

NATIONAL BONDS CAPITAL PROTECTED SHARI'AH COMPLIANT FUND

(A public open-ended capital protection fund that operates in accordance with the provisions and principles of Shari'ah, subscription price of AED 1 per unit, with a minimum fund size of AED 1,000,000 and no maximum

A Sub-Fund of

NATIONAL BONDS END OF SERVICE UMBRELLA FUND

An Umbrella Fund with segregated Sub-Funds established pursuant to the United Arab Emirates' Chairman of the Securities and Commodities Authority's Board of Directors' Decision No.01/RM of 2023 concerning the Regulations as to Investment Funds

This Supplement document (referred to as the "Supplement") is subject to Federal Law No. (4) of 2000 pertaining to the UAE Securities and Commodities Authority and Market, as well as Chairman of the Authority's Board of Directors' Resolution No (01/Chairman) of 2023 regarding the Regulations of Investment Funds (referred to as the "Decision"), alongside all applicable laws, regulations, and resolutions in effect in the United Arab Emirates (the "UAE"). This Supplement must be read in together with the Master Prospectus (the "Prospectus") of the Fund.

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1 IMPORTANT NOTICE

TO BE READ CAREFULLY BY ALL UNITHOLDERS

This Supplement adheres to the regulations set forth by the Securities and Commodities Authority ("SCA") in the UAE.

The primary objective of this Supplement is to provide potential Unitholders with essential information to facilitate their investment decisions regarding investing in the Sub-Fund. The information contained in this Supplement must be read in conjunction with the National Bonds End of Service Umbrella Fund (the "Master Prospectus")

Prior to subscribing, each Unitholder should prudently review all the contents herein to assess the suitability of investing in the Sub-Fund. It is advised that each Unitholder seeks guidance from their financial and legal advisors regarding their investment in the Sub-Fund offered for subscription.

Readers of this Supplement are reminded that all provided data are estimates and any forward-looking statements inherently involve uncertainties. Such estimates and statements should not be solely relied upon for investment decisions, as the Sub-Fund's investments are subject to changes influenced by future circumstances, which cannot be predicted with absolute certainty. Hence, actual results may vary from estimated outcomes.

While the Sub-Fund aims to offer Capital Protection by investing in Shari'ah-compliant deposits with banks licensed by UAE Central Bank and sovereign Sukuk issued by the UAE's Federal and Local Governments, investing in the Sub-Fund entails level of risks as detailed in the Risk Factors section of this Supplement.

The Management Company, as indicated within this Supplement, assumes sole responsibility for the accuracy of the information contained herein. It affirms, to the best of its knowledge and after conducting due diligence, that no material information has been omitted, which could mislead Unitholders or contravene the provisions

of the Funds Regulations. However, in case of any inconsistency, the Funds Regulations shall supersede the Supplement.

Any amendments or additions to the information contained in this Supplement require prior written approval from the SCA, with notification to Unitholders accordingly.

The offerings in the Sub-Fund Units under this Prospectus within the UAE have been subject to SCA approval. Should the Sub-Fund be offered in other jurisdictions, the responsible parties must obtain the necessary approvals from the respective authorities beforehand.

The Management Company commits to full compliance with all relevant laws, regulations, and resolutions in the UAE, including those issued by the SCA. This Supplement has received SCA approval on October 8, 2024 under No. 78/2024. However, such approval does not signify the feasibility of investment or constitute a recommendation for investing in the Sub-Fund's Units. It merely indicates compliance with the minimum information requirements specified by SCA rules. SCA bears no responsibility for the accuracy, completeness, or adequacy of the information herein, nor for any losses incurred due to reliance on this Prospectus.

This Supplement has been prepared in accordance with the applicable laws, regulations, and statutes in force in the UAE. Any provision found to violate these laws shall be deemed null and void, with the Management Company bearing the consequences unless otherwise stipulated by a special decision from the SCA.

This Supplement was issued on October 8, 2024

2 PREAMBLE AND GENERAL PROVISIONS

THIS SUPPLEMENT:

1. Constitutes invitation for Eligible Unitholders subscription to the Sub-Fund Units.
2. Encompasses all pertinent information and data concerning the Sub-Fund, carefully reviewed by the Management Company, and independently assessed by the Auditor, Legal and Shari'ah Advisors.
3. Will be regularly updated to reflect any amendments resulting from significant occurrences, subject to approval by the Securities and Commodities Authority (SCA) and the consent of the Unitholders, as per SCA directives.
4. Is governed by the Federal Law No. (4) of 2000 regarding the Emirates Securities and Commodities Authority and Chairman of the Securities and Commodities Authority's Board of Directors' Decision No.01/RM of 2023 concerning the Regulations as to Investment Funds and all the applied laws, regulations, and decisions in the State including the decision of the Chairman of the Authority's Board of Directors No. (42/R.M) of 2023 regarding the adoption of Appendix No. (5) regarding funds Investment for the purposes of applying the optional alternative to the end-of-service gratuity system" end-of-service gratuity savings funds"

Any Unitholder is entitled to receive an updated version of this Supplement, accessible at the addresses provided at the conclusion of this document.

