

## INFORMATION MEMORANDUM

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# **SICO KINGDOM EQUITY FUND (Feeder Fund)**

(An open-ended collective investment scheme pursuant to the regulations for the operation and marketing of collective investment schemes issued by the Central Bank of Bahrain (CBB) as contained in the CBB rulebook, Volume 7, Collective Investment Undertaking Module authorized under the laws of the Kingdom of Bahrain and created by SICO Funds Company IV BSC (c))

**Offering of up to 2,000,000 Units**

**Fund Company**

**SICO FUNDS COMPANY IV B.S.C. (c)**

**Investment Manager**

**SICO BSC (c)**

SICO Kingdom Equity Fund (Feeder Fund) is a Bahrain domiciled fund that was initially issued as an expert fund in accordance with the CBB regulations. Pursuant to the CBB's Approval the SICO Kingdom Equity Fund has been converted into an exempt fund with the investment objective of investing in the Master Fund domiciled in the Kingdom of Saudi Arabia. Being an exempt fund, investment in this SICO Kingdom Equity Fund (Feeder Fund) is open to only Accredited Investors as defined in the Section headed 'Definitions'. No person who does not qualify as an Accredited Investor may subscribe for Units in this Feeder Fund.

The date of the latest version of this Information Memorandum (as amended from time to time) is 20 November 2025.

**Important:** If you are in any doubt about the contents of this prospectus, you should seek independent professional financial advice. Remember that all investments carry varying levels of risk and that the value of your investment may go down as well as up. Investments in this collective investment undertaking are not considered deposits and are therefore not covered by the Kingdom of Bahrain's deposit protection scheme. The fact that this collective investment undertaking has been notified to the Central Bank of Bahrain, does not mean that the CBB takes responsibility for the performance of these investments, nor for the correctness of any statements or representations made by the operator of this collective investment undertaking.

This Information Memorandum does not constitute an offer or solicitation of Units in any jurisdiction in which such offer or solicitation is not authorised. No action has been taken to permit the distribution of this Information Memorandum in any jurisdiction other than in the Kingdom of Bahrain. Accordingly, this Information Memorandum may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Recipients of this Information Memorandum should inform themselves about and observe any applicable legal requirements.

## NOTICE TO INVESTORS

The Central Bank of Bahrain (“CBB”), and the Ministry of Industry and Commerce (“MOIC”) of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Information Memorandum or for the performance of the SICO Kingdom Equity Fund (Feeder Fund) (the “Fund” or the “Feeder Fund”), nor shall they have any liability to any person, an Investor or otherwise, for any loss or damage resulting from reliance on any statement or information contained herein. An investment in an exempt Fund may involve risks that could lead to a loss of all or a substantial portion of such investment.

This Information Memorandum is being furnished to Accredited Investors as defined in the section headed ‘Definitions’ on a confidential basis so that they may consider the opportunity to purchase the Units. The Fund is only suitable for those who are treated as Accredited Investors and, as such, are not subject to the CBB requirements applicable to collective investment scheme offered to retail investors and the Fund is not subject to the CBB’s on-going supervision that applies to retail collective investment schemes. This Information Memorandum is the lawful property of SICO Funds Company IV BSC(c) (the “Fund Company”) and may not be distributed, reproduced or copied, as a whole or in part, nor may any of its contents be disclosed without the prior written and express permission from the Fund Company or SICO BSC(c) (the “Investment Manager”). This Information Memorandum may not be duplicated by any person. Addressees should return it to the Fund Company if and when they have no further use for it.

No person has been authorised to give any information or to make any representations other than those contained in this Information Memorandum. If given or made, such information or representations must not be relied upon as having been authorised by the Fund Company, the Directors or the Investment Manager.

This Information Memorandum provides a summary of information relevant to investing in the Fund. The information in this document relating to the Memorandum of Association and Articles of Association of the Fund Company does not purport to be complete and this Information Memorandum is qualified by reference to such documents. Units are subject to all of the terms and conditions contained in the Information Memorandum, the Fund Instrument and the Articles of Association of the Fund Company.

The Units being offered may not be purchased or held by, or purchased or held for the benefit of, any Non-Qualified Person as defined hereinafter at any time. “Non-Qualified Person” means any person to whom a transfer to, or holding by such person of, Units would:

- (a) be in breach of any law or requirement of any country or governmental authority in any jurisdiction whether on its own or in conjunction with any other relevant circumstances;
- (b) result in the Fund Company or the Fund incurring any tax liability which the Fund Company or the Fund would not otherwise have incurred or suffered;
- (c) require the Fund Company or the Fund to be registered under any statute, law or regulation, whether as an investment company, a trust scheme, or otherwise; or
- (d) cause the Fund Company or the Fund to be required to apply for registration or comply with any registration requirements in respect of any of the Units in any jurisdiction other than in Bahrain.

Investing in the Fund involves risk. The Fund is an open-ended collective investment scheme designed for Accredited Investors seeking long-term capital appreciation. Investing in the Fund involves risks and Investors should be able to bear the economic risks of their investment in the Fund, including all or part thereof, and should not be dependent upon any returns from such investment for any basic financial needs.

**Investors should be aware that the value of Units might decrease as well as increase.**

Each Accredited Investor may acquire Units solely for investment purposes. The Units may not be directly or indirectly sold, transferred, or assigned, by operation of law or otherwise, without the prior written consent of the Directors or, to the extent delegated by the Fund Company, the Investment Manager. Any attempt by an Investor to transfer Units constitutes a tender to the Directors for the redemption of such Units.

The Directors of the Fund Company together with the Operator accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors of the Fund Company, having taken all reasonable care to ensure that this is the case, the information contained in this Information Memorandum is on the date hereof in accordance with the facts and does not omit anything likely to materially affect the meaning of such information.

The statements contained herein that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which the Fund would operate, and management's beliefs and assumptions. Words such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "projects", variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements.

The Fund is not registered under the U.S. Investment Company Act of 1940, as amended. Neither the Investment Manager nor the Fund Company is registered under the U.S. Investment Advisers Act of 1940, as amended.

Neither the Fund nor the Units are or will be registered under the U.S. federal securities laws. The Units are offered outside of the U.S. to Investors who are not U.S. Persons. This Information Memorandum may not be delivered in the U.S., its territories or possessions to any prospective Investor except in a transaction that does not violate applicable U.S. laws. No person whether or not a U.S. Person may originate a purchase order for Units from within the U.S.

The Fund Company, in its sole discretion, may reject any subscription for Units in whole or in part at any time prior to acceptance thereof. The Fund Company in its sole discretion may reject the subscription application of any person, including a person who satisfies the applicable suitability standards, without notifying that person as to the reason for such rejection. Furthermore, the Fund Company may at any time and at its discretion redeem the Units and distribute to Accredited Investors their respective share of the proceeds thereof.

The Fund Company, the Investment Manager, the Registrar and the Custodian and the Placement Agent reserve the absolute right to require further verification of the identity of each potential Investor or that of the person or entity on whose behalf the potential Investor is applying for a subscription in the Fund. Each potential Investor will provide satisfactory evidence of identity, within a reasonable time period determined by the Fund Company.

Legal Counsel to the Fund Company and the Investment Manager, in assisting with the preparation of this Information Memorandum, (i) have relied on information supplied by the Fund Company and the Investment Manager, (ii) have not independently verified the accuracy or completeness of any information contained herein, (iii) make no representation or warranty (express or implied) with respect thereto and (iv) assume no liability for the authenticity, origin, validity, accuracy or completeness of, or any errors in, or omissions from, any information or statement contained in this Information Memorandum or in or from any accompanying or subsequent material or presentation, other than statements as to Bahraini law as of the date of this Information Memorandum. Legal Counsel is not responsible for any acts or omissions of the Fund Company, the Investment Manager and the Fund (including their compliance with any guidelines, policies, restrictions or applicable law, or the selection, suitability or advisability of their investment activities) or any Administrator, Accountant, Custodian or other service provider to them accordingly.

**Applications for Units are subject to acceptance by the Fund Company.**

**This Information Memorandum is important and should be read in its entirety. Potential Investors are strongly advised to seek professional advice in relation to the contents of this Information Memorandum.**

**The contents of this Information Memorandum should not be construed as investment, legal or tax advice. Each potential Investor must seek independent investment, legal and tax advice with respect to the implications of investing in the Units.**

**The information in this Information Memorandum is given as of the date hereof, unless expressly otherwise specified herein.**

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## **DISCLAIMER**

**THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER REGULATORY AUTHORITY IN ANY OTHER JURISDICTION. NOR HAS ANY SUCH REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

**IN PARTICULAR, THE UNITS HAVE NOT BEEN AND ARE NOT EXPECTED TO BECOME REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR THE LAWS OF ANY STATE OF THE UNITED STATES, AND THEREFORE THEY MAY NOT, DIRECTLY OR INDIRECTLY, BE OFFERED, SOLD, RE-SOLD, TRANSFERRED OR DELIVERED IN THE UNITED STATES, OR FOR THE ACCOUNT OR BENEFIT OF ANY U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) EXCEPT IN CERTAIN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE**

**SECURITIES ACT AND SUCH STATE SECURITIES LAWS. FOR THIS REASON, THE FUND MAY REQUIRE APPLICATIONS FOR SUBSCRIPTION TO PROVIDE APPROPRIATE REPRESENTATIONS, WARRANTIES AND AGREEMENTS AS A CONDITION OF SUBSCRIPTION TO THE UNITS, AND THE FOUNDER IN ITS SOLE DISCRETION MAY REFUSE TO APPROVE ANY APPLICATION FOR SUBSCRIPTION OF THE UNITS.**

**THE FUND IS NOT REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. NEITHER THE INVESTMENT MANAGER NOR THE FUND COMPANY IS REGISTERED UNDER THE U.S. INVESTMENT ADVISERS ACT OF 1940, AS AMENDED. NEITHER THE FUND NOR THE UNITS ARE OR WILL BE REGISTERED UNDER THE U.S. FEDERAL SECURITIES LAWS. THE UNITS ARE OFFERED OUTSIDE OF THE U.S. TO INVESTORS WHO ARE NOT U.S. PERSONS. THIS INFORMATION MEMORANDUM MAY NOT BE DELIVERED IN THE U.S., ITS TERRITORIES OR POSSESSIONS TO ANY PROSPECTIVE INVESTOR EXCEPT IN A TRANSACTION THAT DOES NOT VIOLATE APPLICABLE U.S. LAWS. NO PERSON WHETHER OR NOT A U.S. PERSON MAY ORIGINATE A PURCHASE ORDER FOR UNITS FROM WITHIN THE U.S.**

### **For residents of the Kingdom of Saudi Arabia (“KSA”)**

This document may not be distributed in the Kingdom except to such persons as are permitted under the Investment Funds Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective subscribers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities to be offered. If you do not understand the contents of this document, you should consult an authorised financial adviser.

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## 1. DEFINITIONS

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|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Accredited Investors     | <p>(a) Individuals who have a minimum net worth (or joint net worth with their spouse of US\$ 1,000,000, excluding that person's principal place of residence;</p> <p>(b) Companies, partnerships, trusts or other commercial undertaking, which have financial assets available for investment of not less than US\$ 1,000,000; or</p> <p>(c) Governments, supranational organisations, central banks or other national monetary authorities, and state organisations whose main activity is to invest in financial instruments (such as state pension funds).</p> <p>Individuals and commercial undertakings may elect in writing to be treated as accredited investors subject to meeting at least two of the following conditions:</p> <p>(a) The investor has carried out trading/investing transactions, in significant size (i.e. value of transactions aggregating US\$ 200,000) over the last 12-month period;</p> <p>(b) The size of the investor's financial assets portfolio including cash deposits and financial instruments is US\$ 500,000 or more; and/or</p> <p>(c) The investor works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged (i.e. the position was professional in nature and held in a field that allowed the client to acquire knowledge of transactions or services that have comparable features and a comparable level of complexity to the transactions or services envisaged).</p> |
| Administration Agreement | means the administration agreement between the Administrator and the Fund Company in respect of administrative duties pertaining to the Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Administrator            | means SICO B.S.C.(c), a company regulated by the Central Bank of Bahrain with registration number 33469-1 or its successor when acting as an Administrator of the Fund in accordance with the Administration Agreement or such other entity appointed to act in such capacity from time to time by the Fund Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

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| Articles of Association  | mean the Articles of Association of the Fund Company as amended from time to time                                                                                                                                           |
| Auditor                  | means Ernst & Young, Bahrain or their successors when acting as auditors for the Fund or such other entity appointed to act in such capacity from time to time by the Fund Company                                          |
| Bahrain                  | means the Kingdom of Bahrain                                                                                                                                                                                                |
| Bahrain Law              | means the laws and regulations in force in Bahrain                                                                                                                                                                          |
| Base Currency            | means the base currency of the Fund, which is the Saudi Riyals (SAR)                                                                                                                                                        |
| Board                    | means the board of directors of the Fund Company                                                                                                                                                                            |
| BSE                      | means Bahrain Bourse                                                                                                                                                                                                        |
| Business Day             | means a day on which banks and financial institutions are open for general business in Bahrain and Saudi Arabia.                                                                                                            |
| CBB                      | means Central Bank of Bahrain                                                                                                                                                                                               |
| CBB Approval             | means approval of the CBB dated 24 November 2024 approving the conversion of the Fund from expert to exempt category.                                                                                                       |
| Closing Date             | the Closing Date means the last date when the applications for Units pursuant to the Initial Offering were received i.e. March 31, 2010 or such later date as the Directors, acting on their sole discretion, may determine |
| Code                     | means code of conduct policy that specifies the standard of professional and personal conduct expected of the Directors and other identified personnel of the Investment Manager.                                           |
| Commercial Companies Law | means Bahrain's Commercial Companies Law No. (21) of 2001 as amended from time to time                                                                                                                                      |

