Resolution No. (18) of 2026
Regarding
Issuance of Investment Controls for Multi-Asset Funds and Amendment to Some Provisions of the Investment Controls for Other Funds

Having Perused:

- Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws, and their amendments; and

- CMA Board of Commissioners Resolution passed in its meeting No. (6) of 2026 held on 11/02/2026.

- CMA Board of Commissioners Resolution passed in its meeting No. (7) of 2026 held on 18/02/2026.

The Following Was Resolved

Article (1)

Module One (Glossary) and Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of the Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments are hereby amended pursuant to Annex 1 attached to this Resolution.

Article (2)

Appendix 4 (CMA Fees Schedule) of Module Two (Capital Markets Authority) of the Executive Bylaws of the Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex 2 attached to this Resolution.

Article (3)

Attachment (1) “Application for the Marketing of Collective Investment Scheme Units Incorporated Outside the State of Kuwait” of Appendix 1 “Marketing the Collective Investment Scheme Units Incorporated Outside the State of Kuwait” of Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of the Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex 3 attached to this Resolution.

Article (4)

Each of the following 2 Attachments:

- Attachment (3): Application Form for the Prospectus of Collective Investment Scheme Incorporated Outside the State of Kuwait
- Attachment (4): Institutional Marketing of the Collective Investment Scheme Units Incorporated Outside the State of Kuwait

Shall be added to Appendix 1 "Marketing the Collective Investment Scheme Units Incorporated Outside the State of Kuwait" of Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of the Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments pursuant to Annex 4 attached to this Resolution.

Article (5)

Each of the following Attachments:

- Attachment (1): Investment Controls for Securities Funds
- Attachment (3): Investment Controls of Money Market Funds
- Attachment (4): Investment Controls of Debt Instruments Funds
- Attachment (5): Investment Controls of the Real Estate Funds
- Attachment (6): Investment Controls of the Fund of Funds
- Attachment (7): Investment Controls of Real Estate Income-Generating Fund (Traded)
- Attachment (9): Investment Controls of Venture Capital Funds

Of Appendix (4) "Investment Controls of Each Type of Fund" of Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of the Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments are hereby amended pursuant to Annex 5 attached to this Resolution.

Article (6)

Attachment (11) "Investment Controls of Multi-Asset Funds" shall be added to Appendix (4) "Investment Controls of Each Type of Fund" of Module Thirteen (Collective

Investment Schemes) of the Executive Bylaws of the Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments pursuant to Annex 6 attached to this Resolution.

Article (7)

Existing fund managers are exempt from the obligation to amend their conditions according to the provision of Article (5) of this Resolution. Any existing fund, at the time of enforcing this Resolution, may benefit from the updated provisions and the new concentration limits according to the type of fund, provided that it is preceded with the Authority's approval to amend the funds articles of association.

Article (8)

The concerned bodies shall execute this Resolution, each within its jurisdiction. This Resolution shall come into force from the date of its issuance, and it shall be published in the Official Gazette.

Emad Ahmed Tifouni

Issued on: 23/02/2026.

Annex 1

#	Module	Article	Amendment type	Text before Amendment	Text After Amendment
1	One	Multi-Asset Fund	Adding Definition	-	Multi-Asset Fund is an investment Fund with the main objective of investing the Fund's money to achieve various investment objectives through distributing them in different Securities, real estate assets, money market instruments or otherwise specified by the Bylaws by several types of assets for diversified and sound risk management and to maximize the revenues related to investment in the one-type asset.
2	One	Related Parties of a ~~Real Estate~~ Fund	Amending Definition	the Fund Manager or any of its Subsidiaries or Associate, Members of the Board of Directors of the Fund Manager or any of its Executive Officers or their Relatives at any of the above parties, the Fund Custodian, Investment Controller, real estate valuator, Fund Auditors, Fund Manager's Auditors, any unitholder whose holding exceeds 5% of the net assets of a real estate Investment Fund or any person Subsidiary to, or in control of, any of the above.	the Fund Manager or the Fund liquidator or any of its Subsidiaries or Associate, Members of the Board of Directors of the Fund Manager or liquidator or any of its Executive Officers, the liquidator, or their Relatives at any of the above parties, ~~the Fund Custodian, Investment Controller, real estate valuator, Fund Auditors~~, any of the Fund's service providers, Fund Manager's Auditors or liquidator, any unitholder whose holding exceeds 5% of the net assets of a ~~real estate Investment~~ Fund or any person Subsidiary to, or in control of, any of the above.

#	Module	Article	Amendment type	Text before Amendment	Text After Amendment
3	One	Fund of Funds	Amending Definition	a Fund with the main objective of investing in other Investment Funds licensed by the Authority or by a foreign supervisory authority in accordance with regulatory standards and conditions no less than those applied by the Authority.	~~a Fund with the main objective of investing in other Investment Funds licensed by the Authority or by a foreign supervisory authority in accordance with regulatory standards and conditions no less than those applied by the Authority.~~ an investment Fund with the main objective of investing in other investment Funds licensed by the Authority or subject to another supervisory authority.
4	Thirteen	Article 1-15	Amending Article	Units may not be marketed in the State of Kuwait for a Collective Investment Scheme incorporated out of the State of Kuwait unless a permission is granted from the Authority pursuant to the provisions of Chapter Five of this Module.	Units may not be marketed in the State of Kuwait for a Collective Investment Scheme incorporated out of the State of Kuwait unless a permission is granted from the Authority pursuant to the provisions ~~of Chapter Five~~ of this Module.

