

صندوق الخير للدخل 2030
Alkhabeer Income Fund 2030



FREQUENTLY ASKED QUESTIONS (FAQS)

ALKHABEER DIVERSIFIED INCOME TRADED FUND 2030

(A Closed-Ended Shari'a-Compliant Public
Investment Traded Fund to be Listed on
Saudi Tadawul)

الخبر المالية
Alkhabeer Capital





FREQUENTLY ASKED QUESTIONS (FAQS)

What is the full name of the Fund?

Alkhabeer Diversified Income Traded Fund 2030

What is Alkhabeer Diversified Income Traded Fund 2030?

It is a closed-ended Shari'a-Compliant investment traded fund to be listed on Saudi Tadawul.

What is the main investment objective of the Fund?

The Fund's investment objective is to generate periodic income for investors by investing in income generating assets by way of an investment structure which is compliant with the guidelines of the Shari'a Supervisory Committee.

What is the target capital of the Fund?

SAR 1 billion.

The minimum capital for the inception of the Fund is SAR 300 million.

What is the geography of the Fund?

Global markets.

What is the Fund's Benchmark?

The benchmark against which the Fund's performance is measured is a composite index comprised of %70 of the Dow Jones sukuk investment grade total return + 30% of the secured overnight financing rate for three months (SOFR 3M). It is a Shari'a-Compliant index.

What is the Fund's risk level?

As a traded Fund, investing in the Fund involves a high level of risk.



What are the investment assets targeted by the Fund?

The Fund intends to invest in Sukuk, Trade Finance Transactions, Leasing Transactions, Structured Income notes, senior secured loans, Income Funds and Murabaha Transactions. Following is a brief descriptive summary of the assets the Fund intends to invest in, showing the maximum investment limit of each asset.

Asset Type	Brief Description of Assets
Sukuk	Investment shall be made in Sovereign, Quasi-Sovereign or corporate Sukuk that are issued locally and internationally by way of a public offering or private placement, whether listed or unlisted, and are in compliance with the Shari'a Guidelines and denominated either in Saudi Riyals or US dollars, or in any other currency pegged to the US dollar.
Trade Finance Transactions	Investment in Trade Finance Transactions shall be made through a diversified portfolio of short-term and asset-backed and/or insurance-backed Trade Finance Transactions. They shall be Shari'a-compliant spread across international markets outside the Kingdom of Saudi Arabia, and subject to the laws and regulations issued by the financial and supervisory bodies regulating these markets in the countries in which they operate. The Fund Manager will engage a Broker, in respect of international investments only, to execute the Trade Finance Transactions subject to investment guidelines as agreed between the Fund Manager and the Broker in line with the Fund's objectives in terms of risks and returns. The Fund Manager shall be responsible for appointing the Broker in accordance with the laws and regulations issued by the Capital Market Authority. The Broker shall be regulated by a regulatory authority outside the Kingdom comparable to the Saudi Central Bank or the Saudi Capital Market Authority.
Leasing Transactions	Investment in Leasing Transactions shall be made through a diversified portfolio consisting of medium term leasing contracts that are Shari'a-compliant, used to supply different types of equipment in multiple sectors, spread across international markets outside the Kingdom of Saudi Arabia, and subject to the laws and regulations issued by the financial and supervisory bodies regulating these markets in the countries in which they operate. These sectors include, but are not limited to, transportation, public utilities, maritime transport, cleaning and maintenance, chemicals production, food packaging, and healthcare. The Fund Manager will engage a Broker, for international investments only, to execute the Leasing Transactions subject to investment guidelines as agreed upon between the Fund Manager and the Broker in line with the Fund's objectives in terms of risks and returns. The Fund Manager shall be responsible for appointing the Broker in accordance with the laws and regulations issued by the Capital Market Authority. The Broker shall be regulated by a regulatory authority outside the Kingdom comparable to the Saudi Central Bank or the Saudi Capital Market Authority.
Structured Income Notes	Investment in credit securities issued by governments and/or companies, or private finance transactions executed in global markets outside the Kingdom of Saudi Arabia, by way of a Shari'a compliant structure. In the event of investment in credit securities issued by governments and/or companies, the Fund Manager may invest in any issue which is sub-investment grade or unrated up to a maximum of %30 of the total portfolio of both types combined. The average credit rating of the portfolio upon execution shall be investment grade (Baa3 / BBB-) or higher according to the major credit rating agencies Standard & Poor's / Fitch or Moody's rating. In case the ratings of these agencies differ, the Fund Manager may accept the higher rating approved by the major credit rating agencies.