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| Custodian                   | means SICO B.S.C. (c), a company regulated by the Central Bank of Bahrain with registration number 33469-1, or its successor when acting as the Custodian of the Fund in accordance with the Custody Agreement or such other entity appointed to act in such capacity from time to time by the Fund Company. |
| Custody Agreement           | means the Custody Agreement between the Custodian and the Fund Company in respect of custodian duties pertaining to the Fund.                                                                                                                                                                                |
| Data Protection Legislation | means Bahrain's Law No. (30) of 2018 with respect to Personal Data Protection Law ("PDPL") and the regulations issued by the relevant authority under the provisions of the PDPL.                                                                                                                            |
| Dealing Day                 | means Wednesday of each calendar week and if Wednesday is a holiday, the next Wednesday of following week.                                                                                                                                                                                                   |
| Directors                   | means the director (members of the Board) of the Fund Company from time to time                                                                                                                                                                                                                              |
| Effective Date              | means such date on which the Fund is approved for the first time by the CBB                                                                                                                                                                                                                                  |
| Financial Year              | means a period of one year stating from January 1 and ending on December 31 each year except for the first financial year that will begin on the Closing Date and expire on December 31,2010                                                                                                                 |
| Fund                        | means SICO Kingdom Equity Fund ( Feeder Fund), an exempt open-ended collective investment scheme established by way of an Instrument as a contractual arrangement between the Fund Company and the Investors and approved and supervised by the CBB                                                          |
| Fund Company                | means SICO Funds Company IV B.S.C.(c), a closed joint stock company incorporated under the laws of Bahrain to act as an umbrella vehicle for funds including the Fund                                                                                                                                        |
| GCC Countries               | means member countries of the Gulf Cooperation Council currently including Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates                                                                                                                                                           |
| Information Memorandum      | means this Information Memorandum and all appendices, attachments, amendments and supplements thereto including, without limitation, the Subscription Agreement and the Redemption Request Form                                                                                                              |

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| Initial Offer Period             | means the initial offer period that concluded on the Closing Date                                                                                                                                                                                                                                                                                                                                          |
| Initial Offering                 | means the initial offering of 2,000,000 Units at US\$ 10 per unit plus a subscription fee of US\$ 0.2 per Unit                                                                                                                                                                                                                                                                                             |
| Instrument                       | means the instrument issued by the Fund Company, dated December 31, 2009 as amended from time to time                                                                                                                                                                                                                                                                                                      |
| Asset Management Committee       | has the meaning given to it in the section headed “Management and Administration – Asset Management Committee”                                                                                                                                                                                                                                                                                             |
| Investment Manager               | means SICO BSC(c) or its successor when acting as investment manager to the Fund or such other entity appointed to act in such capacity from time to time by the Fund Company                                                                                                                                                                                                                              |
| Investment Objectives and Policy | means the investment objective and policy of the Fund as set out in the section headed “Investment Policy – Investment Objective and Policy”                                                                                                                                                                                                                                                               |
| Investors                        | means Accredited Investors who subscribe in the Fund; the term can be used interchangeably with the term Unitholders                                                                                                                                                                                                                                                                                       |
| Legal Counsel                    | ASAR – AlRuwayeh & Partners<br>Al-Rossais Tower, Diplomatic Area 317, Road 1704,<br>Building No. 283, 11 <sup>th</sup> Floor, Suite No. 113.<br>P.O. Box 20517, Manama, Kingdom of Bahrain                                                                                                                                                                                                                 |
| Master Fund                      | means the fund named SICO Kingdom Equity Fund that is domiciled in the Kingdom of Saudi Arabia in which the Fund will invest. The Master Fund invests in the equity securities listed in Saudi Arabia, including the main and parallel markets, and investing in funds having similar objectives/strategies. From time to time, the Master Fund may also invest in money market instruments and hold cash. |
| Memorandum of Association        | means the Memorandum of Association of the Fund Company                                                                                                                                                                                                                                                                                                                                                    |

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| Money Laundering Regulations | means regulations, ministerial orders and circulars in force in Bahrain in connection with the prevention and combating of money laundering, including, but not limited to, Legislative Decree No. (4) of the year 2001 with respect to Prohibition of and Combating Money Laundering and the various Ministerial Orders and circulars issued with regard thereto and Terrorist Financing from time to time including, but not limited to, Ministerial Order No. (7) of 2001 with respect to the Institutions' Obligations Concerning the Prohibition of and Combating Money Laundering, Decree Law No. 58 of 2006 with Respect to the Protection of Society from Terrorism Activities and any other law which may come into force in Bahrain in the future in connection with anti-money laundering regulations. The fund will comply with all regulations issued by the CBB from time to time regarding the Anti Money Laundering and Terrorist Financing. |
| Notification                 | means the email notice sent to the registered email ID of the Unitholder by the Investment Manager notifying the Unitholders of any amendment or changes to the Information Memorandum and/or the Instrument;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Net Asset Value or NAV       | means the net asset value of Units as determined in accordance with the principles set out in the section headed "Determination of Net Asset Value"                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Operator                     | means SICO BSC(c), which owns 99.99% shares in the Fund Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Placement Agency Agreement   | means the Placement Agency Agreement between the Fund Company and the Placement Agent dated December 31, 2009 in connection with the Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Placement Agent              | means SICO BSC(c) or its successor when acting as placement agent to the Fund or such other entity appointed in such capacity from time to time by the Fund Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Quarter                      | means a period of three months ending on the last day of March, June, September or December in any year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Redemption Day               | means each Dealing Day succeeding the Closing Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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| Redemption Price        | means the price at which Units will be redeemable both in respect of redemptions at the option of Unitholders and in respect of compulsory redemption at the option of the Fund calculated as described in the section held “Subscriptions and Redemptions” |
| Redemption Request Form | means the redemption form approved by the Fund Company, which the Investors must submit, in the manner described in this Information Memorandum and attached to the Subscription Agreement, for purposes of redeeming Units in the Fund                     |
| Registrar               | means Apex Fund Services Bahrain WLL or its successors when acting as registrar for the Fund or such other entity appointed in such capacity from time to time by the Fund Company                                                                          |
| Registrar Agreement     | means the Agreement between the Fund Company and Registrar dated December 31, 2009 in connection with the Fund                                                                                                                                              |
| SICO                    | means SICO BSC(c)                                                                                                                                                                                                                                           |
| Sub-Placement Agent     | means an entity appointed by the Placement Agent to act as a sub-placement agent to the Fund                                                                                                                                                                |
| Subscription Agreement  | means the Subscription Agreement prepared by the Fund Company in connection with the Fund and entered into with each Accredited Investor                                                                                                                    |
| Subscription Day        | means each Dealing Day falling after the Closing Date                                                                                                                                                                                                       |
| Subscription Price      | means the price at which Units are being offered. During the Initial Offer Period the Subscription Price was US\$ 10 per Unit plus a subscription fee of US\$0.2 per Unit and subsequently at the NAV at the relevant dealing day.                          |
| Subscription Fee        | means the fee payable by an Investor on subscribing for Units in the Fund in accordance with the terms of Subscription Agreement                                                                                                                            |
| U.S. Person             | has the meaning given in Regulation S under the U.S. Securities Act of 1933, as amended                                                                                                                                                                     |

|                          |                                                                                                                                                                                             |
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| United States” or “U.S.” | means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia                                                           |
| Unitholders              | means the holder or holders of all or any of the Units, being the person or entity who is for the time being entered in the register maintained pursuant to the conditions as a Unitholder. |
| Units                    | Units represent non-voting units in the Fund which are acquired by Accredited Investors; and.                                                                                               |
| US\$ or U.S. Dollar(s)   | means the lawful currency of the United States                                                                                                                                              |
| Value Added Tax          | means any tax which is levied by the Government authorities on the sales of goods or services.                                                                                              |

## 2. SUMMARY OF TERMS

This summary should be read in conjunction with and is qualified entirely by reference to the information appearing in the full text of this Information Memorandum under the sections appearing below and by reference to the agreements and other documents described in this document.

### The Fund

The Fund is an open-ended collective investment undertaking having converted from an expert fund into an exempt fund under the Collective Investments Undertakings Regulations issued by the Central Bank of Bahrain as contained in the CBB rulebook, Volume 7, Collective Investment Undertaking Module.

The Fund is a contractual arrangement between the Fund Company and the Investor. Such contractual arrangement has been approved by and will be supervised by the CBB. As such, the Fund does not have a separate legal existence for purposes of Bahrain Law.

### The Fund Company

SICO Funds Company IV B.S.C.(c), is a closed joint stock company incorporated under the laws of Bahrain to act as an umbrella vehicle for the creation of the Fund. The Fund Company will, by way of the Instrument, create Units in the Fund for which Investors would be invited to subscribe. The monies raised in this offering of Units will be separated for accounting purposes from the Fund Company's other assets.

The duration of the Fund Company shall continue until its expiry date of twenty-five calendar years commencing from the date of registration of the Fund Company i.e. November 15, 2009 in the Commercial Registry. This duration may be extended by a resolution to be adopted by an extraordinary meeting of the general assembly, in the manner provided in the Commercial Companies Law, of the Fund Company with the approval of the Ministry of Industry and Commerce of the Kingdom of Bahrain and the CBB.

### Investment Objective and Policy

The primary objective of the Fund is to seek long-term capital appreciation by investing in the units of the Master Fund.

### Base Currency

The Fund will be denominated in Saudi Riyals.

### Units

The Units would be issued in electronic form and will rank pari passu in all respects with each other. The Units carry no voting rights at meetings of the general assembly of the Fund Company. The rights and obligations of all Units are in accordance with the Instrument.

### Redemptions

Once a week redemption will be permitted at each Redemption Day.

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| Listing            | The Fund Company may seek to list the Fund on the stock exchanges of any of the GCC Countries. The Fund Company does not intend at this time to make a secondary market in the Units.                                                                                                                                                                                                                                                                                                                                                                  |
| Investment Manager | Pursuant to the Investment Management Agreement, SICO has been appointed as the Fund's Investment Manager. The Investment Manager is, among other things, responsible for the implementation of the Investment Objective and Policy.                                                                                                                                                                                                                                                                                                                   |
| Custodian          | Pursuant to the Custody Agreement, SICO B.S.C.(c), s been appointed as the Fund's custodian. The Custodian is, among other things, responsible for the safekeeping of and custody over the Fund's cash and securities.                                                                                                                                                                                                                                                                                                                                 |
| Administrator      | Pursuant to the Administration Agreement, SICO B.S.C.(c) has been appointed as the Fund administrator. The Administrator is, among other things, in charge of the day-to-day administration of the Fund and for the calculation of the Net Asset Value.                                                                                                                                                                                                                                                                                                |
| Registrar          | Pursuant to the Registrar Agreement, Apex Fund Services Bahrain WLL, has been appointed as the Fund's registrar. The Registrar is, among other things, in charge of providing registrar and transfer agency services including keeping copies of the register of Unitholders.                                                                                                                                                                                                                                                                          |
| Placement Agent    | Pursuant to the Placement Agency Agreement, SICO has been appointed as the Fund's Placement Agent. The Placement Agent will use at all times its best endeavors to promote and extend sales of the Fund to all potential Investors and make available materials relating to the Fund to potential Investors as well as receive the Subscription Agreements together with the accompanying subscription amounts. The Placement Agent will have the discretion to appoint Sub-Placement Agent(s) subject to the terms of the Placement Agency Agreement. |
| Operator           | means SICO, which owns 99.99% shares in the Fund Company. The operator and the investment manager are the same entity.                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Dividend Policy    | The Fund Company intends to distribute part of the Fund's net investment income on an annual basis. The Fund Company may, acting at the sole discretion of the Directors and subject to the approval of the CBB declare and pay dividends out of realised and unrealised capital gains achieved by the Fund. For the avoidance of doubt, the Directors may elect not to pay dividends at all over the life of the Fund.                                                                                                                                |

|                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Taxation          | <p>All fees and other payments to or from the Fund are exclusive of any Value Added Tax or other indirect taxes imposed upon such payment. The Investors shall bear the cost of, and be responsible for the payment of any and all tax imposed. In the event of any change in circumstances of any existing applicable laws, or introduction of new laws that could govern the remuneration and/or expenses of the Fund, such amendments would be applied on top of the existing, agreed upon commercial terms and borne by the Investors.</p> |
| Fund Accounts     | <p>The accounts of the fund will be prepared on a semi-annual and annual basis. The annual audited accounts will be sent to the CBB and unitholders within 4 months from the end of the financial years and the semi-annual reviewed accounts will be sent to the same within 2 months from the end of each six-month period.</p>                                                                                                                                                                                                              |
| Management Fees   | <p>Under the Investment Management Agreement, the Fund will pay the Investment Manager a fixed fee of 0.75% per annum accrued on weekly NAV and on the Dealing Day and payable quarterly in arrears.</p>                                                                                                                                                                                                                                                                                                                                       |
| Subscription Fees | <p>A subscription fee of 2% of the price of the Units will be charged by the Fund Company to the Investors as detailed in the section headed “Fees and Expenses – Subscription Fees”. The Placement Agent or the Directors, acting in their sole discretion, may reduce or waive the Subscription Fees payable to the Investors.</p>                                                                                                                                                                                                           |
| Conversion        | <p>The CBB has approved the conversion of the Fund from the expert to the exempt category on the terms contained in the CBB Approval. An updated copy of the Information Memorandum has been made available to the CBB and the Investors through notification of the changes procedure prescribed by the CBB.</p>                                                                                                                                                                                                                              |
| Other Fees        | <p>The Fund will pay other fees to the Administrator, Custodian and Registrar as well as to other providers of professional services as more fully described in the section headed “Fees and Expenses.”</p>                                                                                                                                                                                                                                                                                                                                    |
| Risk Factors      | <p>Investing in the Fund involves risk and is only suitable for long-term Accredited Investors who understand the risks involved. As with any other investment fund there can be no assurance that the Fund will be profitable and Investors may not recover monies invested. For more detailed risk factor information regarding the Fund, see the section headed “Risk Factors”.</p>                                                                                                                                                         |

## Reporting

The Investment Manager will provide on a monthly basis, a fact sheet showing the net asset value, asset allocation, the largest holdings in the Master Fund, performances over 1, 3, 6, and 12 months, and yearly returns since inception;

### **3. THE FUND AND THE FUND COMPANY**

#### **The Fund**

The Fund is an open-ended investment fund, created by the Fund Company and established as a collective investment scheme pursuant to the regulations for the operation and marketing of collective investment schemes issued by the CBB as contained in the CBB rulebook, Volume 7, Collective Investment Undertaking Module.

