fund Manager's objectivity and independence in decision-making are influenced by interests that may affect



their investment decisions, potentially impacting the Fund's performance negatively. This could adversely affect the Fund's ability to achieve its investment objective, including the growth of returns and its ability to achieve a better market value for its Units.

- **Reliance on Fund Manager's Personnel Risks**

The success of the Fund primarily depends on the qualitative performance of its management team affiliated with the Fund Manager. The loss of services from any of the management team members (whether due to resignation or other reasons) or the inability to attract and retain additional staff can significantly impact on the Fund's operations and opportunities. This affects the Fund's ability to identify, analyze, and execute suitable investment opportunities in line with its strategies and practices, negatively impacting the Fund's performance, Net Asset Value (NAV), and Unit price.

- **Reliance on Technology Risks**

The Fund Manager relies on technology to manage the Fund. However, its information systems may be susceptible to breaches, attacks by viruses, or partial or complete malfunctions, which could limit the Fund Manager's ability to manage the Fund's Investments effectively. This could negatively impact on the Fund's performance, Net Asset Value (NAV), and Unit price.

- **Investments Concentration Risks**

The Fund's investments being concentrated on the Master Fund may expose the Fund to investment concentration risks. These risks may include the economic situation and its impact on interest rates and exchange rates, in addition to government regulations and legislation and political stability, which could negatively impact the Fund's investments.

- **Risks of Incorrect Predictions and Changes in Market Conditions**

The future performance of the Fund heavily depends on changes in supply and demand conditions in the sectors in which the Fund invests. These conditions can be influenced by regional and local economic and political situations, increased competition, leading to a decline in the value of acquired assets and fluctuations in supply and demand. Incorrect predictions used by the Fund Manager to make investment decisions can also negatively impact on the Fund's performance.

- **Risks of Compliance with Shariah Standards**

Different Shariah advisors may have different opinions on similar matters regarding compliance with Shariah standards. Therefore, potential Unitholders may wish to consult their own legal and Shariah advisors for an opinion if they wish. There is no guarantee that the Fund will be deemed Shariah compliant by anyone else.

Any restrictions imposed by Shariah standards (for example, the inability to invest in certain sectors and activities) may cause the Master Fund to underperform compared to funds with a similar investment objective but not subject to the Shariah standards and/or responsible investment guidelines of the Master Fund.

- **Financing Risks**

In general, financing can lead to greater fluctuations in the Fund's Net Asset Value (NAV) or result in the Fund incurring losses greater than its investment. The Fund may also face delays in repaying borrowed amounts on time due to reasons beyond the Fund Manager's control, which could force the Fund Manager to sell some of its investments. This would negatively impact the Fund Assets and, consequently, the Unit prices. Financing also entails a higher degree of risk, increasing the Fund and its Investments' exposure to factors such as rising debt costs and economic downturns, which can adversely affect the Fund's net assets.

- **Credit Risks**

The Fund is exposed to credit risks that the Master Fund may be exposed to, as the Master Fund may invest with counterparties or in securities that may experience a decline in their solvency or the creditworthiness of their issuers, which may expose the Fund to credit risks whereby these investments may be unable to fulfill their related obligations, either in whole or in part. As a result, the Fund's performance may be negatively affected, and the value of its Units may decline.

- **Liquidity Risks**

The Fund is exposed to the same liquidity risks that the Master Fund may be exposed to. The Master Fund may be exposed to the risk that a particular investment cannot be easily recovered or disposed of due to a lack of liquidity or market turmoil. As a result, the Fund's performance may be adversely affected, and the value of its Units may decline.

- **Non-Guarantee of Investment Returns**

There is no guarantee that the Fund will achieve returns for its Investors or that returns will be proportional to the risks of investing in the Fund and the nature of the transactions described in these Terms and Conditions. The Unit value may decline, and Investors may lose some or all of the capital they invested in the Fund. There is no guarantee that the expected or targeted returns of the Fund will be realized. All figures and statistics provided in these Terms and Conditions are for illustrative purposes only and do not represent profit expectations. Actual returns may vary and can differ from the illustrative figures and statistics provided in these Terms and Conditions.



#### - **Fund Management Risks**

Unitholders will not participate in the management of the Fund and will not receive detailed financial information available to the Fund Manager. Accordingly, no person may participate in the Fund unless that person is willing to delegate all aspects of the Fund's management to the Fund Manager.

In addition, the Fund relies on the diligence and skill of the Manager of the Master Fund to achieve the Fund's investment objective and with respect to all aspects of the Master Fund. The performance of the Manager of the Master Fund cannot be guaranteed. Therefore, the Fund's success depends on the Master Fund, which relies heavily on the personal efforts and professional experience of the individuals working for the Master Fund's manager. Not all individuals working for the Master Fund's manager can be expected to remain in place throughout the Fund's term. The loss of any or all of these key personnel, or any inability to retain such personnel, could adversely affect the performance of the Master Fund and, consequently, the Fund.

#### - **Geopolitical Risks**

The Fund is exposed to geopolitical risks that may be encountered by the Master Fund. The Master Fund may be exposed to risks such as geopolitical developments, social instability, changes in government policies, and other political and economic developments, which may, in turn, adversely affect the performance of the Master Fund. As a result, the Fund's performance may be adversely affected, and the value of its Units may decline.

#### - **Risks of Dealing with a Third Party**

The Fund may engage in transactions with a third party that may not be able to fulfill its contractual obligations under these transactions due to changes in financial conditions, management, demand, products, or services. This may result in non-compliance with agreed commitments or contracts, thereby negatively impacting the Net Asset Value (NAV) of the Fund and Unit price.

#### - **Inflation Risk**

The Fund is exposed to inflation risks that may be associated with the Master Fund. The Master Fund may be exposed to inflation risks if inflation increases to any level higher than the return on investments. This may expose the Master Fund to the risk of incurring losses on its investments and returns. As a result, the Fund's performance may be adversely affected, and the value of its Units may decline.

#### - **Risks of Collecting Zakat from Investors in Investment Funds**

The Zakat Authority in the Kingdom has established rules for the collection of Zakat from Investors in investment Funds, as announced by the Zakat Authority according to Minister of Finance Decision No. (29791) dated 09/05/1444H. According to this decision, investment Funds established according to the regulations of the Authority before the enforcement of this decision must register with the Zakat Authority for Zakat purposes before the end of their fiscal year at the time of the decision's enforcement. Investment Funds, including those structured as special purpose entities licensed by the Authority, are not subject to Zakat collection from Investors under the rules specified, provided they do not engage in economic activities or investment activities outside those specified in their foundational regulations or specific Terms and Conditions. This decision applies to fiscal years beginning on or after 01/01/2023G. Given the recent implementation of the rules for Zakat collection from Investors in investment Funds, the exact impact on the Fund and consequently its financial position and operations is not fully clear. Understanding the nature and application of these Zakat rules is crucial, as non-compliance with any obligations imposed by related regulations may result in financial penalties and other regulatory sanctions. Investors are advised to seek advice regarding their Zakat obligations related to their Investments in the Fund.

#### - **Legal and Regulatory Risks**

The information provided in these Terms and Conditions is based on current and declared legislation as of the date of these Terms and Conditions. Legal and regulatory changes may occur in the investment environment within or outside the Kingdom, or other changes during the Fund's duration, which could adversely affect the Fund or its Investments, leading the Fund to be subject to legal claims necessitating recourse to competent courts for compensation. Legal proceedings and enforcement actions can be lengthy, potentially exposing the Fund to cumulative losses until it receives adequate compensation, thereby impacting the Fund's performance and Unitholders' income.

#### - **Environmental, Social, and Governance (ESG) Risks, Particularly Climate Risks**

Environmental, social, and governance (ESG) risks refer to the three factors used to measure the sustainability and societal impact of an investment. Environmental, social, and governance (ESG) criteria can help better assess the future financial performance of companies (returns and risks). Environmental issues related to properties, such as hazardous material use, can negatively impact their value. As part of environmental, social, and governance (ESG) risks, climate risks can increase exposure to losses, making assets less liquid, generating lower income, or subjecting them to environmental regulation. Additionally, climate change may lead to higher insurance costs.

Integrating environmental, social, and governance (ESG) risks into the investment decision-making process may lead to excluding profitable Investments from the Master Fund's portfolio and could also prompt the Master Fund to sell Investments that have been performing well. Assessing environmental, social, and governance (ESG) risks is somewhat subjective, and there is no guarantee that all



Investments made by the Master Fund will align with the interests or values of any specific Investor. Environmental, social, and governance (ESG) risks can manifest in various ways, such as through environmental, social, or governance-related events or circumstances that significantly impact the value of one or multiple Investments, thereby negatively affecting the Master Fund's returns and the Fund. Environmental, social, and governance (ESG) risks can manifest in various forms, including but not limited to:

- Non-compliance with environmental, social, or governance standards can damage reputation, leading to reduced demand for products and services, or loss of business opportunities for a company or industrial group. It can also result in changes to sector regulations, rules, or laws, potentially leading to fines, penalties, or changes in consumer behavior that impact a company or the entire sector's growth and development prospects.
- Changes in regulations or laws may lead to increased demand, thereby causing unnecessary increases in the stock prices of companies perceived to meet high environmental, social, and governance standards. The prices of these financial assets may become more volatile if market participants' perceptions regarding companies' adherence to environmental, social, and governance standards change.
- Changes in regulations or laws may incentivize companies to provide misleading information about their environmental, social, or governance standards or activities.

#### - **Risks of Litigation with Third Parties**

The Fund may face lawsuits brought by third parties due to its activities, potentially leading to legal proceedings. This could result in expenses for defense and litigation against claims, as well as settlements or judgments that could reduce the Fund Assets. Those appointed by the Fund Manager to handle such matters may receive compensation from the Fund, adversely affecting its performance, Net Asset Value (NAV), and Unit price.

#### - **Risks of Value-Added Tax, Income Tax, Withholding Tax, Capital Gains Tax, and Any Other Tax**

As of the date of these Terms and Conditions, no investment in the Fund is subject to income tax, withholding tax, capital gains tax, or any other tax. However, the imposition of Value-Added Tax (VAT) was officially decided in the Kingdom in January 2018. It is not expected that the investment in the Fund will be subject to Value-Added Tax (VAT), but the Fund may be required to pay Value-Added Tax (VAT) on the acquisition or disposal of certain Fund assets, as well as the amounts due for services provided to the Fund. In all cases, Investors should seek advice regarding the impact of Value-Added Tax (VAT) on their Investments in the Fund. If Value-Added Tax (VAT) is applied to the investment in the Fund and/or income tax and withholding tax and/or capital gains tax and/or any other tax, it will negatively affect the value of the Units in the Fund.

It is expected that the Fund Manager and service providers to the Fund will be subject to Value-Added Tax (VAT), and as a result, the payments due to the Fund Manager and/or service providers will be adjusted to take Value-Added Tax (VAT) into consideration. The Value-Added Tax (VAT) imposed on services may affect the Units and Assets of the Fund.

#### - **Withholding Tax Risks**

Under Saudi tax regulations, any payment made by a resident person (whether or not they are obligated to pay taxes) to a non-resident person is subject to tax according to the regulations issued by the Zakat Authority regarding withholding taxes. Therefore, any payment of distributions by an investment Fund to a non-resident shareholder is subject to withholding tax at a rate determined by the relevant authorities. According to current practices, investment Funds are not required to make any tax withholdings (except for withholding tax) on payments made from the Fund to Unitholders. Consequently, any withholding tax that may be due on distributions from the Fund (if any) could reduce the returns from any investment in the Fund. Potential Investors should consult their tax advisors regarding the tax implications of investing in, holding, and disposing of Units.