#	Module	Article	Amendment type	Text before Amendment	Text After Amendment
4	Thirteen	Article 2-3	Amending Article	According to the nature of its activity, a Fund may take one of the following types: 1. Equity Fund. 2. Private Equity Fund. 3. Money Market Fund. 4. Debt Instrument Fund. 5. Real Estate Fund. 6. Fund of Funds. 7. Real Estate Income-Generating Fund (Traded). 8. Hedge Fund. 9. Venture Capital Fund. 10. Sustainable Fund. 11. Any other type approved by the Authority, provided that it shall be a Private Fund. The general provisions stipulated in this Module shall apply to different types of Funds, unless there is a special provision on investment controls for each type of Fund.	According to the nature of its activity, a Fund may take one of the following types: 1. Equity Fund. 2. Private Equity Fund. 3. Money Market Fund. 4. Debt Instrument Fund. 5. Real Estate Fund. 6. Fund of Funds. 7. Real Estate Income-Generating Fund (Traded). 8. Hedge Fund. 9. Venture Capital Fund. 10. Sustainable Fund. ~~11. Any other type approved by the Authority, provided that it shall be a Private Fund.~~ 11. Multi-Asset Fund. 12. The Authority may approve the incorporation of any other type not specified in this Article, provided that the submitted application includes a clear investment policy and positioning percentages that do not conflict with the general provisions regulated by the Authority.

#	Module	Article	Amendment type	Text before Amendment	Text After Amendment
					The general provisions stipulated in this Module shall apply to different types of Funds, unless there is a special provision on investment controls for each type of Fund.
5	Thirteen	Article 2-4-1	Amending Article	The Fund's capital is divided into Units of equal value. The liability of the Unit holders in the Fund is limited to the value of their participation in the Fund's capital. The value of Units shall be paid in cash upon subscription or participation. The value of subscription may be paid in instalments if stated in the Articles of Association of a Real Estate Fund, Private Equity Fund, Private Fund, and any other Fund as approved by the Authority. As an exception of the provision aforementioned - for the Real Estate Income-Generating Fund (Traded) and Private Fund- the value of Units may be paid in kind; provided that the Articles of Association states thereof; the assets in kind shall be set for appraisal in accordance with the provisions of appraisal of shares in kind referred to in Module Eleven (Dealing in Securities) of these Bylaws.	The Fund's capital is divided into Units of equal value. The liability of the Unit holders in the Fund is limited to the value of their participation in the Fund's capital. The value of Units shall be paid in cash upon subscription or participation. The value of subscription may be paid in instalments if stated in the Articles of Association of the Fund ~~Real Estate Fund, Private Equity Fund, Private Fund, and any other Fund as approved by the Authority~~. As an exception of the provision aforementioned - for the Real Estate Fund, Real Estate Income-Generating Fund (Traded) and Private Fund- the value of Units may be paid in kind; provided that the Articles of Association states thereof; the assets in kind shall be set for appraisal in accordance with the provisions of appraisal of shares in kind referred to in Module Eleven (Dealing in Securities) of these Bylaws.

#	Module	Article	Amendment type	Text before Amendment	Text After Amendment
6	Thirteen	Article 2-24-4	Amending Article by Underlining a Phrase	When a Fund Manager employs the services of an external party to evaluate the Fund's Assets, the external party shall be independent of the Fund Manager and relevant parties of the Fund.	When a Fund Manager employs the services of an external party to evaluate the Fund's Assets, the external party shall be independent of the Fund Manager and Related Parties of the Fund.
7	Thirteen	Article 2-30-3	Adding Article	-	Without prejudice to the investment controls according to type of Fund and Articles of Association, the approval of the Investment Controller as well as the Authority shall be obtained upon purchasing, selling, or dealing in real estate investments in which the opposite party is one of the Related Parties of the Fund.
8	Thirteen	Article 2-37-7	Amending Article	The liquidator shall carry out all works required for the Fund's liquidation and shall be entitled to: 1. Comply with the Law, these Bylaws, circulars, resolutions, and instructions issued by the Authority. 2. Take all necessary measures immediately to correct any failure to fulfill its obligations stipulated in these Bylaws and any instructions issued by the Authority. 3. Represent the Fund before the courts and third parties.	The liquidator shall carry out all works required for the Fund's liquidation and shall be entitled to: 1. Comply with the Law, these Bylaws, circulars, resolutions, and instructions issued by the Authority. 2. Take all necessary measures immediately to correct any failure to fulfill its obligations stipulated in these Bylaws and any instructions issued by the Authority. 3. Represent the Fund before the courts and third parties.

#	Module	Article	Amendment type	Text before Amendment	Text After Amendment
				4. Provide Care of a Prudent Person to maintain the Fund's Assets and rights. 5. Pay the Fund's debts. 6. Allocate amounts for disputed debts and obligations of the Fund. 7. Sell the Fund's Assets of real estate and movable assets in a public auction, tender, or any other method ensuring to have access to the highest price, unless the appointment resolution sets forth selling in a certain method. 8. Divide the Fund's net Assets amongst the Unit holders. 9. Provide all necessary information about the Fund to service providers to enable them to carry out their tasks effectively. 10. Provide a copy of the Fund's liquidator's report on the quarterly liquidation activities submitted to the Authority, the minutes of the Unit holders' assemblies meeting, or the financial statements to the Unit holders if they so request. 11. Keeping the books and documents related to the liquidation of the Fund for a period of five years from the date of canceling the	4. Provide Care of a Prudent Person to maintain the Fund's Assets and rights. 5. Pay the Fund's debts. 6. Allocate amounts for disputed debts and obligations of the Fund. 7. Sell the Fund's Assets of real estate and movable assets in a public auction, tender, or any other method ensuring to have access to the highest price, unless the appointment resolution sets forth selling in a certain method. 8. Divide the Fund's net Assets amongst the Unit holders. 9. Provide all necessary information about the Fund to service providers to enable them to carry out their tasks effectively. 10. Provide a copy of the Fund's liquidator's report on the quarterly liquidation activities submitted to the Authority, the minutes of the Unit holders' assemblies meeting, or the financial statements to the Unit holders if they so request. 11. Keeping the books and documents related to the liquidation of the Fund for a period of five years from the date of canceling the registration of the Fund from the Authority's register.