The Fund is a contractual arrangement between the Fund Company and the Investor. Such contractual arrangement has been approved by and will be supervised by the CBB. As such, the Fund does not have a separate legal existence for purposes of Bahrain Law.

The minimum subscription amount is SAR 500,000 from 01 August 2024. The Fund, being open-ended, will offer Units on a continuous basis, on each Subscription Day, through the Placement Agent and through Sub-Placement Agents authorised by the Placement Agent. The Fund Company may seek to list the Fund on the BSE or stock exchanges of other GCC Countries. The Fund Company does not intend at this time to make a secondary market in the Units.

The terms and conditions of this Information Memorandum may be changed or amended by the Directors from time to time by sending Notification to the Investors, or where required by law, the approval of the Investors. The CBB will be notified of any amendment and/or changes that are mentioned in the Notification.

For more information on these and other important matters related to the management and administration of the Fund, see section headed “Management and Administration”.

#### **The Fund Company**

SICO Funds Company IV B.S.C.(c), is a closed joint stock company incorporated under the laws of Bahrain to create the Fund. The Fund Company approved by the CBB is incorporated as a Bahraini joint stock company (closed) with Commercial Registration No. 73323, whose registered address is Office #1401, Building #1, Road #365, Block #316, Manama, Bahrain. The primary objective of the Fund Company is to issue Units by way of Instruments that are contractual obligations between the Investors and the Fund Company.

The establishment of the Fund Company and its Memorandum of Association and Articles of Association have been approved by the Ministry of Industry and Commerce in Bahrain in accordance with the Commercial Companies Law, and by the CBB.

The fixed duration of the Fund Company is twenty-five years from the date of registration of the Fund Company i.e. November 15, 2009 in the Commercial Registry. Such duration may be extended by resolution of the Fund Company’s shareholders with the prior approval of the Ministry of Industry and Commerce and the CBB.

The authorized share capital of the Fund Company is BD 1,000 divided into 100 shares. Except for one share, all shares of the Fund Company are owned by SICO. The personal liability of the shareholders in the Fund Company for its debts or obligations is limited to the amounts they have subscribed to the capital of the Fund Company.

## 4. INVESTMENT POLICY

### Investment Objective and Policy

The primary objective of the Fund is to seek long-term capital appreciation. The Fund will aim to achieve this investment objective by investing in units of the Master Fund or any successor to, or distribution from, the Master Fund, including assets and securities other than units as applicable and in accordance with the investment objectives & restriction set out in the information memorandum of the Master Fund.

The Master Fund will invest in stocks listed in the main Saudi Stock Exchange “Tadawul”, the parallel market “Nomu”, IPOs, right issues, and investment funds with objectives and/or strategies similar to the Master Fund, which invest in the Saudi Stock Exchange and is licensed by the Capital Market Authority of the Kingdom of Saudi Arabia. From time to time, the Fund may also invest in money market instruments and funds operating and licensed in the Kingdom of Saudi Arabia.

The Master Fund concentrates its investments under normal circumstances in a selected group of shares listed on the Saudi Stock Exchanges, and/or in other investment funds with similar objectives and/or strategies to the Fund, which invest in the Saudi markets and are licensed by the Capital Market Authority of the Kingdom of Saudi Arabia. The Fund may also invest in money instruments and funds, licensed in the Kingdom of Saudi Arabia, or managed by the Master Fund Manager in the event of favorable investment opportunities.

The Master Fund targets the limits per asset class as indicated in the terms and conditions of the Master Fund, and the strategy of distributing the weights of the investments depends on the available investment fields in terms of the current valuation level of the targeted securities.

The Feeder fund may hold at its discretion cash up to 100% for a reasonable length of time, as may be required, as dictated by the market circumstances and investment strategy.

The terms and conditions of the Master Fund describe the investment process and the restrictions on the types of securities or other assets in which the Master Fund can invest. Amongst such restrictions are the investment restrictions stipulated in Article 41 of the Regulations issued by the Board of the Capital Market Authority in the Kingdom of Saudi Arabia pursuant to Resolution No. 1-219-2006 dated 03/12/1427 AH corresponding to 24/12/2006 AD, as amended by the Authority’s Board Resolution No. (2-22-2021) dated 12/07/1442 AH corresponding to 24/02/2021 AD (and any amendments thereto from time to time).

The Master Fund has the right to obtain financing to invest in the targeted securities, provided that the financing does not exceed 15% of the Master Fund’s NAV. Furthermore, the Master Fund's dealings with any counterparty may not exceed 25% of its NAV. The Master Fund will not use financial derivatives.

Finally, the S&P Saudi Arabia Domestic Total Return in LCL Index will be used as an index for the purposes of comparing the Master Fund's performance only, and the weights of the index's securities may not be binding on the Master Fund's investments. Investors can view the index information, the basis and methodology used for calculating the index and the Master Fund’s performance on S&P’s website [www.spglobal.com](http://www.spglobal.com)

The above is intended to be a summary of the investment objectives of the Master Fund in which units of the Fund will be invested and does not purport to be exhaustive. Investors are recommended to read in full the terms and conditions contained in the information memorandum of the Master Fund. All statements contained herein shall be read in conjunction with and shall be deemed fully qualified by the terms and conditions of the Master Fund.

## **Conversion and Redemption option**

The Fund category has been amended from expert to exempt in terms of the CBB Approval. Post conversion the Fund will be denominated in Saudi Riyals. An updated copy of the Information Memorandum has been made available to the CBB and the Investors through notification of the changes procedure prescribed by the CBB. In conjunction with the amendment, a redemption option is available to the existing Investors of the Fund until 30 days from the last amendment date of this prospectus that is mentioned on the first page. The Investors who do not exercise the redemption option would continue to hold units in the Fund, as converted to an exempt fund denominated in Saudi Riyals in accordance with the terms of this Information Memorandum. The carried forward Units will be converted at an exchange rate of 1 U.S. Dollar equal to 3.75 Saudi Riyals and will continue as units of a Saudi Riyals denominated Fund.

Any unitholder who did not qualify as an Accredited Investor at the time of becoming a unitholder and who does not, at the time of conversion, qualify as an Accredited Investor (including by way of written election) may be subject to obligatory redemption by the Fund.

## **5. LEGAL LIMITATIONS**

Any subsequent changes to the Information Memorandum or the Instrument shall be notified to the Investors and to the CBB.

In managing the Fund, the Fund Company and the Investment Manager will comply with the requirements of Bahrain Law and other relevant laws. In particular, the Fund Company and the Investment Manager will, and will cause the Fund to, comply with the requirements of CBB's Collective Investments Undertakings Regulations as contained in the CBB rulebook, Volume 7, Collective Investment Undertaking Module and subsequent supplementary regulations that have been approved and issued by the CBB.

## **6. RISK FACTORS**

An investment in the Units involves certain risks relating to the investment strategies of the Fund Company and the Investment Manager. No representation is hereby made that the Fund's investment objective will be achieved. The following is intended as a summary of certain investment considerations and risks associated with this investment but is not exhaustive and must be supplemented by the Investors' own analysis of, among other things, Investors' personal or corporate financial circumstances.

### **Nature of Investment**

The Master Fund invests in equities listed on Saudi stock markets, including the main market Tadawul and parallel markets (e.g. Nomu). Equity investments by their very nature are high-risk investments with possible sudden decline in prices due to various factors resulting in a potential loss of capital. Therefore, investment in the Fund should be regarded as a high-risk investment, and there can be no guarantee that the Investment Manager will achieve the Fund's objective and the Investor will recover the capital invested or any return on the invested capital. Furthermore, an investment in the Fund should be viewed by applicants as of a long-term nature.

It is possible that the Fund will be unable to generate positive returns on its investments, and, by its nature, the Fund may not be able to sell or dispose of its investments of in any way at the price that it considers to be the fair value or that the Investment Manager may not be able to sell the investments at the time it wants, accordingly, the Fund may be unable to realize any returns from these assets, taking into account that there are other risks that have not been addressed, which are believed at the present time to be immaterial at the moment, but could affect the investment returns and the net value of the Fund's asset.

- A. There is no guarantee for Unitholders that the Fund's absolute performance or its performance compared to the benchmark index will be repeated or similar to previous performance of the Master Fund.
- B. An investment in the Fund is not considered a deposit with a local bank or any bank.
- C. There are various potential risks related to investment in the Fund, as indicated below, which would lead to the loss of some or all of a Unitholders' capital invested in the Fund.
- D. Investment in the parallel market may have a lower level of liquidity than the companies listed in the main market, especially since participation in this market is allowed for a specific category of investors. Further, the prices of stock of companies listed in the parallel market may be more volatile since the upper and lower price limits are higher than that ratio of the main market. Additionally, the companies listed in this market may be newly established or have a short operating history, and have limited human and financial resources. Furthermore, the disclosure requirements for companies listed in this market are relatively lower than their counterparts in the main market.

### **Market Risk**

The generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. In relation to mature markets, the regional markets on the other hand have a low level of regulation, enforcement of regulations and monitoring of investors' activities. In addition, the securities markets of these countries are not as large as the more established securities markets and may at times have substantially less trading volume, resulting in a lack of liquidity and high price volatility which could lead to significant volatility in the prices of the Fund's investments. There may be a high concentration of market capitalisation and trading volume in a small number of stocks as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of the Fund's acquisition or disposal of the Master Fund units. The GCC markets have at times exhibited high volatility and sudden decline in prices of equities and therefore cannot be assured to give stable and/or positive returns in the future. Therefore, the

Fund's return may be expected to fluctuate in response to changes in the value of the underlying investments i.e. the Master Fund units.

The Master Fund also invests in stocks of public companies, which offer their stocks to the public through initial public offerings in the primary market. Investment in initial public offerings may involve a risk of limited stocks that can be subscribed to during the initial public offering period. The Unitholder's knowledge of the company issuing the stocks may not be enough, or the company's performance history may be insufficient. The company issuing securities may operate within new economic sectors, some of which may be still in the development stages and does not achieve operational income in the short term. Accordingly, the risk of subscribing to stocks increases, and may have a negative impact on the Fund's performance, and thus lead to a decrease in the unit price of the Fund. In the event the Master Fund subscribes to IPO's, these subscriptions shall be linked to the date of their listing in the capital market. Any delay in listing or non-listing is considered a risk that may adversely affect the Fund's investments and performance.

### **Currency Risk**

The Fund will invest in Saudi Arabia through the Master Fund. Saudi Arabia operate under a fixed exchange rate regime with their currencies pegged to the U.S. Dollar. The price of the Unit is denominated in Saudi Riyals and any shift in the fixed exchange rate of any country may potentially expose Investors to adverse fluctuation in returns.

### **Absence of Voting Rights**

Investors in the Units have no voting rights and do not participate in the management of the Fund Company or the Fund. Investors generally have no right to influence the management of the Fund whether by voting against, withdrawing, removing or replacing the Investment Manager or otherwise. Furthermore, Investors have no right to terminate any agreement to which the Fund is or may be a party.

### **Legal Status**

The Fund is a collective investment scheme created by the Fund Company, and is structured as a contractual arrangement between the Fund Company and the Unitholders. This contractual arrangement is regulated and supervised by the CBB. The Fund is intended to be separate from the Fund Company and from other collective investment schemes launched or marketed by the Fund Company if any.

The Fund is not registered under the Commercial Companies Law. Therefore, the Fund does not have a separate legal existence and the extent to which a Bahraini government agency or a Bahraini court, acting in the context of insolvency proceedings or proceedings for determining the Fund's liabilities, would uphold such distinction between the legal status of the Fund and that of the Fund Company and other collective investment schemes of the Fund Company is unclear and to our best knowledge untested.

Furthermore, the Fund does not invest directly but through the Master Fund through a feeder fund type of structure. This type of structure is unprecedented in Bahrain and there is a risk that it may not be well understood by a Bahraini government agency or a Bahraini court should the need arise.

### **Absence of Transferability of Units**

It is not anticipated that there will be a public market for the Units. The Units may not be directly or indirectly sold, transferred or assigned, by operation of law or otherwise, in whole or in part, without the prior written consent of the Investment Manager, which may be granted or withheld in its sole discretion.

Any attempt to transfer Units, other than by way of redemption in the manner described in this Information Memorandum, constitutes a tender to the Investment Manager for the redemption of Units.

## **Conflicts of Interest**

Under Bahrain Law, an Investment Manager is obligated to act for the benefit of the Fund with respect to matters within the scope of the Investment Management Agreement. The Investment Manager may also invest in the Fund as per the terms and conditions. . The Directors will seek to ensure that no actual conflict of interests will arise. The Fund may engage their affiliated brokerage entities to provide brokerage for the Fund in the respective markets served by such affiliates. Also, the Master Fund is managed by the subsidiary of the Fund. As a result, like any other regulated financial services group that operates a collective investment scheme in Bahrain, conflicts of interest situations may arise. Keeping the interests of the Investors as paramount, the Investor Manager has taken reasonable steps to identify, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the Investors:

### ***Management of conflicts***

*Affiliate brokers:* Where Fund engages their affiliated brokerage entities to provide brokerage for the Fund, the Fund will evaluate the competitiveness of the affiliated broker with other market participants. All engagements are carried out at an arm's length basis.

