



Fund Name
AIAhli Saudi Trading Equity Fund

Terms and Conditions

The Fund is regulated by the Capital Market Authority pursuant to its Investment Funds Regulations. The Fund with revised Terms & Conditions has been approved by the Capital Market Authority on 18/12/1429 H corresponding to 16/12/2008 G. The Fund was originally approved by the Saudi Arabian Monetary Agency on June 1998. This is the updated version of the Terms & Conditions, which reflects the changes that have been made to the fund board according to our letter sent to the Capital Market Authority on 13/1/1436 H corresponding to 6/11/2014 G.

Investors should read these Fund Terms and Conditions carefully before taking any investment decision regarding the Fund. If you are in any doubt about the suitability of the Fund for investment or about any of the contents of the Terms and Conditions, you should contact an independent financial advisor. A person making an investment in the Fund does so entirely at his own risk and responsibility.

Important:

If you are in any doubt about the contents of these Terms and Conditions you should consult your financial adviser. These Fund Terms and Conditions have been prepared in accordance with the rules contained in the Investment Fund Regulations (the "Regulations") issued by the Capital Market Authority (the "CMA") pursuant to Resolution Number 1-219-2006 dated 3/12/1427H, based on the Capital Market Law issued by Royal Decree No. M/30 dated 2/6/1424H.

NCB Capital Company ("NCB Capital"), as Fund Manager of this Fund, is responsible for the information contained in these Terms and Conditions. To the best of the knowledge and belief of NCB Capital (having taken all reasonable care to ensure that such is the case), the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Regulations to be included in it. NCB Capital accepts responsibility accordingly.

No person has been authorized by NCB Capital to give any information or to make any representations in connection with the offering of units in Funds ("Units") other than those contained in these Terms and Conditions and, if given or made, such information or representations must not be relied on as having been made by NCB Capital. The delivery of these Terms and Conditions (whether or not accompanied by any reports) or the issue of Units shall not, under any circumstances, create any implication that the affairs of NCB Capital have not changed since the date hereof.

Pursuant to Article 51 of the Regulations, the distribution of these Terms and Conditions and the offering of Units shall be eligible to all persons. However, NCB Capital requires that it is the responsibility of every person into whose possession these Terms and Conditions comes, or who subscribes for Units, to inform themselves about and to observe any restrictions that may be applicable to them on the grounds of nationality or residence. These Terms and Conditions do not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

Potential Investors should not treat the contents of these Terms and Conditions as advice relating to legal, taxation, Shari'ah, investment or any other matters, and are recommended to consult their own professional and religious advisers concerning the acquisition, holding or disposal of Units. By signing these Terms and Conditions, each Investor agrees that the Fund Manager will invest Subscription Monies on its behalf in accordance with the Terms and Conditions.

The Fund seeks to generate long term capital growth through investing in listed equities of Saudi companies. Long term growth in listed equities is associated with high volatility. Thus investing in equities contains higher risks compared to other investments; however the Fund will aim to reduce such risks through diversifying the fund investment over different sectors and companies.

These Terms and Conditions are dated, and are valid as at, 18/12/1429 corresponding to 16/12/2008. These Terms and Conditions may at any time be replaced by new Terms and Conditions or extended by a supplement issued by NCB Capital. Investors should, therefore, check with NCB Capital that these are the most recently published Terms and Conditions and that they have all (if any) supplements to it issued by NCB Capital.

NCB Capital was incorporated as a closed joint stock company in the Kingdom of Saudi Arabia under Commercial Registration No. 1010231474 on 26/03/1428H, corresponding to 14/04/2007G. NCB Capital was authorised by the Capital Market Authority pursuant to Resolution No. 7-219-2006 dated 03/12/1427H, corresponding to 24/12/2006G, under Licence No. 37-06046, to carry out dealing, as principal and agent, and underwriting, managing, arranging, advising and custody, with respect to securities. NCB Capital was authorized by the Capital Market Authority to commence business on 10/6/1428H, corresponding to 25/06/2007G. NCB Capital is a direct subsidiary of The National Commercial Bank, of Jeddah, Saudi Arabia. The registered office of NCB Capital is at Al Mather Street, P.O. Box 22216, Riyadh 11495, Kingdom of Saudi Arabia.

Fund Facts:

Currency	Saudi Riyal
Risk Category	High Risk
Benchmark	S&P Saudi Arabia Shariah Index.
Objectives	Long term capital growth through investing in listed companies in the Saudi market and in line with the Shariah guidelines
Minimum Investment	SAR 5,000
Minimum Subsequent Subscription	SAR 2,000
Minimum Subsequent Subscription through Regular Investment Service (RIS) or alternative distribution channel	SAR 100
Minimum Redemption	SAR 2,000
Valuation Days	Monday and Wednesday
Subscription/ Redemption Days	Every Saudi Business day
Subscription / Redemption Request cut off time	Before or at 12 noon on the day prior to the valuation day
Subscription Fee	N/A
Management Fee	1.75%
Redemption Proceeds Payment Day	Made available to Investor within 3 days after the Valuation Day on which the redemption has been executed.
Other expenses	The Fund Manager will charge the Fund any expenses related to custody, Shariah audit, data processing and other similar charges including Audit fees. However, other expenses are not expected to exceed 0.50% from the Fund's NAV.
Offer Date	June 1998
Initial Unit Price	1 SAR

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Definitions:

The Fund	AlAhli Saudi Trading Equity Fund.
Fund Manager	NCB Capital Company.
Board	The Board of Directors of the Fund, as set out at section 13 of the Terms and Conditions.
CMA	The Capital Market Authority of Saudi Arabia.
CML	Capital Market Law of Saudi Arabia, which was issued by Royal Decree No. (M/30) dated 2/6/1424 H (16th. June, 2003).
Regulations	Means the Investment Fund Regulations issued by the Capital Market Authority.
NCB Capital	NCB Capital Company, whose Commercial Registration number is 1010231474, and whose registered address is at Al Mather Street, P.O. Box 22216, Riyadh 11495, Kingdom of Saudi Arabia.
Terms and Conditions	Means these Terms and Conditions Specific to the Fund
Index	S&P Saudi Arabia Shariah Index
Saudi Riyal	Saudi Riyal
Saudi Business Day	Means a day on which banks are normally open for business in Saudi Arabia, not including any official Saudi holiday.
Dealing Day	The day(s) on which subscriptions and redemptions will in the ordinary course be processed, and the net asset value per Unit will be calculated.
Valuation Day	Each day of valuing the units in the Fund (Monday & Wednesday)
Redemption Form	Form used to redeem units.
Subscription Fee	Fees charged for subscribing in the Fund.
Subscription Form	Form used for subscription in the Fund.
Subscription Monies	Means the gross amount paid by the Investor to the Fund Manager to invest in the Fund.
Switch Form	Form used for switching between Al-Ahli mutual funds.
Regular Investment Service (RIS)	A service that allows investors to subscribe a fixed amount to the fund on a monthly basis
Units	A Unit offers the investor the right to participate in the beneficial ownership of the assets of the Fund pro-rata to the number of Units held by the investor.
Custodian	Means the Custodian assigned for the Fund
Financial Year	Means the financial year of each Fund or as the context may require.
Investor	An investor in the Fund or person applying to invest in the Fund.
“Investments”	Means the assets, property, rights, and undertakings from time to time of each Fund.
“Investment Account”	Means an investment account held by Investors with NCB Capital.

“Net Asset Value”

Means the value of assets attributable to the Fund net of expenses divided by the number of Units outstanding, as determined by the Fund Manager.

“Register”

Means the register of Unitholders held by the Fund Manager or any party appointed by the Fund Manager to hold such register.

Terms and Conditions:

1. Fund Name:

AlAhli Saudi Trading Equity Fund.

2. Fund Manager's Head Office Address and further information:

The Fund Manager is NCB Capital Company, whose Commercial Registration number is 1010231474, and whose registered address is at Al Mather Street, P.O. Box 22216, Riyadh 11495, Kingdom of Saudi Arabia.

Information about the Fund can be found at the Fund Manager's website: www.ncbc.com.

3. Commencement:

The Fund has already commenced accepting subscriptions on June 1998.

4. Regulator:

The Fund is regulated by Capital Market Authority, established by the Capital Market Law, issued by Royal Decree No. (M/30) dated 2/6/1424 H (16th June, 2003). NCB Capital Co. was authorised by the Capital Market Authority pursuant to resolution No 7-219-2006 dated 03/12/1427 H corresponding to 24/12/2006 G under licence No 37-06046, to carry out dealing, as principal and agent, and underwriting, managing, arranging, advising and custody with respect to securities.

5. Date of issuance of these Terms and Conditions:

The Fund's original Terms and Conditions were issued on June 1998, the CMA approval to continue offering the Fund has been granted on 18/12/1429 H corresponding to 16/12/2008 G. The Terms and Conditions were updated on Jamada Al-thaany 1436 H corresponding to April 2015G.

6. Minimum Investment:

The minimum initial subscription is SAR 5,000. Subsequent subscriptions must be in an amount of at least SAR 2,000 but need not to be in exact multiples of SAR 2,000. . However subscriptions or switches to the fund through alternative distribution channels or Regular Investment Service can subscribe with amounts less than the required minimum subscription amount. Investors must maintain a minimum investment of SAR 2,000 otherwise the Fund Manager has the right to redeem all of their Units on the next Subscription Day.

7. Fund Currency:

The Fund is denominated in Saudi Riyal.

8. Fund Objectives:

Long term capital growth through investing in listed companies in the Saudi market and in line with the Shariah guidelines. Fund Index: S&P Saudi Arabia Shariah Index. The Index measures the performance of Shariah compliant listed Companies. Investors can monitor the Index performance on the company's website.

9. Principal Investment Strategies:

The principal investment strategies of the Fund are as follows; 1. The Fund will seek to reduce risks through diversifying the portfolio across different sectors within the Saudi stock market while seeking to achieve competitive returns compared to the Fund Index. 2. The Fund will not invest in companies that do not comply with the guidelines issued by the Shariah board of NCB. 3. Uninvested cash balances will be placed in Murabaha transactions in accordance with Islamic Shariah investment principles and in accordance with criteria approved by the NCB-Islamic Banking Division Shariah Advisory Committee. 4. The Fund manager will base the allocation of the investment portfolio (equities) on the followings; a) Focus on companies with good returns and growth rate compared to it's price to earning ratio (PE ratio), b) Focus on companies with high competitiveness, c) Focus on companies with successful management. After applying the above, the Manager will prepare a projection for the company's profits and undertake a visit to individual companies to meet with management and discuss future plans and activities and based on the results the manager allocates the investment portfolio among the selected companies. Please refer to Investment Restrictions appendix for further details.

