



HEALTH ALLIANCE FUNDS
صندوق التحالف الصحي

Disclosure

Itqan capital or its directors, board members, advisors, staff or affiliates makes no warranty, representation or undertaking whether expressed or implied, nor does it assume any legal liability, whether direct or indirect, or responsibility for the accuracy, completeness or usefulness of any information that is contained in this material it is not the intention of this material to be used or deemed as an advice, option or for any action that may take place in future.

Unless otherwise stated, all information contained in this material shall not be reproduced, in whole or in part , without the specific written permission of itqan capital. The content of this document is for information purposes only. Itqan capital does not hold itself out as providing legal, financial or other advice via this document. To ensure proper understanding of the fund and its suitability for you according to your risk appetite, we recommend that you seek specialist investment Advice.

Investments in itqan capital products are governed by their terms and conditions. While reading the product's terms and conditions , please refer to the fees & expenses related to the investment & the principal risks of investing in the product. Some Products are exposed to risks that may have an adverse effect on the value and price. The product's value is subject to fluctuations and the investor may not receive the full amount that is originally invested.

The information provided in this document can be changed at any time without prior notice. Past performance is not indicative of future returns. Itqan capital is an authorized person licensed by the cma under license No.37-07058.

The terms and conditions of the Health Alliance Fund can be obtained by contacting the Business Development Department of Itqan Capital.

Itqan Capital Address: Jeddah - Al Zahraa District - Ahmed Al Attas Street - Al Zahra Commercial Center.

Telephone 0122638787 - Fax 0122638789



Table of Content

- About Itqan Capital
 - Investment Products
 - Glance at The Healthcare Sector
 - Fund Introduction
 - Vision
 - Mission
 - Strategy
 - Fund's Projects
 - Health Alliance Fund
 - Fund Risk Management
 - Fund Governance
 - Terms And Conditions
- 

About Itqan Capital



Itqan Capital is a Saudi closed joint stock company, licensed in 2007 by the Saudi Capital Market Authority with license number 37-07058. Paid Up Capital SAR 56,042,030 million



itqan is a leading islamic investment company that provides products and services comply with Sharia , hold all licenses in asset management, arrangement, advice, custody services, and investment banking services.



The company offers a variety of investment products that serve the aspirations of clients, investment solutions and various financial services that include: asset management, investment banking, securities custody and advisory services.



Represented by well-experinced board members in the field and governance world, which gives investors confidences that exceed 20 years of experience.

Focus

Creative idea

20+ years of
Experience

Flixibility &
Transparency

Simplified
procedures

Investment Products

Current Position - Total AUM 975 SAR



Private Equity

Health alliance fund



Money Market

- Itqan Fund for Murabahat and Sukuk
- Direct investment in Murabaha fund



Real Estate Funds

- Reef (1\2\3)
- Itqan Real estate assets fund
- Itqan residential fund



Equity Investment

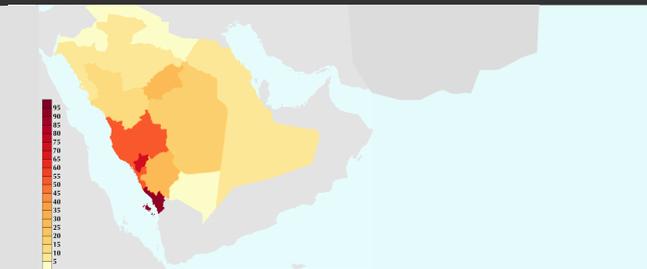
- Itqan Capital Saudi Equity Fund
- DPM

*Knowing that there are additional real estate funds, other private funds and an additional equity fund



HEALTH ALLIANCE FUNDS
صندوق التحالف الصحي

Healthcare Sector at Glance - KSA⁽¹⁾



Leading Economy in the Middle East

With nearly 20% of the world's conventional oil reserves, Saudi Arabia is one of the Middle East's largest Economy, with an estimated GDP of SAR 2.8 trillion as of 2018G, a large portion of which is dominated by oil revenues. KSA embarked in recent years on Vision 2030, a national transformation which aims to diversify the economy, reduce its reliance on oil and foster the development of new sectors, such as mining, defense, retail, renewable energy, healthcare and others.

Large population concentrated in few major regions

Saudi Arabia is divided into 13 administrative regions, namely Riyadh, Makkah, Medina, Al Qassim, Eastern Region, Asir, Tabuk, Hail, Northern Border Region, Jizan, Najran, Bahah and Jawf. Out of the GCC's largest population of 33.4 million people as of 2018G, Saudis and expats account for 62% and 38%, with more than 50% residing in a few key regions, as follows: 25% reside in Riyadh region, 14% reside in Jeddah (the largest city in Makkah region), 10% reside in the Eastern region, and 4% reside in Al Qassim region. The remaining 46% reside in other regions, including Makkah, Medinah, and Tabuk.