#### - **Trading Suspension Risks**

Suspension of trading in the market in which the Master Fund invests as a whole or a group of securities may result in the risk of unavailability and loss of several investment opportunities resulting from the inability to buy or sell, which would negatively affect the Fund's investments and Unit price.

#### - **Default Risk**

The Fund is exposed to the same risk that the Master Fund may be exposed to. The Master Fund may be exposed to default risk, which results from a debtor's failure to meet a financial obligation on its due date. Default risk is linked to the debtor's creditworthiness and is taken into account when determining profit rates for financial instruments. Failure by the contracting party or the obligor to meet its obligation negatively impacts the Master Fund. As a result, the Fund's performance may be adversely affected, and the value of its Units may decline.

#### - **Model Risk**

Model risk is a type of risk that may occur when a financial model is used to measure information such as market risk or transaction value. The model may fail or perform inadequately, leading to negative results. The Master Fund may be exposed to such risks, especially





if the financial model uses inaccurate data, incorrect assumptions, programming errors, or technical errors. This may negatively impact the Master Fund, and as a result, the Fund's performance may be adversely affected, and the value of its Units may decline.

#### - **Risks of investing in the Master Fund**

The Master Fund may be exposed to risks similar to those described in these Terms and Conditions or other risks, which could adversely affect the Fund's performance and Unit price.

#### - **Future Data Risks**

These Terms and Conditions may contain forward-looking statements regarding future events or the future performance of the Fund. In some cases, future data risks can be identified by terms such as "expects", "believes", "continues", "estimates", "anticipates", "intends", "may", "might", "plans", "should", "will", or the negative of these terms or other similar expressions. These statements are only predictions. Actual events or results may differ materially. When evaluating these statements, Investors should specifically consider various factors including the risks mentioned in this section "Key Risks of Investing in the Fund", as these factors could cause actual events or results to differ materially from those in the forward-looking statements. The Fund Manager has no obligation to update any forward-looking statements after the date of these Terms and Conditions to align them with actual results or changes in expectations.

The risks mentioned in paragraph (f) above do not provide a complete and comprehensive explanation or summary of all the risk factors involved in investing in the Fund's Units. It is essential that all potential Investors seek independent advice from their professional advisors.

There is no guarantee that the Fund Manager can provide regarding the achievement of the investment objectives stated in these Terms and Conditions. Subscribers should consider the risk factors mentioned above before investing in the Fund, as they could potentially affect the Net Asset Value (NAV) of the Fund.

The Fund Manager or any of their affiliates is not liable for any financial loss to the Fund unless it results from deliberate actions by the Fund Manager. The Fund Manager is responsible to the Unitholders for losses of the Fund caused by fraud, gross negligence, misconduct, or deliberate dereliction of duty.

All Subscribers interested in investing should make their decision independently or consult with their professional advisors regarding the legal, financial, and tax risks associated with this Fund. The risks mentioned above do not constitute a summary of all the risks involved in investing in the Fund, but they do represent the key risks that the Fund may face.

### **(5) Risk Assessment Mechanism**

The Fund Manager acknowledges the existence of an internal mechanism for assessing the risks associated with the Fund Assets.

### **(6) Targeted Class for Investing in the Fund**

The Fund targets Investors who wish to invest in a high-risk fund with the aim of achieving long-term capital growth in accordance with what is specified in paragraph (a) and paragraph (b) of Article (3) of these Terms and Conditions.

### **(7) Investment Restrictions/Limitations**

The Fund Manager, during its management of the Fund, is committed to adhering to the restrictions and limits imposed by the Investment Funds Regulations, these Terms and Conditions, and in compliance with Sharia standards.

### **(8) Currency**

The Fund's currency is the Saudi Riyal only, and the Fund will not accept any funds in any currency other than the Saudi Riyal. Subscriptions to the Fund are accepted in Saudi Riyal.

### **(9) Fees, Charges, and Expenses**

#### **a) A Detailed Statement of All Payments from The Fund Assets and the Method of Their Calculation (\*)**

Type of Fees and Charges	Details
<b>Fund Management Fees</b>	The Fund Manager is entitled to a Fund management fee equivalent to 0.80% of the Fund's Net Asset Value (NAV) annually. This fee is calculated on an annual basis each Business Day and deducted and paid to the Fund Manager at the end of each Gregorian month. Note that the Feeder Fund management fee does not include the fees applicable to the Master Fund. The Master Fund management fee is 0.25% of the fund's net asset value.
<b>Subscription and Redemption Fees</b>	Subscription Fee: up to 1.5% of the subscription value.



Redemption Fee: Not applicable.

<b>Custodian Fees</b>	The Fund pays a fee to the Custodian equivalent to (0.04%) of the Net Asset Value annually, with a minimum of (35,000) Saudi Riyals.
<b>Fund Operator Fees</b>	The Fund pays fees to the Fund Operator equivalent to (0.03%) of the Net Asset Value annually, up to a limit of (15,000) Saudi Riyals.
<b>Dealing Expenses</b>	These fees are paid by the Fund based on the actual cost, and the total amount will be disclosed in the Fund's reports.
<b>Auditor's Fees</b>	The Fund shall pay the Auditor's fees in the amount of twenty thousand (55,000) Saudi Riyals, paid semi-annually.
<b>Fees for Independent Board Members</b>	(2,500) Saudi Riyals per meeting for each member, up to a maximum of ten thousand (10,000) Saudi Riyals annually for all independent members, paid after each meeting.
<b>Annual Regulatory Fees imposed by the Authority</b>	The Fund pays the regulatory fees imposed by the Authority amounting to (7,500) Saudi Riyals annually.
<b>Annual Publication Fees (Tadawul)</b>	Five thousand (5,000) Saudi Riyals paid annually by the Fund to the market.
<b>Shariah Compliance Officer Fees</b>	The Fund pays Shariah compliance monitoring fees, which are a lump sum amount of (30,000) Saudi Riyals annually. The fees are paid to the Shariah compliance officer, who is responsible for disbursing the amounts to the Shariah compliance committee and any other relevant entity regarding Shariah standards.
<b>Shariah-Compliant Financing Expenses</b>	Borne by the Fund when they exist according to prevailing market rates, calculated on each valuation day, and paid according to the requirements of the financing bank.
<b>Other Fees and Expenses</b>	The Fund Manager has the right to charge the Fund for all other expenses and costs resulting from the Fund's activities. These expenses and costs include, but are not limited to, banking transaction costs, currency exchange fees, printing and publishing fees for periodic reports and Unitholder meetings. In all cases, only the actual fees and costs will be deducted in addition to the taxes imposed by law, with a maximum of (1%) of the Fund's Net Asset Value (NAV) annually.

(\*) All amounts mentioned in this clause do not include Value-Added Tax (VAT), which will be calculated as an additional amount as necessary and when applicable.

Summary of the main fees for the target fund\*:

Target Fund Fees	
<b>Management Company Fees</b>	up to 0.03% per annum
<b>Investment Manager Fees</b>	up to 0.25% per annum

\* Saudi Economic and Development Securities Company (SEDCO Capital) will not collect fees from the Master Fund.

**b) A Table that Details All Fees and Expenses, Explaining How Service Charges, Commissions, and Fees are Calculated, and the Timing of Their Payment by The Fund (\*)**



Types of Fees and Expenses	Imposed Rate (or Imposed Amount)	Basis of Calculation	Timing of Calculation	Basis of Payment
<b>Fund Management Fees</b>	0.8%	From the Net Asset Value (NAV)	Every valuation day	Paid annually
<b>Subscription Fees</b>	1.5%	From cash subscription amounts	At subscription	Paid once at subscription
<b>Custodian Fees</b>	(0.04%) of the Net Asset Value (NAV) annually, with a minimum of (35,000) Saudi Riyals	From the Net Asset Value (NAV)	Every valuation day	Paid semi-annually
<b>Dealing Expenses</b>	Borne by the Fund (if applicable)	According to the prevailing market rates	Upon executing each transaction	Paid on demand
<b>Fund Operator Fees</b>	(0.03%) of the Net Asset Value (NAV) annually, with a minimum of (15,000) Saudi Riyals	From the Net Asset Value (NAV)	Every valuation day	Paid semi-annually
<b>Auditor's Fees</b>	55,000	Fixed annual amount	Every valuation day	Paid semi-annually
<b>Fees for Independent Board Members</b>	10,000	Fixed annual amount	Calculated after each meeting	Paid after each meeting
<b>Annual Regulatory Fees imposed by the Authority</b>	7,500	Fixed annual amount	-	Paid annually
<b>Annual Publication Fees (Tadawul)</b>	5,000	Fixed annual amount	-	Paid annually
<b>Shariah Compliance Committee Fees</b>	30,000	Fixed annual amount	Every valuation day	Paid annually
<b>Shariah-Compliant Financing Expenses</b>	Borne by the Fund (if applicable)	According to the prevailing market rates	Every valuation day	Paid according to the requirements of the financing bank
<b>Other Fees and Expense</b>	0.1%	From the total value of the Fund Assets annually	Every valuation day	Paid annually
Target Fund Fees				
<b>Management Company Fees</b>	0.03%	From the Net Asset Value (NAV)	Every valuation day	Paid annually
<b>Investment Manager Fees</b>	0.25%	From the Net Asset Value (NAV)	Every valuation day	Paid annually

(\*) All amounts mentioned in this item do not include Value-Added Tax (VAT), which will be calculated as an additional amount as necessary and when applicable.





**c) A Hypothetical Table Illustrating the Ratio of the Fund's Costs to the Total Value of the Fund Assets at Both the Fund Level and the Unitholder Level Throughout the Life of the Fund, Including Both Recurring and Non-Recurring Costs**

Assuming that the average total Assets of the Fund during the year are 10,000,000 Saudi Riyals and the amount invested by the Unitholder is 10,000 Saudi Riyals.

Fees and Expenses	Percentage of Fund Assets	Percentage of Amount Invested by Unitholders in Saudi Riyals
<b>Fund Management Fees</b>	0.80%	80
<b>Subscription Fees</b>	1.50%	150
<b>Custodian Fees</b>	0.04%	4
<b>Dealing Expenses</b>	According to the prevailing market rates	-
<b>Fund Operator Fees</b>	0.03%	3
<b>Auditor's Fees</b>	55,000	55
<b>Fees for Independent Board Members</b>	0.10%	10
<b>Annual Regulatory Fees Imposed by the Authority</b>	7,500	7.5
<b>Annual Publication Fees (Tadawul)</b>	5,000	5
<b>Shariah Compliance Committee Fees</b>	3,000	30
<b>Shariah-Compliant Financing Expenses</b>	According to the prevailing market rates	-
<b>Other Fees and Expenses</b>	0.10%	10
<b>Maximum Total Fee Level (Target Fund)</b>	0.50%	50
<b>Recurring Costs Ratio</b>	2.55%	254.5
<b>Non-Recurring Costs Ratio</b>	1.50%	150

**d) A Statement Detailing the Fees Imposed on Subscriptions, Redemptions, and Ownership Transfers Paid by Unitholders, and the Method of Calculating these Fees**

Type of Fees and Charges	Statement	Calculation Method
<b>Subscription Fees</b>	1.5%	Paid once and deducted directly at the time of subscription, whether it is a new subscription or an additional one.
<b>Redemption Fees</b>	Not applicable	Not applicable

**e) Information Related to Special Discounts and Commissions, and an Explanation of the Fund Manager's Policy Regarding Special Discounts and Commissions**

Not applicable.