10. Principal risks of investing in the Fund:

The Fund seeks to achieve long-term benefits by investing in Equities. In general, higher long-term equity returns are associated with higher volatility; therefore, the risk inherent in investing in equities is higher than in Murabaha and fixed income money market instruments. An Investor must be aware that he or she may lose money if at the time of selling the units, the value of the units is less than what was originally invested. There can be no assurance that any appreciation in the value of the Fund's underlying investments will occur. The value of the Fund's underlying investments and the income derived from them may fall as well as rise and Investors may not recoup the original amount invested in the Fund. There is no assurance that the investment objectives of the Fund will actually be achieved. Past performance is not a guide to future growth or rates of return. Potential Investors should consider the following risk factors before investing in any Fund. An investment in the Fund is subject to normal market fluctuations

as well as other economic, political or financial developments. The risk inherent in equity investing is higher than that in other types of investment instruments such as Murabaha and other short term investments.

- a) **Equity Markets Risks:** The Fund seeks to achieve long-term capital growth through investing in listed equities of various companies including highly volatile stocks subject to the Fund investment guidelines. Higher long-term equity returns are associated with higher volatility; the risk inherent in equity investing is higher than that in other types of investment instruments such as Murabaha and other short term investments.
- b) **Shariah Investment Risk:** This is the risk of limiting the investment to only Shariah compliant companies; which includes the risk of disposition of non Shariah compliant companies during unfavourable market conditions or concentrating the Fund portfolio in limited number of Shariah compliant companies only in order to comply with the Fund's Shariah guidelines.
- c) **Issuer Specific Risk:** These include changes in the financial conditions of an issuer or counter party; changes in specific economic or political conditions that negatively affect a particular type of security or issuer.
- d) **Liquidity Risk:** Liquidity of investments may be low in some periods and as a result this may increase the difficulty of valuing such investments. Reduced market liquidity may adversely affect the market price of the Fund's investments and the Fund's ability to dispose of particular investments to meet its liquidity requirements. This risk may be mitigated through utilizing the available cash portion of the Fund. However if total redemptions exceeds 10% of the Fund's Value, the Manager has the right to postpone such redemptions to the next Valuation Day. Such redemptions will be accounted for on a prorated basis. An investment in this fund is not a deposit with any local bank sponsoring, selling, or otherwise affiliated with the investment fund. Unit holders bear a risk of loss of money in the investment fund, since the investment value may increase or decrease. Investors in the Fund are not certain to make a profit and may suffer a loss, and therefore may not recover their fully-invested capital. Subscribers should only invest in this Fund if they are able to sustain a loss. Investors in the Fund should be aware of the risks in investing in the Fund and, if they are in any doubt as to the suitability of the Fund, should consult an independent financial advisor.

11. Fees and Expenses:

- a) **Management Fees:** The Manager charges the Fund, on every Dealing Day, an annual management fee 1.75% "proportionate to the period" of the Fund's net asset value.
- b) **Other Expenses:** The Fund Manager reserves the right to recover from the Fund any other expenses incurred on behalf of the Fund such as custody, regulatory and Shariah audit, data processing, accounting audit and other similar charges acceptable by the authorities. However, other expenses are not expected to exceed 0.50% from the Fund's NAV. Please refer to the attached Summary of Financial Disclosure for details of the above expenses.

12. Dealing Costs:

Brokerage or dealing expenses charged by the CMA or brokers for dealing in securities are paid and charged directly to the Fund. Such expenses are subject to the local broker, authorities and markets where the fund conducts business in and is subject to the fund portfolio turnover and activities.

13. Fund Board:

The Fund Board consists of the following members who will serve for a period of three (3) years and will begin their duties following approval by the CMA;

1. **Mohammed Abdullah AlAli (Chariman)**

Mohammed AlAli is the Head of Product Development at NCB Capital. He previously held numerous positions with the Capital Market Authority from 2004 to 2013; where his last position was Head of Investment Funds & Offering Violations Unit. Prior to joining NCB Capital, Mohammed worked as a Director of Products Development at Jadwa Investment, and a credit officer at SAMBA Financial Group. Mohammed has 12 years experience in the financial sector, including 9 years with the CMA. Mohammed is a CFA Charterholder and he holds an MBA from the University of San Francisco.

2. **Mohammad Jaafar Al Saggaf (Non-independent Director)**

Al Saggaf is Vice President, Head of retail sales at NCB Capital. He joined NCB Capital since inception, and worked with NCB Group in Retail and Investment departments. He has more than 23 years of experience in the financial sector. He has diploma in Personal Financial Planning and Wealth Management from IOB, Dalhousie Alum, Canada.

3. **Dr. Abdulraouf S. Banaja (Independent Director)**

Dr. Banaja is a Fund Board Director. Attained his PHD in Economics from the University of California Santa Barbara in 1981. Dr. Banaja worked as an Associate Professor at King Saud University as well as a consultant to the Ministry of Finance and the Saudi Arabian Monetary Agency. He also served in various senior banking positions at financial institutions, such as SAAB, Gulf International Bank and the National Commercial Bank.

4. Aladdin R. Sami (Independent Director)

Mr. Sami is a Fund Board Director; he is the Vice President and Chief Investment Officer of Zahid Group Holding. Mr. Sami sits on the board of Ajil Financial Services, Jordan National Bank, Arab International Hotels, Arabian Vehicles Industries, and SATLUB among others. He holds a bachelor degree in Economics from Cairo University, and masters in International Financial Management from the American University, Cairo. He started his career in 1977 with Cairo Barclays Bank, Cairo, and in 1979 moved to Saudi Hollandi Bank before joining Zahid Group.