*Common Directors:* The Fund Company, Investment Manager, Master Fund, Master Fund's fund manager and affiliate brokers may have common Directors. To manage the conflicts arising from common Directors, the Investment Manager has established and will maintain the Code. The Code defines the necessary guidelines to ensure the high ethical standards maintained by SICO are applied on a consistent basis by the Directors and others to manage those conflicts.

Except when disclosure is required under the law, the Directors must observe in full any confidentiality obligations, including, but not limited to, customer information. The following are the guiding principles of confidentiality embedded in the Code:

*i. The need-to-know principle:* Directors should only receive or have access to confidential information that is necessary for the proper performance of their role, and are prohibited from sharing such information with anyone, either within or outside Investment Manager, who does not have a legitimate need-to-know.

*ii. Providing safeguards:* Directors may become privy to confidential information (i.e., information not generally available to the public) concerning the affairs, plans and business transactions of Investment Manager, its present and prospective customers, its suppliers, its shareholders and other Directors.

*iii. Release of customer information:* Confidential information should not be shared under circumstances in which it would be reasonable to believe the information could be misused.

*iv. Personal use:* Confidential information obtained as Director is not to be used for the purpose of furthering any private interest or as a means of making any personal gain.

*v. Sectional:* Confidential information concerning the business affairs, plans and customers of Investment Manager that are available to one unit of the Investment Manager should be communicated to other units only when a legitimate business need exists.

*vi. Data protection:* Directors as required to comply with applicable data protection laws.

*vii. Competition:* Discussions and agreements, oral or written, with competitors concerning pricing or other competitive policies, which could be considered as unethical or uncompetitive are not permitted. Directors are required to take care to ensure that competitive policies are not discussed in meetings of trade associations or other banking groups.

*viii. Handling confidential information:* When information is shared with individuals that fall under the need-to-know principle, all contractual, legal and regulatory requirements relating to confidentiality, privacy, consent or disclosure requirements are required to be strictly adhered to.

*ix. Information barriers:* The Investment Manager also uses ‘information barriers’ or ‘Chinese walls’ controls to maintain confidentiality and to help prevent the misuse or unauthorised disclosure of this protected information. The cornerstone of the implemented information barrier is the need-to-know principle, as outlined in *i.* above. Usually, standard information barriers are implemented to ensure that only those who have a legitimate need-to-know are able to access such information; however, in some instances, enhanced information barriers are established to help prevent the misuse or unauthorised disclosure of the protected information, and ensure that only those who have a legitimate need-to-know are able to access such information.

The Administrator/Custodian of the Fund is an affiliate of the Investment Manager, operating pursuant to a CBB license to provide such services. Each of the foregoing processes to identify and manage conflicts of interest apply equally to the interaction between the Fund and the Administrator/Custodian.

## **Custodial Risk**

Risks exist with respect to the operations and services offered by the Custodian. The assets of the Fund will generally be held by the Custodian directly or through its agents, sub-custodians, or delegates pursuant to the Custodian Agreement. The Custodian may also, on the instructions of the Fund or the Fund Company, open accounts with any bank or financial institution and place cash of the Fund in such accounts, taking into account appropriate protections against conflicts of interest between the Fund, the Custodian and the financial institution. The Custodian shall control, operate, and monitor the bank accounts but will not be responsible or liable to any person whatsoever, (including the Fund and the Funds Company) in respect of any loss of the cash, securities and/or other assets comprising the assets of the Fund held in such accounts or not deposited with or held to the Custodian’s order, occasioned by reason of the liquidation, bankruptcy or insolvency of such bank, financial institutions or other persons.

## **Ownership of Fund Assets**

Care will be taken to ensure that the Fund assets are separately identified as being held on behalf of the Fund and its investors and, to the extent possible, to protect those assets in the event of the insolvency of any party holding Fund assets. However, it is possible under the laws of Bahrain or other relevant jurisdiction, that a court may not protect the assets of the Fund from the liquidators of any such party in the unlikely event that the Custodian or a nominee becomes insolvent.

## **Economic and Political Stability**

Investment in GCC Countries may carry a high degree of economic and political risks. On the economic front, the economies of GCC Countries, while striving to diversify, are primarily oil-driven economies. A prolonged period of low oil prices can potentially affect the economic health of the GCC Countries' economies and may result in an overall recession in the region. The currencies of some GCC countries may be decoupled from pegs to the U.S. Dollars and/or other foreign currencies (including changes to any basket of currencies) in connection with economic and political changes which may result in significant exchange volatility or transferability of such currencies.

## **Taxation**

The Fund Company, with the assistance of the Investment Manager, will take reasonable steps to mitigate the Fund's tax liabilities (if any). Investors should review carefully this Information Memorandum and the Subscription Agreement and discuss with their tax advisors the specific tax and other consequences of investing in the Fund. Any change in the Fund's/Master Fund's tax status or in taxation legislation or accounting practice could adversely affect the investments.

## **Redemption**

Execution of redemption application shall be subject to certain liquidation restrictions in the applicable regulations to the Fund. Additionally, instances of compulsory redemption may result in the liquidation of investments under conditions less favorable as the liquidity of some of the underlying assets may not allow for an orderly liquidation at the prevailing market prices, and consequently result in loss to Investors.

The foregoing is not a comprehensive list of investment risk factors, and potential Investors are urged to consult with their professional advisors as to the legal, regulatory, tax and business risks involved in this Fund.

## **Risks of Non-Distribution or Reduction of Distributions**

The underlying securities that the Master Fund invests in may reduce or stop distributions for urgent main problems or unexpected payments and obligations, which may adversely affect or lack the Fund's returns.

## **Interest Rates Volatility Risk**

These risks represent in the risks resulting from the volatility in the value of the securities in which the Master Fund invests as a result of changes in the interest rates. Therefore, the value of securities and stocks of companies can be adversely affected by interest rates volatility.

## **Management Related Risks**

The Fund's success is significantly dependent on the success of the Master Fund's management team. The loss of the services of any member of the management team in general, whether due to resignation or any other reason, or inability to attract new employees or retain existing employees, may have an adverse impact on the Fund's activity.

Additionally, Unitholders may not participate in the management of the Fund, therefore, no person should buy units unless he/she intends to authorize the Investment Manager to manage the Fund in all aspects.

### **Risks of Forecasting Future Data**

One of the means that the Investment Manager will use in the investment decision-making process is to predict future data, but the actual results may differ from those expected, and therefore could adversely affect the Fund's performance.

### **Financing Risks**

It is possible to obtain financing for the Fund and/or Master Fund, which may adversely affect the returns of the Fund as it involves a high degree of financial risk including exposure to increased financing costs, economic deterioration, and investment guarantees deterioration.

### **Technical Risks**

The Investment Manager depends on technology in managing the Fund. However, its information systems may be compromised or attacked by viruses, or may be partially or completely disrupted, and thus limiting the Investment Manager's ability to effectively manage the Fund's investments. This would adversely affect the Fund's performance, and in turn affect the Unitholders in the Fund.

### **Trading Suspension Risks**

Failure of the companies listed in the Saudi market to abide by the Capital market Law in force in the Kingdom of Saudi Arabia and its implementing regulations, including the registration and listing rules, may cause the suspension of trading in stocks of the listed companies. Accordingly, it may adversely affect the value of the Fund's assets and thus the unit price.

### **Natural Disaster Risks**

Natural disasters affect the performance of all economic and investment sectors, which may have an adverse impact on the Fund's performance, without the Investment Manager's control. These natural disasters include earthquakes, volcanoes, severe climatic changes, and others, which may adversely affect the investments of the Fund and the Unitholders in the Fund.

### **Investment Concentration Risks**

These risks represent in the risks resulting from the concentration of the Fund's investments in certain securities, certain economic sectors, a particular geographical area, or with specific counterparties, or with some companies and market sectors. These risks expose the Fund's performance to sharp volatility as a result of the change in the conditions of the companies and sectors in which the Fund invests, as determined by the Fund's nature and objectives and the investment field, which may adversely affect the Fund's performance.

### **No Market Precedent**

The use of a feeder fund structure is not commonly used in Bahrain markets. The absence of established

precedent for this specific structure introduces a risk that the feeder fund structure may not be fully understood. Unforeseen legal and regulatory complexities may arise due to the novel feeder fund structure.

### **Risks from holding cash**

The Fund has the discretion to invest up to 100% of its assets in cash. While this flexibility may allow the Investment Manager to react to market conditions, it also introduces a risk that a high cash allocation may significantly reduce the Fund's overall potential for growth and the Fund may miss out on potential gains from investments in appreciating assets.

### **Investment by Investment Manager**

The Investment Manager, and/or its affiliates, may, but shall not be obligated to, invest in the Fund on the same terms and conditions as other investors, including during initial subscriptions, follow-on offerings, or secondary transactions. Such investments, if made, shall be subject to the Fund's governing documents, applicable laws and regulations.

## **7. SUBSCRIPTIONS AND REDEMPTIONS**

### **Initial Offering**

The Fund had offered an Initial Offering of 2,000,000 Units at the price set out in the paragraph “Subscription Price” in the section headed “Definitions”.

### **Further Subscription**

Units can be subsequently subscribed for on each Subscription Day provided the Fund has received a completed Subscription Agreement at least two Business Days prior to such Subscription Day (subject to the discretion of the Directors to waive such notice) and following receipt of cleared subscription monies by 12 noon on the Business Day immediately preceding the relevant Subscription Day. Any late subscription may be approved by any of the Directors at their discretion.

### **Subscription Price**

Units were offered subsequent to the Initial Offer Period at the Subscription Price. The Directors or the Placement Agent, acting in their sole discretion, may increase the minimum subscription amount in accordance with the terms of this Information Memorandum

The Fund encourages payment of monies in Saudi Riyals or U.S. Dollars. If the Investor pays for Units in any currency other than Saudi Riyals, subscription amount will be converted at the exchange rate as obtained by the Fund. The exchange rate used to convert such currency may be subject to change if a fluctuation in the exchange rate should take place between the date on which payment for the Units is received and the day on which the payment is converted into the Base Currency of the Fund i.e. Saudi Riyals. Any such exchange rate fluctuation risk is the responsibility of the Investor and neither the Fund, the Fund Company, the Investment Manager, the Placement Agent nor the Administrator will be liable in any way for such risk. No third party payment will be accepted.

### **Subscription Agreement**

Prospective Investors will be required to complete and return the Subscription Agreement. The completed Subscription Agreement should be sent to the Placement Agent or its delegate, or an authorised placement agent, details of which are provided in the Subscription Agreement, and must be received at least two Business Days prior to the relevant Subscription Day (or such later time as may be agreed by the Directors of the Fund at their sole discretion). The subscription monies in cleared funds must be paid by 12 noon on the Business Day immediately preceding the relevant Subscription Day. If the Subscription Agreement and/or cleared funds are received after the deadline, it will (unless otherwise determined by any of the Directors of the Fund Company) be treated as a request for subscription on the directly succeeding Subscription Day unless the Fund Company or the Placement Agent determines otherwise.

The completed Subscription Agreement will (save as determined by the Fund Company) be irrevocable and may be sent by facsimile at the risk of the applicant. The originals of any Subscription Agreement sent by facsimile should be sent immediately by post or by internationally recognised courier. Failure to provide the original Subscription Agreement may at the discretion of the Directors result in cancellation of the allotment of the Units.

## **Issue of Units**

Units will be issued in electronic form. The Registrar will maintain the official register of Units. Units shall be accounted for in fractions up to four decimal places, with the fifth decimal being rounded up if it has a value of five or higher.

Confirmations will be sent to applicants on approval of their application (i) soon after the relevant Subscription Day and (ii) once NAV of Units has been calculated setting out details of the Units they have been allotted.

## **Combating Money Laundering and Terrorist financing**

The Fund will comply with Bahrain's Legislative Decree No. (4) of the year 2001 with respect to Prohibition and of Combating Money Laundering, Decree Law No. 58 of 2006 with Respect to the Protection of Society from Terrorism Activities and the various Ministerial Orders issued there under including, but not limited to, Ministerial Order No. (7) of 2001 with respect to the Institutions' Obligations Concerning the Prohibition of and Combating Money Laundering and any other regulations (AML or Terrorist Financing) issued by the CBB from time to time.

The Fund, the Fund Company and their duly appointed agents, who introduce the Investors to the Fund are responsible for 'Know Your Client' (KYC) exercise on the Investors, and commit to undertaking the due diligence exercise and complying with applicable anti-money laundering rules and regulations in the relevant jurisdictions of operation. However, the Placement Agent is the main entity responsible for Anti Money Laundering and KYC.

As a result of the applicable anti-money laundering regulations and prohibition against terrorist financing, identification documentation is required along with the subscription request for Units. The Directors, the Placement Agent and the Investment Manager reserve the absolute right to require further verification of the identity of each potential Investor or that of the person or entity on whose behalf the potential Investor is applying for the purchase of the Units and/or the source of funds. This will be used to comply with these regulations and to verify the identity of the Investors and will remain confidential. Each potential Investor will be required to provide satisfactory evidence of identity and if so required the source of funds within a reasonable time period determined by the Fund. Pending the provision of such evidence, application for Units will be postponed. If a potential Investor fails to provide satisfactory evidence within the time specified, or if the a potential Investor provides evidence but the Fund is not satisfied therewith, the application may be rejected immediately in which event the money received on application, if any, will be returned without interest payment.

The Investor may not need to provide documentation to the Fund Company if the Investor has an existing investment in the Fund and has already provided documentation or has already provided evidence of identity to the Fund Company. In the event of none of the foregoing applying to an Investor, the Investor may be required to provide proof of identity to the Fund Company as set out in the Subscription Agreement. Pooled funds or financial intermediaries will also be required to provide money-laundering regulations compliance declaration. The ultimate beneficial owners of the investment will be required to provide documentation, notwithstanding that the investment in the Fund may be made by another entity on their behalf. The Fund reserves the right to share relevant information of the Investors, for the purposes of satisfying internal compliance and anti-money laundering procedures, with the Fund's associates including its Custodian and Administrator.