Healthcare Sector at Glance - KSA⁽²⁾



Young population demographic with high incidence of lifestyle diseases

The median age of the total population in KSA is relatively young at 28 years, the youngest among the GCC countries. Around 49% of the total population are under the age of 30, and nearly 46% are aged between 30 and 44 years, while 5% are older than 60 years. Saudi Arabia's youth comprises the largest portion of the population. Yet, it has high incidence of chronic diseases due to unhealthy practices compared to OECD countries, including Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States. It is estimated that 35% of KSA's adults were categorized as obese, while nearly 18.5% of KSA's adults were diagnosed with diabetes, as shown by 2017G metrics.



Growing healthcare expenditure

The total healthcare expenditure in KSA grew at 2% CAGR, up from SAR 141 billion in 2015G to nearly SAR 150 billion in 2018G. This was primarily driven by population growth, associated demographics, lifestyle, and disease burden changes. In addition, the implementation of mandatory health insurance led to an increase in healthcare spending and capacity of healthcare facilities to meet the demand for their services.

Healthcare Sector at Glance - KSA⁽³⁾



Healthcare Spending in KSA

Saudi Arabia's steady population growth and associated demographics, lifestyle and disease burden changes has led to an increase in the total healthcare expenditure, up from SAR 141 billion in 2015G to SAR 150 billion in 2018G. Out of the SAR 150 billion spend on healthcare, government spending accounts for almost 75% of spending while non-government spending accounts for 25%. Yet, the PPP healthcare spending (based on calculations of power purchase differences) remains low compared to OECD countries' average. Looking forward, healthcare spending, especially non-government spending, is expected to grow.

Government healthcare spending per capita (e.g., government employees, retired and unemployed Saudis and domestic workers) is nearly SAR 15,375, 2.5 times higher than non-government healthcare spending of SAR 6,225.

per capita (e.g., insured expats and Saudis and under insured expats and Saudis). This highlights the low non- government spending on healthcare services, covering more than a third of the population in KSA. The apparent low spending could be explained by having a large segment of Saudis being uninsured and expats, even if insured, seeking some medical services outside of KSA.

Healthcare Sector at Glance - KSA⁽⁴⁾



Overview of the healthcare ecosystem in KSA

With the growing healthcare expenditure in Saudi Arabia, the government is undertaking a major national healthcare transformation in line with Vision 2030. Currently, the healthcare regulatory landscape consists of nine government entities overseeing all pillars of healthcare. The government provides free public healthcare to all nationals at government health facilities.

On the other hand, the addressable population for private sector healthcare providers are the private sector employees, their dependents, patients who are treated at their own expense, and patients referred from government hospitals and other hospitals of government entities (e.g., Saudi Aramco). In 2018G, ~33% of total population had private insurance coverage. Stricter enforcement measures of 2019G mandatory health insurance by the Saudi government are expected to increase private health insurance coverage. In addition, the national healthcare transformation is expected to increase private sector participation in the public healthcare system, which will further generate opportunities for private healthcare players.

In terms of provision capacity, Saudi Arabia healthcare sector is similar to GCC countries, compared to the services provided to populations of similar age. However, KSA is still lagging behind other OECD countries. In terms of workforce participation, while healthcare providers rely heavily on expats in nursing and physician professions, the number of Saudi physicians is on the rise. For instance, expat's share of total physicians working in KSA dropped from almost 75% to 68% in 2018G.

Healthcare Sector at Glance - KSA⁽⁵⁾



Saudi Arabia's Vision 2030 focus on Healthcare one of the major goals is to enhance the standard & quality of health care services that promotes competition and transparency among providers. And provide the best services to clients.



Healthcare and education, remain a top priority for the Saudi government, representing approximately 36% of government spending. Health care expenditures and delivery are dominated by the public sector, with government spending representing almost 79% of total spending on this sector, estimated at \$20.1 billion annually.



To achieve this goal, the government will introduce corporatization into the sector by transferring the responsibility for healthcare provision to private sector and service providers to achieve the best and efficient quality of service under the supervision of MOH.



This will provide the citizens with the highest quality of health care while, at the same time, allowing the government to focus on its legislative, regulatory and supervisory roles.



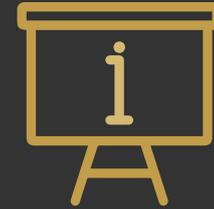
This will enhance the capability, efficiency & productivity of care and treatment and increase the options available to the citizens.

Fund Introduction:

The ultimate goal for the Health Alliance Fund is to create one of the biggest innovative fund in the healthcare industry and its supply chain. And the first of its kind.