3 SUMMARY AND KEY UNITHOLDER INFORMATION DOCUMENT (KIID)

3.1 THE SUB-FUND – NATIONAL BONDS CAPITAL PROTECTED SHARI’AH COMPLIANT FUND

Name of Sub-Fund	National Bonds Capital Protected Shari’ah Compliant Fund (“Sub-Fund”)
Management Structure	Management Company
Name of Founder	National Bonds Corporation Sole Proprietorship PSC (“NBC”)
Name of Management Company / Fund Manager	NBC
SCA License Number of Management Company	20200000170
Custodian	Standard Chartered Bank
Units Registrar	Apex Fund Services Ltd. – Abu Dhabi
Fund Administrator	Apex Fund Services Ltd. – Abu Dhabi
Legal Advisor	Baker & McKenzie LLP
Shari’ah Advisor for Shari’ah compliant Sub-Fund (“Shari’ah Advisor”)	Minhaj Advisory LLC
Shari’ah Supervisory Committee	Three-member committee of Shari’ah scholars for the purpose of Shari’ah governance, as per the Master Prospectus.
Sub-Fund Objective	The Sub-Fund aims to deliver returns to Unitholders through investments in Shari’ah compliant products such as placements with banks licensed in the United Arab Emirates and Sukuk issued by UAE federal and local government agencies and on the Emirates level.
Age / Term of the Sub-Fund	None
Financial Year of the Fund	Annual accounts shall be prepared from 1st of January to 31st of December in each year, except for the Fund’s first operational year, which began from the date of issuance of the license and ends on December 31, 2025, in accordance with the regulations issued by the Authority, which stipulated that this period should not be less than 6 months and not exceed 18 months.
Fund’s Reporting Currency	Arab Emirates Dirham (“AED”)
Capital Protection	The Capital Protection offered by the Sub-Fund is primarily derived from the nature of the underlying investments, specifically through Shari’ah-compliant deposits or commercial papers, or other fixed income products with the same seniority (Degree of eligibility and priority) of deposits of local banks licensed by the UAE Central Bank and Sukuk issued by the UAE’s Federal or Local Governments.

Type of Sub-Fund	Fund Structure: Open ended Dividend Policy: Dividends are subject to the full discretion of the Management Company and will be distributed by issuing new units to Unitholders. Shari'ah Compliant: Yes Geographical Investment Universe: UAE only Portfolio Composition: Shari'ah-compliant deposits with banks licensed by the UAE Central Bank and sovereign Sukuk issued by the UAE's Federal and Local Governments.	
Net Asset Value ("NAV") Frequency	Weekly	
Classes of units	Class A	Skilled Employees
	Class B	Unskilled Employees
	Class C	Voluntary Subscriptions
Sub-Fund's Capital	Minimum Viable Size: 1,000,000 Units Maximum: N/A	
Nominal Price Per Unit	AED 1.00	
Eligible Unitholders	Skilled and Unskilled Employees working for employers regulated by Ministry of Human Resources & Emiratisation ("MOHRE") or any similar regulator in the UAE, with whom the Fund Manager has entered into an Employer Agreement, are permitted to subscribe for Units in the Sub-Fund.	
Initial Offer Period	Open Ended Fund	
Minimum Subscription Units	1 Unit	
Maximum Subscription Units (if any)	N/A	
Redemption Cycle and Mechanism	Weekly	
Unit Subscription	Class A	Can only be subscribed by the Employer
	Class B	Can only be subscribed by the Employer
	Class C	Can be subscribed for by Employer or Employee that is an existing Unitholder in share class A or B
Unit Redemption	Class A	Can only be redeemed by the Employer
	Class B	Can only be redeemed by the Employer
	Class C	Can be Redeemed by Employer or Unitholder
Minimum Subscription per share class	Class A	AED 1
	Class B	AED 1
	Class C	AED 1
Maximum Subscription	Class A	Basic end of service accrual as per Cabinet Resolution No. (96) of 2023 Regarding an Alternative End of Service Benefits Scheme