#	Module	Article	Amendment type	Text before Amendment	Text After Amendment
				registration of the Fund from the Authority's register. The liquidator may not proceed with new works unless they are necessary for completing previous works. In addition, the liquidator may not sell the Fund's Assets in one batch; reconcile concerning the rights thereof; accept arbitration in the disputes related to liquidation works; or deal with parties of relevance or perform in kind distributions without the approval of the Unit holders assembly.	The liquidator may not proceed with new works unless they are necessary for completing previous works. In addition, the liquidator may not sell the Fund's Assets in one batch; reconcile concerning the rights thereof; accept arbitration in the disputes related to liquidation works; or deal with Related Parties of the Fund or perform in kind distributions without the approval of the Unit holders assembly.
10	Thirteen	Article 5-1	Amending Article	The provisions of this chapter shall apply to the Collective Investment Schemes incorporated outside the State of Kuwait and marketed in the state of Kuwait.	The provisions of this chapter shall apply to the Collective Investment Schemes incorporated outside the State of Kuwait and marketed in the state of Kuwait. The provisions of this Chapter do not apply to institutional marketing processes regulated in accordance with the provisions of Attachment (4) (Institutional Marketing of the Collective Investment Scheme Units Incorporated Outside the State of Kuwait) of Appendix 1 "Marketing the Collective Investment Scheme Units Incorporated Outside the State of Kuwait" of this Module.

#	Module	Article	Amendment type	Text before Amendment	Text After Amendment
11	Thirteen	Article 5-2-1	Amending Article	Marketing in the State of Kuwait for a Collective Investment Scheme incorporated out of it shall not take place except after the Authority issues its marketing license. This is limited to Licensed Persons to practice the activity of a Collective Investment Scheme Manager or Subscription Agent (selling).	Marketing in the State of Kuwait for a Collective Investment Scheme incorporated out of it shall not take place except after the Authority issues its marketing license. This is limited to Licensed Persons to practice the activity of a Collective Investment Scheme Manager, Subscription Agent (selling) or Investment Advisor.

Annex 2

Appendix (4)

CMA Fees Schedule

#	Service	Fee Amount (KWD)	Maturity
1-2 Collective Investment Schemes			
1-2-4	Request for permission for Institutional Marketing of Collective Investment Scheme Units Incorporated Outside the State of Kuwait	** KWD 500 (five hundred Kuwaiti Dinars)	Upon submitting the application.
		** Based on the number of Collective Investment Schemes offered in the State of Kuwait of KWD 10,000 (ten thousand Kuwaiti Dinars) per scheme.	Upon permission annually.
1-2-5	Request of incorporating and licensing a Contractual Collective Investment Scheme and licensing the Special Purpose Vehicle that issues its units.	** KWD 1,000 (one thousand Kuwaiti Dinars)	Upon submitting the application.
		** KWD 3,000 (three thousand Kuwaiti Dinars)	Upon licensing and upon renewal every 3 years.

<u>**Annex 3**</u>

Appendix (1)

Marketing the Collective Investment Scheme Units Incorporated Outside the State of Kuwait

Attachment (1)

Application for the Marketing of Collective Investment Scheme Units Incorporated Outside the State of Kuwait

Date:

Application for the Marketing of Collective Investment Scheme Units Incorporated Outside the State of Kuwait

Contents

The Licensed Persons wishing to market in the State of Kuwait a Collective Investment Scheme incorporated outside the State of Kuwait inside the State of Kuwait shall fill out this form and submit it to ~~Licensing and Registration Department at~~ the Capital Markets Authority.

Section1	Details of the Collective Investment Scheme
Section 2	List of the Documents Required upon Submission of the Application
Section 3	Declaration and Undertaking Issued to the Capital Market Authority

1- Details of the Collective Investment Scheme	
Name of the applicant for marketing of the Collective Investment Scheme Units inside the State of Kuwait *	(Name of Licensed Person by the Authority who will market Collective Investment Scheme Units inside the State of Kuwait)
Name of Collective Investment Scheme (in Arabic)	(The Scheme's name in Arabic according to the certificate of incorporating Collective Investment Scheme in the country of origin)

<table>
<tr><td>Name of Collective Investment Scheme (in English)</td><td colspan="3">(The Scheme's name in English according to the certificate of incorporating Collective Investment Scheme in the country of origin)</td></tr>
<tr><td>Country of Origin</td><td colspan="3">(The country at which the Collective Investment Scheme has been incorporated)</td></tr>
<tr><td>~~Regulatory Authority~~
Registered regulator/ regulatory authority/ supervisory authority</td><td colspan="3">(The authority which the Collective Investment Scheme is subject to the laws thereof)</td></tr>
<tr><td>The Scheme's Manager</td><td colspan="3">(A person responsible for managing the investments of the Collective Investment Scheme according to the terms and provisions of the Collective Investment Scheme, in accordance with a certificate issued from the country of origin, along with statement of the supervisory authority it subjects to)</td></tr>
<tr><td rowspan="5">Entity that incorporated the Collective Investment Scheme</td><td colspan="3">Name:</td></tr>
<tr><td colspan="3">Nationality:</td></tr>
<tr><td colspan="3">Legal Status:</td></tr>
<tr><td colspan="3">Address of Head Quarters:</td></tr>
<tr><td>Telephone:</td><td>Email:</td><td>Web Site:</td></tr>
<tr><td>Currency of the Scheme</td><td colspan="3"></td></tr>
<tr><td>Form of the Scheme</td><td colspan="3">(Open - Closed)</td></tr>
<tr><td>Nature of the Scheme</td><td colspan="3">(Conventional - Sharia Compliant)</td></tr>
<tr><td>Collective Investment Scheme Type</td><td colspan="3">(Investment in Securities/Investment in Money Market/ Real Estate Investment / Investment in Funds/ Investment in Debt Instruments/ Investment in private equity/ Any other type……..)</td></tr>
<tr><td>Price of the Unit inside the State of Kuwait</td><td colspan="3">(The price to be offered for investors inside the State of Kuwait)</td></tr>
<tr><td>Maximum limit for the Units to be marketed inside the State of Kuwait</td><td colspan="3">(According to segment: Owns voting right – Does not own a voting right – others)</td></tr>
<tr><td>Maximum limit for the total value offered inside the state of Kuwait</td><td colspan="3">(In Kuwaiti Dinars or according to the currency of the Scheme)</td></tr>
<tr><td>Name of Marketer</td><td colspan="3">Name of entity: (Name of the Licensed Person by the Authority who will market</td></tr>
</table>