**f) Information related to Zakat and/or Tax (If Applicable)**

- Value Added Tax (VAT) will be applied according to the instructions of the executive regulations issued by the Zakat Authority on all fees, expenses, and costs subject to VAT.
- All fees and expenses mentioned in these Terms and Conditions and/or any related documents do not include VAT unless otherwise



stated. If VAT is imposed or may be imposed on any service provided to the Fund, the Fund will pay the service provider (in addition to any other fees or expenses) a total equal to the registered value of this tax on the VAT invoice for the relevant service. Similarly, if VAT is imposed or may be imposed on any service provided by the Fund, the service recipient will pay the Fund (in addition to any other fees or expenses) a total equal to the value of this tax.

- The Fund Manager does not take responsibility for paying Zakat on Units on behalf of Investors. Each Unitholder is responsible for paying Zakat on the Units owned in the Fund, as Zakat is subject to the rules for collecting Zakat from Investors in investment Funds.
- The Fund Manager undertakes to provide the Zakat Authority with all reports and requirements regarding Zakat declarations according to the rules for collecting Zakat from Investors in investment Funds. The Fund Manager will also provide Unitholders with Zakat declarations upon request according to the rules for collecting Zakat from Investors in investment Funds. Investors are subject to the provisions of the rules for collecting Zakat from Investors in investment Funds who own investment Units in the Fund are responsible for calculating and paying Zakat on these Investments. Details on the rules for collecting Zakat from Investors in investment Funds can be accessed through the website: (<https://zatca.gov.sa/ar/Pages/default.aspx>).

**g) Statement of Any Special Commission Negotiated by the Fund Manager (If Applicable)**

Not applicable.

**h) A Hypothetical Example Illustrating All Fees, Expenses, and Transaction Costs Paid from the Fund Assets or by the Unitholder based on the Fund's Currency**

Assuming that the average total Assets of the Fund during the year are 10,000,000 Saudi Riyals and the amount invested by the Unitholder is 10,000 Saudi Riyals.

Fees and Expenses	Percentage of Fund Assets	Percentage of Amount Invested by Unitholders in Saudi Riyals
<b>Fund Management Fees</b>	0.80%	80
<b>Subscription Fees</b>	1.50%	150
<b>Custodian Fees</b>	0.04%	4
<b>Dealing Expenses</b>	According to the prevailing market rates	-
<b>Fund Operator Fees</b>	0.03%	3
<b>Auditor's Fees</b>	55,000	55
<b>Fees for Independent Board Members</b>	0.10%	10
<b>Annual Regulatory Fees Imposed by the Authority</b>	7,500	7.5
<b>Annual Publication Fees (Tadawul)</b>	5,000	5
<b>Shariah Compliance Committee Fees</b>	30,000	30
<b>Shariah-Compliant Financing Expenses</b>	-	-
<b>Maximum Total Fee Level (Target Fund)</b>	0.50%	50
<b>Other Fees and Expenses</b>	0.10%	40
<b>Recurring Costs Ratio</b>	2.55%	254.5
<b>Non-Recurring Costs Ratio</b>	1.50%	150



## (10) Valuation and Pricing

### a) Detailed Statement on How Each Asset Owned by the Fund is Valued

The Fund Assets are valued based on the Unit price announced by the Master Fund. If the Master Fund does not announce the Unit price due to an official holiday or any other reason, the last announced Unit price will be used for valuation purposes.

### b) A Statement of Frequency of Valuation and Number of Valuation Points

The Fund Assets mentioned in paragraph (a) above are valued on each valuation day, noting that valuation days are every Business Day of the week (Sunday to Thursday), provided that they are Business Days in the markets where the Fund invests. The Fund Manager will publish Unit prices on the Business Day following the valuation day.

### c) Statement of the Actions to be Taken in the Event of a Valuation or Pricing Error

In the event of a valuation or pricing error of any asset of the Fund or a miscalculation of the Net Asset Value (NAV), the Fund Manager will do the following:

- Immediately inform the CMA about any valuation or pricing error amounting to (0.5%) or more of the Unit price and disclose it on the Fund Manager's website, the market website, and in the reports prepared by the Fund Manager in accordance with the investment Funds regulation requirements.
- The Fund Manager must include in the reports to the CMA, prepared in accordance with the investment Funds regulation requirements, a summary of all valuation or pricing errors.
- The Fund Manager will comply with the requirements of Article 73 of the Investment Funds Regulations regarding cases of errors in valuation and pricing.
- The Fund Operator must document this and compensate all affected Unitholders, including previous Unitholders, for all valuation or pricing errors without delay.

### d) Details of the Method for Calculating the Unit Price for the Purposes of Executing Subscription and Redemption Requests

The Unit price is calculated by dividing the Net Asset Value by the total number of existing Units of the Fund on the relevant valuation day.

The Net Asset Value of the Fund is calculated by deducting the Fund's liabilities from the total asset value.

### e) Place and Time of Publishing the Unit price, and its Frequency

The Net Asset Value of the Fund and the Unit price are announced through the Fund Manager's website ([www.sedcocapital.com](http://www.sedcocapital.com)), and the Saudi Stock Exchange (Tadawul) website ([www.saudiexchange.sa](http://www.saudiexchange.sa)) on the Business Day following the dealing day.

## (11) Dealing

### a) A Statement Detailing the Initial Offering, such as the Start Date, Duration and Initial Price

The Initial Offering Period begins on 2/11/25G and lasts for (20) Business Days. The Fund Manager has the right to extend the Offering Period for (40) Business Days, not to exceed (60) days, and reserves the right to close it before the end of the Offering Period or the end of the extension period. The Unit price at inception will be (10) Saudi Riyals.

### b) A Statement Detailing the Specific Dates and Deadlines for Submitting Subscription and Redemption Requests on Any Dealing Day, and the Responsibilities of the Fund Manager regarding these Requests

Subscription and redemption requests in the Fund are accepted and executed on every dealing day, noting that the dealing days on which these requests are fulfilled are every Business Day of the week (Sunday to Thursday).

Subscription and redemption requests must be submitted before 2:00 PM on the dealing day to be executed at the valuation price on the following day. Requests submitted after 2:00 PM are considered to be received on the next Business Day.

### c) A Statement of the Procedures for Subscription and Redemptions, including where to Submit Applications and the Period between Request for Redemption and Payment of Redemption Proceeds, or Ownership Transfer

- A Subscriber wishing to invest in the Fund must open an account with the Fund Manager through which the subscription process is executed.
- Completion and submission of the Subscription Form, signing these Terms and Conditions, and delivery to the Fund Manager.
- The subscription amount is deducted directly from the Subscriber's account with the Fund Manager. The minimum number of Units or their value that must be owned by the Unitholder:



Minimum subscription: 10 Saudi Riyals.

Minimum additional subscription: 1 Saudi Riyals.

Minimum redemption: 10 Saudi Riyals.

- Subscription requests can be submitted manually by the Subscriber at the branches of the Fund Manager or electronically through the Fund Manager's website.
- The maximum duration between the redemption process and the disbursement of the due redemption amount to the Unitholder is (5) Business Days from the day of evaluation for the purpose of redemption according to the published Net Asset Value.
- Ownership transfer procedures of Units are subject to the provisions regulating the transfer of ownership to other Investors as stated in paragraph (g) below.

**d) A Statement Explaining Any Restrictions on Dealing in Fund Units**

The Fund Manager will adhere to the provisions and requirements of the investment Funds regulation and these Terms and Conditions when processing subscription and redemption requests.

**e) A Statement of the Circumstances in which Dealings in the Units are Deferred or Suspended, and the Procedures Followed in such Cases**

The Fund Manager may suspend transactions in the Fund Units if:

- Requested by the Authority.
- The Fund Manager reasonably believes that the suspension is in the interests of the Unitholders.
- Trading is suspended in the main market where the securities or other assets owned by the Fund are traded, either generally or specifically to the extent that the Fund Manager reasonably believes is significant relative to the Net Asset Value (NAV) of the Fund.
- The Fund Manager is unable to perform the valuation of the Fund or to liquidate its assets in exceptional or emergency circumstances or it becomes impractical to do so.

The Fund Manager has the absolute right to refuse any subscription or redemption request, including those that would violate the regulations and rules of the CMA and/or the regulations applicable to the Fund, including these Terms and Conditions.

The Fund Manager will also take the following actions in the event of any suspension imposed by the Fund Manager:

- The Fund Manager will ensure that any suspension is only for the necessary and justified duration, considering the interests of the Unitholders.
- Regularly review the suspension and consult with the Fund's Board of Directors, the Custodian, and the Fund Operator regarding this.
- Notify the Authority immediately upon any suspension, explaining the reasons, and also notify the Authority and the Unitholders immediately upon the end of the suspension. This will be disclosed through the Fund Manager's website and any other public platform as per the regulations set by the Authority.

The Authority has the power to lift the suspension if it deems it serves the interests of the Unitholders.

**f) A Statement of Procedures for Selecting Redemption Requests that will be Deferred**

In accordance with the requirements and provisions of Article (66) of the Investment Funds Regulation, if redemption requests are postponed to the next trading day, they will be executed on a proportional basis, prioritizing based on the time of receipt of those requests.

**g) A Description of the Provisions Regulating the Transfer of Ownership of Units to other Investors**

The process of transferring ownership of Units to other Investors is subject to the Capital Market Law and its executive regulations, including the provisions regulating the transfer of Units to other Investors in the investment Funds regulation. In specific cases, such as death (God forbid) or under judicial rulings, ownership of the Units may be transferred.

**h) A Statement of the Minimum Number or Value of Units that a Unitholder must Subscribe to, Transfer, or Redeem**

- **Minimum subscription:** 10 Saudi Riyals.
- **Minimum additional subscription:** 1 Saudi Riyals.
- **Minimum redemption:** 10 Saudi Riyals.



**i) A Detailed Statement of any Minimum Amount the Fund Manager intends to Raise, and the Action Taken if that Minimum is not Reached in the Fund**

The minimum amount the Fund Manager intends to raise is five million (5,000,000) Saudi Riyals during the Initial Offering Period, whether original or extended, according to these Terms and Conditions. If the minimum is not met, the Fund Manager will refund the subscription amounts and any returns generated from their investment without any deductions.

**(12) Distribution Policy**

**a) A Statement of the Income and Dividend Distribution Policy, Including Details of Unclaimed Distributions**

The Fund will not distribute any dividends as the Fund aims to reinvest the Fund's profits.

**b) Approximate Date of Maturity and Distribution**

Not applicable.

**c) A Statement on How to Pay Distributions**

Not applicable.

**(13) Reporting to Unitholders**

**a) Information on Annual Financial Reports, Including the Quarterly Statement and the Preliminary and Annual Financial Statements**

- The Fund Manager will prepare the annual reports, including the audited annual financial statements, the preliminary financial statements, and the quarterly statement in accordance with the requirements of the Investment Funds Regulations. These will be provided to Unitholders upon request at no cost.
- The quarterly statement of the Fund will be made available within (10) days from the end of the relevant quarter.
- The Fund Manager will prepare the preliminary financial statements and make them available to the public within (30) days from the end of the period of the statements.
- The annual reports of the Fund (including the annual financial statements) will be made available to the public within a period not exceeding (3) months from the end of the reporting period.
- The Fund will make its reports available within (21) days of issuing the reports of the Master Fund in which the Fund invests.