Asset Type	Brief Description of Assets
Senior Secured Loans	Investment in asset backed debts shall be by way of structured financing tranches. These are securities comprised of senior secured loans of different ratings and different preferences in the accrual of returns. They include corporate loans to diverse companies in terms of activities and sectors. They are granted by brokers outside the Kingdom of Saudi Arabia, with whom the Fund Manager enters into contracts subject to investment guidelines to be agreed upon between the Fund Manager and the Broker consistent with the objectives of the Fund in terms of risks and returns. The Fund Manager shall be responsible for the appointment of the Broker in accordance with the laws and regulations issued by the Capital Market Authority.
Income Funds	Investment shall be made in Income Funds that are managed by Fund Managers, including the Fund Manager, licensed by the Capital Market Authority or a similar regulatory body in the event of investing in Funds outside the Kingdom of Saudi Arabia, provided the investment is Shari'a compliant. These Funds invest in various income-generating asset types, including but not limited to, trade finance, leasing Transactions, Sukuk and Murabaha Funds. When investing in any of these Funds, the Fund Manager will ensure that the investment strategy of the target Fund is consistent with the Fund's investment strategy. The Income Funds that may be invested in include public Funds as well as Funds offered through private placement.
Murabaha Transactions	The Fund Manager may invest in Murabaha directly with local, regional or international banks with investment grade credit rating and regulated by the Saudi Central Bank or a comparable regulatory authority in case of investment outside the Kingdom of Saudi Arabia.

What is the duration of the Fund Term ?

The Term of the Fund is six (6) years as of the Listing Date of the Fund's Units on Saudi Tadawul's platform. The Fund's assets shall be sold and the Fund's NAV shall be distributed to Unitholders at the Fund's Term the Fund Term.

The Fund Manager may at its discretion voluntarily terminate and delist the Fund before the end of the Fund's Term, starting as of the end of the fifth year after listing. In the event of termination and delisting of the Fund before the end of the Fund's Term, the Fund Manager shall obtain CMA's approval of the delisting resolution, followed by the approval of the Unitholders by way of a Special Fund Resolution. The Exchange shall be notified of the Unitholders' resolution before the Fund's termination date, in accordance with Paragraphs (a) and (e) of Article (37) of the Listing Rules.



What are the advantages and benefits of Alkhabeer Diversified Income Traded Fund 2030?

Alkhabeer Diversified Income Traded Fund 2030 is a closed-ended investment Fund with a fixed term to maturity. This means that the Fund has a fixed maturity date and a fixed number of Units issued by way of the Initial Public Offering. The fixed maturity and semi-annual distribution policies will allow the Fund to trade on the Secondary Market similar to a large extent to investments in Sukuk and bonds.



Fixed Maturity

The Fund has a fixed maturity date. As such, the Fund Manager seeks to create a portfolio of income generating investments corresponding to the Fund's maturity date.



Fixed Number of Units

Unlike open-ended mutual Funds, closed-ended investment Funds issue a fixed number of Units at the time of the Initial Public Offering. Subsequent to the Initial Public Offering, investors are unable to buy or sell Units directly from or to the Fund. However, they can only buy or sell them on the Saudi Stock Exchange (Saudi Tadawul), where Units are traded by investors who buy and sell them in the same way they trade corporate shares.



Liquidity

The Fund Manager seeks to distribute the net income generated from the Fund's underlying assets. The distribution policy provides for distribution of dividends twice per year. The frequency of dividend distribution may be increased at the Fund Manager's discretion, subject to the Fund Board's prior approval.



Trading on the Main Exchange (Saudi Tadawul)

Units are listed and traded on the main market (Saudi Tadawul). If demand for Units is high, they may be traded at a premium over the Net Asset Value. However, if the demand is low, they may be traded at a discount.



Portfolio Management

The Fund Manager is responsible for managing the investment portfolio and ensuring that the Fund's investment objectives are achieved and are consistent with the fixed maturity date.



Target Investors

Closed-ended Funds with fixed maturities are designed for investors seeking income flows, recovering the Net Asset Value and exiting the Fund within a specified period.



What is the dividend distribution policy?

The Fund Manager will distribute to the Unitholders semi-annually the returns on the Fund's investments (after deducting expenses and provisions), excluding the capital gains generated on the sale of the underlying investment assets, which may be reinvested in other assets or distributed in full or in part at the Fund Manager's discretion. The Fund will distribute the dividends within forty (40) Business Days after the last day of each half year and at the end of each Gregorian year, i.e. during August and February of each Gregorian year. Any distributed cash dividends will be deposited in the Unitholder's investment account. The Fund Manager, however, may at its discretion distribute the returns of Fund investments more frequently than semi annually to Unitholders after deducting expenses and provisions.

When will the Fund's Initial Offering Period start?

The Initial Offering Period is 15 Business Days, starting on 19 Shawal 1445, corresponding to 28 April 2024, and ending on 8 Dhul Qida 1445, corresponding to 16 May 2024. In the event the Fund Manager fails to raise Minimum Target Fund Capital, the Fund Manager may extend the Offering Period by 20 Business Days, or cancel the Offering and return all the Subscription Amounts to the investors in Saudi Riyal without any deduction, within 5 Business Days after the date of cancellation of the Offering.

Has the Initial Offering Period been extended?

Yes, the Offering Period has been extended by 20 Business Days, starting from 19 May 2024, corresponding to 11 Dhul Qida 1445, and ending on 13 June 2024, corresponding to 7 Dhul Hijja 1445.

What is the Minimum Subscription Amount?

SAR 1,000

What is the timeline of steps taken between the Initial Offering of the Fund Units and the Trading of the Units?