<table>
<tr><td rowspan="6"></td><td colspan="3">the Collective Investment Scheme Units inside the State of Kuwait)</td></tr>
<tr><td colspan="3">Number of the Authority’s license:</td></tr>
<tr><td colspan="3">Address of HQ:</td></tr>
<tr><td colspan="3">Telephone:</td></tr>
<tr><td>Name of Liaison officer with the Authority:</td><td>Website</td><td>Email</td></tr>
<tr><td colspan="3">Name: (name of the Subscription Agent (selling) licensed by the Authority and assigned by the Marketer to market the Collective Investment Scheme Units inside the State of Kuwait)</td></tr>
<tr><td rowspan="4">Subscription Agents (selling) of the Collective Investment Scheme inside the State of Kuwait (if any)</td><td colspan="3">Number of the Authority’s license:</td></tr>
<tr><td colspan="3">Address of HQ:</td></tr>
<tr><td colspan="3">Telephone:</td></tr>
<tr><td>Name of Liaison officer with the Authority:</td><td>Website</td><td>Email</td></tr>
</table>

2. List of the Documents upon submission of Application				
#	Document	Enclosed	N/A	Remarks
1	Certificate of establishment, license or registration of the Collective Investment Scheme Manager issued by the country of origin and approved by Ministry of Foreign Affairs of the State of Kuwait.	○	○	
2	Certificate of establishing the Collective Investment Scheme or the companies comprising it issued by the country of origin and approved by Ministry of Foreign Affairs of the State of Kuwait.	○	○	
3	The signed agreement between the Collective Investment Scheme representative and the entity applying for marketing of the	○	○	

	Collective Investment Scheme Units inside the State of Kuwait and approved by Ministry of Foreign Affairs of the State of Kuwait. Note: The mentioned document may not be required for submission if the entity applying for marketing is the representative of the Scheme, or if the company representing the Collective Investment Scheme is fully owned by the entity applying for marketing (provided that a proof of ownership shall be submitted to the Authority).			
4	Copy of the draft agreement concluded between the entity applying for marketing of the Collective Investment Scheme Units inside the State of Kuwait and the local Subscription Agent (selling).	○	○	
5	The document of offering the Collective Investment Scheme (Prospectus) addressed to the clients of State of Kuwait according to Attachment (3) Application Form for the Prospectus of Collective Investment Scheme Incorporated Outside the State of Kuwait of this Appendix.	○	○	
6	The Collective Investment Scheme structure.	○	○	
7	Articles of Association or Memorandum of Association of the Collective Investment Scheme or of the companies comprising the Collective Investment Scheme structure issued by the country of origin and approved by Ministry of Foreign Affairs of the State of Kuwait.	○	○	
8	Copy of the payment receipt of the application fees.	○	○	

3. Declaration and Undertaking Issued to the Capital Market Authority

I hereby, in my capacity as the Chairman (or the deputy thereof, with a copy of deputation, if any), undertake to .... (Applicant) that .... (name of the Collective Investment Scheme) which Units are planned to be marketed through our company, has been incorporated in accordance with the Laws and conditions applied in the country of incorporation, and I hereby undertake to:

1. ~~The information in this application (including all appendices and attachments) is complete, accurate and correct. I also declare that~~ I have reviewed Law No. 7 of 2010, its Executive Bylaws and their amendments as well as the resolutions and circulars issued by the Authority	□ Yes
2. A due diligence review was undertaken of the Scheme to be marketed in the State of Kuwait and its manager by the Marketer of the Scheme prior to submitting to the Authority application for marketing the Collective Investment Scheme Units incorporated outside the State of Kuwait.	□ Yes
3. The Prospectus prepared for investors inside the State of Kuwait which was submitted to the Authority and the information and documents provided in the application (including all appendices and attachments) are complete, clear, correct, not misleading, and do not include any deficiency that may affect the content of such information. In addition, none of its provisions conflict with the main items included in the offer document/Prospectus of a Collective Investment Scheme.	□ Yes
4. I declare to disclose to the subscriber prior to subscription that the approval of the Authority on the marketing of the Collective Investment Scheme inside the State of Kuwait does not mean a recommendation to buy or invest in the Collective Investment Scheme. Such approval is only related with the ability of the marketing entity to market the Shares and Units of the Collective Investment Scheme, and that the Authority shall not be held liable for the default of any of the competent parties of the Collective Investment Scheme in carrying out the tasks and duties thereof, and shall not be responsible for the accuracy and safety of the information set out in the Prospectus, and the signature thereof shall be affixed to prove that.	
5. The Collective Investment Scheme shall not carry out any activities inside the State of Kuwait which may result in funding third parties.	
6. I am aware of the Capital Market Authority's right to take any punitive or disciplinary action against any Person who provides incorrect or misleading information in this application.	□ Yes

7. I declare my approval that Capital Market Authority shall use and disclose any information I have provided or will provide in the future for the purposes of carrying out its duties.	□ Yes
8. I shall abide by the provisions of Law No. 7 of 2010 and the Executive Bylaws thereof as well as to the regulations, resolutions, instructions, or any circulars related to marketing the Collective Investment Schemes inside the State of Kuwait.	□ Yes
9. I undertake to pay any fees for licensing or any other fees as prescribed by the Authority in accordance with the resolutions issued in this regard.	□ Yes
10. I undertake to provide any information or documents at the request of the Authority	□ Yes
This is a declaration and undertaking from me	

Name *	Capacity *	Date *

Signature *	Stamp *

Annex 4

Attachment (3) Application Form for the Prospectus of Collective Investment Scheme Incorporated Outside the State of Kuwait

Licensed persons wishing to market a Collective Investment Scheme incorporated outside the State of Kuwait inside the State of Kuwait shall fill out this form and submit it to the Capital Markets Authority. The Authority may add or exempt any part of this prospectus as required by the application under consideration.