**b) Information on the Locations and the Means of Making Available Fund Reports prepared by the Fund Manager.**

The quarterly statement, preliminary financial statements, and annual reports of the Fund will be made available through the Fund Manager's website, the Exchange's website, and any other website available to the public in accordance with the requirements of the Authority.

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

Unitholders can obtain the annual financial statements of the Fund free of charge through the Fund Manager's website and the Exchange's website. In addition, the Fund Manager will provide the annual financial statements of the Fund to Unitholders by submitting them to the Investor's registered address with the Fund Manager upon request, free of charge.

**d) Acknowledgment of the Availability of the First Audited Financial Statement at the end of the Financial Year of the Fund with the Date of the End of that Year**

The Fund Manager will prepare the preliminary financial statements of the Fund and make them available to Unitholders within (30) days of the end of the statement period. The end of the Fund's initial accounting period is December 2025.

**e) Declaration Confirming the Commitment to Provide the Fund's Audited Annual Financial Statements Free of Charge Upon Request.**

The Fund Manager will provide the Fund's audited annual financial statements free of charge upon request by Unitholders.

**(14) Unitholders' Register**

**a) Statement Regarding the Maintenance of an up-to-date Register of Unitholders in the Kingdom**

The Fund Operator prepares an updated register of the Unitholders automatically through the Funds system and maintains it in the Kingdom. The Unitholder register is conclusive evidence of ownership of the Units thereof.

**b) Statement of Details on the Unitholders Register**

The Unitholders register is made available to any Unitholder free of charge upon request (provided that it only concerns the Units owned by the Unitholder).



## (15) Meeting of Unitholders

### a) A Statement of the Circumstances in Which a Meeting of Unitholders is Called

- The Fund Manager may, on its own initiative, call a meeting of the Unitholders provided that the subject of the matter of the invitation does not conflict with the responsibilities and duties of the Fund Manager under the Investment Funds Regulations.
- The Fund Manager must call a meeting of the Unitholders within (10) days from the date of receiving a written request from the Custodian.
- The Fund Manager must call a meeting of the Unitholders within (10) days of receiving a written request from one or more Unitholders who own or collectively own at least (25%) of the value of the Fund's Units.

### b) A Statement of the Procedures for Calling a Meeting of the Unitholders

- The invitation to the Unitholders meeting will be posted on the website of the Fund Manager and the Exchange's website and any other website available to the public in accordance with the regulations set by the Authority, at least (10) days prior to the meeting with a period not exceeding (21) days before the meeting, provided that the announcement and notification shall specify the date the date, place, time, agenda and proposed resolutions, and a copy of the same will be sent to the Authority.
- When preparing the agenda of the Unitholders meeting, the Fund Manager must take into account the topics that the Unitholders wish to list, and Unitholders who own at least (10%) of the value of Fund Units have the right to add one or more topics to the agenda of the Unitholders meeting, provided that the proposed topic does not overlap with the responsibilities and duties of the Fund Manager under the provisions of the Investment Funds Regulations.
- The Fund Manager may amend the agenda of the Unitholders meeting during the announcement period referred to above, provided that this is announced on the Fund Manager's website, the Exchange's website and any other website available to the public in accordance with the guidelines set by the Authority's, at least ten (10) days before the meeting and not more than twenty-one (21) days before the meeting.
- In the event that the Unitholders approve any of the resolutions proposed at the Unitholders meeting, and this necessitates amending these Terms and Conditions, the Fund Manager shall amend these Terms and Conditions in accordance with the approved resolution.
- The Unitholders meeting shall not be valid unless attended with a number of Unitholders collectively owning at least (25%) of the value of Fund Units.
- If the quorum specified in the above paragraph is not met, the Fund Manager shall call for a second meeting by announcing it on the Fund Manager's website, the Exchange's website, and any other publicly accessible site according to the regulations set by the Authority, not less than five (5) day notice before the scheduled date of the second meeting. The second meeting shall be valid if attended by any number of Unitholders.

### c) A Statement of the Method of Voting for Unitholders and Voting Rights in Unitholders' Meetings

- Every Unitholder shall be entitled to appoint a representative to represent such a Unitholder at a Unitholders meeting.
- Each Unitholder may cast one vote at a Unitholder meeting for each Unit owned at the time of the meeting.
- Meetings of Unitholders may take place, participate in their deliberations, and vote on its decisions by means of modern technology, in accordance with the regulations set by the Authority.
- The Unitholder has the right to exercise all rights related to the Units, including voting rights at Unitholders' meetings and obtaining Unitholders' approval for any changes that require their consent in accordance with the Investment Funds Regulations

## (16) Unitholders' Rights

### a) List of Unitholder Rights

- Obtain a copy of the Terms and Conditions in Arabic or any update thereto at no charge.
- Obtain a free copy of the Unitholder register, which displays all information that is relevant to the requesting Unitholder only.
- Obtain the reports, financial statements and necessary disclosures related to the Fund, free of charge.
- Notifying Unitholders of any change in the Terms and Conditions of the Fund in accordance with the Investment Funds Regulations.
- Notifying Unitholders of the Fund Manager's desire to terminate the Fund within a period of no less than (21) days.
- Attend the Unitholders meetings and vote on decisions.
- To receive the procedures for complaint handling upon request.



- Notifying Unitholders of changes in the Fund's board of directors.
- To receive redemption proceeds within the specified times outlined in the Terms and Conditions.
- Any other rights granted to Unitholders under the laws, regulations and instructions of the Authority.

**b) The Fund Manager's Policy Regarding the Voting Rights Associated with Any Fund Assets**

The Fund primarily invests in the Master Fund (SEDCO Capital Global Sukuk Fund), which is Shariah compliant and registered in Luxembourg. Accordingly, there will be no voting rights associated with the Fund's assets.

**(17) Unitholder's Liabilities**

Except for the loss of a Unitholder's investment in the Fund or part thereof, the Unitholder shall not be liable for the debts and liabilities of the Fund, and the Unitholders shall be responsible for paying Zakat on the Units they invest in.

**(18) Unit Characteristics**

The Units in the Fund represent a proportional share in the net assets of the Fund, all of the same class with equal duties and rights, as each Unit represents an equal common share in the Fund Assets.

**(19) Changes to the Fund's Terms and Conditions**

**a) A Statement of the Provisions Governing Changes to the Fund's Terms and Conditions and the Approvals and Notifications Specified under the Investment Funds Regulations**

The provisions governing the change of the Terms and Conditions of the Fund shall be divided into two parts in accordance with the Investment Funds Regulations, based on the type of change in accordance with Article (62) and Article (63) of the Investment Funds Regulations according to the following:

**First:** Approval of the CMA and Unitholders on the Fundamental Changes:

- The Fund Manager shall obtain the consent of the Fund Unitholders to the proposed Fundamental Change by way of an Ordinary Fund Resolution.
- The Fund Manager must, after obtaining the consent of the Unitholders, obtain the CMA's approval for the proposed Fundamental Change to the Fund.
- The Fund Manager must obtain the consent of the Fund Board of Directors before making any Non-fundamental Change.
- **"Fundamental Changes"** means any of the following situations:
  - A change which significantly changes the purposes, nature or class of the Fund.
  - A change which alters the risk profile of the Fund.
  - Voluntary withdrawal of the Fund Manager from the position as a Fund Manager.
  - Any other events determined by the CMA from time to time and advised to the Fund Manager.
- The Fund Manager must obtain the approval of the Fund Board of Directors before making any Fundamental Changes.
- The Fund Manager must announce the details of the Fundamental Changes on its website, the Exchange's website, and any other website available to the public, subject to CMA's guidelines, (10) days before the change takes effect.
- Details of the Fundamental Changes shall be shown in the Fund's reports prepared by the Fund Manager in accordance with the Investment Funds Regulations.
- Unitholders have the right to redeem their Units before any Fundamental Changes take effect without the imposition of any redemption fees, if applicable.

**Second:** Notifying the CMA and the Unitholders of any Non-fundamental Changes:

- The Fund Manager shall notify the CMA and Unitholders of and shall disclose on its website, the Exchange's website, and on any other website available to the public, subject to CMA's guidelines, any Non-fundamental Changes to the public Fund, (10) days prior to the effective date of the change.
- The Fund Manager shall obtain the Fund's Board of Directors approval prior to introducing any Non-fundamental Change.
- **"Non-fundamental Change"** any change that does not form part of the Fundamental Changes.

**b) A Description of the Procedures to be Followed for Notification of Any Changes to the Fund's Terms and Conditions**





- The Fund Manager shall send a notice to Unitholders and shall disclose the details of the Fundamental Changes on its website, the Exchange's website, and any other website available to the public in accordance with CMA's guidelines (10) days prior to the effective date of the change.
- The Fund Manager shall notify the CMA and announce on its website, the Exchange's website, and any other website available to the public in accordance with CMA's guidelines of any Non-fundamental Change (10) days prior to the effective date of the change.
- Details of the Non-fundamental Changes shall be shown in the Fund's reports prepared by the Fund Manager in accordance with the Investment Funds Regulations.

## (20) Termination and Liquidation of the Investment Fund

### a) A Statement of the Events Triggering the Termination of the Investment Fund and the Procedures thereof in Accordance with the Investment Funds Regulations

- If it is determined that the value of the Fund Assets is insufficient to justify the continued operation of the Fund.
- Due to other reasons or circumstances under the provisions of the Investment Funds Regulations.
- If there is a change to the laws, regulations that govern the Fund's operations
- The Fund Manager's decision to terminate and discontinue the Fund.

The Fund Manager shall follow the following procedures for terminating the Fund in accordance with the provisions of Article (22) of the Investment Funds Regulations:

- The Fund Manager must complete the process of selling the Fund Assets and distribute the Unitholders' entitlements to the Unitholders prior to the end of the Fund's Term.
- For the purpose of terminating the Fund, the Fund Manager must prepare a plan and procedures for the termination of the Fund consistent with the Unitholders interests and must obtain the Fund's Board of Directors approval on such plan prior to carrying out any procedure in this regard. If approval is obtained, the Fund Manager will abide by the plan and procedures for the termination of the Fund.
- In the event of any of the above-mentioned events requiring the termination of the Fund, the Fund Manager must terminate the Fund immediately upon the occurrence of that event and notify the Authority in writing and announce it on its website, the Exchange's website, or any other website available to the public according to the guidelines determined by the Authority within (5) days of the occurrence of the event requiring the termination of the Fund.
- The Fund Manager must notify the Authority and Unitholders in writing of the details of the termination plan and procedures of the Fund at least (21) days prior to the intended termination date, without breaching the Terms and Conditions of the Fund.
- The Fund Manager shall notify the Authority in writing and announce on the Fund Manager website, the Exchange's website, or any other publicly available website according to the regulations specified by the Authority, of the Fund's termination within (10) days after the Fund's termination period ends, in accordance with the requirements outlined in the Investment Funds Regulations.
- The Fund Manager shall treat all Unitholders equally during the Fund termination or liquidation process.
- The Fund Manager shall immediately upon the end of Fund's term, distribute the entitlements of the Unitholders to them, without delay and in a manner that does not conflict with the interests of Unitholders and the Fund's Terms and Conditions.
- The Fund Manager must announce on its website and on the Exchange's website the expiry of the Fund Term.
- The Fund Manager shall provide the Unitholders with the Fund termination report, in accordance with the requirements of the Investment Funds Regulations within a period not exceeding (70) days from the date of completion of the Fund's termination, including the final audited financial statements of the Fund for the period subsequent to the last audited annual financial statements.