The Fund Board's duties include, but are not limited to, the following:

- 1) The approval of all Funds' material contracts, reports and decisions.
- 2) Overseeing, and where appropriate, ratifying any conflict of interest the Fund Manager has identified in accordance with the Investment Funds Regulations.
- 3) Meeting at least twice annually with the Fund Manager's Compliance Officer and the anti-money laundry and anti-terrorist finance officer to ensure the Fund Manager's compliance with all applicable laws and regulations.
- 4) The approval of any recommendations made by an appointed liquidator.
- 5) The responsibility to ensure completeness, accuracy and compliance with the Regulations of the Terms and Conditions.
- 6) Ensuring the Fund Manager carries on his obligation in the best interest of the Unitholders, in accordance with the Terms and Conditions of the Fund and with the Regulations.
- 7) To act in the best interests of the investment Fund and its Unitholders and carry out its duty of loyalty and duty to exercise reasonable care.

The Fund Board members will be compensated for their services by the Fund. For details please refer to the attached appendix, the summary Financial Disclosure. All the above Fund Board members are also Members in the following Fund Boards;

1. AIAhli Europe Trading Equity Fund
2. AIAhli GCC Trading Equity Fund
3. AIAhli Freestyle Saud Equity Fund
4. AIAhli Global Trading Equity Fund
5. AIAhli Saudi Mid Cap Equity Fund
6. AIAhli US Trading Equity Fund
7. AIAhli Emerging Markets Trading Equity Fund
8. AIAhli Asia Pacific Trading Equity Fund
9. AIAhli Global Real Estate Fund
10. AIAhli Healthcare Trading Equity Fund
11. AIAhli Global Natural Resource Fund
12. AIAhli Small Cap Trading Equity Fund
13. AIAhli GCC Growth and Income Fund
14. AIAhli Global Growth and Income Fund
15. AIAhli SEDCO Residential Development Fund - Except Mohammad Al Saggaf

14. Fund Manager:

The Fund Manager is NCB Capital. The head office address of the Fund. Manager is at Al Mather Street, P.O. Box 22216, Riyadh 11495, Kingdom of Saudi Arabia. The Fund Manager was authorized by the CMA pursuant to resolution No 7-219-2006 dated 03/12/1427 H corresponding to 24/12/2006 G under licence No 37-06046, to carry out dealing, as principal and agent, and underwriting managing, arranging, advising and custody with respect to securities.. The Fund Manager also manages various other investment Funds.

15. Custodian:

NCB Capital is the Custodian to the Fund. The portfolio's securities where applicable may be held by one or more internationally recognized securities custodians appointed by the Manager.

16. Auditor:

The Auditors to the Fund are Messrs. Ernst & Young King Road Tower -13th Floor -King Abdulaziz Road – Jeddah P.O. Box 1994 – Jeddah 21441, Kingdom of Saudi Arabia T: +96612- 221 8400 - Fax: +96612- 221 8575
www.ey.com/me

17. Annual Audited Financial Statements:

The Fund's independent audited annual financial statements will be made available within 90 days after the Fund's fiscal year, without any charges to the Unitholders and customers, upon request made to the Manager. In addition, the semi annual financial statements reviewed by the external auditors will be available for Unitholders within 45 days from the date of the financials. Such statements will be available by both electronic mail and regular mail.

18. Characteristics of the Units:

There shall be only one class of Units in the Fund.

19. Confidentiality:

Strictest confidentiality shall be observed at all times in the handling of the business of the Fund and the Fund's Investors. This shall not be construed as limiting the access of the Fund's regulatory Authority (CMA) to the Fund's records for the purposes of regulatory supervision.

20. Fund Shariah Board:

The Shariah Board consists of the following members:

- 1) Sheikh Abdullah Bin Suleiman Al-Maniya (Chairman): Member of the Senior Ulema Board and formerly was Judge of the Cassation Court in Makkah Al Mukarramah.
- 2) Sheikh Dr. Abdullah bin Abdulmlaziz Al Musleh (Member) Rector of Al-Imam Muhammad Bin Saud Islamic University and he is the Director General of the Panel of Scientific Miracles in the Quran and Sunnah.
- 3) Sheikh Dr. Muhammad Al-Ali Al Gari (Member) One of the world's most distinguished scholars in Islamic economics and he is a former Professor of Islamic Economics at King Abdulaziz University in Jeddah. The Shariah Board members will be compensated for their services by the Fund. For details please refer to the attached Appendix, summary of Financial Disclosure.

21. Subscription and Redemption Procedures: The Fund is open for subscription and redemption every Saudi Business Day and valued every Monday & Wednesday.