During the fund lifetime, the fund will acquire and create profitable opportunities and excel them by implementing world class operational management.

At the end of the fund lifetime, investors have the privilege to list the fund in main market - TADAWUL.



Mission :

“To invest in healthcare opportunities (services and supply chain) by implementing a novel alliance, management and operational modular structure which leads to efficiency and long term competitive advantage.”



Vision :

“To be the most innovative healthcare investment fund in the region.”



Strategy



With the successful team managing the fund, and their deep market and industry expertise, The fund has a road map of multiple phases in creating / acquiring profitable business opportunities according to the below strategic guidelines.

1-Industry & Market intelligence :



The team managing the fund depend on consistent decision making in creating / selecting business opportunities based on specific knowledge and analysis of the industry and market categories.

3-Operational Excellency - New way of management .



Fund's projects will be operated based on a modular structure, each project will be operated independently but with a unified mission which will maintain innovation, reduce the risk, benefiting from the economy of scale and leverage operational excellency.

2-Opportunity selection mechanism :



The fund's team will be implementing world class selection criteria in every opportunity. Market analysis and segmentation, Business modeling, Financials, feasibility study, PEST analysis, and a proper business plan are part of selection criteria to ensure successful and novel ventures.

4-Alliance



Fund's projects are strategically managed and integrated to cooperate among them operationally to improve profitable outcome.

Fund's Projects:

Advanced Bio-Medical Manufacturing Company (ABMI)

The first Manufacturer of it's kind in the Arab & Islamic World - 10 months to operate - under construction.

Dr Salem Basaffar Eye Centers

13 Years profitably running in addition to operate other eye clinics in 6 locations Polyclinic/ hospitals in jeddah, Mekkah, and Madinah. Expansion plan to cover Derma & Aesthetic services in all 3 cities mentioned. (Acquisition).

BIBS (Basaffar Innovative Biomedical Solutions)

Distribution company for sophisticated medical implants in Cardiology, Dental, Ortho, and ophthalmology. Supporting in the logistics of Human allograft and tissues. Has an online store for Stem cells B2C dermatology products.

Health Stars Alliance

Health Stars Alliance : An Executive Office and Operation Company for creating and executing strategic objectives and plans for the Fund's companies as well as representing the fund's companies in front of third parties. Also the company will operate other hospitals and medical centers outside of the funds. (Initiation) .



Future Projects:

Children Care Center (CCC)

(Stand Alone - New Project)

Cardiology & Cardiosurgery Center

(Stand Alone - New Project)

Ortho Center

(Stand Alone - Acquisition)

Psychiatry & Psychotherapy Center

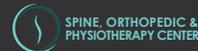
(Stand Alone - New Project)

Stand Alone Day Case Surgery Center

For all major specialities (Acquisition).

Health Stars Alliance Hospital

(New Project)



Fund's Board of Directors

Managed by six members, two of which are independent



Mr. Mohamed Salem Basaffar
Chairman of the Board



Dr. Bassam Hashim Alsayed
Board member



Dr. Mohammad Hamza Mlibary
Independent Board member



Eng. Ghassan Mohammed Zatari
Board member



Mr. Haitham Hamza Madani
Board member



Mr. Baare Mohammed Ajjaj
Independent Board member

Health Alliance Fund - Risks



Growth Risk

Mitigant(s)

- The company is exposed to different growth risk aspects including but not limited to: labor availability, processes efficiencies, management focus dilution, etc.
- The fund manager will take several actions to ensure smooth implementation of the growth strategy including but not limited to: appointment of suitable advisors and consultants.



Investment Risk

- In private market the concentration risk is high as such to add investment diversification to the fund. The value creation methodologies are split into:
 - Capital Structure Optimization
 - Increase of EBITDA and optimizing the cost structure
 - Assuring exaction at a relatively low multiple



Regulatory Risk

- The company is subject to changing regulatory risks including but not limited to: labor law, municipality and department of Civil Defense related requirements. As such the fund manager will follow up-to-date announcements by prevailing regulatory bodies to adjust accordingly.



Operational Risk

- The fund employees a BOD to ensure appropriate governance
- Itqan Capital to act as fund manager
- Medical services experience in the board



Transparency Risk

- Given the nature of the Private market, transparency becomes a challenge for fund manager's activities to mitigate the risk includes:
 - Empower an internal audit committee
 - Hire an external audit
 - Allocate provisions

The Fund's Objective

Investment Objectives of The Fund

The main investment purpose of the fund is to provide the investors annual distributions and capital growth in the medium to long term, by investing in private equity investments in healthcare in KSA and other regional and international markets with more focus and concentration on Saudi health care market.