	Class B	Basic end of service accrual as per Cabinet Resolution No. (96) of 2023 Regarding an Alternative End of Service Benefits Scheme
	Class C	Up to 25% of annual salary per year as per Cabinet Resolution No. (96) of 2023 Regarding an Alternative End of Service Benefits Scheme.
Buying Mechanism after Initial Offer Period	Weekly by providing Subscription contribution as per the Employer Agreement.	
Creation / Redemption price after end of Initial Offer Period	NAV on the Subscription/ Redemption Day	
Price of Unit and Calculation Methodology	- Initial price of AED 1, reported weekly up to 4 decimal places based on the NAV of the Sub-Fund. - The NAV of the Sub-Fund's assets will include any profits accruing to the Sub-Fund within the Sub-Fund assets, and any fees due from it, regardless of the full payment, will be deducted, with addition or deduction of any other items in accordance with the international accounting standards.	
Reports Available for Unitholders	- Semi-annual financial reports reviewed by the independent external auditor, within a period not exceeding (45) Calendar days from the end of the semi- annual period. - An annual financial report audited by the independent external auditor, within a period not exceeding three months from the date of the end of the Fund's fiscal year. - An annual periodic report, within a period not exceeding three months from the end of the Fund's fiscal year, that includes details of the Fund's business, its performance and investments, any material developments, the risks related to its performance, and the internal control procedures of the Fund. - Monthly fund factsheet - Any other additional reports as determined by the Management Company from time to time.	
Rights of Unitholders	Units in the Sub-Fund shall not be granted voting rights or other rights relating to the procedures or any individual right to obtain dividends or other allocations for any asset of the Sub-Fund or to any other Sub-Fund of the same Umbrella Fund or to any other umbrella fund, except as expressly provided in the Prospectus.	
Subscription Charges (if Any)	None	
Redemption Charges (if Any)	None	
Fund Setup Fees (if Any)	None	
Management Fees	Fixed fees: An annual management fee of up to 0.75% of each Sub-Fund's assets under management calculated weekly.	

Custody Fees	As stated in Appendix (A) of the offering document
Administration Fees	As stated in Appendix (B) of the offering document
Auditor fees	AED 95,000 per annum excluding of Value Added Tax ("VAT").
Shari'ah Advisor fees	Attend meetings in the amount (per member of the Shari'ah Advisor / per meeting) equal to AED3,670 excluding VAT. The annual Shari'ah audit of the Sub-Fund. This fee is equal to AED 11,010, excluding value-added tax Maximum annual fees of AED 100,000 excluding VAT per annum.
Fees Paid to other Service providers	None
Date of authorization of the Sub-Fund	October 8, 2024
Fund Board Members (If Any)	1. Jamal Bin Ghalita (Board Member of NBC) 2. Huraiz Bin Huraiz (Board Member of NBC) 3. Mohammed Qasim Al Ali (Group Chief Executive Officer of NBC)
Internal Governance of the Fund	The Fund's Internal governance is carried out by National Bonds Corporation Sole Proprietorship PSC
Working Day	Working Day means any day on which banks are open for general business in Dubai (other than a Saturday or Sunday)
Redemption Day	Working Day following the Valuation Day
Valuation Day	Every Tuesday (the following Working Day in case Tuesday is not a Working Day)
Subscription Day	Working Day following the Valuation Day
Delegated Activities (if Any)	None
Details of Fund's ability to invest in other Funds	Applicable for fund with similar investment policy and restrictions.
Profits and Risk Factors of the Sub-Fund	The Sub-Fund's profits will be achieved through its activities. The risk factors of the Sub-Fund are further detailed in the Supplement
Sub-Fund Information Source	www.nationalbonds.ae
Party responsible for Fund Information	National Bonds Corporation Sole Proprietorship PSC 6th floor, Al Hudaiba Awards Buildings Section C, Al Diyafa Road, Dubai, United Arab Emirates

3.2 INVESTMENT TOOLS

Investment instruments are confined to Shari'ah compliant deposits with banks licensed in the United Arab Emirates, Sovereign Sukuk issued by UAE' Federal and Local Governments.

UAE government issuances are not subject to credit rating, Investment instruments will be Shari'ah Compliant, denominated in UAE Dirhams or US Dollars and may include certificates of deposit.

3.3 INVESTMENT MARKETS

The Sub-Fund will solely invest in the UAE only and/or in financing instruments issued by the Federal Government of the UAE or one of its local governments, whether such instruments are offered inside or outside the UAE.