Date: [00/00/0000]

[Name of the Collective Investment Scheme Incorporated Outside the State of Kuwait]

Private Prospectus

Name of the Scheme Manager	[Name of the Licensed Person, registered, subject, or regulated by a regulatory body in the country of origin who will manage the investments of the Collective Investment Scheme in accordance with the terms and conditions of the scheme]
Name of Marketer	[Name of the Licensed Person by the Authority who will market the units of the Collective Investment Scheme in the State of Kuwait]
Name of the Subscription Agent (selling) (If any)	[Name of the Subscription Agent (Selling) licensed by the Authority and appointed by the Marketer to market the units of the Collective Investment Scheme in the State of Kuwait]
Period of Subscription	[To be determined after obtaining a license from the Authority]

Name of Marketer:

Address of Marketer:

Declaration of Disclaimer:

The Authority's approval of marketing:

[Name of the Collective Investment Scheme incorporated outside the State of Kuwait] does not mean a recommendation to buy or invest in the Collective Investment Scheme. Such approval is only related to the ability of the Marketer to market the Shares and Units of the Collective Investment Scheme, and that the Authority shall not be held liable for the default of any of the competent parties of the Collective Investment Scheme in carrying out the tasks and duties thereof. Such responsibility shall be held by all the parties listed in the Prospectus in accordance with the roles and duties of each.

Declaration and Undertaking

Date: [00/00/0000]

We, [Name of Marketer Who Will Market Units of the Collective Investment Scheme in the State of Kuwait], as the marketer of [Name of Collective Investment Scheme Incorporated Outside the State of Kuwait], declare that the scheme to be marketed in the State of Kuwait and its manager have undergone due diligence by the marketer prior to submitting the application to the Authority to market units of a collective investment scheme established outside the State of Kuwait. We further confirm to the Authority the following:

• The prospectus prepared for investors in the State of Kuwait, which was submitted to the Authority, and the information and documents submitted with the application are complete, clear, accurate, and not misleading, and contain no deficiencies that could affect the content of that information, in addition to none of its provisions conflicting with the basic terms contained in the offering document/prospectus of the collective investment scheme.

• Sufficient information will be provided to unit holders in the State of Kuwait regarding the Collective Investment Scheme to be marketed in the State of Kuwait to allow them to make an informed investment decision, and that this information is complete, clear, accurate, and not misleading.

• We will provide unit holders in the State of Kuwait who subscribe to the scheme with all data, reports, disclosures, material information, and any future amendments to this prospectus as soon as they are issued.

• We acknowledge that the Authority's approval to market the scheme in the State of Kuwait does not necessarily guarantee the soundness of the investment, but rather signifies that the application has met the licensing requirements for marketing within the State of Kuwait.

• In the case of direct ownership and registration of units in the investor's name:

[We confirm that unit holders in the State of Kuwait will directly have all rights arising from ownership of the scheme's units].

• In the case of indirect ownership and registration of units in the marketer's name,

[The marketer of the Collective Investment Scheme undertakes to exercise all rights associated with unit holders in [the name of the Collective Investment Scheme] full and with due diligence, and in accordance with the prospectus.]

The Collective Investment Scheme Marketer

- **Summary of Scheme Details:**

Name of the Scheme (in Arabic)	The scheme’s name in Arabic as stated in the Collective Investment Scheme's incorporation certificate issued in the country of origin.
Name of the Scheme (in English)	The scheme’s name in English as stated in the Collective Investment Scheme's incorporation certificate issued in the country of origin.
Regulatory Authority	The regulatory authority that approved the registration or licensing of the scheme, or to which the Collective Investment Scheme is subject.
Date of Scheme Incorporation	00/00/0000
Term of the Scheme	The scheme's term, specifying a start and end date, with conditions for extension as applicable.
Currency of the Scheme	
Scheme Form	Open/ Closed
Scheme Nature	Conventional/ Conforms with Islamic Sharia Standards
Scheme Type	Securities Investment/Money Market Investment/Real Estate Investment/Fund Investment/Debt Instrument Investment/Private Equity/ Any Other Type…………
The Price of the Unit in the State of Kuwait	The price at the initial offering or the last unit valuation price.
Minimum limit for the Subscription	
Subscription Fees	
Management Fees	
Incentive Fees	
Risk Level	

# of Section	Name of Section	Page # of Prospectus	Page # in the primary document of the scheme (where applicable)
1.0	Preamble		
2.0	Definitions		
3.0	Information about the scheme		
4.0	Information of the Collective Investment Scheme Manager		
5.0	Information about the Collective Investment Scheme Unit		
6.0	Investment Policy, Objectives of the Scheme, Investment Restrictions and Risks		
7.0	Dealing in the Scheme's Unit		
8.0	Valuation of Collective Investment Scheme Assets		
9.0	Fees and charges		
10.0	Disclosures and periodic reports for unit holders in the State of Kuwait		
11.0	Unit holder's rights in the state of Kuwait		
12.0	Collective Investment Scheme Marketer Obligations		
13.0	Other information		
14.0	Any other data requested by the Authority		

1.0 Section One: Preamble

[Please add a summary describing the purpose of the offering, the nature of the investment covered by this prospectus, its structure, and the nature of the eligible investor category (Professional Client)]

This prospectus has been prepared and submitted by [Name of Marketer] in accordance with Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws, and their amendments, and pursuant to the provision of Article (5-6) of Chapter Five (Marketing a Collective Investment Scheme Incorporated Outside the State of Kuwait) of Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of Law No. 7 of 2010 and its amendments, without prejudice to the main provisions stipulated in the offer document/prospectus of the collective investment scheme [Name of Collective Investment Scheme Incorporated Outside the State of Kuwait] .

The Authority does not provide any confirmation as to the accuracy, soundness, or completion of the information contained in this prospectus and disclaims any liability for any loss arising from, or dependence on any part of this document. Persons interested in subscribing/participating are advised to read and understand this document, in case of doubt, please seek advice from a qualified Licensed Person in accordance with the Law who is specializing in providing investment advice regarding participation in the scheme.