### b) Must Include a Statement of the Procedures for Liquidation of the Fund

Not Applicable.

### c) In the event of the expiry of the Fund Term

In the event of the expiry of the Fund Term, the Fund Manager shall not receive any fees deducted from the Fund Assets.



## (21) Fund Manager

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

#### Name of Fund Manager

Saudi Economic and Development Securities Company (SEDCO Capital).

#### Duties and Responsibilities of the Fund Manager

- Management of the Fund.
- Offering of the Fund Units.
- Ascertaining the accuracy of the Fund's Terms and Conditions, ensuring that they are complete, clear, valid and not misleading.
- Developing policies and procedures to assess the risks which affect the Fund's Investments and to ensure that they are swiftly dealt with, provided such policies and procedures include a risk assessment process to be conducted at least once a year.
- Cooperating with all persons concerned with the performance of the Fund's activities, including the Custodian and the Auditor, and providing them with all requirements to carry out their duties and mandates in accordance with the Investment Funds Regulations.
- Acting for the benefit of Unitholders in accordance with the Investment Funds Regulations, the Capital Market Institutions Regulations and the Fund's Terms and Conditions.
- Complying with all the principles and obligations provided in the Capital Market Institutions Regulations, including the duty of fidelity towards the Unitholders, which involves conducting business in their best interest and exercising reasonable care.
- Preparing investment plans and objectives of the Fund.
- Evaluate the investment opportunities available for the Fund.
- Preparing an annual report containing an evaluation of the performance and quality of the services provided by the parties concerned with the provision of the Fund's material services, including the Custodian, and the Fund Manager must submit the report referred to in this paragraph to the Fund's Board of Directors.
- Managing the Fund Assets for the benefit of the Investors in accordance with the Terms and Conditions.
- Ensuring the legality and validity of all contracts concluded for the benefit of the Fund.
- Compliance with the provisions of the Investment Funds Regulations, whether it performs its responsibilities and duties directly or assigned to an external party under the provisions of the Investment Funds Regulations and the Capital Market Institutions Regulations.
- Comply with the provisions of the Investment Funds Regulations when submitting applications for approval or notifications to the CMA.
- Comply with these Terms and Conditions.
- Preparing an annual report containing all the complaints and action taken in respect of them and submitting it to the Fund's Board of Directors, and the Fund Manager must submit the report referred to in this paragraph to the Fund's Board of Directors.
- Implement the investment strategies described under these Terms and Conditions.
- Appointing an Auditor and other professional service providers for the Fund including legal counsel.
- Consult with the Fund's Board of Directors from time to time to ensure compliance with the regulations of the Capital Market Authority and these Terms and Conditions.
- The Fund Manager will implement the Fund's compliance monitoring scheme and provide the CMA with the results of the implementation upon request.
- The Fund Manager shall abide by all his duties and responsibilities in accordance with the requirements of the Investment Funds Regulations.

### b) Number and Date of Issue of CMA License

Saudi Economic and Development Securities Company (SEDCO Capital) is a closed joint stock company, with its headquarter in Jeddah under Commercial Registration No. (4030194994), licensed and regulated by the Capital Market Authority under license number (11157-37) dated 19/04/2009G.



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

Saudi Economic and Development Securities Company (SEDCO Capital)  
P.O. Box 4384 Jeddah 21491  
Jeddah, Al Murjan Dist., King's Road  
Red Sea Markets Centre  
Phone: 2151500  
Fax: +966 12 690 6599

**d) The website address of the Fund Manager, and any related website address including information about the Fund**

Website: [www.sedcocalcapital.com](http://www.sedcocalcapital.com)

**e) A Statement of the Fund Manager Paid-up Capital**

Two-hundred million (200,000,000) Saudi Riyals.

**f) A Summary of the Fund Manager's Financial Information Detailing Revenues and Profits for the Previous Fiscal Year**

Description	Fiscal Year Ending December 31, 2023
Revenue	198,592,476 (SAR)
Expenses	160,571,871 (SAR)
Net Income	32,840,918 (SAR)

**g) A Statement of the Primary Roles and Responsibilities of the Fund Manager in relation to the Fund**

Please refer to paragraph (a) on "Duties and Responsibilities of the Fund Manager".

**h) Any Other Business Activities or Interests of the Fund Manager That Are of Material Significance, or May Conflict with the Activities of the Fund**

The Fund Manager seeks to exert its utmost efforts to resolve any conflict of interest that may arise between the Fund Manager, members of the Fund's Board of Directors, the concerned parties, and Unitholders, including cases that may affect the Fund Manager's performance and implementation of its duties towards the Fund.

The Fund may also enter into transactions with the Fund Manager or its affiliates or companies that were affiliated with it in the past, or with other entities in which SEDCO Capital as the Fund Manager has direct or indirect rights. For example, SEDCO Capital, as the Fund Manager or some of its affiliates, may provide specific services to the Fund. All transactions that take place between the Fund and the Fund Manager and its affiliates and entities in which SEDCO Capital as the Fund Manager has direct or indirect rights, will be disclosed to the Fund's Board of Directors.

Moreover, the Fund Manager (or any of its affiliates, related companies, or a related party) may enter into transactions with the Fund and/or with any service provider to the Fund based on which the Fund Manager in any other capacity other than as a Fund Manager, directly or indirectly, may provide services for certain fees or charges.

As of the date of these Terms and Conditions, there is no material conflict of interest that would affect the Fund Manager in the performance and implementation of its duties towards the Fund.

**i) A Statement of the Fund Manager Right to Appoint a Sub-Fund Manager**

Subject to the provisions of the Investment Funds Regulations, the Fund Manager may assign one or more third parties or any of its affiliates to act as a sub-Fund Manager, and the Fund Manager shall pay the fees and expenses of any sub-Fund Manager from its own resources.

**j) A Statement of the Provisions Governing the Removal and Replacement of the Fund Manager**

The CMA may remove the Fund Manager in relation to any specific investment Fund, and take any action it deems appropriate to appoint a replacement Fund Manager for that Fund, or take any other measure it deems appropriate at its discretion, in any of the following events:

- If the Fund Manager ceases performance of the activity of managing investments and operating funds, or discontinues the activity



of Investments' management, without notifying the CMA of that in accordance with the Capital Market Institutions Regulations.

- If the CMA cancels, withdraws or suspends the Fund Manager's license to engage in the activity of managing investments and operating funds or the activity of managing investments.
- If the Fund Manager files an application with the CMA to cancel its license to engage in the activity of managing investments and operating funds or the activity of managing investments.
- If the CMA determines that the Fund Manager is in breach - to an extent that the CMA deems material - of the Law or its Implementing Regulations.
- In the event of death, incapacitation or resignation of the investment portfolio manager who manages the assets of the investment Fund, and the unavailability of another person registered with the Fund Manager capable of managing the assets of the investment Fund or the Assets of the Funds managed by the investment portfolio manager.
- In any other event which the CMA reasonably finds to be materially significant.

## (22) Fund Operator

### a) Fund Operator Name

Saudi Fransi Capital Company.

### b) Number and Date of Issue of CMA License

Saudi Fransi Capital Company (a closed joint stock company owned by Saudi Fransi Bank) under the Commercial Registration No. (1010231217), dated 26/03/1427H, licensed by the Capital Market Authority (1153-37) dated 26/02/1432H.

### c) Registered Address and Business Address of the Fund Operator

Saudi Fransi Capital Company  
Head Office: 8092 King Fahad Road  
Riyadh 12313-3735, Kingdom of Saudi Arabia  
Website: <https://www.sfc.sa>

### d) A Statement of the Fund Operator Primary Roles and Responsibilities in Relation to the Investment Fund

- The Fund Operator shall be responsible for the operation of the Fund.
- The Fund Operator shall keep books and records related to the operation of the Fund.
- The Fund Operator prepares, updates and maintains the register of Subscribers in the Units in the Kingdom in accordance with the requirements of the Investment Funds Regulations
- Full and fair evaluation of the Fund Assets and calculation of the Fund's Unit Price.
- Executing all subscription and redemption requests in accordance with the Investment Funds Regulations, as well as these Terms and Conditions.

### e) A Statement of the Fund Operator Right to Appoint a Sub-Fund Operator

The Fund Operator may appoint sub-operators to the Fund. The Fund Operator shall pay the fees and expenses of any sub-operator out of its own resources.

### f) Mandates Assigned by the Fund Operator to a Third Party in relation to the Investment Fund

None. However, the Fund Operator may appoint one or more third parties or any of its affiliates licensed to conduct the activity of operating funds to act as a sub-operator of the Fund.

## (23) Custodian

### a) Custodian Name

Saudi Fransi Capital Company.

### b) Number and Date of Issue of CMA License

Saudi Fransi Capital Company, a closed joint stock company, under Commercial Registration No. (1010231217), owned by the Saudi Fransi Bank, dated 26/03/1427H, licensed by the Capital Market Authority (1153-37) dated 26/02/1432H.



**c) Registered Address and Business Address of the Custodian**

Saudi Fransi Capital Company  
 Head Office: 8092 King Fahad Road  
 Riyadh 12313-3735, Kingdom of Saudi Arabia  
 Website: <https://www.sfc.sa>

**d) A Statement of the Primary Roles and Responsibilities of the Custodian in relation to the Investment Fund**

- The Custodian shall be responsible for fulfilling all its obligations under the provisions of the Investment Funds Regulations, whether he performs his responsibilities and duties directly or has delegated them to a third party under the Investment Funds Regulations and the Capital Market Institutions Regulations.
- The Custodian shall be responsible for the segregating the Fund Assets and Investments and shall be responsible before the Fund Manager and Unitholders for the Fund's losses resulting from fraud, negligence, misconduct or intentional default on the part of the Custodian.
- The Custodian shall be responsible for the custody of the Fund Assets, for their protection in the interest of the Unitholders, and for taking all the required administrative actions relating to the custody of the Fund Assets.
- Upon an official request from the Fund Manager, the Custodian shall open a separate account with a local bank in the name of the Fund, for the benefit of the Fund.
- The Custodian shall segregate the Fund Assets in its records from any other assets, including the assets of the Custodian and the assets of its other Client s, such that those assets are segregated by registering the securities and other assets in the name of the Custodian for the benefit of the Fund. The Custodian is required to maintain all necessary records and other documents evidencing fulfilment of its contractual obligations.
- The Custodian shall deposit all cash amounts belonging to the Fund in the aforementioned account, and the Custodian shall deduct from that account the amounts used to finance Investments and expenses of managing and operations of the Fund in accordance with the provisions of the Investment Funds Regulations, the updated version of the Fund's Terms and Conditions received from the Fund Manager, and the contract under which the Custodian was appointed by the Fund Manager.
- Carrying out professional due diligence when providing custody services. Besides, the Custodian shall be required to fully and duly perform its obligations stated under the relevant custody services agreement and under Part VII requirements of the Capital Market Institutions Regulations, and professional due diligence of a specialized provider of custody services as stated in Part III requirements of the Capital Market Institutions Regulations relating to custody.
- To fully cooperating with the requests of the Auditors and other advisers of the Fund as well as the Fund Manager as per the Investment Funds Regulations.