3.4 INVESTMENT OBJECTIVE & POLICY

The Investment Objective ("Investment Objective") of the Sub-Fund is to provide investors with a level of income while preserving capital and maintaining liquidity.

The Sub-Fund seeks to achieve this objective by investing in short-term, high-quality, low-risk instruments such as Shari'ah-compliant fixed income products and deposits with banks licensed by the UAE Central Bank and Sukuk issued by the UAE's Federal or Local Governments.

Investments in the Sub-Fund shall be limited to the following:

1. Shari'ah Saving or Call Accounts with local Banks
2. Shari'ah-compliant deposits with banks licensed by UAE Central Bank
3. Sovereign Sukuk issued by the UAE's Federal and Local Governments

The Fund Manager and the board of directors shall comply with the following investment policy:

1. Commitment to retain at least (10%) of the total value of the Sub-Fund's assets as cash liquidity or investments with a maturity date or remaining maturity period not exceeding (7) days.

2. The maximum period of any investment in or by the Sub-Fund shall not exceed (397) days, with the exception of investments that can be liquidated within five working days.
3. The maximum weighted average of the maturity of the Sub-Fund's investments shall not exceed (180) days.
4. Evaluation of the Sub-Fund's assets according to the Fair Value principle if current market price is not available.
5. Invest in sovereign Sukuk issued by UAE Federal and Local Governments. Local Governments refers to the seven Emirates within the UAE, including Abu Dhabi, Dubai, Sharjah, Ajman, Umm A Quwain, and Ras Al Khaima.
6. Refraining from borrowing or entering into transactions that entail obligations, with the exception of having Shari'ah compliant financing to cover Redemption Requests up to a maximum of (10%) of the of its total asset value.
7. The Sub-Fund's investment in Sukuk instruments from one issuance shall not exceed (10%) of the Sub-Fund's total asset value, unless issued by the UAE's Federal and Local Governments.
8. The Sub-Fund's investments with one or more entities belonging to the same group shall not exceed (25%) of the Sub-Fund's total asset value, encompassing cash balances with banks, deposits, and debt instruments unless issued by the UAE's Federal and Local Governments.
9. The Management Company implements mechanisms to mitigate and prevent any breach of the specified percentages in this bulletin beyond its control.

To ensure the Fund Manager's compliance with the aforementioned limits and until the achievement of economic scale, the Fund Manager shall be granted a grace period of six months.

3.5 CAPITAL PROTECTION FUND

The Sub-Fund operates as a local investment fund with an investment strategy designed carefully to protect the fund's capital from investment risks, and ultimately returning it, along with any profits, to Unitholders on a future date specified in the offering document.

The Fund Manager is obligated to comply with the stipulation not to invest more than 25% of the Sub-Fund's net investments in one or more entities belonging to the same group, encompassing cash balances with banks, deposits, and debt instruments.

The Fund Manager is obligated to abide by the terms and restrictions outlined in Section 3.4, or any other investment regulations applicable to public funds, which ensures the protection of the Sub-Fund's capital.

The Capital Protection extended as part of the Sub-Fund's offering is mainly tied to the underlying investments and its credit profile, thereby providing assurance regarding the Fund Manager's capacity to achieve the maximum level of protection to Unitholders' capital. These investments predominantly comprise investing in Shari'ah-compliant deposits with banks licensed by UAE Central Bank and sovereign Sukuk issued by the UAE's Federal and Local Governments.

The strategy will strictly adhere to all risk limitations to achieve Capital Protection. However, in a Force Majeure event ("Force Majeure") that could hinder the Fund Manager from fulfilling its obligations, the Sub-Fund may inherently carry some degree of risk. Such risks may include, but are not limited to, natural disasters, wars, strikes, government sanctions, and defaults of the underlying investments. These events are typically beyond the reasonable control of the Fund Manager and may result in non-performance or delay in performance as stipulated in this Supplement.

3.6 MECHANISM OF AMENDING INVESTMENT POLICY

The Investment Policy stipulated in this Supplement remains valid and effective from the commencement of the initial subscription period, and it may be amended from time to time as necessary at the discretion of the

Management Company to capitalize on market opportunities respond to changing conditions, after obtaining written approval from SCA and the Shari'ah Supervisory Committee regarding such amendment.

Approval of Unitholders general assembly is required prior to any amendment to the Investment Policy.

3.7 COMPLIANCE WITH THE PROVISIONS AND PRINCIPLES OF SHARI'AH

This is a Shari'ah-compliant Sub-Fund which invests in Shari'ah-compliant deposits with banks licensed by UAE Central Bank and sovereign Sukuk issued by the UAE's Federal and Governments.