- A. Subscriptions: All subscriptions paid in Saudi Riyal must be made at or before 12 noon on the day before the Dealing Day in order to commence participation in the Fund from the Dealing Day. However, the Fund Manager reserves the right to extend subscription, redemptions or switches time limit through alternative distribution channels (telephone and internet) to 4:00 PM on the day prior to the Dealing Day. Other forms of subscription payments such as cheques and transfers may require additional time for clearing and collection and participate in the Fund only from the Dealing Day following receipt by the Fund. Applications made after 12 noon or 4:00 PM (for telephone and internet) will participate in the Fund from the following Dealing Day. If the Dealing Day falls at the beginning of an official Saudi Holiday, it will be invested in the Fund the following Dealing Day.
- B. Redemptions: Redemption is allowed on every Dealing Day provided that a written notice is received at or before 12 noon or 4:00 PM for distribution channels (telephone and internet) on the day prior to the Dealing Day. Redemption proceeds (which are determined as described in clause # 22 below) are made available on the third Saudi Business Day after the Dealing Day. Redemption of units must be for minimum value of SAR 2,000. However, redemption transactions made through alternative distribution channels such as the Call Centre, or the Internet may carry lower amounts. If the Dealing Day falls on a non-Saudi business day, it will be redeemed on the following Dealing Day. Redemption amounts are made available to the investor in a period of not more than three days after the dealing in which redemption has been made. The Investor should be aware that where prevailing conditions in any part of the financial markets or any state of affairs exists which renders the disposal or valuation of assets in the Fund impractical or impossible, at the Manager's sole discretion, subscription/redemption and the days set thereupon may be temporarily suspended or amended by the Manager after obtaining the CMA approval.
- C. Subscription Procedures: The Investor is required to sign a copy of these Terms & Conditions and complete an Investment Account Application Form and Subscription Form. If the Investor already has an investment account with the Company, an Application Form is not required. These forms should be submitted with payment to a designated staff and a copy will be returned to the Investor as a receipt. The Investor is required to provide identification in the form of a valid identity card (citizens of Saudi Arabia), an Iqama (non-Saudi residents), a passport (for GCC citizens), or a signed board resolution, stamped with the company seal and a copy of the company's commercial registration for (Corporate Investors). The Fund shall not be available for subscription in the United States and units in the Fund shall not be open to subscription by U.S. persons and entities.
- E. Rejection of Application: The Fund Manager reserves the right to reject any application / subscription if he believes that such subscription may result in a violation of CMA's regulations and/or applicable regulations including the Terms and Conditions of the Fund.
- F. Redemption Procedures: Application for redemption will be made by the Investor in whole or in part at any time by completing and submitting a Redemption Form provided at designated branches of the Fund Manager. For identification purposes, an Investor's valid Saudi Identification Card, passport, or Iqama, must be made available and its number noted on the Redemption Form. The Investor must specify whether the redemption is complete or partial. In case of a partial redemption, it is important to note that should the Investor's balance decline on Dealing Day (due to decline in unit price), the redemption process will not be executed. This is, without liability to the Fund Manager. In such case, the Investor must submit a new redemption request in the next dealing day.

- G. Redemption by the Manager: Upon obtaining permission from the CMA, the Manager reserves the right to affect complete or partial redemption of units held by any Investor with notice thereafter to the Investor and without assigning any reason therefore, and without any liability to the Manager.
- H. Switching Procedures: A switch between two AlAhli Funds is considered a single transaction made up of two separate components: redemption and subscription. The redemption portion of the transaction is processed first in accordance with the "Redemption" clause above. The subscription portion of the transaction will then be processed in accordance with the "Subscriptions" of the other Fund. To request a switch, the Investor is required to complete a Switch Form and submit it to the designated staff along with a valid identification card.

22. Valuation of the Assets of the Investment Fund:

The initial unit price is SAR 1. The unit value is computed by dividing the total asset value of the Fund, plus all income, including accrued income and reinvested income distributions, less liabilities, management fees and any expenses by the total number of units outstanding at that time. The value of the Fund, the unit price, will be conclusively determined by the Manager on every Dealing Day (Monday & Wednesday) based on the latest available security prices on that Dealing Day. If local markets are closed on a Dealing Day, such valuation will be carried out on the next valuation day. Unit price will be published twice a week on the next day to the valuation day on the company's website and on Tadawul. Temporarily suspension of Valuation and subscription and redemption from the Fund: The Investor should be aware that where prevailing conditions in any part of the financial markets, or any state of affairs, renders the disposal or valuation of assets in the Fund impractical or impossible, the Manager has sole discretion temporarily to suspend, or amend the terms and procedures for, all subscriptions and/or redemptions and the applicable days for subscriptions and redemptions, after obtaining CMA approval. Such temporary suspension period or amendment if applicable will be reviewed by CMA.

23. Winding up and Appointment of a Liquidator:

In line with the Investment Funds regulations, the CMA shall have the power to appoint a replacement Fund manager or a liquidator or take any other measure it deems necessary.

24. Fund Termination:

The Fund Manager retains the right to terminate any Fund without penalty to any party involved by giving not less than 60 days' written notice to Investors after obtaining the approval of the CMA. In such case, the relevant Fund's portfolio shall be liquidated and the net proceeds shall be distributed to the Investors pro rata to their holdings of Units.

25. Reporting to Unitholders:

The Manager will issue a confirmation to each Investor when such Investor subscribes or redeems units in the Fund. A statement detailing each Investor's position is issued every three months or as determined by the Manager (however not more than 3 months). Statements to Investors are sent to the mailing address shown on the Application Form, unless notification of a change of address has been provided in writing. Any discrepancies must be brought to the attention of the Company within sixty (60) days of the date of issuance of such statements and confirmations, after which the statements issued by the Manager will be final and conclusive and the Manager shall not be liable to Investors in connection with any discrepancy. The Manager shall not be liable for any consequences arising from statements or confirmation advices that are held by the Company on the instructions of the Investor.

26. Conflict of Interest:

The Fund Manager and other companies within the NCB Capital group may, from time to time, act as fund managers or advisers to other funds or sub-funds, which follow similar investment objectives to those of the Funds. It is therefore possible that the Fund Manager may in the course of its business have potential conflicts of duty or interest with one or more of the Funds. The Fund Manager will, however, have regard in such an event to its obligations to act in the best interests of the relevant Unitholders so far as practicable, having regard to its obligations to other clients when undertaking any investment where potential conflicts of interest may arise.