The Fund



Fund Type



Fund Size



Targeted Start up Capital



Unit Price



Fund Valuation



Fund Duration



Minimum Subscription



Subscription Closing Date (Extendable)



Subscription Start Date



Expected Return of Investment

Governance of The Fund



Fund Manager



Custodian



External Auditor



Technical Advisor



Sharea
Advisor



Terms And Conditions

Investment policies and pursuits

Fund's investment objectives:

The fund aims to achieve capital returns in the medium to the long term for unit owners on their investment in the fund through investing the fund's capital in the projects and medical, health companies, as well as in commercial and industrial activities that related to medical, health and pharmaceutical activities.

The main investment purpose of the fund is achieving capital growth in the medium to the long term, that is through the ownership of companies or stakes in companies; whether if it is health, medical, commercial or other companies of existing or the new companies located in the main cities of the Kingdom of Saudi Arabia and in the other regions inside or abroad and then run it for a specified period of time then selling and terminating the fund and achieving remunerative returns for units owners in the fund.

The fund also aims to invest the available liquidity in short-term murabaha (profits) with banks and financial institutions that are in compliance with Sharia controls and standards licensed by the Saudi Monetary Agency or in the murabaha funds that managed by the fund manager or by any other fund manager licensed by the Saudi Capital Market Authority and approved by the fund's board of directors.

Here below is summary of the fund's investment strategies:

- a summary of the main strategies that the fund uses to achieve its goals
- Description of the type of securities (paper currency) in which the fund will invest.

The fund will invest in the following assets:

Ownership of companies or stakes in companies whether it is health, medical, commercial or others that existing or new companies located in the main cities of the Kingdom of Saudi Arabia or in other regions of the Kingdom and abroad.

Investing surplus liquidity in deals commodity-based on the murabaha (profits) in licensed banks from the Saudi Monetary Agency and/or in units of investment funds which invest mainly in murabaha (profits) licensed by the Kingdom's Capital Market Authority. The fund strives to not increase the maturities and periods of liquidation of the deals up to more than (12) months and it also seeks to maintain maturity dates with dates that are splay not more than 3 months apart.

2-The fund will not invest in any of the securities activities directly related to the listed stocks or any activity that related to usury or any activities prohibited by the Sharia regulations for investment.

The fund will use the following investment strategy:

The fund acquires companies or stakes in companies whether it is health, medical, commercial or others that existing or new companies located in the main cities of the Kingdom of Saudi Arabia or in other regions of the Kingdom and abroad immediately after the subscription period ends then it is emptied in the name of a company established by the custodian of preservation and marginalization of deeds in case obtaining bank financing for the fund and if the financing bank requests that.

The fund manager aims to operate these projects and the companies that are acquired for a specified period of time then selling and terminating the fund and achieving rewarding returns for the units owners in fund.

The fund manager monitors the work of the technical advisor who will be chosen to help implement the fund's investment strategy to ensure that he fulfills his tasks in the development and supervision of projects that is being acquired. The fund manager prepares accurate scheduling payments of suppliers, operators, contractors, and service suppliers to ensure the most benefit from available cash.



Terms And Conditions

The fund manager follows up with the technical advisor the workflow activities of the acquired projects And compare it with the approved project schedule. He also works on reviewing the periodic reports and the extent of commitment to the approved plan to implement and operate projects, the necessary recommendations regarding the amendment of the project implementation plan if required, and overseeing the quality of business implementation.

The fund intends to invest between 85-100% of contributions in the fund's capital in the fund projects within the investment period.

The fund manager is expected - after the approval of the fund's board of directors- to get financing for the fund account to cover the costs of each acquisition in addition, to covering part of the fund's operational costs, with maximum 70% of the total costs of every project.

The fund manager works to make the most of the available liquidity - if any- by investing it in short-term murabaha at banks and financial institutions or in murabaha funds which managed by the fund manager or by any of other funds manager licensed by the Authority Financial Market.

Asset sales undergo to the fund manager's decision And the Fund board directors based on the best purchase offers that are presented to it.

The fund manager can conducting in-kind liquidation -after the approval of the fund's board directors- of some elements and components of the fund to the unit owners if it is impossible to conduct cash liquidation.

The fund manager is bound by the property ownership and invest list for non Saudis.

D) Investment centering policy in a specific securities or geographic region.

The Fund's investments will be focused only on implementing the investment strategy of the fund which will focus on corporate acquisition or stakes in companies whether it is health, medical, commercial or others that existing or new companies located in the main cities of the Kingdom of Saudi Arabia or in other regions of the Kingdom and abroad.

The fund manager will also invests the available liquidity in the bank account of the fund in short-term murabaha until needed.

The fund will not invest in any investment that might expose the fund or its investors to unlimited liability.