**e) A Statement of the Custodian Right to Appoint a Sub-Custodian**

The Custodian may appoint a third party(ies) or any of its affiliates as Fund sub-custodian. The Custodian shall pay any fees and expenses related to the sub-custodian out of its own resources.

It should also be noted that the Custodian is responsible for whether it performs responsibilities directly or assigns them to a third party under the provisions of the Investment Funds Regulations and the Capital Market Institutions Regulations.

**f) Mandates Assigned by the Custodian to A Third Party in relation to the Fund**

None.

**g) A Statement of the Provisions Governing the Removal and Replacement of the Custodian**

The Fund Manager may remove the Custodian by written notice if the Fund Manager reasonably considers that the removal of the Custodian is in the interest of the Unitholders, and the Fund Manager shall announce this on the Fund Manager's website and the Exchange's website.

If the Fund Manager removes the Custodian, the Fund Manager shall appoint a replacement within (30) days of receipt of the written notice by the Custodian. The removed Custodian must cooperate with the Fund Manager to facilitate the smooth transfer of responsibilities to the replacement new Custodian. The removed Custodian shall, where necessary and appropriate, transfer to the new Custodian all contracts associated with the Fund.

The CMA have the power to remove the Custodian and take any other measures it deems necessary, as appropriate, in the following events:



- If the Custodian ceases to carry out the custody activity without notification to the CMA in accordance with the Capital Market Institutions Regulations.
- If the CMA cancels, withdraws or suspends the Custodian's license necessary to continue to carry out the custody activity.
- If the Custodian files an application to the CMA to cancel its license necessary to carry out the custody activity.
- If the CMA determines that the Custodian has failed, in any manner which the CMA considers material, to comply with the Capital Market Law or its Implementing Regulations.
- In any other event determined by the CMA - based on reasonable grounds - to be of sufficient significance.

If the CMA exercises its power pursuant to the above, the relevant Fund Manager shall appoint a replacement Custodian in accordance with CMA's instructions, and the Fund Manager as well as the isolated Custodian shall fully cooperate in order to help facilitate a smooth transfer of its responsibilities to the replacement Custodian during the first (60) days after appointing the replacement Custodian. The Custodian shall transfer, where the CMA decides it is necessary, all the contracts related to the Fund to which it is a party, to the replacement Custodian.

## (24) Fund Board of Directors

### a) Names of the members of the Board of Directors of the Fund, indicating the Type of Membership

- Mr. Ziad Al Akeel Chairman - (Independent)
- Mr. Hisham Ghouth - Board Member (Independent)
- Mr. Abdulwahab Abed - Board Member (Non-Independent)
- Mr. Bassam Al Mutairi - Board Member (Non-Independent)

### b) Qualifications of the Members of the Board of Directors of the Fund

#### - Mr. Ziad Al Akeel Chairman - (Independent)

Mr. Ziad Al-Akeel has over sixteen (16) years of banking experience during which he held several leadership positions, the most recent being Vice President of the Private Banking Group (Saudi National Commercial Bank). He is currently the CEO and co-founder of Dar Al-Wessal Marketing, which was established in 2003 as a Saudi company specializing in real estate marketing and development and facility management. He has held numerous board memberships including, Co-founder and Board Member of Dar Al-Wessal, Eventage, and Cyber Financial in Texas, USA, a member of Alinma AlThoraya Real Estate Fund, former member of the credit committee of Samba Financial Group, and a former member of the Investment Products Committee (National Commercial Bank). Mr. Ziad Al-Akeel holds a bachelor's degree in business administration with a Finance major from the American University in Washington D.C., obtained in 1992. He also holds the Series 7 securities trading license from the state of New York and a financial and administrative consultancy license from Saudi Arabia. Additionally, he has advanced studies in comprehensive residential development planning from Johns Hopkins University, and he completed the International Executive Program from INSEAD University in Paris.

#### - Mr. Hisham Ghouth - Board Member-(Independent)

Mr. Hisham has over (20) years of practical experience. Currently, Mr. Hisham holds the position of Senior Partner and Head of Business Development at Lakemore Partners. He holds a bachelor's degree in international law from King Abdulaziz University.

#### - Mr. Abdulwahab Abed - Board Member (Non-Independent)

Mr. Abdulwahab Abed is the CEO of SEDCO Capital, his latest role with SEDCO Capital after spending (18) years there. His extensive experience with SEDCO Capital has enabled him to conduct due diligence studies for co-investments and private equity funds, supervise them, and exit them. He previously held the positions of Head of Business Development at SEDCO Capital, Director of Corporate Finance, and Vice President and Director of the Private Equity Department, where he was responsible for supervising one hundred (100) private equity investments worldwide. Mr. Abdulwahab Abed holds a Bachelor of Science degree (Finance and Economics) with two majors and an MBA with a concentration in Finance from Bentley College at McCallum School of Business in the United States.

#### - Mr. Bassam Al-Mutairi - Board Member (Non-Independent)

Mr. Bassam Al-Mutairi holds the position of Head of the Multi-Assets and Investment Solutions Division at SEDCO Capital. With over 12 years of experience in asset management, Mr. Al-Mutairi has worked with prominent organizations in both liquid and private asset management sectors across regional and international markets, including Al Ahli Capital and SEDCO Capital. He joined SEDCO Capital in



2014, initially engaging with the regional liquid assets team, where he was responsible for managing and co-managing a variety of fixed-income and equity portfolios, such as the SEDCO Capital Money Market Fund, the SEDCO Capital Global Sukuk Fund, and the SEDCO Capital Gulf Equities Fund. Subsequently, Mr. Al-Mutairi was appointed Head of Income Assets, where he continued to manage fixed-income funds alongside private income generation strategies. In 2023, he assumed the role of Head of Multi-Assets and Investment Solutions, with his responsibilities extending to managing multiple multi-asset investment portfolios and funds across various asset classes, including public equities, private equities, fixed income, and private income assets, both regionally and internationally. Mr. Al-Mutairi is a member of the Investment Committee and serves as Vice President of both the Multi-Asset Allocation Committee and the Product Development Committee at SEDCO Capital. He holds a bachelor's degree in finance with honors from King Fahd University of Petroleum and Minerals in Dhahran, Saudi Arabia.

**c) A Description of the Roles and Responsibilities of the Board of Directors of the Fund**

- Approving all material contracts, decisions and reports to which the Fund is a party, including - without limitation - approving the contracts for providing management services to the Fund and the contracts for providing custody services. This, however, contracts which are executed in accordance with the investment decisions excludes related to any Investments which the Fund had made or will make in the future.
- Reviewing the report which contains an evaluation of the performance and quality of the services provided by the parties concerned, so as to ensure that the Fund Manager carries out its responsibilities in the best interest of the Unitholders in accordance with the Fund's Terms and Conditions and the Investment Funds Regulations.
- Approving a written policy on the voting rights related to the Fund Assets.
- Overseeing and, where appropriate, approving or ratifying any conflict of interest the Fund Manager has identified.
- Meeting at least twice annually with the Fund Manager's compliance officer to oversee the Fund Manager's compliance with all applicable laws and regulations, including - without limitation - the requirements as stipulated in the Investment Funds Regulations.
- Approving all the Fundamental and Non-fundamental Changes provided in the Investment Funds Regulations, before the Fund Manager receives the approval of the Unitholders and the CMA or before it notifies them (where applicable).
- Ensuring the completeness and accuracy of the Terms and Conditions and any other document, whether contractual or otherwise, that includes disclosures related to the Fund and/or the Fund Manager and its management of the Fund, in addition to ensuring compliance of the foregoing with the provisions of the Investment Funds Regulations.
- Ensuring that the Fund Manager performs its responsibilities in the best interest of the Unitholders, in accordance with the Investment Funds Regulations and the Terms and Conditions.
- Evaluating the process in which the Fund Manager deals with the risks related to the Fund Assets, subject to the Fund Manager's policies and procedures on assessment of Fund-related risks and the method of dealing with them.
- Acting with integrity, good intent, due care and diligence and in the best interest of the Unitholders.
- Recording minutes of meetings showing all actions taken during the meetings and the decisions made by the Board.
- Reviewing the report containing all the complaints and action taken in respect of those complaints, which is referred to in the Investment Funds Regulations, so as to ensure that the Fund Manager carries out its responsibilities in the best interest of the Unitholders in accordance with the Fund's Terms and Conditions and the Investment Funds Regulations.
- Ensuring that the Fund Manager is committed to disclosing material information to Unitholders in accordance with the Terms and Conditions of the Fund and the Investment Funds Regulations.
- Conducting an annual assessment of the extent to which the member's independence is achieved and ensuring that there are no relationships or circumstances that affect or could affect the member in accordance with the provisions of the Investment Funds Regulations.

**d) Details of the Remuneration of the Fund Board Members**

(2,500) Saudi Riyals per meeting for each member and a maximum of Ten Thousand (10,000) Saudi Riyals per annum for all independent members, payable after each meeting.





**e) A Statement of Any Actual or Potential Conflict of Interests Between Any Board Member and the Fund**

The Fund's Board of Directors shall oversee and, where appropriate, approve or ratify any conflict of interest the Fund Manager has identified. The Fund's Board of Directors shall exercise care and diligence towards the Unitholders and make the utmost effort to resolve any conflict of interest in good faith and in the appropriate manner. The Fund Manager will disclose to the Fund's Board of Directors all transactions between the Fund and the Fund Manager, its subsidiaries and entities in which SEDCO Capital in its capacity as Fund Manager has direct or indirect interest.

Any conflict of interest will be disclosed by the Fund Manager to the Fund's Board of Directors as soon as possible and shall be disclosed in the Fund's annual reports.

As of the date of these Terms and Conditions, there is no actual or potential conflict between the interests of the Fund Board members and the interests of the Fund.

**f) A Statement of All Boards of Other Funds on Which the Fund Board Member Participates In**

Name	Other Funds	Fund Manager	Role
Mr. Ziad Al Akeel - Chairman (Independent)	Itqan Capital Saudi Equity Fund	Itqan Capital	Board Member (Independent)
	Itqan Capital Multi-Assets Fund For Growth	Itqan Capital	
	Daal Itqan Capital VC Fund	Itqan Capital	
	Golden Deposits Fund	Itqan Capital	
	Atta'meer Fund		
	Al Tahaluf Real Estate Fund	Itqan Capital	
	Triple Helix Private Equity Fund	Itqan Capital	
	Red Sea Logistics Fund	Itqan Capital	
	Ashrooq Real Estate Fund	Itqan Capital	
	Itqan Logistics Fund	Itqan Capital	
	SEDCO Capital Real Estate Development Fund II - BTS	Itqan Capital	
	SEDCO Capital REIT Fund	SEDCO Capital	
		SEDCO Capital	
	SEDCO Capital - Ajdan Fairmont Fund	SEDCO Capital	
	Rikaz SEDCO Capital Fund	SEDCO Capital	
	SEDCO Capital Inspire Boulevard Fund	SEDCO Capital	
	Masar SEDCO Capital Real Estate Fund	SEDCO Capital	
	SEDCO Capital Grand Square Fund	SEDCO Capital	
	Asmou SEDCO Capital Fund	Alinma Investment Company	
	Alinma AlThorava Real Estate Fund	SEDCO Capital	



	SEDCO Capital Laghara Fund		
<b>Mr. Hisham Ghouth - Board Member (Independent)</b>	SEDCO Capital IPO Fund	SEDCO Capital	Board Member (Independent)
<b>Mr. Abdulwahhab Abed Board Member (Non-Independent)</b>	SEDCO Capital Real Estate Development Fund II - BTS		
	SEDCO Capital REIT Fund		
	Rikaz SEDCO Capital Fund		
	SEDCO Capital Ajdan Fairmont Fund		
	SEDCO Capital Ishbiliyah Fund	Saudi Economic and Development Securities Company (SEDCO Capital).	Non- Independent Fund Board
	SEDCO Capital Inspire Boulevard Fund		
	Masar SEDCO Capital Real Estate Fund		
	SEDCO Capital Grand Square Fund		
	Asmou SEDCO Capital Fund		
	SEDCO Capital Somou Park Fund		
	SEDCO Capital Somou AlRemal Fund		
<b>Mr. Bassam Al-Mutairi - Board Member (Non-Independent)</b>	NA	NA	NA

## (25) Shariah Supervisory Committee

SEDCO Capital (the Fund Manager) will act as the Shariah Controller of the Fund. SEDCO Capital has a Shariah Supervisory Unit, an internal Shariah advisor and a Shariah Supervisory Committee.