## Data Protection

the purpose of the Data Protection Legislation, the Investment Manager is the “controller” of any Personal Data that it receives in relation to any investor, potential investor, or their employees or agents (individually a “Data Subject”, together the “Data Subjects”). Personal Data will be held and processed by the Investment Manager (or any third party agent appointed by the Investment Manager) in compliance with the Data Protection Legislation and the provisions set out below.

- (a) verifying the identity of the Data Subjects for the purpose of complying with the statutory and regulatory requirements in relation to anti-money laundering, including the Investment Manager’s own in-house procedures;
- (b) contacting the Data Subjects (to the extent permitted under Data Protection Legislation) with information about other products and services provided by the Investment Manager, which it considers may be of interest to Data Subjects;
- (c) administering the relationship between Data Subjects and the Investment Manager, including by responding to any queries that are raised;
- (d) administering its business, including performing financial reporting and ensuring compliance with applicable policies and procedures;
- (e) to protect and defend the Investment Manager’s rights and interests, including by bringing legal action against anyone who may be causing injury or interference with (whether intentionally or unintentionally) the Investment Manager; and
- (f) meeting the legal, regulatory and/or financial obligations of the Investment Manager or the Fund or any functionary of the Investment Manager or the Fund in Bahrain or elsewhere (including any obligation imposed by any governmental, regulatory or fiscal authority of any jurisdiction).

The Personal Data that the Investment Manager collects may be disclosed to:

- (a) entities in the Investment Manager’s group;
- (b) third party service providers or agents appointed by the Investment Manager to provide services to the Fund and/or investors pursuant to their investment in the Fund;
- (c) central or government agencies;
- (d) law enforcement agencies;
- (e) professional advisors the Investment Manager engages, for example lawyers or accountants;
- (f) relevant stock exchanges;
- (g) third parties in connection with a prospective or actual sale, merger, transfer or other reorganisation of the Investment Manager or entities within the Investment Manager group; and
- (h) other third parties that the Investment Manager is requested (and legally permitted) to disclose Personal Data to from time to time.

For the purpose of the Data Protection Legislation, the legal bases on which the Investment Manager processes Personal Data are that the processing is necessary (a) where applicable, for the performance of a contract between a Data Subject and the Investment Manager, and (b) for the Investment Manager’s legitimate interest in administering its business, including by complying with relevant laws.

The Investment Manager retains Personal Data for as long as is necessary to (a) fulfil the purposes set out above, and (b) comply with its record retention obligations under applicable laws.

Under Data Protection Legislation, Data Subjects may have a right to:

- Request access to and rectification or erasure of its Personal Data;
- Object to direct marketing;

- Obtain restriction of processing or to object to processing of its Personal Data; and

If a Data Subject wishes to exercise any of these rights, it should contact Client Relations Department of SICO B.S.C. as per the address provided in the directory section in the Information Memorandum. Data Subjects also have the right to lodge a complaint about the processing of Personal Data with a local data protection authority established under the Data Protection Legislation.

## **Indemnity**

The Fund shall hold the Investment Manager and its directors free and harmless against any claim or liability that they may have incurred while performing their duties, except for their respective wilful misconduct or gross negligence.

## **Redemption**

Units can be redeemed on a weekly basis on each Redemption Day after the closing period by giving a notice to that effect to the Registrar three Business Days prior to the relevant Redemption Day.

## **Redemption Price**

The redemption price will be equal to the NAV calculated by the Administrator on the relevant Dealing Day (see Section headed “Determination of Net Asset Value”).

## **Redemption Request Form**

A request for redemption must be made on the Redemption Request Form and once submitted to the Registrar or the Placement Agent, may not be withdrawn by the Unitholder except on suspension of redemptions, otherwise, the consent of the Fund Company is required for any withdrawal of a redemption request. A redemption request sent by fax or other means of communication will have to be accompanied by the duly filled Redemption Request Form sent by courier as soon as it is practicable.

## **Payment of Proceeds**

Redemption proceeds will be paid in cash. Cash payments will be made in Saudi Riyals and will be remitted by way of cheques or by wire transfer upon request to the account (held with a licensed institution) designated by the Investor in the Redemption Request Form after deduction of all relevant expenses. No proceeds will be paid until the Registrar is in receipt of the original Redemption Request Form duly signed by the Investor or its designated authorized signatories. Any amount redeemed will be paid within seven Business Days from the relevant Redemption Day.

Partial redemption resulting in an Investor to have an interest of less than the minimum initial investment (SAR 500,000) will be considered as a request for redeeming the Unitholder’s entire holding unless the Fund Company otherwise determines in its sole discretion.

## **Liquidity Constraints on Redemption**

If the Fund receives a net redemption request (redemption amount less subscription amount) from an Investor or Investors on a particular Redemption Day exceeding 5% of the Fund’s NAV, the Fund Company will be entitled to redeem the redemption amount up to 5% of the NAV on a pro rata basis, or in such manner as the Fund Company may deem appropriate. Requests for redemption of Units, which cannot be met on any one Redemption Day, will be carried forward to the next Redemption Day, subject

to the same provision.

## **Mandatory Redemption**

In accordance with the Instrument, and by giving an Investor a minimum of seven days notice, the Fund Company may compulsorily redeem any Units if the Fund Company determines (in its absolute discretion) that those Units are purchased or held by, or for the benefit of, a U.S. Person, or by a person other than an Accredited Investor.

In addition to the above, the Fund Company, acting at the recommendation of the Investment Manager, reserves the discretionary right to completely or partially redeem Units held by any Investor at any time for any reason. The Investor will be notified in writing of such redemption. Neither the Fund, the Fund Company, the Investment Manager, or the Placement Agent will be in any way liable to any Investor by reason of such mandatory redemption.

The Fund may, in its absolute discretion, redeem all outstanding Units in the event of an exceptional decline in the value of the Fund's assets or a decline in the Fund's assets due to redemptions to a level insufficient to sustain normal trading by the Fund.

## **Suspension of Subscription and Redemption of Units**

Subject to the compliance with the CBB regulations, the Fund may (but is not required to) temporarily suspend the determination of the NAV and subscription and redemption prices in respect of any Dealing Day upon the occurrence of one or more of the following events:

- (a) when the market or markets in which a substantial portion of the Fund's assets are invested or traded is or are closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended in a way that affects the valuation of the Fund's assets or where trading is restricted or suspended in respect of securities forming a material part of the Fund's assets;
- (b) the existence of any state of affairs as a result of political, economic, military or monetary events or circumstances outside the control of the Fund Company, including but not limited to delay in settlements, and where disposal of assets is not reasonably assured without materially affecting the value and interests of continuing Unitholders and calculation of a fair price;
- (c) any breakdown in the means of communication or computation or otherwise normally employed in determining the price or value of any of the investments made by the Fund for calculating the NAV of Units or valuing a significant portion of the investment of the Fund, or if the value of any asset or assets which is material to the calculation of NAV of Units may not be determined as accurately or rapidly as required;
- (d) imposition of foreign exchange restrictions or other restrictions affecting the transfer of funds and transactions on behalf of the Fund and potentially having a material impact on normal activities of the Fund including but not limited to purchase and sale transactions and flow of funds from one country to the other; or
- (e) if an order by a Bahraini court or Bahraini regulatory body, including the CBB, is issued requiring such suspension.

During the suspension period in relation to the calculation of the NAV, the Fund will not issue or redeem Units and the Investors will not transfer Units. Any suspension of more than fifteen business days will be notified to the Unitholders. Any application received for subscription or redemption during the above said period shall be carried forward to the next Dealing Day. All possible steps will be taken to bring the period of suspension to an end.

## **Listing**

The Fund is an open-ended scheme. The Fund Company may seek to list the Fund on the stock exchanges of any of the GCC Countries. The Investment Manager does not intend at this time to make a secondary market in the Units.

## **Ownership Restrictions**

Investors may subscribe provided legislation or regulations in Bahrain and in their country of citizenship, residence, domicile or incorporation permits them to do so. U.S. Persons or U.S. residents as defined in Regulation S under the U.S. Securities Act of 1933 are not allowed to subscribe. Persons under 21 years of age are not allowed to subscribe unless he/she has the written authorisation of his/her lawful guardian. Investors who do not meet the definition of “Accredited Investors” are not permitted to subscribe.

## **8. DETERMINATION OF NET ASSET VALUE**

The calculation of the Net Asset Value is the responsibility of the Fund Company, which has delegated this function to the Administrator. The Net Asset Value calculations will be verified by the Auditor on a semi-annual basis in accordance with the terms of the Auditor's terms of engagement. The Net Asset Value will be calculated on a weekly basis at the close of business on Wednesday or as of the next Wednesday in accordance with International Accounting Standards using the following formula:

If there is a holiday in Saudi Arabia or Bahrain, then the NAV will be produced on the next business day in Saudi Arabia or Bahrain as applicable.

1. The Net Asset Value per Unit will be calculated by the Administrator in accordance with generally accepted international accounting standards using the formula: (a) the total assets of the Fund less the total liabilities and any accrued fees and expenses divided by (b) the total number of outstanding Units of the Fund prior to such Dealing Day the resultant NAV per Unit will be applied for subscription and redemption.
2. For the purposes of the determination of the Fund's NAV, the assets of the Fund are separate from the assets of the Fund Company and from the assets of other collective investment schemes created or marketed by the Fund Company.
3. The Net Asset Value of the Fund and the Units will be expressed in Saudi Riyals and will be rounded up to the nearest fourth decimal place

There will be a deduction from the total value of the Fund's assets of all accrued expenses, including:

1. Management and other fees and disbursements of the Investment Manager accrued but not yet paid;
2. Any allowance for the Fund's estimated annual audit, legal and other fees;
3. Charges of the Administrator, Custodian and Registrar and any fees;
4. Fees and charges of the Directors;
5. Reserves authorised or approved by the Directors or the Investment Manager for duties and charges or taxes or contingencies (accrued where appropriate on a day-to-day basis);
6. other liabilities of the Fund of whatsoever nature (which shall, where appropriate, be deemed to accrue from day-to-day) including direct borrowing, any dividends declared and not paid, as from the record date in respect thereof, and contingent liabilities (if any) being valued in such manner as the Directors may determine from time to time in any particular cases;

7. All costs relating to any litigation in which the Fund or the Fund Company (acting in relation to the Fund) is involved; and
8. Any unamortised costs.

The Net Asset Value will be expressed in Saudi Riyals (SAR) and any items denominated in other currencies will be translated at prevailing exchange rates as determined by the Administrator as the case may be. The value of all assets and liabilities denominated in a currency other than Saudi Riyals will be converted to Saudi Riyals at the exchange rate on the relevant Valuation Day (the close of business on Wednesday or the latest price available).

## **Valuation Rules**

The value of the assets of the Fund will be determined for each Valuation Day (the close of business on Wednesday or as of the last business day prior to Wednesday) in accordance with the following:

- a) The Net Asset Value of the Feeder Fund will be determined on a T+2 basis following the date of the latest available valuation of the Master Fund.
- b) The value of any cash in hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Directors shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value thereof shall be deemed to be such value as the Directors shall deem to be the reasonable value thereof.
- c) Except in the case of any interest in a unit trust, share trust, mutual fund corporation, open-ended investment company or other similar open-ended investment vehicle (a 'managed fund') to which paragraph (d) applies and subject as provided in paragraphs (e), (f) and (g) below, all calculations based on the value of investments quoted, listed, traded or dealt in on any stock exchange, commodities exchange, futures exchange or over-the-counter market shall be made by reference to the **official close** on the principal stock exchange for such investments as at the close of business in such place on the day as of which such calculation is to be made; and where there is no stock exchange, commodities exchange, futures exchange or over-the-counter market all calculations based on the value of investments quoted by any person, firm or institution making a market in that investment (and if there shall be more than one such market maker then such particular market maker as the Directors may designate) shall be made by reference to the mean of the latest bid and asked price quoted thereon; provided always that if the Directors in their discretion consider that the prices ruling on a stock exchange other than the principal stock exchange provide in all the circumstances a fairer criterion of value in relation to any such investment, they may adopt such prices.
- d) Subject as provided in paragraphs (e), (f) and (g) below, the value of each interest in any managed fund which is valued as at the same day as the Fund shall be the net asset value per unit, share or other interest in such managed fund calculated as at that day or, if the Directors so determine or if such managed fund is not valued as at the same day as the Fund, the last published net asset value per share, share or other interest in such managed fund (where available) or (if the

same is not available) the last published redemption or bid price for such share, unit or other interest.

- e) If no net asset value, bid and offer prices or price quotations are available as provided in paragraphs (c) or (d) above, the value of the relevant asset shall be determined from time to time in such manner as the Directors shall determine.
- f) For the purpose of ascertaining quoted, listed, traded or market dealing prices, the Directors, the Administrator or their agents shall be entitled to use and rely upon mechanized and/or electronic systems ((Bloomberg, Reuters) of valuation dissemination with regard to valuation of investments of the Fund and the prices provided by any such system shall be deemed to be the official prices for the purpose of paragraph (c) above. The Administrator may rely upon, and will not be responsible for the accuracy of, financial data furnished to it by any such third parties including automatic processing services, brokers, market makers or intermediaries, and any administrator or valuations agent of other collective investments into which the Fund invests. However, the Administrator shall take all reasonable steps wherever possible to independently verify prices including having processes that identify stale pricing as well as pricing variations and fluctuations where relevant. Where accurate pricing of assets is not possible, the Administrator will discuss the procedure with the Directors of the Fund Company.
- g) Notwithstanding the foregoing, the Directors may, at their absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the fair value.
- h) Any value (whether of a security or cash) otherwise than in Saudi Riyals shall be converted into Saudi Riyals at the rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard, inter alia, to any premium or discount which they consider may be relevant and to costs of exchange.