The price of buying or selling any of the fund assets and projects determined after the evaluation process which will be from experts approved by the Saudi Authority for Accredited Residents

E) Business flow plan of the Fund projects

The fund manager and the fund board of directors decide the most appropriate timing and the optimum distribution to investing the fund's money in enterprise operations of the fund and at the payment time of all dues owed by the fund after confirming the size and quality of the business provided by service providers.



Terms And Conditions

The fund aims through its active management, Fund cash flow management policy and its investments management to keep the level of risk at a level that can be monitored. Any change in the evaluation results of the fund's assets or increase or decrease of the investments in it will be reflected in the value and price of the fund units.

The business flow plan of the Fund projects contains implementing several tasks according to specific schedules and dates. The plan for these works and tasks will be implemented by the fund's service providers include the operators, contractors, consultants, and specialized technicians.

Financing and mortgage powers and the fund manager's policy in carrying out those powers:

To enhance the return on the fund's investments (Individually, it is referred to as "investment.") and achieving potential capital gain.

The fund has the right to obtain financing that complies with Islamic Sharia regulations up to a value equivalent Maximum to 70% of the total value of fund projects, although the fund may obtain financing from a licensed part from the Saudi Arabian Monetary Agency and it related to the fund manager, the fund manager guarantees that any terms are negotiated on an independent and purely commercial basis. The fund manager is also entitled - After the approval of the fund's board of directors - to pledge the assets of the fund in favor of the above-mentioned financing provider.

The means and how to invest the cash available in the fund and short-term investments

The fund may hold cash or depositary assets or invest in short-term Sharia compliant instruments (including murabaha transactions) for Financing its operations or for other reasons determined by the fund manager to avoid suspicion; The fund may invest in instruments managed or sponsored by the fund manager Such as the murabaha deeds fund managed by the fund manager and licensed by the Capital Market Authority in - investment restrictions.

The Fund Manager will adhere by the following investment parameters:

The fund invests companies or stakes in companies whether it is health, medical, commercial or others that existing or new companies located in the main cities of the Kingdom of Saudi Arabia or in other regions of the Kingdom and abroad.

Investing excess liquidity in commodity transactions based on murabaha and/or in invested funds units which are investing mainly in murabaha.

In the case of investing in liquidity funds or the murabaha, it will not be buying units in investment funds that are not undergo to supervision of any of the financial market authorities. The investment will also be in investment fund units that general offering and licensed by the Capital Market Authority in KSA or by the market authorities of the Gulf Cooperation Council and it invests in murabaha and in monetary markets only.

The fund will not bankroll anybody, but it could get financing from financing agencies licensed by Saudi Arabian Monetary Agency, which is determined by the fund manager to implement the fund's operations.

General information

A- The target group for investment in the fund

Participation in the fund is limited to (1) Experienced investors, (2) Ordinary persons who are citizens of the Kingdom and companies or other legal bodies regulated or licensed under the Kingdom's regulations. (3) Ordinary people, companies or other legal entities who are citizens of the countries of the Cooperation Council for the Arab States of the Gulf and companies or other legal entities organized under the laws and regulations of the countries of the Cooperation Council for the Arab States of the Gulf. (4) Non-Saudis residing in the Kingdom. (5) Nationals or residents of other countries who are designated and approved by the fund manager (They are collectively referred to as "Eligible Investors"). The fund will be offered a private placement to investors who want to participate with a minimum value of (1,000,000) Saudi Riyals in accordance with Article 74 of the Investment Funds Regulations that the fund manager considers them as eligible investors.



Terms And Conditions

B- Profit distribution policy

Operating proceeds will be distributed to the unit holders in the fund after paying all the obligations of the fund operations as determined by the fund manager whenever the more cash flows allow the fund to make those distributions. The proceeds of the sale will also be distributed to the unit holders in the fund after paying all the obligations of the fund upon liquidation of the fund and distributing all the fund's assets, including cash from the sale of project elements, to the unit owners. If the fund manager is not able to fully liquidate the fund and make cash distributions to unit owners, he may make in-kind distributions, taking into account his commitment to the system for non-Saudis' ownership and investment of the property.

Cash dividends:

Current income, investment returns, and operating returns are distributed to the unit holders of the fund after paying all obligations arising from the fund's operations as determined by the fund manager, whenever the cash flows of the fund allow those distributions to be made. The proceeds of the sale will also be distributed to the unit owners in the fund after paying all the obligations incurred by the fund during the term of the fund or upon termination and liquidation of the fund.

In-kind distributions:

Although the fund intends to distribute cash, it is possible that under certain circumstances (including termination of the fund or expires of the fund term), making in-kind distributions, which may consist of in-kind assets. If any investor requests not to receive any in-kind dividends, the fund manager will use his commercially reasonable efforts to dispose of the relevant in-kind assets on behalf of the investor when circumstances let that.