All aspects of the Sub-Fund's operations, including but not limited to financial, investment, and accounting activities, will strictly adhere to Shari'ah rules and its principles.

An annual audit conducted by the Shari'ah Advisor will confirm the Sub-Fund's compliance with Shari'ah rules and its principles.

3.8 NAV ASSESSMENT & FREQUENCY

If no NAV, bid or ask prices or price quotation available for an asset held by the Sub-Fund, the value of the relevant asset shall be determined from time to time in such manner as the Fund Manager, in coordination with the Fund Administrator, shall determine. Provided, however, that any asset of the Sub-Fund which is not listed, quoted or traded on any securities exchange or over-the-counter market shall be valued at the lower of its cost or the Fund Manager's estimation of the realizable value of such asset.

For the purposes of ascertaining quoted, listed, traded or market dealing prices, the Sub-Fund, the Directors, the Fund Manager, the Administrator or their agents are entitled to use and rely upon mechanized or electronic systems of pricing dissemination with regard to the pricing of assets held by the Sub-Fund and the prices provided by any such system will be deemed to be an accurate price for that asset.

Notwithstanding the foregoing, the Fund Manager in coordination with the Fund Administrator, may, permit an alternative method of pricing or valuation which, in their judgment, more accurately reflects fair value, and accordingly instruct the Fund Administrator to apply this method in calculating of the NAV of the Sub-Fund in accordance with the IFRS.

The Fund Administrator shall have ultimate authority and responsibility for valuing the underlying assets of the Fund and for calculating NAV in accordance with the Fund's constitutive documents.

3.9 LIMITATIONS OF NET ASSET VALUE INFORMATION

Prospective investors in the Sub-Fund should ensure they understand the nature of NAV information. Where, for example, the underlying assets are illiquid, NAV should be viewed in the same way as investments in private equity or venture capital strategies. The involvement of third-party service provider (such as the Fund Administrator) in the NAV calculation process should not be equated with a representation or guarantee of realizable value. The Fund Administrator shall calculate the NAV on a weekly basis.

3.10 DIVIDENDS AND DISTRIBUTION STRATEGY

The Management Company in coordination with the Fund Administrator will report the NAV of each unit to Unitholders in the Sub-Fund on a weekly through various channels including but not limited to: The Management Company Website: www.nationalbonds.ae, The Fund Administrator Mobile Application and by any other means as per MOHRE and SCA requirements.

In case a Dividend is to be distributed, such Dividends will be subject to the full discretion of the Management Company and will be distributed by issuing new units to Unitholders. No subscription fees are levied for the issuance of these units.

3.11 METHOD OF SUBSCRIPTION, UNIT EXCHANGE, DOCUMENTS, DATA, AND CONDITIONS TO BE FULFILLED

During the initial subscription period, subscription is available exclusively for Share Class A & B. Interested Employers may participate by signing an Employer Agreement with the Fund Manager on any business day within this period.

After the initial subscription period ends, Share Class A and Share Class B Subscription contributions must be submitted as per the Employer Agreement, Share Class C Subscription Requests must be submitted on a weekly basis subject to delivery of such Subscription Requests to the Units Registrar before 1 p.m. or as stipulated in the Employer Agreement, and the relevant units will be issued by 8 a.m. on the subscription day (i.e. the following business day) at the subscription price, and subscriptions received after 1 p.m. on any business day will be considered as having been received before 1 p.m. on the next business day.

Upon approval of the Subscription Request(s), Unitholders will receive a receipt proving the current and additional subscriptions amount and prices. The receipt serves as proof of purchase of the units and total holdings in the Sub-Fund. The final proof of ownership of the units will be determined from time to time in

accordance with the Unitholders' Register maintained by the Units Registrar. In both cases, written proof of ownership must be issued to Unitholders within five (5) business days of the relevant subscription day.

Share Classes A & C may be exchanged for units in another sub fund as set out in the Master Prospectus. Share Class B shares may only be exchanged if another capital protected sub fund is available.

Upon the conclusion of an Employee's Employment Period, the Fund Manager shall mandatorily redeem the Unitholder's Class A Units and Class B Units, and re-issue an equivalent value of Class C Units within the same Sub-Fund.

3.12 REDEMPTIONS OF UNITS

3.13 GENERAL

Class A & B Units may be redeemed upon the request of either the Employer or by the Unitholder, subject to clearance from the Employer.

Class C Unitholders may redeem all or a portion of their Units by submitting a request to the Fund Manager on a weekly basis. The Fund Manager shall accommodate the fund transfer within 5 working days.