2.0 Section Two: Definitions

[Add basic definitions that the investor should be familiar with in the prospectus]

3.0 Section Three: Information of the Scheme

3.1 Name of the Scheme: [Scheme's name in Arabic and English as stated in the Collective Investment Scheme's incorporation certificate issued in the country of origin]

3.2 Country of Origin: [Name of the country where the scheme was incorporated]

3.3 Registered Regulator/Supervisory Authority/Regulatory Authority: [The entity which the Collective Investment Scheme is subject to the laws thereof]

3.4 Licensing/Registration Nature: [Licensed Collective Investment Scheme/Registered Collective Investment scheme/Other]

3.5 Legal Status of the Scheme: [Fund/Limited Liability Company/Special Purpose Vehicle/Other/and whether the scheme is an independent corporate entity]

3.6 Scheme Establishment Date: [00/00/0000]

3.7 Scheme Form: [Open or Closed]

3.8 Scheme Type: [Investment in securities/Investment in money markets/Investment in real estate/Investment in funds/Investment in debt instruments/Private equity/Other]

3.9 Scheme Classification: [Public or Private]

3.10 Currency of the Scheme: [According to the main currency of the scheme, with a statement of local exchange rates and procedures for subscription, registration, redemption, or liquidation, as applicable]

3.11 Scheme Capital: [Number of units and total value in the scheme's currency]

3.12 Scheme Nature: [Conventional/Conforms with Islamic Sharia Standards]

3.13 Scheme Term: [Defining the scheme term, with a specific start and end date, and specifying the conditions for extending the duration, as applicable]

3.14 Historical Performance of the Collective Investment Scheme: [If available/If applicable]

4.0 Section Four: Information of the Collective Investment Scheme Manager

4.1 Name of Scheme Manager: [The person managing the investments of the Collective Investment Scheme according to the terms and conditions of the Collective Investment Scheme, as per the certificate issued in the country of origin, and a statement of the regulatory authority to which they are subject]

4.2 Registration or License Number: [If available/If applicable]

4.3 Country of Incorporation of the Scheme Manager:

4.4 Date of Incorporation of the Scheme Manager: [00/00/0000]

4.5 Address of the Scheme Manager:

4.6 Website:

4.7 Contact Information:

4.8 Names of the Scheme Manager's Board Members or Other Management Officers and a Brief Curriculum Vitae of Each:

Name of Board Member	Curriculum Vitae
1.	○
2.	○
3.	○

4.9 Description of the Roles to be Performed by Board Members and Their Remuneration [If Any]:

4.10 Details of the Scheme Manager's Equity Shares in the Company:

4.11 Percentage of the Manager's Participation in the Scheme Capital: [If Applicable]

4.12 Cases of Conflicts of Interest and the Policies and Procedures for Dealing with them: [If Any/If Applicable]

4.13 Statement of Any Outsourcing of the Scheme Manager's Roles to an External or Independent Party: [If Any/If Applicable]

5.0 <u>Section Five: Information of the Collective Investment Scheme Unit:</u> [A scheme Unit may be a Unit/Share/stake or any other form]

5.1 Nominal Value of the Unit: [If Any/If Applicable]

5.2 Number of Units: [Total Number of Units in the Scheme]

5.3 Legal Form of the Unit: [Unit/Share/Stake/Other]

5.4 Names of companies that comprise the unit: [If Any/If applicable] [In Arabic and English]

5.5 Components of the unit: [If Any/ If applicable]

5.6 Features/Categories of the unit: [If Any/ If applicable]

5.7 Unit offering price in the State of Kuwait:

5.8 Maximum number of units to be marketed within Kuwait: [By category]

5.9 Maximum total value offered in Kuwait: [In Kuwaiti Dinars or the scheme's currency]

6.0 <u>Section Six: Investment Policy, Objectives of the Scheme, Restrictions, and Risks</u>

6.1 Investment Objectives of the Collective Investment Scheme:

6.2 Investment Summary: [A description of the type or types of assets or investments the scheme will invest in, if the investment is pre-determined and where applicable]

6.3 Investment Policy, Restrictions, and Controls: [A summary of the policies, strategies, and concentration ratios in specific assets or geographic areas that the scheme will pursue to achieve its objectives]

6.4 Investment Risks: [Risk factors affecting the scheme's performance that must be disclosed, noting that investing in the scheme does not guarantee profit or no loss.

6.5 A statement confirming that the subscriber has been informed of all risks they may face when investing in the Collective Investment Scheme, the tax status of the Collective Investment Scheme under the tax legislation of the country in which it is incorporated, and the impact on their investments in the Collective Investment Scheme and the returns achieved.]

6.6 Maximum borrowing as a percentage of net asset value: [If Any/If applicable]

6.7 Basis and method of distribution of dividends: [If Any/If applicable]

7.0 Section Seven: Dealings on Scheme Units

7.1 Method of Subscription, Registration, and Redemption of Scheme Units: [If Any/If applicable]

7.2 Subscription and Redemption Terms: [If Any/If applicable] [Must include a start and end date and be specified in Kuwait local time]

7.3 Minimum/Maximum Subscription and Redemption by the Scheme Manager and Unit Holders: [If Any/If applicable]

7.4 Cases and Terms in which payment delay or suspension of unit redemption may be applied and the maximum time period for unit redemption after delay and suspension: [If Any/If applicable]

7.5 Transfer of Ownership Cases: [With a statement confirming that the procedures for transferring ownership within the State of Kuwait will not conflict with the provisions of Article (5-10) of Chapter Five (Marketing a Collective Investment Scheme Incorporated Outside the State of Kuwait) of Module Thirteen of the Executive Bylaws of Law No. 7 of 2010 and their amendments]

8.0 Section Eight: Valuation of Assets of a Collective Investment Scheme

8.1 Dates, Mechanism, and Method for Valuing Each Scheme Asset: [If Any/If applicable]

8.2 Dates and Method for Calculating (NAV): [If Any/If applicable]

8.3 Procedures to be taken in case of errors in valuation and calculation of the unit price, and the compensation mechanism, if applicable:

9.0 Section Nine: Fees and Charges

9.1 All fees, expenses, or charges, whether due from Unit holders or the scheme:

[A table showing the value of all fees, expenses, charges, and commissions related to the scheme's operations, the method of calculating the fees and paying service providers, whether due from Unit holders, from the scheme's assets, or paid by the scheme manager, the mechanism for its amendments, and the mechanism for notifying Unit holders of such amendment. The circumstances under which the scheme manager or marketer has the right to waive their fees should also be specified.]