27. Voting Rights Policies:

After consulting with the Compliance Officer, the Fund Board approves the general policies of practicing the Fund voting rights. As a policy, the Manager may practice the voting rights (if any) for the securities held by the Fund's.

28. Changes to the Terms and Conditions:

These Terms & Conditions shall remain in effect until such time as they are materially amended by the Manager, subject to prior approval of CMA and written notice being given to the Investors before 60 days.

29. Complaints Procedure:

A copy of the Fund Manager's policies and procedures for handling customer complaints is available upon written request being given to the Fund Manager.

30. Governing Law:

These Terms & Conditions are governed by the laws of the Kingdom of Saudi Arabia. If an Investor is subject to the laws of a jurisdiction other than that of Saudi Arabia, then it is the Investor's responsibility to conform to those laws without any obligation on the part of the Fund or the Manager. Any disputes involving investors will be subject to the exclusive jurisdiction of the Committee for the Resolution of Securities Disputes (CRSD) in Saudi Arabia.

31. Compliance with Regulations:

The Terms and Conditions comply with the Investment Funds Regulations issued by the CMA and contain a full, true and plain disclosure of all material facts of the Fund.

32. Appendices:

The following appendices are an integral part of the Terms and Conditions: Investment Restrictions, Summary of Financial Disclosure, Fund's Shariah Criteria Disclosure, Fund's Historical Performance.

33. Fund Structure:

Funds established prior to 10/6/1428H, corresponding to 25/06/2007G, were established by The National Commercial Bank (CR No. 4030001588) with the registered address of King Abdul Aziz Street, P.O. Box 3555, Jeddah, 21481, Saudi Arabia. All Funds established on or after 10/6/1428H, corresponding to 25/06/2007G, have been established by NCB Capital (CR No. 1010231474) with the registered address of Al Mather Street, P.O. Box 22216, Riyadh 11495, Kingdom of Saudi Arabia. Each Fund will have a specific portfolio of securities to which that Fund assets and liabilities are attributable. So far as the Unitholders are concerned each Fund will generally be treated as a separate entity. Unitholders' liability is limited to the principal amount invested. Each Fund will be charged with the liabilities, expenses, costs and charges of the Fund Manager attributable to that Fund in accordance with the Terms and Conditions. Further details of the Units in respect of each Fund are set out in the Fund Specific Terms and Conditions. For a list of the Funds visit NCB Capital online at: www.ncbc.com. New Funds may be established by NCB Capital from time to time, subject to their compliance with the Regulations. If a new Fund is introduced, new Fund Specific Terms and Conditions will be prepared to set out the required information in relation to such a Fund. Notwithstanding such delegation the Fund Manager will remain responsible for any functions so delegated. The duties of a Registrar include maintaining a registrar of all Unitholders.

34. Responsibilities

- 34.1 34.1 Fund Manager's Responsibilities: The Fund Manager is responsible for the overall management of each Funds' Investment and related activities. The Fund Manager may also enter into arrangements with other institutions for the provision of investment, custodian or other administrative services.
- 34.2 Investor's Responsibilities: Acceptance of the Terms and Conditions by each Investor constitutes such Investor's authorizations to the Fund Manager to invest the Subscription Monies in the relevant Fund and confirms such Investor's acceptance that the risk inherent in the relevant Fund resides with such Investor, and not with the Fund Manager.
- 34.3 Money Laundering: As a result of legislation in force in Saudi Arabia to prevent money laundering, persons conducting investment business are responsible for compliance with money laundering regulations. Accordingly, in certain circumstances
Investors may be asked to provide proof of identity in a form satisfactory to the Fund Manager when buying, selling, switching, or redeeming Units and, until satisfactory proof of identity is provided, the Fund Manager reserves the right to refuse to sell, redeem or switch Units or to delay processing and/or withhold any payments due to Investors in respect of their investment and to discontinue any deals it is conducting on behalf of those Investors. The Fund Manager also reserves the right to request additional information or proof of identity, in order to validate any element of a transaction and to comply with any relevant money laundering regulations.

35. Islamic Shariah:

The Fund is structured as a Shariah Compliant Fund. The Fund has appointed a Shariah board as described above.

APPENDIX 1:

Investment Restrictions

Pursuant to Article 39 of the Regulations the following investment restrictions apply to the investment fund unless an investment fund is established and approved by the Authorities as a specialized investment fund (as defined in Article 42) or Funds of Funds or money market funds (as defined in Article 43 and 44) or a specific waiver has been obtained from the Authorities:

- 1) An investment fund may not acquire Units of another investment fund if the total Units of the acquired investment fund owned by the acquiring investment fund would exceed ten (10) per cent of the acquiring investment fund's Net Asset Value or ten per cent of the Net Asset Value of the acquired investment fund at the time of such acquisition.
- 2) An investment fund shall not hold in excess of (5) five per cent of the issued securities of any issuer.
- 3) The exposure of an investment fund to a single issuer shall not exceed (15) fifteen per cent of its Net Asset Value.
- 4) (i) An investment fund may not hold more than (10) ten per cent of its Net Asset Value in any class of security issued by any single issuer, with the exception of securities issued by the Government of the Kingdom and the sovereign debt of OECD countries or countries that are members of the Gulf Cooperation Council; and (ii) In relation to investment funds with the investment objective of primarily investing in shares issued by issuers traded on the Exchange (as disclosed in the terms and conditions), the following shall apply: a fund manager may hold more than (10) ten per cent of the investment fund's net assets value in shares issued by any single issuer provided that such investment does not exceed the market capitalization of the issue expressed as a percentage of the total market capitalization. However, if the terms and conditions of a fund state an investment objective of investing in a specific investable universe that is a sub-category of the issuers traded on the Exchange, the fund manager may hold more than (10) ten per cent of the investment fund's net assets value in shares issued by any single issuer provided that such investment does not exceed the market capitalization of the investable universe. The terms and conditions of a fund that has stated such an investable universe must disclose the criteria for inclusion in the investable universe and the fund manager must maintain a record of all issuers that meet those criteria and update that record at least quarterly (every 3 months).
- 5) An open-ended investment fund may not invest more than (10) ten per cent of its Net Asset Value in illiquid investments.
- 6) An investment fund may not lend to any person, but it may acquire debt instruments in conformity with the fund's investment objectives as set out in the terms and conditions of the fund.
- 7) An investment fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for any obligation or indebtedness of any person.
- 8) An investment fund may not acquire any asset that involves the assumption of any liability that is unlimited.
- 9) The maximum borrowing of an investment fund must not exceed (10) ten per cent of its Net Asset Value except in the case of borrowing from its fund manager or an affiliate to meet redemption requests pursuant to Article 49 of these Regulations.
- 10) The portfolio of an investment fund may not include any security where a call is to be made for any sum unpaid on that security unless that call could be met in full out of cash or securities which can be converted into cash within (5) five days out of the fund's portfolio.
- 11) There can be no assurance that any appreciation in the value of the Fund's underlying investments will occur. The value of the Fund's underlying investments and the income derived from them may fall as well as rise and Investors may not recoup the original amount invested in the Fund. There is no assurance that the investment objectives of the Fund will actually be achieved. Past performance is not a guide to future growth or rates of return.

APPENDIX 2:

Summary of Financial Disclosure

Table (1): expenses of the Fund in SAR for the period ended December 2014:

Type of expenses	Amount
Annual Fund Management Fees (1.75% from Fund's NAV)	30,574,783
Annual remuneration cost of independent directors of the Fund (reviewed every 3 months and allocated among all the funds managed by the Fund Manager)*	18,518
External Audit fees (reviewed every 3 months)*	34,000
Financing charges (if applicable, will be based on market prevailing rates)	0
Shariah supervisory cost (reviewed every 3 months and allocated among all the funds managed by the Fund Manager)*	27,000
Regulatory Fees (reviewed every 3 months) *	7,500
Tadawul publication Fees (reviewed every 3 months)*	5,000
Dealing expenses (based on trading volume and to be paid directly by the Fund from total value of the assets)	2,607,136
Fund Administration & Operation expenses (reviewed every 3 months and allocated among all the funds managed by the Fund Manager)*	481,668

Management Fees: The Manager will charge the Fund on every Dealing Day an annual management fee of 1.75% to be proportionate to the period of the Fund's net asset value.

*Other Expenses: The Fund Manager reserves the right to recover from the Fund any other expenses incurred on behalf of the Fund such as custody, Shariah audit, data processing, accounting audit and other similar charges acceptable by the authorities. The other expenses that may be specified in advance such as audit fees, regulatory fees etc., will be charged directly to the fund. Expenses of the Fund's Board will be equally allocated to all funds supervised by the Board and managed by the Fund Manager. General floating expenses which are subject to change, such as Fund administration & operation cost, will be allocated using different criteria such as the total assets of each fund, number of subscription and redemption transactions, in addition to number of valuation days in that period. Other expenses shall not exceed in total 0.50% of the average value of Fund's asset .The actual expenses were 0.03% of the average value of the Fund's asset .The Fund will review the expenses charged to the Fund on quarterly basis (every three months).

Basis of calculation, collection and payment of fees

All actual expenses will be calculated and deducted from the Fund's assets after having been allocated as units on each Valuation Day on the basis of 360 days as follows:

Fund management fees = (Fund assets - other expenses) * (1.75%) * (number of days between the current Valuation Day and the last Valuation Day ÷ 360)

We have assumed the following values:

- Fund's assets =100,000
- Total other expenses and liabilities of the Fund =0.17 SAR
- Net Assets Value of the Fund = 99,999.83 SAR
- Annual management fees of 1.75%
- Valuation Day Wednesday

Management Fees on the valuation day = $99,999.83 * 1.75\% * (2 \div 360) = 9.72$ SAR

Example of Unitholder's share of Fund total expenses

The following table shows a hypothetical example of a Unitholder investment, assuming that the investment value of the Unitholder is SAR 10,000

Table (2) - Hypothetical investment of a Unitholder and its share of the expenses in SAR

Description	Amount
Hypothetical Unitholder's investment	SAR 10,000
Total Dealing Cost (0.15%)	15
Total Other Expenses (0.03%)	3
Annual Management Fee (1.75%) of NAV	175
Unitholder's net investment amount	9,807

All expenses charged to the Fund will be disclosed in the annual financial statements of the Fund.

APPENDIX 3:

Fund's Shariah Criteria Disclosure

Shariah Principles

All Investments and Investment Strategies employed by the Manager must be in compliance with the Shariah Compliance guidelines issued by the Fund Shariah Committee, which are as follows:

Industrial and Operational Screens As per the Shariah Board, no investment may be made in any company, which is involved in any of the following:

- Non Shariah compliant Financial services, including banks, and insurance companies (except insurance companies approved by the board).
- Manufacturing, packaging, or distribution of alcohol or tobacco.
- Manufacturing, packaging, or distribution of pork products or alcohol or tobacco.
- Non Shariah compliant production of meat products.
- Operating gambling casinos, or manufacturing gambling machines or equipment.
- Operating movie theatres and cinema industry and Creating, publishing, or distributing pornography.
- Operating hotels and restaurants involved in any of the above prohibited industries Financial Ratio Screens

No investment may be made in any company in which:

- The book value of accounts receivables exceeds 49% of the market value of its shares.
- Outstanding total cash or time deposits exceed 33% of the market value of its shares.
- Outstanding conventional debts exceed 33% of the market value of its shares.
- Interest income or income from non-Shariah compliant source exceeds 5% of its revenues.