- Distributions in kind and commitment to the system for non-Saudis owning and investing the property

Upon termination and liquidation of the fund's investments, proceeds may be distributed to unit owners in cash and in kind as decided by the fund's board of directors without prejudice to the system of non-Saudis' ownership and investment of property. Subject to the regulations of property ownership for non-Saudis and the fund manager's pledge and commitment to that, the fund manager can distribute all or part of the fund's assets (including any securities and / or stakes in the company with a special purpose), in kind to the unit owners in case it is impossible to sell Liquidation of the fund's assets in full or if the fund manager deems that the interest of the unit holders requires that.

C- Rights of the units owners:

The fund issues only one category of units, and all unit owners of the same class enjoy equal rights and are treated equally by the fund manager.

The unit owner has the right to pursuit all rights related to the units, including, but not limited to, the right to vote in meetings of unit owners. The approval of the unit holders in the fund is obtained through a regular fund decision on any of the following changes|:

- An important change in the objectives or the nature of the fund
- A change that may have a negative and essential impact on unit owners or their rights in relation to the fund
- Any change that leads to a main increase in the payments owed by the fund
- A change that has an effect on the risk profile of the fund.

D- The responsibility of unit owners:

The unit owner is not responsible for the fund's debts and obligations except for the loss of the unit holders' investment in the fund or part of it within the limits of his ownership of the units in the fund according to what is stated explicitly in these terms and conditions.



Terms And Conditions

E- Termination of the Fund:

The fund is an open-ended private investment fund that is offered a private placement, and if it is decided to terminate the fund, all of the fund's assets will be liquidated. The capital and profits, if any, will be distributed to the unit owners.

F- Cases that lead to the expiration of the fund:

- If there is any change in laws, regulations, or any other circumstances that the fund manager deems appropriate as a reasonable justification for terminating the fund.
- If the fund is required to be terminated according to a decision from the Capital Market Authority or according to its regulations.
- Achieved the purpose for which the fund was established and the fund's assets were sold in full (as determined by the fund's board of directors) and the proceeds were distributed to the unit owners as stipulated in these terms and conditions.
- If bankruptcy or liquidation procedures have been initiated against the fund manager.

A- Mechanism for registering the assets of the fund:

The custodian will register the fund's assets in his name for the benefit of the fund in separated accounts from the rest of its assets. Record the fund investments in the name of an independent custodian and that is in the name and on behalf of the fund. To avoid the doubt, it is possible that ownership of the assets be registered in the name of a special purpose company of the custodian established to hold ownership of the assets.

B- How to evaluate the assets of the investment fund

The fund's total asset value consists of the sum of all cash assets, accumulated profits, other receivables and the market value of all investments in addition to the present value of any other assets owned by the fund ("the total assets value").

The fund manager exercises his reasonable judgment and discretion in determining the values that pertain to the fund's assets and liabilities, based on an evaluation by an independent appraiser. Each asset of the fund is valued by appraisers approved by the Saudi Evaluators Authority, who are approved by the fund's board of directors, provided that each appraiser's report includes, at a minimum, the following:

- Valuation method, method and assumptions on which it is based
- An analysis of market-related variables such as supply, demand and market trend.
- Details of assets and their descriptions.

C- The number of evaluation points and their frequency

The fund manager is obligated to evaluate the fund's assets every year (at the end of the fiscal year), at the end of December of each year, or as determined by the fund's board of directors (and this day is referred to separately as the "valuation day").

D- The procedures that will be taken in case of wrong evaluation or pricing

In case of a mistake in evaluation or pricing, the fund manager re-evaluates the fund's assets in good faith and makes all necessary corrections. Moreover, the fund manager must obtain a pilot assessment of any asset before possessing or disposing of any asset. In case of an unintended mistake in the evaluation or unit pricing, the fund manager will correct the unit price and communicate with everyone who dealt in the fund on the wrong unit price, and the amount of the difference between the correct price and the wrong price will be compensated / deducted for everyone who deals on the wrong unit price.



Terms And Conditions

C- How to calculate the indicative unit price

The net asset value for each unit is calculated by dividing the net asset value by the number of issued units. The fund manager evaluates the fund's assets by extracting the total value of the fund's assets for each asset separately based on the valuation reports submitted by the appraisers approved by the Saudi Residents Authority on the date of the evaluation. Commissions, financing commissions, and management fees mentioned above) in order to determine the net asset value of the fund. The unit value is determined by dividing the net asset value of the fund by the total number of fund units outstanding on the relevant valuation day. That is indicative of the price for the unit, and the net asset value of the unit will be calculated using the following equation:

(The total fair value of the fund's assets minus the total liabilities, including any due and unpaid fees and expenses on the fund divided by the total number of fund units outstanding before the relevant valuation day).