Steps	Expected Time Period
Initial Offering Period	15 business days starting as from 28 April 2024, corresponding to 19 Shawal 1445, and ending on 16 May 2024, corresponding to 8 Dhul Qida 1445.
Extension of the Initial Offering Period	Within 20 business days starting as from 19 May 2024, corresponding to 11 Dhul Qida 1445, and ending on 13 June 2024, corresponding to 7 Dhul Hijja 1445.
Issue of a statement showing the Offering results to the CMA	Within 10 business days as of the closing date of the initial offering period.
Announcement of the status of allocation of Units to subscribers	Within 10 business days as of the closing date of the initial offering period.
ReFund of oversubscription (if any)	Within 10 business days after announcement of the allocation results.
Commencement of trading of Fund Units on Saudi Tadawul	Within 20 business days after the closing date of the offering period.



Who is the Fund Manager?

The Fund Manager is Alkhabeer Capital.



Who is the Lead Manager?

The Lead Manager is Aljazira Capital.



Who are the Receiving Entities?

The Receiving Entities of the Subscription Applications in the Initial Public Offering of Alkhabeer Diversified Income Traded Fund 2030 are as follows:

Fund Manager / Receiving Entity	Lead Manager / Receiving Entity	Receiving Entities

How can I obtain Fund related documents?

A copy of the Fund's Information Memorandum, Terms and Conditions and all other documents (Subscription Application, Fund's Executive Summary and Fund's Factsheet) may be obtained by visiting Alkhabeer Capital's website (www.alkhabeer.com), or by visiting the websites of the Receiving Entities).

How to subscribe for the Fund?

Investors may subscribe through any of the Receiving Entities or any of the channels they provide (for example website, phone banking, ATMs), and through the Fund Manager website (www.alkhabeer.com).

Who can invest in the Fund?

Subscription for Fund Units is only made available to the following categories of investors:

1. Natural persons holding the Saudi Arabian nationality or the nationality of other GCC countries;
2. Institutions, companies, Investment Funds and other legal entities established in the Kingdom of Saudi Arabia and other GCC countries;
3. Foreigners residing in the Kingdom of Saudi Arabia;
4. Target foreign investors permitted to invest under the rules for Qualified Foreign Financial Institutions Investment in Listed Securities issued by the Board of the CMA; and
5. Other investors who are allowed to hold securities listed on the Saudi Stock Exchange (Saudi Tadawul).



General conditions for subscription in the Fund ?

1. Review and acceptance of the Fund's Terms and Conditions.
2. Completion of the Subscription Application Form and attaching all required documents as shown in the Subscription Application Form.
3. Transfer of the Subscription Amount to the bank account to be specified for the Subscriber.

Does subscription require attendance in person ?

No. The Subscriber does not have to attend in person. The Subscriber may subscribe via the websites of the Receiving Entities.

Is it possible to subscribe without having an investment portfolio with a Receiving Entity ?

It is possible to subscribe by visiting the Fund Manager's website. The above mentioned Fund subscription general conditions must be satisfied.

When will be Fund Units be traded on the Saudi Stock Exchange (Saudi Tadawul) ?

The Fund Units will be listed within 20 business days after the end of the Offering Period.

Who is the contact person to answer any other questions ?

For replies to queries, please contact the Fund Manager:

Alkhabeer Capital

Unified Number: 8001247555

Email: info@alkhabeer.com

FOR FURTHER INFORMATION

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Fund Manager

Alkhabeer Capital
Unified No: 8001247555
www.alkhabeer.com
CMA License: 0707437-
CR No.: 403017445

DISCLAIMER

This document shall be read in conjunction with the Information Memorandum and the Terms and Conditions of Alkhabeer Diversified Income Traded Fund 2030 ("Fund"). The terms contained in this summary shall have the same meanings as defined in the Fund's Information Memorandum and Terms and Conditions. Investors should not rely on this document without reading the Fund's Information Memorandum and Terms and Conditions. This document shall not constitute an offer to buy, subscribe or participate in any way or form in Alkhabeer Diversified Income Traded Fund 2030, nor shall this document (or any part of it) form the basis of or be relied on in connection with or act as inducement to enter any contract whatsoever. Prospective investors must carefully and thoroughly read the Fund's Information Memorandum and Terms and Conditions, and the provisions contained therein in respect of investment risks, as well as other Fund documents which are available on Alkhabeer Capital's website (www.alkhabeer.com) before making a decision to invest in the Fund. This investment is not a cash deposit with a local bank. The value of the amount invested, and any other income generated therefrom, may increase or decrease. Prospective investors should reach their decision in consultation with their financial and legal advisors. They should also assess all risks associated with this investment. No assurance can be given that the targeted and projected results will be achieved. Moreover, past performance is not a guarantee of the Fund's future results. The investor's investment in the Fund is deemed as a representation by the investor of having read and accepted the Fund's Information Memorandum and Terms and Conditions. The details contained in this executive summary is based on best information available to the Fund Manager as at the date of obtaining the Capital Market Authority's approval of the Fund.

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