The calculation method of the company's market value and the income generated from non-Shariah-compliant sources will be made available to the Unit holders without any charges upon request made to the Fund Manager.

Purification Process

The Manager will determine the income generated from non-Shariah-compliant sources on a quarterly basis, and will pay the amount to a separate account to be spent to local charities.

Investment's Instruments

The following instruments or any derivatives thereof may not be held in the Fund:

- Futures
- Forwards
- Preferred Stock
- Options
- Swaps
- Short Sales
- Any other instruments that involve the payment or receipt of interest.

The Fund may invest in Murabaha, Sukuk and trade transactions that are permitted by Shariah.

Periodic Review

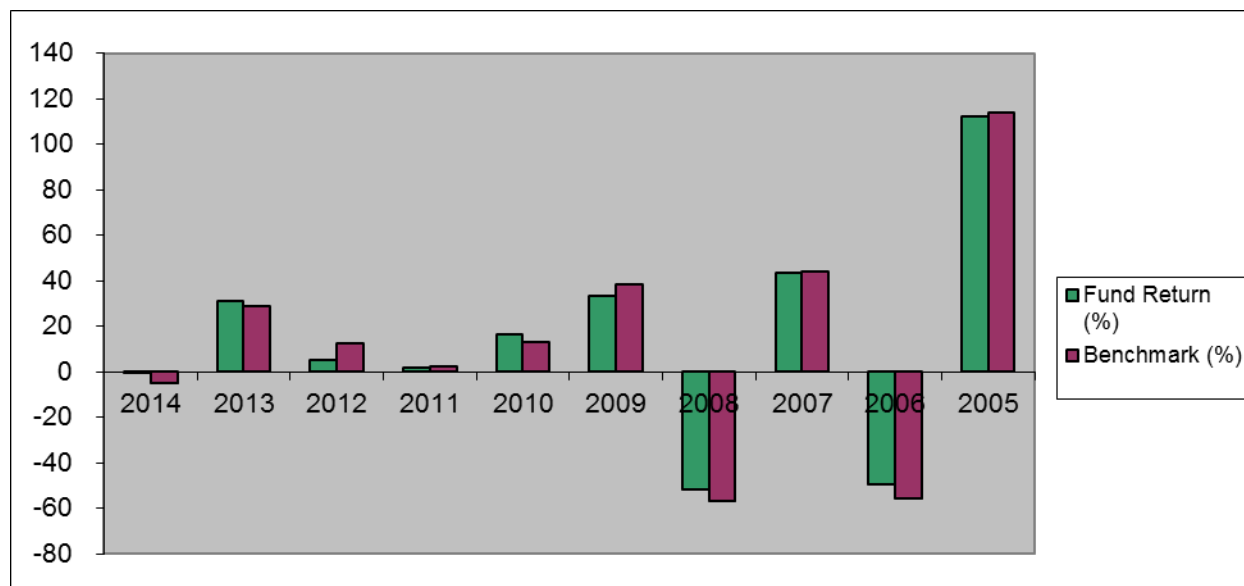
The Fund will be reviewed on quarterly basis, and if it was found that any of the stocks failed to match with the Shariah Industry or Financial Ratio, the aforesaid stock will be dropped out of the fund. Within 90 days from the first date of unacceptability.

APPENDIX 4:

Fund's Historical Performance

Fund Performance compared to the benchmark up to December 2014

Particulars	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Fund Return (%)	112.28	-49.38	43.61	-51.50	33.63	16.57	1.97	5.29	31.34	-0.10
Benchmark (%)	113.93	-55.63	44.05	-56.68	38.59	13.35	2.47	12.43	28.64	-4.74



Annual Fund Performance as of 31 December 2014

Particulars	1 Year	3 Years	5 Years	10 Years
Annualized Fund Return (%)	-0.10	11.37	10.43	5.09
Annualized Benchmark (%)	-4.74	11.27	9.86	2.77

Past performance of the fund or the benchmark index does not guarantee future results.

The Fund has been approved by CMA. Investors should refrain from investing in investment Funds that have not been registered with CMA, but registration does not imply protection from loss. If a person has any doubt about the suitability of the Fund, he should contact an independent financial adviser. A person making an investment in the Fund does so entirely at his own risk.

This Fund is not a Bank time deposit. Investment value may go down as well as up. Investors in the Fund are not certain to make a profit and may suffer a loss and therefore may not recover their fully invested capital. Subscribers should only invest in this Fund if they are able to sustain a loss which could be substantial.

This is an English translation of the official Arabic text of the Terms and Conditions. In case of any inconsistency or contradiction between the Arabic text and this English translation the Arabic text shall prevail

In signing this document, I /We hereby declare that I/We have read and understood **AIAhli Saudi Trading Equity Fund** Terms & Conditions and the related appendixes, that I /We agree to them and that a copy has been provided to me/ us.

Full Name:

Nationality:

ID number (Saudi ID, Iqama, or Passport):

Signature:

Date:

Investment Account Number:

Two copies of this Terms & Conditions are to be signed; one for the Investor and one to be retained by the Manager.