As the Shariah Controller, SEDCO Capital assumes the following responsibilities:

- Ensure that the Fund's Investments are compatible with Shariah standards.
- Arranging Shariah audit by an independent firm.
- Disclosure of any Sharia violations to the Shariah Supervisory Committee.

The Shariah Supervisory Committee has reviewed these Terms and Conditions and approved the Fund's structure and the offering of Units. The Shariah Controller of the Fund (the Fund Manager) will be responsible for the fees and expenses of the Shariah supervision of the Fund, including the fees of the Shariah Supervisory Committee, the Shariah auditors, the operations of the Shariah Supervisory Committee supervision, Investments and financing to ensure compliance with the Shariah standards. In the event that any returns or other amounts received by the Fund do not comply with the Shariah standards, the Shariah Controller of the Fund (the Fund Manager) calculates the purification amounts according to the methodology followed by the Sharia advisor, and the Investors will be notified of that on a regular basis, and the responsibility for paying the purification amounts falls on the Investors.



**a) Names and Qualifications of the Members of the Shariah Supervisory Committee**

**- Dr. Mohammed bin Ali Elgari - (Chairman)**

Education	Experience
(1) Bachelor of Economics and Management from King Abdulaziz University in Jeddah.	(1) Professor of Islamic Economics at King Abdulaziz University
(2) Master of Economics from the University of California, USA.	(2) Former Director of the Islamic Economics Research Center.
(3) Ph.D. in Economics from the University of California, USA.	(3) Expert at the International Islamic Fiqh Academy, Organization of Islamic Cooperation.
	(4) Chairman and member of a group of Shariah boards and boards of many financial institutions in the Kingdom of Saudi Arabia and at the global level.

**- Dr. Mohammed Dawood Bakr - (Member)**

Education	Experience
(1) First university degree in Shariah from Kuwait University.	(1) Chairman of the Shariah Advisory Board of the Central Bank of Malaysia.
(2) PhD from the University of St Andrews in the United Kingdom.	(2) Chairman of the Securities Commission of Malaysia.
(3) He then completed his external bachelor's degree in jurisprudence at the University of Malaya.	(3) Founder and CEO of Amani Group.

**- Dr. Abdulaziz bin Khalifa Al-Qassar - (Member)**

Education	Experience
(1) Bachelor's degree in Shariah from Kuwait University.	(1) Professor at the Department of Comparative Jurisprudence and Shariah Politics at the College of Sharia and Islamic Studies at Kuwait University.
(2) Master's degree from Al-Azhar University.	(2) Member of the Shariah Supervisory Board for a number of investment companies in the Gulf countries.
(3) PhD in Law and Sharia from Al-Azhar University.	

**b) A Statement of the Roles and Responsibilities of the Shariah Supervisory Committee**

The roles and responsibilities of the Shariah Supervisory Committee include:

- Study and review the Fund's investment objectives and policies and the Fund's documents to ensure their compliance with Shariah standards.
- Periodic Shariah supervision of the Fund.
- Determine the Shariah standards necessary for the business, operations and Investments of the Fund and the financing related to the Fund in accordance with the Shariah standards.

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

The Fund shall pay a Shariah Supervision fee, which is a lump sum of thirty thousand (30,000) Saudi Riyals annually. The fees shall be paid to the Shariah Controller, who shall be responsible for paying the amounts to the Shariah Supervisory Committee and any other party in relation to any matters related to Shariah standards.



**d) Details of the Standards Used to Determine the Shariah-compliant Assets to be Used for Investment, and the Periodic Review of such Assets, and the Procedures in the event of non-compliance with the Shariah Standards**

Please refer to the Shariah standards set out in Appendix (1) of these Terms and Conditions.

**(26) Investment Advisor**

Not applicable.

**(27) Distributor**

Not applicable.

**(28) Auditor**

**a) Name of the Auditor**

Ernst & Young Professional Services.

**b) Registered Address and Business Address of the Auditor**

Al Faisaliah Office Tower - 14th Floor

King Fahad Road

P.O. Box 2732 Riyadh 11461

Kingdom of Saudi Arabia

Tel: +966 (11) 215 9898

+966 (11) 273 4740

Fax: +966 (11) 273 4730

Website: ey.com

Email: ey.ksa@sa.ey.com

**c) A Statement of the Key Roles and Responsibilities of the Auditor**

The Auditor shall:

- Conduct an audit of the Fund's accounts with the aim of expressing an opinion on the financial statements to the Unitholders, and whether the financial statements reflect fairly, in all material respects, the financial position, results of operations, and cash flow information in accordance with generally accepted accounting standards in the Kingdom.
- Evaluate the adequacy of the accounting policies followed and the reasonableness of the accounting estimates made by the Fund, in addition to evaluating the overall presentation of the financial statements.
- Studying the internal controls related to the preparation of the Fund's financial statements to establish appropriate procedures under the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the Fund's internal controls.
- Review the interim financial statements of the Fund in accordance with the standards of the Saudi Organization for Auditors and Accountants.

**d) A Statement of the Provisions Governing the Replacement of the Auditor of the Investment Fund**

The Fund's Board of Directors shall reject the appointment of the Auditor or instruct the Fund Manager to replace the appointed Auditor in any of the following events:

- If strong allegations exist concerning the professional misconduct of the Auditor regarding the performance of its duties.
- If the Auditor of the Fund is no longer independent.
- If the Auditor is no longer registered with the CMA.
- 
- If the Fund's Board of Directors decides that the Auditor no longer has sufficient qualifications and experience to perform the review and audit functions satisfactorily.
- If the CMA requests, at its discretion, requests changing the appointed Auditor of the Fund.

**(29) Fund Assets**



**a) A Statement that the Fund Assets are held by the Custodian for the benefit of the Fund**

The Fund Assets are held by the Custodian for the benefit of the Fund.

**b) A Statement Clarifying that the Custodian Must Segregate the Fund Assets**

The Custodian shall segregate the Assets of the Fund from its own assets and the assets of its other Clients.

**c) A Statement on the Ownership of the Fund Assets**

The Fund Assets are collectively owned by the Unitholders (common ownership). The Fund Manager, sub-manager, Custodian, sub-custodian, advisor or distributor, may not have any interest in the Assets of the Fund or any claim against those assets, unless the Fund Manager, sub-manager, Custodian, sub-custodian, advisor or distributor, is a Fund Unitholder, and in such case, within the limits of its ownership, or if such claims are permitted under the Investment Funds Regulations and disclosed in these Terms and Conditions.

**(30) Processing of Complaints**

The Fund Manager states that the procedures for handling complaints will be provided upon request free of charge, and Unitholders can contact the Fund Manager in the event of any complaint that may arise at the following address:

**Compliance and Anti-Money Laundering**

**Saudi Economic and Development Securities Company (SEDCO Capital)**

P.O. Box 4384 Jeddah 21491  
Jeddah, Al Murjan Dist., King's Road  
Red Sea Markets Center  
Phone: 2151500  
Fax: +966 12 690 6599  
Website: [www.sedcocalpital.com](http://www.sedcocalpital.com)

The Subscriber shall be entitled to submit his complaint to the Capital Market Authority (CMA). The Subscriber may also submit the complaint to the Committee for the Resolution of Securities Disputes after (90) Business Days following the date of submission of complaint to the CMA, unless the CMA has notified the complainant to file the complaint to the Committee prior to the expiration of such period.

**(31) Other Information**

**a) The Policies and Procedures that will be Followed to Address Conflicts of Interest and any potential and/or actual Conflicts of Interest will be Provided Upon Request Free of Charge**

The policies and procedures to be followed in addressing conflict of interest and any potential and/or actual conflict of interest, will be provided upon request free of charge.

**b) Competent Judicial Authority Having Jurisdiction Over Any Dispute Arising from or related to the Investment in Investment Funds**

The Committee for Resolution of Securities Disputes is the judicial department having jurisdiction over any dispute which may arise out of, or in relation to, investing in investment Funds.

**c) List of Documents Available to Unitholders**

The list includes the following documents:

- Fund's Terms and Conditions.
- Contracts mentioned in the Terms and Conditions.
- Fund Manager Financial Statements.

**d) Any Other Information to the knowledge of the Fund Manager**

There is no other information to the knowledge of the Fund Manager and the Fund Board of Directors that is not included in these Terms and Conditions.

**e) Any Exemptions from the Restrictions of the Investment Funds Regulations Approved by the Capital Market Authority, except those mentioned in the Investment Policies and Practices**

There are no exemptions from the restrictions of the Investment Funds Regulations approved by the CMA.



### (32) Additional Information Required for Other Types of Funds

#### a) Details of the criteria applied by the Fund Manager to select the target fund (the Master Fund - SEDCO Capital Global Sukuk Fund)

- Compliance with Shariah standards.
- Experience in asset management.
- The past performance record of the Fund and its Manager.

#### b) Full Details of Fees and Expenses

- Relevant fees and expenses at all levels of the Fund structure:
- As stated in the offering memorandum for the Master Fund, which includes information about the Master Fund and fees. These fees can be obtained through the Fund Manager's website at the following link:

[https://sedcocapital.com/wp-content/uploads/2024/09/Prospectus-SEDCO-UCITS\\_-August-2024.pdf](https://sedcocapital.com/wp-content/uploads/2024/09/Prospectus-SEDCO-UCITS_-August-2024.pdf)

Below is a summary of the main fees for the target fund:

Target Fund Fees	
Management Company Fees	up to 0.03% per annum
Investment Manager Fees	up to 0.25% per annum
Subscription Fees*	up to 1%
Mitigation Fees*	up to 1%

\*Subscription Fees or Mitigation Fees will not be included in the target fund fees for investors through the Feeder Fund.

In addition to the fees mentioned in the table above, the manager of the Feeder Fund will charge the following fees to the Feeder Fund in accordance with Article (9) of these Terms and Conditions:

Type of Fees and Charges	Details
Fund Management Fees	The Fund Manager is entitled to a Fund management fee equivalent to 0.80% of the Fund's Net Asset Value (NAV) annually. This fee is calculated on an annual basis each Business Day and deducted and paid to the Fund Manager at the end of each Gregorian month. Note that the Feeder Fund management fee does not include the fees applicable to the Master Fund. The Master Fund management fee is 0.10% of the fund's net asset value.
Subscription and Redemption Fees	Subscription Fee: up to 1.5% of the subscription value. Redemption Fee: Not applicable.
Custodian Fees	The Fund pays a fee to the Custodian equivalent to (0.04%) of the Net Asset Value annually, with a minimum of (35,000) Saudi Riyals.
Fund Operator Fees	The Fund pays fees to the Fund Operator equivalent to (0.03%) of the Net Asset Value annually, up to a limit of (15,000) Saudi Riyals.
Dealing Expenses	These fees are paid by the Fund based on the actual cost, and the total amount will be disclosed in the Fund's reports.
Auditor's Fees	The Fund shall pay the Auditor's fees in the amount of twenty thousand (55,000) Saudi Riyals, paid semi-annually.