## **8. MANAGEMENT AND ADMINISTRATION**

### **The Directors**

The Directors of the Fund Company have overall authority over, and responsibility for, the operation and management of the Fund and will exercise supervision and control of the Fund including making decisions on matters of general policy and reviewing the actions of Investment Manager, the Custodian, the Administrator and other service providers. The Fund Company may appoint new Directors and officers of the Fund or may remove them from time to time.

Pursuant to the Articles of Association, the Fund Company has three Directors who were appointed for a term of three years. As of the date of this Information Memorandum, the members of the Board of Directors of the Fund Company are: Najla Al Shirawi (Chairman), K. Shyam Krishnan and Anantha Narayanan. The Directors are also employees of SICO BSC(c).

Najla Al Shirawi is the Chief Executive Officer of SICO. Prior to this, Najla was the Chief Operating Officer of SICO. Najla joined SICO in 1997. Najla holds a Bachelor degree in Civil Engineering and a Masters degree in Business Administration. She also worked for a number of institutions owned by the Geneva-based financial group, Dar Al-Maal Al-Islami Trust, where she was responsible for establishing private banking operations for the group in the Gulf region. Najla has extensive experience in asset management, being the founder of the Asset Management Department at SICO, during which time Najla was responsible for launching a fund and discretionary portfolio management services. Najla also oversaw the proprietary investments at SICO for more than 4 years in the capacity of Head of Investments & Treasury Department. Najla has wide experience in structuring and managing capital market transactions having successfully concluded a number of local and regional IPO's and debt issues.

K. Shyam Krishnan joined SICO in 2015 and has 28 years of experience in finance, accounting, audit, investments and risk management, with the majority of his career spent in conventional and Sharia-compliant banking. Shyam currently also serves as a Board Member of SICO Financial Brokerage. Prior to joining SICO in 2015, he was the Group Head of Finance at Al Salam Bank-Bahrain. Before this, he was Head of Hedge Funds' Operational Risk Management at Investcorp, Bahrain and Audit Supervisor at the Bahrain office of Ernst & Young. He is a Chartered Accountant and Management Accountant from India and a Chartered Financial Analyst, Certified Internal Auditor and also a Certified Information Systems Auditor. He holds a Bachelor of Commerce from Madras University, India.

Anantha Narayanan is working as Chief Operating Officer for SICO. He Joined SICO in 2008 as Head of Internal Audit. Anantha has more than 24 years' experience in the areas of audit and risk management, of which more than 19 years in the banking industry. Prior to joining SICO, he worked as Regional Head of Internal control & Operational risk function for Credit Agricole Corporate & Investment Bank and worked as internal auditor for 12 years with various banks in the region (BBK, Commercial Bank of Oman and Bank Muscat); as external auditor for 3 years with PriceWaterhouseCoopers (Oman). Anantha is a Chartered Accountant and Cost Accountant (India); a Certified Information Systems Auditor (USA); a Financial Risk Manager (USA); and an Associate Member of the Institute of Financial Studies (UK). He holds a BSc Honours degree from the University of Manchester, UK. B.Sc(Chem) from Loyola college, India.

## **Investment Manager and Sponsor**

The Fund Company has appointed SICO as the Investment Manager pursuant to an Investment Management Agreement dated December 31, 2009. In performing its duties and obligations under the Investment Management Agreement, SICO will be supervised by the Directors. SICO, acting under the supervision and direction of the Directors, would be responsible for the Fund's investment management.

SICO is a closed joint stock company and was registered in Bahrain on February 11, 1995 under commercial registration number 33469. The company commenced its operations in July 1995 and obtained an investment-banking license from the Central Bank of Bahrain (formerly known as the Bahrain Monetary Agency) in September 1997.

SICO offers a wide range of expertise through its asset management, corporate finance and brokerage services in the GCC region. In addition, we offer fund custodian and administration services to our clients. We are one of the very few institutions that focus entirely on the regional markets in terms of all our business lines. The company is owned by premier regional financial institutions.

The Investment Manager has appointed Shakeel Sarwar to manage the Fund. (For manager's profile, please refer to director's section). The Investment Manager may replace the Manager from time to time.

## **Asset Management Committee**

An asset management committee is entrusted with the Fund management and strategy planning. This committee is headed by SICO's CEO and includes the manager of the Fund and other key members of the management team. The committee will meet at least every quarter to review the investment strategy and performance of the Fund.

## **Custodian**

SICO BSC(c) has been appointed as the Custodian of the assets of the Fund, which will be held directly by the Custodian or through its agents, sub-custodians, or delegates pursuant to the Custodian Agreement dated 25 June 2024.

The Custodian is entitled to be indemnified against any and all actions liabilities, obligations, losses, damages, penalties, judgments, suits, proceedings claims demands costs expenses or disbursements whatsoever (other than those resulting from the fraud, negligence or willful default of the Custodian) which may be made against or incurred by the Custodian arising out of or in performing its obligations or duties.

In performing its duties, the Custodian may appoint such agents, sub-custodians and delegates as it thinks fit to perform in whole or in part any of its duties and discretions (included in such appointment are powers of sub-delegation), provided always that the Custodian will remain responsible for the proper performance of its duties. The Custodian shall be responsible for the payment of the fees of any agent and sub-custodian and delegate that it appoints.

The Custodian will not participate in transactions and activities, or make any payments denominated in US dollars, which, if carried out by a US person, would be subject to sanctions by The Office of Foreign Assets Control of the US Department of the Treasury.

Notwithstanding anything to the contrary contained in this Information Memorandum, the Administrator's liability to the Fund or the Fund Company for any cause whatsoever and regardless of the form of the action, will at all times be limited to the direct loss suffered by the Fund or the Fund Company.

The appointment of the Custodian may be terminated by not less than one months' notice in writing. The Custodian shall be entitled to receive a Fee as detailed in section 'Fees and Expenses'. The Directors of the Fund Company will supervise the Custodian.

## **Administrator**

SICO B.S.C. (c) has been appointed as the administrator of the Fund pursuant to the Administration Agreement dated 25 June 2024.

The Administrator is responsible for the general administration of the Fund, which includes amongst other things, arranging calculation of asset valuations and fees, and administration of invested cash.

In performing its duties, the Administrator may appoint such agents, sub-custodians and delegates as it thinks fit to perform in whole or in part any of its duties (included in such appointment are powers of sub-delegation). The Administrator shall be responsible for the payment of the fees of any agent or sub-custodian that it appoints.

The Administrator is entitled to be indemnified against all actions proceedings claims demands costs expenses whatsoever (other than those resulting from the fraud, negligence, willful default or bad faith of the Administrator) which may be made against or incurred by the Administrator arising out of or in performing its obligations or duties.

The Administrator will not participate in transactions and activities, or make any payments denominated in US dollars, which, if carried out by a US person, would be subject to sanctions by The Office of Foreign Assets Control of the US Department of the Treasury.

Notwithstanding anything to the contrary contained in this Information Memorandum, the Administrator's liability to the Fund or the Fund Company for any cause whatsoever and regardless of the form of the action, will at all times be limited to the direct loss suffered by the Fund or the Fund Company.

The appointment of the Administrator may be terminated by not less than one months' notice in writing. The Administrator shall be entitled to receive a Fee as detailed in section 'Fees and Expenses'. The Directors of the Fund Company will supervise the Administrator.

## **Placement Agent**

In connection with the Initial Offering and subsequent subscriptions in the Fund, the Fund Company has entered on December 31, 2009 into the Placement Agency Agreement with SICO, which shall act as the Placement Agent to the Fund. In this capacity, SICO will use at all times its best endeavors to promote and extend sales of the Fund to all potential Investors and make available materials relating to the Fund to potential Investors as well as receive the Subscription Agreements together with the subscription amounts. SICO will have the discretion to appoint Sub-Placement Agent(s) on terms, which are substantially similar

to the terms of the Placement Agency Agreement.

## **Registrar**

The Fund Company has appointed Apex Fund Services Bahrain WLL as Registrar of the Fund pursuant to the Agreement dated December 31, 2009. The Registrar will, among other things, maintain the official register of Unitholders and carry out the issue of Certificates and redemption of monies to Investors in accordance with the instructions of the Fund Company and/or the Investment Manager.

Apex Fund Services Bahrain WLL is regulated by the Central Bank of Bahrain (“CBB”). The Registrar is part of the Apex Group which includes Apex Fund Services Ltd and 11 other Apex fund administration companies located across the globe. Apex Group provides specialist fund administration, share registrar, corporate secretarial services and directors to funds and collective investment schemes globally. The Registrar uses the software solution, PFS PAXUS, which is a fully integrated fund accounting system combined with web-based reporting to allow clients and investors to access their information 24/7 securely online. The Apex Group commenced operations in June 2003, and caters to equity funds, hedge funds, funds of funds and private equity funds in every sector and market across the globe. As at December 31, 2009, the Apex Group administered 150 funds globally.

## **Auditor**

The Fund Company has appointed Ernst & Young, Bahrain, as the Fund’s independent Auditor. The Auditor will audit and review financial reports and will submit its report to the Fund Company. Such reports will provide an opinion regarding the Fund’s financial statements and an assessment of the accounting principles used. The Auditor will also review the unaudited semi-annual financials for the Fund.

## **Legal Counsel**

The Fund Company has appointed ASAR - Al Ruwayeh & Partners, Bahrain, as the Funds independent legal advisors to advise on matters of Bahrain law.

## **Alternative Service Providers**

The services of the Fund’s service providers, including the Investment Manager, the Custodian, the Administrator, the Registrar, the Placement Agent and the Auditor will not be terminated or termination will not come into effect until a suitable alternative has been appointed by the Fund Company and approved by the CBB.

## **9. FEES AND EXPENSES**

The Fund bears fees and expenses incidental to its operation. These include:

### **Subscription Fees**

A subscription fee of 2% of the subscription price of the Units is payable to the Placement Agent or a Sub-placement Agent through whom the Units are placed. The Directors or the Placement Agent, acting in their sole discretion, will have the sole right to reduce or waive the subscription fees to be received from Investors.

### **Management Fees**

Under the Investment Management Agreement, the Fund will pay the Investment Manager a fixed fee of 0.75% per annum (Actual/Actual) accrued on weekly NAV and payable quarterly in arrears

### **Launching Costs**

All expenses incurred in launching this Fund including those already spent to were borne by the Fund. These include but are not limited to legal, printing, postage and circulation costs of this Information Memorandum and related documents, registration fees, and Initial Offering expenses associated with the setting-up of the Fund. ASAR Note(2): We consider this comment as closed.

### **Administration Fee**

Under the Administration Agreement, the Administrator will be entitled to receive a one-time inception fee of US\$ 3,000 and annual fee not exceeding 0.25% per annum (Actual/Actual) of the NAV as of each Dealing Day (subject to a monthly minimum and calculated for these purposes prior to the deduction of management fees).

The Administration Fee shall accrue on weekly NAV and be payable on a quarterly basis on the second Business Day of each calendar month and the Fund will also pay the Administrator any out of pocket expenses incurred to perform the services for the Fund

### **Custody Fee**

Under the Custody Agreement, the Custodian and the sub-Custodians (if any) will be entitled to receive an annual custodian fee not exceeding 0.30% per annum (Actual/Actual) of the NAV as of each Dealing Day subject to an annual minimum and calculated for these purposes prior to the deduction of management fees. The custodian fee shall accrue on weekly NAV and be payable on a monthly basis on the second Business Day of each calendar month. Moreover, the Fund will also pay the Custodian any Transaction Fees or reimbursement for services rendered and expenses borne by the Custodian to perform the services.

### **Registrar Fees**

Under the Registrar Agreement, the Registrar will be entitled to receive a fee upto US\$ 6,000 per annum for up to 1,000 Unitholders. Beyond 1,000 Unitholders, the registrar will be entitled to fees as set out in

the Registrar Agreement. Moreover, the Fund will reimburse the Registrar for certain services rendered and expenses borne by the Registrar as more fully described in the Registrar Agreement.

### **Auditors Fees**

The Auditor will be entitled to receive a maximum flat fee of SAR 38,000 (US\$ 10,000 equivalent) for preparing an annual audit report and reviewing the semi-annual financials of the fund exclusive of any out of pocket expenses incurred by the Auditor.

The audit costs related to the year end audit of the fund company shall be borne by the fund.

### **Other Operating Costs**

The Fund will be charged all other expenses incurred in connection with the normal operation of the Fund including, but not limited to, transactional costs including brokerage, banking, exchange fees, auditing, registrar and legal fees, government charges and duties. The Fund will also bear the costs of publishing of the NAV, subscription and redemption prices. The fund will also bear the audit cost of the fund company which has been solely setup for the purpose of floating this fund. The Auditor shall review and verify such operating costs.

The Fund will also pay the annual expenses related to the registration and other expenses due to supervisory authorities and are related to the Fund Company. The accounting treatment for such expenses will depend on their nature and will either be posted directly to the NAV, accrued or amortized.

## **10. TAX AND EXCHANGE CONTROL CONSIDERATIONS**

As at the date of this document the Fund Company was advised that there are no income, capital gains, withholding, inheritance, or estate taxes in Bahrain applicable to the Fund, nor is there any stamp duty payable in Bahrain on the transfer, sale or purchase of Units. Under current law, the Fund Company and the Fund will not be subject to tax in Bahrain on its profit, income, gains or appreciation arising in Bahrain or elsewhere.

Accordingly, dividends (if any) received by the Fund and gains (if any) realized by the Fund are not currently subject to tax in Bahrain. The fees received for services rendered by the Fund and the Fund Company are subject to Value Added Tax in Bahrain at applicable tax rates determined by the Bahrain Government.