10.0 <u>Section Ten: Periodic Disclosures and Reports to Unit Holders in the State of Kuwait</u>

10.1 Periods of Preparation and Issuance of Financial Statements, Method of Access, and How to Obtain Copies: [The start and end dates of the scheme's financial year and their dates of issuance, with a statement that the financial statements will be available to all Unit holders free of charge.]

10.2 Periodic Reports to Unit Holders, Dates of Issuance, Method of Access, and How to Obtain Copies:

10.3 Mechanism or Method for Unit Holders to Be Notified of Any Material Events Related to the Scheme: [Including, but not limited to:

• Material events related to the scheme in general.

• Any changes related to the information contained in the prospectus (if any).

• Any decisions related to the liquidation of the Collective Investment Scheme.

• Any legal action taken by the Collective Investment Scheme against a third party, or by a third party against the Collective Investment Scheme, that in the end will evidently affect the activities or financial position of the Collective Investment Scheme.]

11.0 <u>Section Eleven: Rights and Responsibilities of Unit Holders in the State of Kuwait</u>

11.1 A statement that, except for the loss of the value of the Units or part thereof, the Unit holder shall not be liable for the debts and obligations of the scheme, unless otherwise stipulated by the laws applicable in the country of origin. In such cases, a statement must be provided specifying the circumstances under which Unit holders may be liable in this manner, and this information must be disclosed to the Unit holders and obtained with their signature acknowledging full disclosure before investing in the scheme.

11.2 Method of Registering Unit Holders' Ownership:

<u>In the case of direct ownership and registration of Units in the investor's name, the following shall be stated:</u>

The Unit holder's ownership will be registered directly in their name in the shares of [the company/shares of the investment companies comprising the investment unit].

<u>In the case of indirect ownership and registration of Units in the name of the Marketer, the following shall be stated:</u>

Subscription to the Collective Investment Scheme shall be in the name of the scheme Marketer (name of scheme Marketer) on behalf of the Unit holders. The Collective Investment Scheme Marketer shall exercise all rights associated with the Unit holders in [name of Collective Investment Scheme] full and with due diligence, and in accordance with the prospectus.

11.3 Procedures for Complaints Submitted to the Marketer or Scheme Manager: [Including the following information as a minimum]:

• [An undertaking from (name of scheme Marketer) to forward Unit holders' complaints to the Collective Investment Scheme manager or other parties associated with the scheme or the entity to which the scheme is subject, as directed by the Unit holders in the scheme.]

• Method of submitting the complaint: In person/Email/Letter/Any other method.

• Identifying the entity against which the complaint is filed: the Collective Investment Scheme Marketer / the Collective Investment Scheme manager / the regulatory authority in the country of origin of the Collective Investment Scheme.

• The scheme Marketer shall provide the investor with proof that the entity against which the complaint is filed has received the submitted complaint.

• Specifying a timeframe for notifying the Client of the response of the entity which the complaint is filed against.

• If the entity regulating the Collective Investment Scheme in the country of origin does not accept the complaints submitted by investors in the scheme, this must be clearly and explicitly stated in the prospectus.

12.0 Section Twelve: Obligations of the Collective Investment Scheme Marketer

12.1 Summary of the Responsibilities and Obligations of the Collective Investment Scheme Marketer towards Unit Holders and the Authority: [According to the minimum requirements of the Executive Bylaws]

13.0 Section Thirteen: Other Information

13.1 Any other information known or reasonably should be known by the scheme manager or Marketer, which Unit holders may reasonably request, or which is expected to be included in the prospectus and upon which the investment decision will be based.

14.0 Section Fourteen: Any other data requested by the Authority

Attachment (4): Institutional Marketing of the Collective Investment Scheme Units Incorporated Outside the State of Kuwait

First: General Provisions

1. Institutional marketing of Collective Investment Scheme incorporated outside the State of Kuwait means marketing, offering, arranging, or coordinating the participation in one or more investment funds or other Collective Investment Schemes incorporated outside the State of Kuwait only for Professional Client by Nature, according to the definition set forth in Module One (Glossary) of these Bylaws. Portfolios of Licensed Person are not included in this category unless managed directly by Professional Client by Nature.
2. The Licensed Person shall submit an application to the Authority prior to carrying out processes of institutional marketing of Collective Investment Scheme incorporated outside the State of Kuwait. This is limited to Licensed Persons to practice the activity of Collective Investment Scheme Manager, Subscription Agent (selling) or Investment Advisor.
3. The Authority shall register the Collective Investment Schemes incorporated outside the State of Kuwait that will undergo institutional marketing inside the State of Kuwait. It shall issue the marketing permission after receiving the application complete with all the information and documents set out in this Appendix and after payment of the prescribed fee thereof within ten Business Days and shall announce the permission in the Official Gazette. The Marketer may carry out his tasks after the announcement of the permission.
4. The Authority may reject the application for institutional marketing permission in the event of not meeting any of the basic conditions of granting the permission.
5. The Authority may keep record of all Collective Investment Schemes incorporated outside the State of Kuwait after granting permission for institutional marketing by the Authority.
6. The Authority may cancel the marketing permission and delete the registered Collective Investment Schemes if it was proven that any of the conditions or undertakings of granting the permission were not met, or if it is to protect the interest of the participants in the scheme, or if this would influence its national or public interest or violate the legislation applicable in the Authority.

Second: Notification Requirements

The applicant shall notify the Authority of his wish for institutional marketing, provided that the applicational shall include the following:

1. Basic information and Prospectuses of the Collective Investment Schemes that will undergo institutional marketing inside the State of Kuwait.