The Units Registrar and the Fund Administrator have been appointed to provide guidance to the Custodian of the Sub-Fund regarding the transfer of the relevant redemption amounts to the relevant Unitholders.

After consultation with the MOHRE and the SCA, the Fund Manager may initiate the forced redemption of units owned by any Unitholder, directly or indirectly, under the following conditions:

1. Any person whom the Management Company is reasonably believes to be in violation of any law, statute, or regulation of any country or legal entity, or any policies, procedures, or guidelines of the Management Company, Management Services Provider or any governmental agency, including, but not limited to, those associated with money laundering, terrorism or terrorist financing.

2. Any person whose ownership or continued ownership of units could potentially result, as determined by the Management Company, in legal or regulatory financial penalties or taxes, or a material administrative harm to the Sub-Fund, Unitholders at large, or to the Management Company;
3. In the event that any pledges or guarantees stated and included in the Subscription Form become invalid or void.

In the event of forced redemption, the Unitholder will be notified in writing from the Management Company, and will be given ten (10) business days to clarify his situation and address the error that caused the forced redemption of the units to occur. If the Unitholder does not respond within that period or if the Management Company or the Unitholders Registrar, in their discretion, consider that the Unitholder has not provided satisfactory and conclusive justifications, then the Management Company or the Units Registrar shall have the right, in their discretion, to forcibly redeem the units at a net price.

The asset value of each unit as on the date of calculation of the relevant NAV after the end of the notice period granted to the unit-holder. The Management Company will not be liable in any way or under any circumstances to any Unitholders as a result of the forced redemption of any unit .

3.14 POSTPONING THE REDEMPTION OF UNITS

Requests to redeem units, received by the Units Registrar on each Redemption Day, may be limited to twenty percent (20%) of the NAV of the Sub-Fund at the discretion of the Management Company.

If the Sub-Fund receives Redemption Requests representing an aggregate exceeding twenty percent (20%) of the Sub-Fund's NAV, then the Management Company may reduce all such Redemption Requests proportionately among Unitholders requesting redemption on the relevant Business Day and only process sufficient redemption of Units so that only twenty percent (20%) of the Sub-Fund's NAV will be redeemed, and Redemption Requests in excess of this amount will be rolled over up to two times the rollover and will be subject to the same restrictions as above, and such rolled-over requests will not be given priority over subsequent Redemption Requests.

The Management Company is obligated to inform the relevant Unitholder of the circumstances of the postponement.

Redemption may also be postponed after SCA's approval in the following cases:

1. If it is difficult for the Sub-Fund to obtain sufficient liquidity to meet Redemption Requests without liquidating its assets within a short or timely application period, or under uncontrollable circumstances that prevent the Management Company to liquidate the Sub-Fund's assets for reasons beyond its control, or if there is a sudden and sharp decline in the NAV, the applicable system must obtain the approval of SCA before executing all Redemption Requests, and all such requests must be treated equally;
2. When the market, in which at least ten percent (10%) of the Sub-Fund's total assets, are invested is closed for reasons other than public holidays, or if transactions in such market are restricted or suspended in a way that would affect the valuation of the Sub-Fund's assets;

3. In the event of any failure in the means of communication or calculation that are normally used in determining the price or value of any investments in the Sub-Fund, provided these investments are not less than ten percent (10%) of the NAV of the Sub-Fund;
4. If transactions conducted on behalf of the Sub-Fund become unworkable or if it is not possible to carry out purchase, sale, deposit and withdrawal transactions relating to the Sub-Fund's assets within the ordinary course of business in the event of restrictions affecting the transfer of the Sub-Fund's assets;
5. If a court order is issued or in the event of a claim, whether in the General or Personal Status Court, or by any competent sovereign authority in the UAE, including the UAE's Central Bank and SCA, the suspension will be implemented accordingly.

During the Suspension Period, the Sub-Fund may not issue, redeem or transfer units. If a suspension occurs as stipulated above, the Fund Manager must notify SCA of the occurrence of such suspension and the related reasons as soon as possible.

The Fund Manager has the right to postpone such Redemption Requests for a period of two (2) business days, so that it establishes an applicable system with the approval of SCA to implement and treat all Redemption Requests on an equal footing.

4 RISK AND CONFLICT OF INTEREST

Prospective investors should acknowledge that investing in the Sub-Fund entails a low level of risk, suitable only for those who fully comprehend and able to withstand the potential risks for an indefinite period, and are capable of absorbing some loss of their investment. Furthermore, prospective investors should recognize that the Fund Manager and/or its Affiliates may encounter potential Conflicts of Interest related to the Sub-Fund. Prior to investing in the Sub-Fund, prospective investors are encouraged to meticulously assess these considerations along with other associated risks.