D- Transaction

A - Details of the initial offering

Units are offered in the Fund until the closing date at a price of SAR 100,000 per unit ("Initial Offer Price"). The minimum subscription amount in the fund is 1,000,000 Saudi riyals ("the minimum subscription amount"). The fund manager accepts additional subscription amounts in multiples of the amount of SAR 100,000.

During the offering period, the fund manager proposes 1,000 units at a price of 100,000 Riyals per unit (nominal value), that is, with a total value of 100,000,000 Saudi riyals, which represents the initial fund capital targeted to be raised from the fund's investors.

C- Subscription and redemption procedures

Subscription procedures

Subscription to the fund is available during the first offering period, and then after starting the fund it is available on any business day. Subscription to the fund during the initial offering period shall be at the nominal value of the unit, but after that, participation in the fund shall be at the nominal value of the unit or the valuation price of fund units according to the last available valuation of the fund units, whichever is higher.

The investor who wants to participate during the subscription period must fill out and sign the subscription application form. Applications must be submitted to the company's branches. The investor can pay the subscription amount (which includes the subscription fee) (a) by authorizing the fund manager to deduct the amount from his investment account which is opened at the fund manager, or (b) to deposit the amount in the fund's bank account at the bank.

You must pay in cash and in full the value of the fund units, upon subscription, according to the terms and conditions, except the limited cases in which the fund manager may accept in-kind subscriptions. The subscription is not considered valid until the subscription value is fully collected, including subscription fees.

The fund manager may accept in-kind subscriptions in limited circumstances, when the owner of any assets or projects that may be acquired by the fund or one of the service and business providers of the fund wants to receive units as compensation for those assets, tasks and works. In this case, the fund manager and the fund board of directors may agree that the compensation is units only or a combination of units and cash. The unit owner's participation in the fund is not considered valid without the concerned unit owner having access to and signing the terms and conditions.



Terms And Conditions

If the subscriber is an individual, the provisions of the terms and conditions are binding on him or his heirs in case of death, his executors, his inheritance managers, his personal representatives, trustees and his successors, and the subscriber agrees that the terms and conditions will not end automatically upon the death or disability of the subscriber. If the subscriber is a legal person, then the terms and conditions will not automatically end upon death, disability, bankruptcy, dissolution of any partner or shareholder in it, or the end of the incorporation period.

The subscriber can be a ordinary person (one or more joint partners) or a legal entity, and in case of the subscriber is two or more persons, any investment in this fund will be considered the joint property of those persons unless otherwise stated.

In case of the subscriber is a legal entity, then that subscriber must provide the fund manager with a true copy of the commercial registry, the articles of association, the articles of association, the decisions of the board of directors, or any other documents required to be available to complete the work, provided that all are in the form accepted by the fund manager.

The investor who wants to invest in the fund must deliver a copy of these terms and conditions and the completed signed subscription agreement to the fund manager, in addition to depositing the full amount of subscription and subscription fees due, also any additional sums in the fund account before or on the related closing date. After completing all reviews of "KYC Know Your Customer" and anti-money laundering, the fund manager will allocate the units to investors. As soon as the related closing date expires, the fund manager informs each investor of the units allocated to him, and returns to the investor a signed copy of the subscription agreement and terms and conditions fulfilled and signed by the investor. The fund manager shall keep an original copy of it in the manner he deems appropriate.

The fund manager reserves the right to request any information he deems necessary to verify the identity of the applicant.

Redemption procedures

- Investors have the right to recover their units in the fund outside the initial offering period if the following conditions are met:

1. The units to be recovered have completed the minimum investment period in the fund, which is at least five Gregorian years.
2. The client must submit a refund request at least thirty days before the date of the next evaluation.
3. The redemption price of the units shall be based on the next valuation price when submitting the redemption request.
4. That the value of the redeemed units be paid to the customer within seven days after the announcement of the unit price on which the exodus was based on it.
5. The minimum remaining amount in the fund of the investor who is the owner of the redemption request when implementing the redemption request is not less than one million Riyals, otherwise he must recover all of its units in the fund.

The extent of the possibility of accepting the subscription in exchange for a right in kind:

A qualified investor interested to purchase units must do so by completing and delivering a signed copy of the subscription agreement, terms and conditions to the fund manager, and paying the subscription amount, subscription fees and any additional amounts are due. Payment is made in Saudi riyals, and the fund may accept cash and in-kind contributions. The approval of the fund's board of directors is required for any in-kind contributions to the fund. The fund manager has the right, after the approval of the fund's board of directors, to accept the in-kind subscription of those who want to provide services to the fund in exchange for their fees, in whole or in part, for their services provided to the fund.