**Fees for Independent Board Members**

(2,500) Saudi Riyals per meeting for each member, up to a maximum of ten thousand (10,000) Saudi Riyals annually for all independent members, paid after each meeting.

**Annual Regulatory Fees imposed by the Authority**

The Fund pays the regulatory fees imposed by the Authority amounting to (7,500) Saudi Riyals annually.

**Annual Publication Fees (Tadawul)**

Five thousand (5,000) Saudi Riyals paid annually by the Fund to the market.

**Shariah Compliance Officer Fees**

The Fund pays Shariah compliance monitoring fees, which are a lump sum amount of (30,000) Saudi Riyals annually. The fees are paid to the Shariah compliance officer, who is responsible for disbursing the amounts to the Shariah compliance committee and any other relevant entity regarding Shariah standards.

**Shariah-Compliant Financing Expenses**

Borne by the Fund when they exist according to prevailing market rates, calculated on each valuation day, and paid according to the requirements of the financing bank.

**Other Fees and Expenses**

The Fund Manager has the right to charge the Fund for all other expenses and costs resulting from the Fund's activities. These expenses and costs include, but are not limited to, banking transaction costs, currency exchange fees, printing and publishing fees for periodic reports and Unitholder meetings. In all cases, only the actual fees and costs will be deducted in addition to the taxes imposed by law, with a maximum of (1%) of the Fund's Net Asset Value (NAV) annually.

**(33) Unitholder Declaration**

By subscribing to the Fund, the Unitholder hereby declares and confirms that he/she has duly examined these Terms and Conditions and agrees to the Units characteristics to which he/she has subscribed. Further, the Unitholder declares that he fully understands these Terms and Conditions and therefore confirms and undertakes to comply therewith alongside the relevant documents and the offering of Fund Units, and a copy of these Terms and Conditions was received and signed.

Name:

Signature:

Date:

CEO  
Abdulwahab Abed

Chief Governance and Compliance Officer  
Montaser Fouda





## Appendix No. (1) Shariah Standards

### Shariah Standards

#### Liquid Strategy Funds

#### A. Investment selection

No Fund may invest in:

1. companies whose total conventional debt divided by the trailing 24-month average market capitalisation or total assets (whichever is the greater as the denominator) is greater than or equal to 33% (where: "total debt" = short-term debt + current portion of long-term debt + long-term debt; excluding preferred Shares where there is a financial preference);
2. companies whose sum of cash and interest bearing securities divided by the trailing 24-month average market capitalisation or total assets (whichever is the greater as the denominator) is greater than or equal to 33% (where "cash and interest bearing securities" = cash in banks + short-term bank deposits + long term deposits + short-term saving certificates + investment in money market instruments + investment in non-compliant securities + investment in bonds + unidentified short-term investments + short-term notes receivable + long-term notes receivable); **\*Excluding Islamic deposits and Sukuk.**
3. companies whose accounts receivables divided by the trailing 24-month average market capitalisation or total assets (whichever is the greater as the denominator) is greater than or equal to 33%; or
4. companies whose amount of revenue generated from any of the following Non-Permissible Activities is exceeding 5% of its total revenue irrespective of the income being generated by undertaking a Non-Permissible activity. If a source of income is not properly disclosed then more effort is to be exerted for identification thereof giving due care and caution in this respect:
  - the manufacture and/or sale/distribution of alcohol, tobacco, pork, music and pornographic productions;
  - restaurant or hotel/motel businesses, except those not selling alcohol;
  - operators of gambling casinos or manufacturers of gambling machines;
  - operators of movie theatres and cable television companies;
  - conventional financial services (i.e. non-Shariah compliant banks, investment funds, brokerage firms, non-corporative insurance businesses or any other interest-based financial services activity); or
  - the manufacture of military defense equipment or weaponry.

#### B. Financial Instruments

No Fund may invest in or use any of the following instruments or any derivatives thereof:

- futures;
- options;
- swaps;
- preferred shares (where there is financial preference);
- short sales; or
- other instruments where any of their components involve the payment or receipt of interest.

#### C. Borrowing, Leverage and Hedging

No Fund may use conventional borrowing, leverage or hedging.

#### D. Purification of Non-Permissible Income

Any dividends received from companies Non-Permissible Activities or Preferred Shares must be purified according to SEDCO Capital's purification process.



## Illiquid Strategy Funds

### Private Equity Companies and Funds

#### A. Investment Selection:

No investment may be made in:

1. Existing companies whose conventional Leverage Ratio is more than (33%) for existing companies on a post money valuation basis and zero for companies yet to be formed, where Leverage Ratio is calculated as per the formula below:

$$\text{Leverage Ratio} = \frac{\text{Total Interest Bearing Debt}}{\text{Equity Value} + \text{Total Debt}}$$

Where:

Equity Value is:

- a. the Book Value of Equity; or
  - b. Fair Market Value of Equity, where applicable, as per the most recent round of equity financing or other market-based transaction such as share sale, as determined by the Shariah Monitor at his sole discretion.
2. For companies yet to be formed and seeking interest-bearing debt;
  3. Companies whose amount of revenue generated from any of the following Non-Permissible Activities exceed 5% of its total revenue irrespective of the income being generated by undertaking the non-permissible activity. If a source of income is not properly disclosed, then more effort is to be exerted for identification thereof giving due care and caution in this respect:
    - the manufacture and/or sale/distribution of alcohol, tobacco, pork, music and pornographic productions;
    - restaurant or hotel/motel businesses, except those not selling alcohol;
    - operators of gambling casinos or manufacturers of gambling machines;
    - operators of movie theatres and cable television companies;
    - conventional financial services (i.e. non-Shariah compliant banks, investment funds, brokerage firms, non-corporative insurance businesses or any other interest-based financial services activity); or
    - the manufacture of military defense equipment or weaponry.
  4. Companies whose total amount of interest-taking deposits, whether short, medium or long term, is exceeding (30%) of Equity Value (as defined in Clause 1 above), knowingly that interest-taking deposits are prohibited whatsoever the collective amount is unless it is Shariah compliant. If any income is recognized from interest-taking deposits, it will be purified immediately.

#### B. Financial Instruments

No Fund may invest in or use any of the following instruments or any derivatives of them:

- futures;
- options;
- swaps;
- preferred shares;( where there is financial preference);
- short sales; or
- other instruments where any of their components involve the payment or receipt of interest.

#### C. Majority Shareholding or Managerial Control:

If at any time a Fund becomes a majority shareholder in or gains managerial control over a company which is not fully Shariah compliant, a clear Shariah approved plan must be adopted to transform the company into a fully Shariah compliant company.

#### D. Borrowing, Leverage and Hedging

No Fund may use conventional borrowing, leverage or hedging.



#### **E. Purification of Prohibited Income**

Any incidental income from Non-Permissible Activities or Preferred Shares must be purified according to SEDCO Capital's purification process.

The Fund intends to adhere to the investment objective, approach and restrictions set out in the Fund's Terms and Conditions. Any changes to the investment objective and approach may be made in accordance with the Fund's Terms and Conditions.

Although the Fund will make direct investments, the Fund may also invest indirectly through one or more wholly or partially owned subsidiaries or other platforms in accordance with the Fund's Terms and Conditions where the Fund Manager believes this will be commercially or taxably efficient or provide the only practical means of accessing a relevant instrument or strategy.

#### **F. Calculation and Purification of Prohibited Income**

The Fund Operator publishes on a daily basis a percentage of the Net Asset Value (NAV) of each Fund that represents prohibited income in respect of the relevant Fund. These amounts may not be deducted from the Net Asset Value (NAV) of the relevant Funds. Shareholders are responsible for the purification of their share of any prohibited income by donating it to a charity or charities of their choice.

Any and all interest income received by the Fund will be classified as prohibited income for purification purposes.

#### **G. Procedures for Compliance with Sharia Standards**

The Shariah Advisors shall be responsible for approving the legal structure and documentation of the Fund and all individual Funds from the Shariah aspect, including in particular the Shariah investment criteria and standards, and shall issue a Shariah opinion to confirm this approval once they are satisfied with compliance with the requirements of the Shariah criteria and standards. The Shariah Advisors shall also provide ad hoc Shariah guidance, waivers (at their discretion) or Shariah opinions when requested by the Shariah Controller on any questions relating to compliance with the Shariah criteria and standards of the Fund or any of its transactions.

The Shariah Controller monitors the transactions of each Fund and calculates the amount of prohibited income in respect of each Fund on a quarterly basis. If the Shariah Controller believes that any such transaction is not or may not be in compliance with the Shariah investment standards, the Shariah Controller may request general Shariah standards or a Shariah opinion on the matter from the Shariah advisors. If necessary, the Shariah Controller will be responsible for notifying the relevant service providers, in particular the Shariah Auditor, the Fund Operator and the relevant Investment Manager, of any Shariah standards or opinions and ensuring that any subsequent corrective actions are taken.

The Shariah Auditor will be responsible for auditing the Shariah Controller's monitoring process on an annual basis. The Shariah Auditor will report its findings to the Shariah Advisors on an annual basis and assist them in assessing that all assets held by the Funds, all transactions entered into by the Funds, as well as the calculation and reporting of prohibited income, during each financial year have been executed in accordance with the Shariah standards and/or with any relevant Shariah guidance from the Shariah Advisors or Shariah opinions. In order for the Shariah Auditor to be able to carry out its duties, the Shariah Controller must provide the Shariah Auditor with all details relating to all transactions entered into by the Funds, as well as details of all prohibited income calculations on a quarterly basis and will audit their compliance with the Shariah standards for investment and any relevant Shariah guidance from the Shariah Advisors or Shariah opinions. The Shariah Auditor will then report its findings to the Shariah Controller on a quarterly basis. The purpose of the quarterly Shariah audit report shall be to ensure that the Fund transactions comply with the relevant Shariah investment standards, suggest any necessary corrective action and confirm whether the corrective actions suggested in such previous reports have been implemented. Once agreed with the Shariah Controller, the Shariah audit reports are sent by the Shariah Auditor to the Shariah Advisors on a quarterly basis for approval.

#### **H. Warning on the Effects of the Sharia Standards**

Investment restrictions as set forth in the Shariah standards (for example, the inability to invest in interest-bearing investment securities) may result in any Fund performing less well than Funds with a similar investment objective but not subject to Shariah standards for investment or similar standards.

In particular, the Investment Manager will receive instructions from Shariah Advisors through the Company or the Management Company, as set forth in the Investment Management Agreement. In accordance with these instructions issued by the Shariah Advisors, the Investment Manager will not be permitted, for example, to invest in securities or other financial instruments that, in the opinion of the Shariah Advisors, are not or no longer in compliance with the Shariah standards for investment. Similarly, cash balances held by the Company from time to time may be deposited on terms that do not provide any interest income on the amount deposited for the benefit of any Fund.