4.1 CERTAIN RISK FACTORS

No Guarantee

Although the strategy of the Sub-Fund is designed to provide Capital Protection, the Sub-Fund capital is not guaranteed by the Fund Manager, an insurance company or any financial institution.

Furthermore, there is no guarantee that the execution of the investment objective and strategy of the relevant Sub-Fund will successfully achieve its intended goals.

Lack of Operational Track Record

This Sub-Fund is recently established and lacks a track record of operations for Unitholders to assess its potential performance. The past performance of any professionals engaged by either the Sub-Fund or the Fund Manager should not be considered indicative of future investment outcomes in any Sub-Fund.

Dependence on Fund Manager and its Key Personnel

All decisions concerning the investment of the Sub-Fund's assets will be solely made by the Fund Manager, granting them complete trading authority over the Sub-Fund. Consequently, the Sub-Fund's trading ability heavily relies on the ongoing agreement with the Fund Manager and the expertise of its officers and staff.

Market Risk

Investments in a particular group of securities are subject to the inherent risks of the securities market or markets in which underlying assets are invested. Nevertheless, there is no assurance that losses equal to or greater than the overall market will not be experienced due to investing in these securities.

Economic Risk

Changes in economic circumstances, encompassing factors such as profit rates, inflation rates, employment conditions, competition, technological advancements, political and diplomatic occurrences, and trends, as well as tax laws, have the potential to impact the operations and outlook of the Sub-Fund significantly and unfavorably. None of these circumstances are under the control of the Sub-Fund or the Fund Manager, and there are no guarantees that they will be anticipated by either entity.

4.2 CONFLICT OF INTEREST

A conflict of interest may arise with respect to the Sub-Fund due to the extensive operations of the Management Company, its affiliates and its agents. In such an event, the Management Company will use its best endeavors to identify and resolve any conflict of interest of the Sub-Fund and Unitholders in a fair and equitable manner.

NBC, in its capacity as the Management Company, and Apex Fund Services Ltd – Abu Dhabi as the Fund Administrator and Unit Registrar and Standard Chartered Bank as Custodian, have undertaken the process of separating activities between the Sub-Fund management services of the Management Company and the administrative services, and the services of the Units Registrar, with distinct escalation and governance structures for each.

Furthermore, the Sub-Fund management services provided by the Management Company are gradually and functionally segregated from the services of the Units Registrar, and administrative services provider.

5 THE GENERAL ROLE OF THE MANAGEMENT COMPANY

The Management Company's role in relation to the Sub-Fund includes, but is not limited to:

1. Invest all of the Sub-Fund's assets in any investments in accordance with the Investment Policy, as outlined in the Investment Policy section of the Prospectus;
2. Conduct the necessary financial studies and analyses for investments in the relevant markets, whether generally or in relation to specific investments;
3. Exercise Due Diligence to avoid actions that may lead to conflict of interest in the Sub-Fund's assets and obtaining any profits or gains from the Sub-Fund's employees during the execution of the Company Management tasks. Establish appropriate procedures and measures to monitor conflict of interest between the Sub-Fund, and the Company's management, the Custodian of the Sub-Fund, their employees and their affiliates. Furthermore, the Management Company will select counterparties to the Sub-Fund and enter into transactions with them in a manner that achieves the best execution and consistently considers the best interests of the Sub-Fund and Unitholders as a whole;
4. Exerting Due Diligence and care in managing the Sub-Fund's assets in accordance with the method expected of any experienced and specialized person in the field of managing Sub-Funds of similar size and type of the Sub-Fund, who has a professional career and long experience in this field;
5. Establish internal regulations governing administrative and accounting procedures, and achieve effective measures to maintain and control data processing systems, and ensuring compliance with applicable legislation in the UAE;
6. Review and update the above-mentioned internal control system periodically in accordance with the nature of the business of the Management Company and the Sub-Fund, and in accordance with applicable market practices;