Terms And Conditions

G- Trading the fund units:

Each of the fund units represents a common ownership share in the fund's net asset value that gives its owner the right to participate equally in the fund's net returns. There is no subsidiary market regulated by an active regulator (such as Tadawul or otherwise) in which the units are traded in private placement funds, and it is not expected that anything like this will be developed, and therefore it may be impossible for unit owners to liquidate their ownership interests Before the end of the minimum investment period specified in the fund.

When considering any request to transfer units before completing the minimum investment period, the fund manager will consider the requirements and restrictions set forth in Article 92 of the Investment Funds Regulations, which stipulates that transfers may not be made in any fund offered for a private placement, in accordance with the provisions of Article 75 of The regulations, except for current unit owners, or experienced investors, or in cases where the minimum amount payable for units is not less than one million Saudi riyals, or any equivalent amount in another currency. (As defined in the list)

The fund manager reserves the right to reject any request to transfer, sell, or mortgage units without stating the reasons (acting in good faith). Unit owners are not entitled to assign their units in the fund based on their wish, and unit owners will not be allowed to recover their units

D- The days during which orders to buy or sell units are permitted

It is not permissible for the investor to assign all or some of his units, sell them or transfer their ownership to another investor or to third parties except after obtaining prior written approval from the fund manager, which is submitted in the form of sale and purchase orders for units on any working day in the Kingdom during the week.

Y- The provisions governing of transfer the ownership of the units

- The unit owner's purchase of any unit of the fund is an acknowledgment by him that he has read the fund's terms and conditions and has accepted them.

- It is not permissible to sell or assign any of the fund's units or transfer its ownership by any other way, except after (1) the approval of the fund manager and (2) the assignee ("assignee") signs a copy of the fund's terms and conditions and (3) The assignor has signed an ownership transfer agreement with the fund manager containing assurances and guarantees similar to those contained in the fund's subscription agreement form and (4) providing all the evidence and anti-money laundering documents required under the subscription agreement form.

- The fund manager will provide forms for those wanting to issue orders to buy or sell units, through the fund manager's offices.

- Requests to buy and sell units are accepted on the fund's official business days and until the date of the fund's liquidation announcement. The requests of investors wanting to buy or sell the fund's units are included in the fund's internal trading record, and when selling requests match purchase requests within the list of best buy and sell offers. , The process is carried out and the unit owners record is updated.

- Every investor assigns, sells, or transfers ownership of units, and the assigning investor must adhere to the minimum subscription amounts stipulated in these terms and conditions and the investment funds regulations.

- As for any unit owner who has participated in kind in the fund, he will not be able to reduce his ownership to less than the number of units issued in exchange for his in-kind contribution without the approval of the fund's board of directors.

- Transfer operations of fractions of units are not permitted.



Terms And Conditions

- Every new unit owner must comply with all provisions of these terms and conditions, and as a condition of the fund manager issuing his approval for any new transfer or subscription in the fund that is required to be made in accordance with the provisions of this paragraph. The fund manager may also request the proposed unit owner to provide and submit any additional documents and information requested by the fund manager in compliance with the guidelines for combating money laundering and terrorist financing, as well as the procedures for the concept of "know your customer".

- The fund has the power to impose restrictions and conditions it deems necessary (including, but not limited to, the receipt of any certificates or other documents by the carrier or the transferee) in order to ensure that any of the fund's units have not been acquired or possessed, or Retaining them, by any person in a way that violates any regulation or requirement of any state or governmental body, or by any person who is not qualified, under any system or law, to possess these units, or by any person whose possession may cause, Or the possibility of his possession of those units, to impact a negative financial or tax on the fund according to the opinion of the fund manager.

Q- The fund manager's efforts in facilitating the trading of units

The fund manager will make a reasonable effort to facilitate the circulation of the units and transfer their ownership. Otherwise, the fund manager is not bound by any duties in the context of unit trading other than what is explicitly stipulated in the fund's terms and conditions.

While adhering to Article (92) of the Investment Funds Regulations, the Health Alliance Fund is an open private investment fund. The number of fund units during the term of the fund may exceed the number specified in the terms and conditions of this fund. The nature of investment in the fund includes that investors maintain their investments in the fund throughout the investment period.

During the fund's operation period, the fund manager will activate the trading of units in the minor market for investors who want to sell their units during the investment period to those who want to buy those units. The trading will take place if there are unit owners who want to sell their units and other investors want to buy based on their agreement on a specific price for trading and guided by the last indicative price announced for the unit.

All administrative costs related to trading in units, at a value of 2,000 Saudi riyals, shall be paid to the fund manager by the assignee.

THANK YOU