A Unitholder will not be subject to Bahrain tax with respect to any dividend received on the Units (including distributions received upon liquidation of the Fund and the Fund Company or with respect to any gains realized upon the sale or redemption of the Units). Bahrain does not currently impose any withholding taxes. Accordingly, no withholding on account of any Bahrain tax is required by the Fund Company or the Fund with respect to any dividend distributions made to a Unitholder or any gains realized by such Unitholder upon the sale, redemption or exchange of the Units.

Individual Unitholders, whether resident in Bahrain or not, are not subject to any Bahrain gift, estate, inheritance or similar taxes solely by reason of the ownership of the Units.

There are no currency or exchange control restrictions currently in force under Bahrain law and the free transfer of currency into and out of Bahrain is permitted, subject to any international regulations in force from time to time.

In the event that there is any material amendment or change to Bahrain law in connection with the matters referred to above, the Investment Manager will notify the Unitholders of such amendment or change in the next following report that is circulated to the Investors after such amendment or change has come to the attention of the Investment Manager.

Potential Investors should ascertain from their professional advisors the consequences of acquiring, holding, redeeming, transferring or selling Units under the relevant laws of the jurisdictions to which they are subject, including any tax consequences and exchange control requirements.

The Fund Company makes no representation regarding the tax implications accruing to any particular Investor with respect to his, her or its own investment in the Fund. All Investors are urged to obtain independent tax advice prior to subscribing for Units.

## **11.LIFE AND LIQUIDATION OF THE FUND**

The Fund is an open-ended collective investment scheme, but the duration of the Fund is subject to the duration of the Fund Company, which is twenty five calendar years commencing from the date of registration of the Fund Company i.e. November 15, 2009. This duration may be extended by a resolution to be adopted by an extraordinary meeting of the general assembly, in the manner provided for in the Commercial Companies Law, of the Fund Company with the approval of the Ministry of Industry and Commerce of the Kingdom of Bahrain and the CBB.

In accordance with the Instrument, the Fund may be liquidated earlier if the Directors and shareholders in the Fund Company so resolve as a matter of extraordinary business at any time without penalty to any party involved. The Fund may also be liquidated upon the direction of the CBB.

In the event of an exceptional decline in the value of the Fund's assets or a decline in the Fund's assets due to redemptions to a level insufficient to sustain normal trading by the Fund, the Fund Company may have to liquidate or voluntarily liquidate positions or cease trading and terminate the Fund.

If the Fund should be liquidated, its liquidation will be carried out in accordance with the laws, which specify the steps to be taken to enable Unitholders to participate in any liquidation distributions. Under Bahrain Law, termination of the Fund requires a prior written consent of the CBB and that reasonable notice be given to Investors. Upon liquidation of the Fund, the assets of the Fund will be allocated to Investors after all amounts due to third parties, including those due under the contractual arrangements entered into by the Fund Company on behalf of the Fund and under Bahrain law, are satisfied.

Please refer to section headed "Subscriptions and Redemptions" for details in connection with mandatory redemption.

## **12.GENERAL INFORMATION**

### **Allocation of Units**

In case of over-subscription, whereby the Directors decide not to accept all subscriptions, allocation of Units will be at the discretion of the Fund Company and Investment Manager. The process followed for allocation may, but is not limited to, the size, objectives and nature of the Investors. Allocation of the Units, if required, will be notified to the Investors within three Business Days from the Settlement Date.

### **Reserved matters for the Unitholders and CBB approval**

The Investment Manager may want to propose a merger or reconstruction of a Fund to minimise or eliminate any costs involved including any taxation. Without limitation and subject to the CBB approval, the following changes are regarded as material changes for which the Investment Manager shall seek approval of the Unitholders (of the relevant class of the Fund):

- a. any mergers of Fund or transfer of the Fund assets to another collective investment undertaking; and
- b. prior to taking any step to wind-up the Fund;

### **CBB approval**

If the Fund Company is being liquidated, the Fund Company shall seek prior of the CBB approval following the submission of a Board resolution and any necessary legal documents.

### **Changes to this Information Memorandum and/or Instrument**

The changes to this Information Memorandum, including changes to the Instrument must be made by the Directors and will be notified to the Investors by sending a Notification. The Investment Manager shall specify in the Notification the date and time when the amendment or change mentioned in the Notification will take effect. The time of dispatch of the Notification is the time when it leaves an information system under the control of the Investment Manager and the time of receipt of the Notification by the Unitholder is the time when it becomes capable of being retrieved by the addressee at an electronic address provided by the Unitholder to the Investment Manager. The place of dispatch and receipt of the Notification would be deemed to be Bahrain.

### **Rejected applications**

The Units are being offered subject to the right of the Fund Company to reject any subscription in whole or in part, for any reason whatsoever

### **Reporting**

The Investment Manager will provide on a monthly basis, a factsheet showing the net asset value, asset allocation, the largest holdings in the Master Fund, performances over 1, 3, 6, and 12 months, and yearly returns since inception.

The Fund will prepare annual accounts with the year ending being December 31. Unitholders will be sent a copy of the Fund Company's annual report and audited financial statements within four months of the end

of the period to which they relate. Any such financial information will be sent to prospective Investors in the Fund upon request. A copy of the financial statements as set out above shall be provided to the CBB within the time frame set out above.

## **Documents For Inspection**

Copies of the following documents will be available for inspection (free of charge) at the registered office of the Fund Company during normal business hours:

- a) The Memorandum of Association and Articles of Association of the Fund;
- b) This Placement Memorandum and any other offering or placing documents produced from time to time by the Fund;
- c) The material contracts referred to in the section headed "Material Contracts";
- d) The investment terms and conditions for the Master Fund;
- e) The most recent annual report and accounts of the Fund;
- f) A memorandum listing the directorships and partnerships held during the last five years by each of the Directors of the Fund, stating whether such directorships or partnerships are current;
- g) The Bahrain Commercial Companies Law Decree No. 21 of the year 2001;
- h) Regulations for the operation and marketing of collective investment schemes issued by the CBB as contained in the CBB rulebook, Volume 7, Capital Markets, Collective Investment Undertaking Module; and
- i) Any interim or periodic accounts and/or reports in respect of the Fund sent to Unitholders.

## **Termination of the scheme**

Some of the circumstances under which the Investment Manager may be forced to terminate the scheme include, but are not limited to: adverse market conditions, manager resignation, merger, redemptions, or force majeure. The Investment Manager shall notify the Unitholders 30 calendar days prior to the effective date of termination of the scheme.

## **Governing Law**

This Information Memorandum and other material contracts listed hereinbelow along with the Fund Company's Memorandum of Association and Articles of Association shall be governed by the laws of the Kingdom of Bahrain.

### **13.MATERIAL CONTRACTS**

The following is a list and summary of material contracts, which the Fund Company has entered into on behalf of and in connection with the Fund:

An Investment Management Agreement dated December 31, 2009 between the Fund Company and the Investment Manager, pursuant to which the Investment Manager has agreed to provide certain investment management and advisory services to the Fund. In addition, this Agreement contains detailed provisions relating to the investment objectives, and restrictions imposed on the Investment Manager. Details of the fees payable to the Investment Manager are described in the section headed “Fees and Expenses”.

A Custodian Agreement dated December 31, 2009 between the Fund Company and the Custodian pursuant to which the latter has been appointed to act as the Fund’s custodian. The Custodian will hold or arrange to hold in safe custody such securities, investments, financial instruments or any other items belonging to the Fund. The Custodian will also maintain cash accounts for different purposes as may be advised by the Fund with record of all the transactions under such accounts. Under this Agreement the Custodian has the power to appoint sub-custodians, agents or nominees and to delegate certain custodial and other functions where necessary to any such sub-custodians, agents or nominees, provided that the Custodian remains responsible for the performance of custodial duties under the agreement. Details of the fees payable to the Custodian are described in the section headed “Fees and Expenses”.

An Administration Agreement dated December 31, 2009 between the Fund Company and the Administrator pursuant to which the latter has agreed to provide administration services to the Fund Company in connection with the Fund. The Administrator will keep the accounts of the Fund and such financial books and records as are required by law or otherwise for the proper conduct of the financial affairs of the Fund. Details of the fees payable to the Administrator are described in the section headed “Fees and Expenses”.

A Placement Agency Agreement dated December 31, 2009 between the Fund Company and the Placement Agent pursuant to which the Placement Agent will use at all times its best endeavors to promote and extend sales of the Fund to all potential Investors and make available materials relating to the Fund to potential Investors as well as receive the Subscription Agreements together with the subscription amount. The Placement Agent will have the discretion to appoint Sub-Placement Agent(s) on terms which are substantially similar to the terms of the Placement Agency Agreement. The latter will make available materials relating to the Fund to potential Investors upon their request. Details of the fees payable to the Placement Agent are described in the section headed “Fees and Expenses”.

A Registrar Agreement dated December 31, 2009 between the Fund Company and the Registrar pursuant to which the latter has agreed to provide registrar services to the Fund Company in connection with the Fund. The Registrar will maintain a register of the holders of the Units of the Fund and will give anyone authorised by the Fund Company, or as required by law, access at all reasonable times to the register and subsidiary documents and records and carry out the issue of Certificates and redemption of monies to Investors in accordance with the instructions of the Fund Company. Details of the fees payable to the Registrar are described in the section headed “Fees and Expenses”.

By subscribing for an interest in the Fund, each Unitholder accepts the terms and conditions of the material contracts as listed above. In case of termination of any agreement, the appointment of a new material contract counterparty is subject to the same will be reported to the CBB.

## 14.FORM OF INSTRUMENT

The following is the form of amended and restated Instrument entered into by the Fund Company to create the Units under the laws of Bahrain:

THIS INSTRUMENT is made this December 31, 2009 as amended and restated on [●]

By SICO FUNDS COMPANY IV B.S.C.(c), (the "Fund Company") having CR Number 73323 and registered office at 16th Floor, East Wing, Bahrain World Trade Centre, Isa AlKabeer Avenue 365, Block 316, Manama, Kingdom of Bahrain

WHEREAS the Fund Company has by a resolution of its Board of Directors passed on September 02, 2009 established the SICO Kingdom Equity Fund (the "Fund") with investment Units, as unsubordinated obligations of the Fund Company to be constituted as hereinafter provided.

NOW THIS INSTRUMENT WITNESSETH and the Fund Company HEREBY DECLARES as follows:

In this Instrument and the Schedules hereto, unless the subject or context otherwise requires, the following expressions shall have the following meanings: -

"Administrator" means HSBC Bank Middle East Limited, Bahrain Branch or its successor when acting as administrator to the Fund or such other entity appointed from time to time by the Fund Company;

"Articles" means the Articles of Association of the Fund Company, as amended from time to time;

"CBB Approval" means the approval of the CBB dated [●] for the conversion of the Fund from expert category to exempt category.

"U.S. Dollars" or "US\$" means the lawful currency of United States;

"Certificate" means a certificate substantially in the form set out in the First Schedule to this Instrument;

"Conditions" means the conditions set out in the Second Schedule as the same may from time to time be modified in accordance with the terms of this Instrument;

"Directors" means the board of directors for the time being of the Fund Company;

"Information Memorandum" means the information memorandum dated December 31, 2009 issued by the Fund Company in relation to the offer of Units in the Fund;

"Investment Manager" means SICO BSC(c) or its successor when acting as investment manager to the Fund or such other entity appointed from time to time by the Fund Company;

"Net Asset Value" and "NAV" shall have the meaning assigned to it in the Information Memorandum;

"Notification" means the email notice sent to the registered email id of the Unitholder by the Investment Manager notifying the Unitholders of any amendment or changes to the Information Memorandum and/or the Instrument;

"Principal Amount" means, the sum of Saudi Riyal 37.50 (Thirty Seven point Five Saudi Riyals);

"Registrar" means Apex Fund Services Bahrain WLL or its successor when acting as registrar to the Fund or such other entity appointed from time to time by the Fund Company;

"Saudi Riyals" or "SAR" means the lawful currency of Saudi Arabia;

"Unitholder" means the holder or holders of all or any of the Units, being the person or entity who is for the time being entered in the register maintained pursuant to the Conditions as the holder of any Unit; and

"Unit" means a single investment unit with the Principal Amount created in the Fund pursuant to a resolution of the Fund Company's Board of Directors passed on December 31, 2009, which are acquired by the Investors directly from the Investment Manager and accepted under the Information Memorandum.;

- a) Words denoting persons shall include corporations, the masculine gender shall include the feminine, and the singular shall include plural and vice versa. Reference to a schedule is to a schedule to this Instrument.
- b) Capitalized, but not defined, terms in this Instrument shall be given the meaning assigned to them in the Information Memorandum.
- c) In the event of contradiction between the terms of this Instrument and the Information Memorandum, the Information Memorandum shall prevail.
- d) The total nominal amount of each Unit is US\$ 10 (ten U.S. Dollars). The Units, when issued, shall rank pari passu equally and rateably with each other without discrimination or preference.
- e) The certificates shall be in electronic form.
- f) The NAV payable in respect of Units outstanding shall be repaid on the liquidation of the Fund or, if that is not a Business Day, the directly succeeding Business Day. No interest is payable to Investors in this case.
- g) Monies representing the NAV, payable in respect of the Units, shall be payable against submission of the original redemption form, at the principal place of business of the Registrar in Bahrain, or such other place as may be notified to Unitholders from time to time in

accordance with the Conditions.

- h) The Conditions and the provisions of the Second Schedule shall be binding on the Fund and all Unitholders.
- i) The provisions of the Articles shall be binding on all Unitholders.
- j) To the extent deemed practicable by the Directors, Units shall have the same attributes as bonds issued under the Commercial Companies Law and the relevant regulations of the BSE.
- k) The provisions of this Instrument shall be for the benefit of and binding on Unitholders as the same may be registered from time to time.
- l) Dates and periods of time are according to the Gregorian calendar.
- m) The CBB has accorded its approval for the conversion of the Fund from the expert to the exempt category on the terms contained in the CBB Approval. An updated copy of the Instrument has been made available to the Investors through the Notification procedure prescribed by the CBB. For all existing investors the redemption option is available until 30 days from the amendment and restatement date mentioned on the first page.
- n) This Instrument and the Units shall be governed by and construed in accordance with the laws of the Kingdom of Bahrain and any dispute in connection with the enforceability or interpretation of the Instrument shall be referred to arbitration in accordance with Bahrain's arbitration laws in force at the time of such dispute.