7. Establishing a code of professional conduct for employees, supervising their activities, and monitoring their personal transactions in the Sub-Fund's assets to ensure their compliance with the provisions of the law, regulations and decisions taken by SCA, especially with regard to honesty, integrity, conflicts of interest and confidentiality.
8. Establishing the necessary rules to regulate the Subscription and Redemption of units for the Sub-Fund's employees.
9. Adopting a mechanism for archiving information, data and documents related to the provision of administrative services, maintaining activity records for a period of ten (10) years and maintaining a backup copy of this data for the same period;
10. Coordinating and cooperating with the internal auditor and enabling him to carry out his duties, including notifying SCA of any case of violation of the law, regulations, decisions issued by SCA, or the management agreement;
11. Disclosing to the SCA any material errors committed in assessing the NAV;
12. Ensuring that any dispute (s) is settled fairly in the event of any conflict of interest.
13. Comply with all restrictions stipulated in the laws and regulations of the UAE, especially those restrictions related to the Sub-Fund.
14. Verifying the Sub-Fund compliance with all provisions of Federal Law No. (20) of 2018 and the provisions of Cabinet Resolution No. (10) of 2019 regarding confronting money laundering crimes, combating the financing of terrorism, and financing illegal organizations.
15. Cooperating with the Shari'ah Advisor regarding the Sub-Fund's structure, business, activities and operations, including any matter that may require a Shari'ah opinion on it, as the Shari'ah Advisor deems appropriate.

6 FEES AND EXPENSES

6.1 MANAGEMENT FEE

The Annual Management Fee is up to 0.75% of each Sub-Fund's assets under management ("The Management Fees"), calculated weekly. The Fund Manager reserves the right to defer part, or all management fee accrued during any period, at their discretion, to offset potential losses that could result in a NAV below AED 1.00 on any given day. Additionally, the Fund Manager has the right to reverse part, or all management fees accrued during any period, at their discretion. This fee is exclusive of any applicable taxes, including value added tax.

The Fund Manager is authorized to include a clause in the Employer Agreement, imposing a fee of up to 1% annually on the subscribed balance during periods of negative returns, intended to cover increased operating costs exceeding the returns achieved.

6.2 PERFORMANCE FEE

There shall be no performance fee payable in respect of the Sub-Fund.

6.3 SUBSCRIPTION FEE

There will be no subscription fee for Units.

6.4 REDEMPTION FEES

There will be no redemption fee for Units.

6.5 EXPENSES

The Fund Manager and the Fund Administrator will provide and pay for all office personnel, office space, and office facilities needed to perform their respective services for the Fund regarding the Sub-Fund.

The Sub-Fund shall bear all expenses incidental to its operations and business, including but not limited to transactional costs (such as brokerage, banking, sales and purchase commissions and charges, and exchange

fees), fees and charges of custodians and clearing agencies, profit and commitment fees on financing and debit balances, income taxes, withholding taxes, transfer taxes, and other governmental charges and duties. the Sub-Fund shall all also bear any costs incurred for meetings of Unitholders, fees of the Sub-Fund's legal advisers and the Administrator's, Auditor's, and Custodian's fees and expenses, the costs of its registration as a mutual fund with the Authority, the costs of, brokers' fees and expenses, and the costs of winding down and liquidating the Sub-Fund (the "Sub-Fund Expenses").

The operating and administrative costs of the Fund (the "Fund Expenses"), which are not directly related to or attributable to a specific Sub-Fund, will be allocated among the Sub-Funds at the discretion of the Fund Manager.

As of the reporting date, the United State Dollar ("USD") is pegged to the Arab Emirate Dirham ("AED"), with the average Foreign Exchange Rate is set at AED 3.6725 to the USD.

APPENDIX (A): CUSTODY FEES

The Sub-Fund pays the Custodian fees for its services as agreed from time to time by the Sub-Fund and the Custodian. The Custodian is entitled to be reimbursed by the Sub-Fund for all reasonable out-of-pocket expenses.

The Sub-Fund will pay the Custodian custodial safekeeping fees in an amount equal to 0.035% per annum and Scheme Administration Oversight Fees in an amount equal to 0.025% of the Sub-Fund NAV (excluding any value added tax, and invoiced monthly).

The fees specified above shall be calculated on the basis of the market value of the relevant securities at the relevant time.

The Sub-Fund will be subject to a minimum annual fee of USD 45,000 (excluding any value added tax, and invoiced monthly) to be paid on a yearly basis should the custody fees fall below that amount in any given year.

APPENDIX (B): ADMINISTRATION FEES

The Sub-Fund pays the Fund Administrator fees for its services as agreed from time to time by the Sub-Fund and the Administrator. The Administrator is entitled to be reimbursed by the Sub-Fund for all reasonable out-of-pocket expenses.

The Sub-Fund will pay the Fund Administrator with a fund accounting fee in an amount equal to 0.38% per annum of the Sub-Fund's NAV (excluding any value added tax, calculated weekly and invoiced monthly).