IN WITNESS whereof this Instrument has been executed the day and the year first above written

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Director

SICO FUNDS COMPANY IV B.S.C. (C)

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Director

SICO FUNDS COMPANY IV B.S.C. (C)

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# FIRST SCHEDULE

## Conditions of the Units

### 1 Register

- 1.1 A Register of the Unitholders (the "Register") will be kept by the Registrar as appointed by the Fund Company from time to time, and there shall be entered in such Register:
  - 1.1.1 The names and addresses of the holders for the time being of the Units;
  - 1.1.2 The principal amount of the Units held by each Unitholder;
  - 1.1.3 The date upon which the name of each such Unitholder is entered in the Register in respect of the Units standing in his name;
  - 1.1.4 The serial number comprised in each electronic Certificate issued; and
  - 1.1.5 The date on which any transfer is registered and the name and address of the transferee.
- 1.2 Any change of the name or address of any Unitholder shall forthwith be notified to the Registrar and thereupon the Register shall be altered accordingly.
- 1.3 Any Unitholder shall be at liberty at all reasonable times during the office hours of the Registrar to inspect the Register.
- 1.4 Except as required by law, the Fund Company will recognize each Unitholder as the absolute owner of the Units in respect of which he/she/it is registered, and shall not be bound to take notice or see to execution of any trust whether express, implied or constructive, to which any Unit may be subject. A receipt duly given in accordance with the provisions of this Instrument, for any monies payable in respect of any Unit or the payment by cheque or warrant sent by post pursuant to Condition 7.5 herein, shall be a good discharge to the Fund Company notwithstanding any notice it may have, whether express or otherwise, of the right, title, interest or claim of any other person to, or in such Unit or monies. No notice of any trust, whether express, implied or constructive, shall be entered in the Register in respect of any Unit.

- 1.5 Every Unitholder will be recognized by the Fund Company as entitled to his, her or its Units free from any equity, set-off or counter-claim on the part of the Fund Company against the original, or any intermediate holder of such Units.

## 2 Certificates

- 2.1 The Units held by any person shall be represented by electronic Certificates. Each Certificate will have a unique number.

## 3 Units

- 3.1 Each Unit is in registered form and may be transferred, subject to the provisions of this Instrument and the Articles.

## 4 Absence of Transferability of Units

- 4.1 It is not anticipated that there will be any public market for the Units. The Units may not be directly or indirectly sold, transferred or assigned, by operation of law or otherwise, in whole or in part, without the prior written consent of the Investment Manager, which may be granted or withheld in its sole discretion. Any attempt to transfer Units, other than by way of redemption in the manner described in the Information Memorandum, constitutes a tender to the Investment Manager for the redemption of Units.

## 5 Redemption

- 5.1 The Fund Company shall have power to impose such restrictions and conditions as it considers necessary (including, without limitation, delivery of any Certificates or other documents by any transferor or transferee) for the purpose of ensuring that none of the Units of the Fund are acquired, beneficially owned or held by any person in breach of any law or requirement of any country or governmental authority, including Bahrain and the CBB respectively, by a person who by virtue of any such law is not qualified to hold such Units or by any person whose holding of those Units might in the opinion of the Directors cause or be likely to cause a pecuniary or tax disadvantage to the Fund or any Unitholder.
- 5.2 The Fund shall be entitled compulsorily to redeem all of the Units so held in accordance with the provisions and procedures contained in this Instrument and the Articles.

- 5.3 Units which are compulsorily redeemed shall forthwith be treated as cancelled.
- 5.4 The Fund is an open-ended fund and the Units may be redeemed on a weekly basis on each Redemption Day.
- 5.5 If prior to the expiry of the initial period of the Fund the Shareholders of the Fund Company shall desire to liquidate the Fund Company then each of the Units shall be redeemed at the relevant NAV applicable to such Unit upon such date as the liquidator shall determine.

## 6 Payments

- 6.1 Any monies payable on or in respect of any Units may be paid by cheque, warrant or wire transfer in U.S. Dollars and (a) sent through the post to the address of the Unitholder in the Register or (b) collected by the Unitholder in person from the office of the Registrar where specific written instructions to this effect from the Unitholder, are received by the Fund at least 2 (two) days before the date of distribution of the said monies. Every such cheque, warrant or wire transfer shall be made payable to the order of the person to whom it is sent or to such person or persons as the Unitholder may in writing direct and payment of the cheque, warrant or wire transfer shall be in satisfaction of the monies represented thereby. The Fund will not be liable or responsible for any loss or delay in the post.
- 6.2 All payments will be made by the Fund Company after the deduction or withholding of any amounts which the Fund Company is required to deduct or withhold for, or on account of, any present or future tax.
- 6.3 If any Unitholder fails or refuses to accept payment of the monies repayable in respect of Units held by him, her or it, the Fund Company shall be at liberty to deposit in the Unitholder's bank account or if not available in the account of the Fund Company acting on behalf of the Fund, the amount due to such Unitholder and, upon such deposit or payment being made, those Units shall be deemed to have been repaid and satisfied in accordance with the provisions hereof. Such account shall not bear interest.

## 7 Income Distribution

- 7.1 The Fund Company may distribute income in respect of the Unitholders but no distribution shall exceed the amount recommended by the Directors.
- 7.2 The Fund Company intends to distribute part of the Fund's net investment income from dividends as well as interest annually. The Fund Company may, at the sole discretion of the Directors, pay dividends out of realised and unrealised capital gains achieved by the Fund, subject to the approval of the CBB.

- 7.3 The Directors may deduct income from any distribution or other monies payable to a Unitholder on or in respect of a Unit any sum of money then payable by him, her or it to the Fund.
- 7.4 The Directors may retain any income payable to any person entitled to a Unit by transmission until such person has produced such evidence of his, her or its right as the Directors may require.
- 7.5 Any income or money payable in cash in respect of a Unit may be paid by cheque, warrant or wire transfer either  
(a) sent through post directed to the registered address of the holder of the Unit, or to such person and to such address as the holder may in writing direct or (b) sent through post to the address of the Unitholder in the Register or (c) collected by the Unitholder in person from the office of the Registrar where specific written instructions to this effect from the Unitholder are received by the Fund Company at least 2 (two) days before the date of distribution of the said monies. The said monies may also be payable by way of a wire transfer upon the written request of the Investor. Every such cheque, warrant or wire transfer shall be a good discharge of the Fund Company. Every such cheque, warrant or wire transfer shall be sent at the risk of the persons entitled to the money represented thereby.
- 7.6 No income payable in respect of a Unit shall bear interest against the Fund.
- 7.7 If, as a result of cheques or warrants for income or money payable in respect of a Unit sent by the Fund Company to the Unitholder being returned undelivered to the Fund Company or left uncashed on two consecutive occasions, then even if the Fund Company is aware that such cheques or warrants have not been received by that Unitholder, the Fund Company shall no longer be obliged to send by post any income or other money payable in respect of that Unit to that Unitholder until he, she or it notifies the Fund Company of another address. In such a case the returned cheques, warrants or money will be entered into a separate account. Any income not claimed within ten years from the date declared will be forfeited by the Unitholder.
- 7.8 The Directors may, before recommending any income distribution, set aside out of the Fund's profits and carry to reserve such sums as they think proper which shall be applicable for any purpose of the Fund's business or invested on behalf of the Fund in such investments as the Directors deem fit. The Directors may divide the reserve into separate accounts and consolidate wholly or partly any separate accounts into the reserve fund. The Directors may also, without placing the same to reserve, carry forward any profits, which they think it prudent not to divide.
- 7.9 The Fund Company may by Directors' resolution specify that any distribution, allotment or issue to Unitholders shall be paid or made to the persons registered as the Unitholders at the close of business on a particular date, notwithstanding that it may be a date before or after that on which the resolution is passed, and thereupon the distribution, allotment or issue shall be paid or made to the Unitholders in accordance with their respective holdings registered on that date.

## 8 Notices

- 8.1 Any notice or other document shall be given or sent to any Unitholder by sending the same through the post in a prepaid letter addressed to such Unitholder at his, her or its address appearing in the

register. Any notice given by post shall be deemed to have been served twenty-four hours (five days if by airmail) after the time when it is posted and, in proving such service shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and posted.

- 8.2 The changes to the Instrument must be made by the Directors and will be notified to the Investors by sending a Notification. The Investment Manager shall specify in the Notification the date and time when the amendment or change mentioned in the Notification will take effect. The time of dispatch of the Notification is the time when it leaves an information system under the control of the Investment Manager and the time of receipt of the Notification by the Unitholder is the time when it becomes capable of being retrieved by the addressee at an electronic address provided by the Unitholder to the Investment Manager. The place of dispatch and receipt of the Notification would be deemed to be Bahrain.
- 8.3 Notwithstanding the above, notices regarding the Units will be valid if published in one local Arabic and one local English daily newspaper printed in Bahrain. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication.

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## SECOND SCHEDULE

- 1 The Directors may at any time and in their sole discretion and subject to the applicable regulations convene a meeting of the Unitholders at such place as the Directors shall determine, for approving:
  - 1.1 any mergers of Fund or transfer of the Fund assets to another collective investment undertaking; and
  - 1.2 any step relating to wind-up the Fund;
- 2 At least fifteen days' written notice (exclusive of the day on which the notice is served or deemed to be served and of the day of the meeting for which the notice is given) of every meeting shall be given to the Unitholders. The notice shall specify the place, day or hour of the meeting and the general nature of the business to be transacted. The accidental omission to give notice to, or the non-receipt of notice by, any of the Unitholders shall not invalidate the proceedings at any meeting.
- 3 The quorum for a general meeting of Unitholders shall be the attendance in person or by proxy of Unitholders who together hold more than half the issued and unredeemed Units. A resolution of the meeting shall only be valid if Unitholders representing more than one half of the issued and unredeemed Units approve it. If the quorum shall not be obtained the Unitholders may be summoned for another meeting to be held within thirty days following the date of the first meeting. The said second meeting shall be valid irrespective of the number or the issued Unit holding of the Unitholders present. Resolutions of the second meeting shall be passed by a majority of Unitholders present in person or by proxy.
- 4 The person nominated in writing by the Fund Company shall preside at every meeting as Chairman. Any Director and the Secretary, Auditors and Solicitors of the Fund and any other person authorised by the Fund may attend any meeting.
- 5 The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting, except business which might lawfully have been transacted at the meeting from which the adjournment took place.
- 6 At any meeting a resolution put to the vote of the meeting shall be decided on a poll of all those Unitholders present at such a meeting. Each Unitholder will be entitled to one vote per Unit held.
- 7 The instrument appointing a proxy shall be in writing under the hand of the appointor, or of his attorney, duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney so authorised.
- 8 A person appointed to act as a proxy need not be a Unitholder.
- 9 An instrument of proxy may be in the usual or common form, or in any other form, which the Directors shall approve. A proxy shall be deemed to include the right to demand or join in the demanding of a poll. A proxy whether in the usual or common form or not, shall, unless the contrary

is stated thereon, be valid for any adjournment of the meeting as well as for the meeting, and need not be witnessed and shall be lodged with the Administrator not less than forty eight hours before the meeting, adjourned meeting or poll, as the case may be, and shall be valid only for the meeting, adjourned meeting or poll referred to therein.

- 10 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy, or of the authority under which the proxy was executed, provided that no notice in writing of such death, insanity or revocation shall have been received by the Administrator before the commencement of the meeting or adjourned meeting at which the proxy is used.
- 11 Any company or corporation which is a registered holder of any of the Units may by resolution of its directors, or other governing body, authorise any person to act as its representative at any meeting of the Unitholders and such representative shall be entitled to exercise the same powers on behalf of the company, or corporation which he represents as if he were the registered holder of the Units.
- 12 Resolutions passed at a meeting of the Unitholders, duly convened and held in accordance with this Instrument, shall be binding upon all the Unitholders whether or not present at the meeting, and each of the Unitholders shall be bound to give effect thereto accordingly.
- 13 Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be provided for that purpose by the Administrator. Any such minutes, if purporting to be signed by the Chairman of the meeting, shall be conclusive evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceeding of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.

## **15.DIRECTORY**

### **Fund Company / CIU Representatives**

SICO Funds Company IV B.S.C. (c)  
14th Floor, Bahrain World Trade Centre,  
P.O. Box 1331, Manama, Kingdom of Bahrain

### **Data Protection:**

For inquiries and assistance related to the Data Protection Legislation please contact Client Relations Department of SICO B.S.C. (c) at the above address.

### **Customer complaints officer:**

For any consumer complaints, please contact the Customer complaints officer at [complaints@sicobank.com](mailto:complaints@sicobank.com)

### **Custodian and Administrator**

SICO B.S.C. (c)  
16th Floor, East Wing, Bahrain World Trade Centre  
Isa AlKabeer Avenue 365, Block 316,  
P.O. Box 1331, Manama, Kingdom of Bahrain

### **Investment Manager, Placement Agent, and Sponsor**

SICO BSC (c)  
15th Floor, East Wing, Bahrain World Trade Centre  
Isa AlKabeer Avenue 365, Block 316,  
P.O. Box 1331, Manama, Kingdom of Bahrain

### **Registrar**

Apex Fund Services Bahrain WLL  
21<sup>st</sup> Floor, Harbour Towers – West, Bahrain  
Financial Harbour,  
P.O. Box 10405, Manama, Kingdom of Bahrain

### **Auditor**

Ernst & Young  
10th Floor, Bahrain World Trade Centre,  
East Tower, Manama Kingdom of Bahrain