2. Regulatory authority (the authority which the Collective Investment Scheme is subject to the laws thereof) and a proof of incorporation, registration, or subjection to supervisory authority in the country of origin.
3. Target group of institutional marketing, provided that it shall one or all categories of Professional Client by Nature, according to the definition set forth in Module One (Glossary) of these Bylaws. Portfolios of Licensed Person may not be included in this category unless managed directly by Professional Client by Nature.

<u>Third: Undertakings</u>

The applicant shall undertake the following upon submission of the institutional marketing application:

1. Undertake to assume Care of a Prudent Person in the limits of responsibilities thereof as a marketing entity and to provide the Client with all adequate information and documentation according to which the investment decision of any Collective Investment Scheme will be taken. I also undertake to be responsible for any default, professional negligence, or fraud that may occur while carrying out his tasks, and compensate every Person harmed as a result of an error committed thereby, provided that the Authority shall be notified within ten Business Days once any of the events stipulated in this item occurs.
2. Undertake to inform the subscriber that the Prospectus submitted to the Authority and the information and documents provided in the application (including all appendices and attachments) are complete, clear, correct, not misleading, and do not include any deficiency that may affect the content of such information, and that the Authority has not reviewed any of the provisions set for in the Prospectus or relied on in granting in the marketing permission.
3. Undertake to inform the subscriber of all the risks that may encounter during investment in the Collective Investment Scheme, the tax status of the Collective Investment Scheme under the tax legislations at the country of origin, and the effect of such status on the investments thereof in the Collective Investment Scheme as well as the returns to be achieved from such Scheme.
4. Undertake to inform the subscriber that the Authority’s permission for institutional marketing of a Collective Investment Scheme inside the State of Kuwait is not a recommendation of purchase or investment in a Collective Investment Scheme; however, it refers to the ability and appropriateness of the Marketer to market the stakes or Units of a Collective Investment Scheme, and that the Authority is not responsible for the default of any party concerned with the Collective Investment Scheme in carrying out the tasks and responsibilities thereof, while that responsibility is of all other parties according to the roles and tasks of each party.
5. Undertake to ensure that the Collective Investment Scheme shall not carry out any activities inside the State of Kuwait which may result in funding third parties.

6. Undertake to notify the Authority and the Clients immediately after the occurrence and knowledge of material events or information that may expose the interests of the Clients' assets to risks.
7. Undertake to submit to the Authority a report of the effective results of marketing a Collective Investment Scheme incorporated outside the state of Kuwait within fifteen Business Days from the expiration date of the institutional marketing permission or in the event of completing the marketing processes before that (if sooner).

Appendix (5)

Investment Controls of Each Type of Fund

Attachment (1)

Investment Controls for Securities Investment Funds

Investment Controls for Securities Investment Funds

The Securities Investment Fund is an investment Fund that aims to invest in listed Securities traded in various sectors in the regulated markets and the fields of investment related to Securities that are specified in the Articles of Association.

Securities Investment Funds which are offered through a Public Offer are subject to the following terms and conditions:

1. Not to own more than 10% of all types of Securities of one issuer.
2. A Fund may not borrow ~~No borrowing~~ or enter into transactions which may result in contractual financial commitments more than 15~~10~~% of the ~~Fund's~~ its net asset value.
3. Without prejudice to Article (1) above, the Fund may invest up to 15% as a maximum of its net asset value in any bonds and/or sukuk issued by the Gulf Cooperation Council (GCC) or issued under the guarantee thereof at the time of investment, provided that the Articles of Association so provides.
4. The Fund may invest 25% maximum of its net assets value in other unlisted ~~investment~~ Funds that are licensed by the Authority or subject to another Regulatory Body in accordance with the following:
    a. The Articles of Association shall state such investment and the type of Fund.
    b. The investment Funds are not managed by the same Fund Manager.
    c. The investments made in one Fund may not exceed 15% from the net asset value of the Fund.
    d. The investments made in Private Funds may not exceed 10% from the net asset value of the Fund.

    ~~e. The investments made in Funds other than Securities investment Funds and Money Market Funds may not exceed 10% from the net asset value of the Fund.~~

    e. The investments made in Funds managed by one manager may not exceed 15% from the net asset value of the Fund.
    f. The investments made in Funds not identical to the type of this Fund may not exceed 10% from its net asset value.
5. The Fund's investments in listed Securities represented by shares, debt instruments, or listed Funds issued by a single issuer shall not exceed 15% of the Fund's net asset value, except for the following:
    1. A Fund, whose Articles of Association provide for investment in Securities of listed companies on Kuwait Stock Exchange or on any other organized stock exchange, or the Fund whose Articles of Association provide for investment in a specific field or sector or index of listed Securities, may not exceed 5 ~~3~~% more than the Securities market value to the total market value, or specific field, sector, or index.

    ~~b.~~ As for the ~~A~~ Fund, whose Articles of Association provide to invest in a certain field or sector or a specific index of listed Securities, ~~may not exceed any Security operating in such field, sector or specific index, provided that market~~

~~value to the total market value of that field, sector or specific index.~~ the Articles of Association of the Fund shall set forth the standards to specify that ~~investment~~ field or sector or index and the Fund Manager shall keep a register for all the listed Securities that meet such standards. The Authority shall be notified on a quarterly basis with the market value of all Securities to the total market value of that field or sector or index within fifteen Business Days from the end of that period.

2. In the event that the excess resulted from an increase in the price of the same listed Security, the Fund may keep the Security if it did not exceed 20% of the Fund's net asset value.

6. The Investment Fund may not invest more than 10% of its net asset value in unlisted companies.
7. A Fund that follows a published index shall invest its net asset value in all the listed Securities included in such index and according to the relative weight of each Security therein.
8. The Fund may not invest more than 10% of its net asset value in financial derivatives contracts and options ~~that are dealt with in the State of Kuwait~~.

Attachment (3)

Investment Controls of Money Market Funds

Investment Controls of Money Market Funds

A Money Market Fund is an investment Fund whose main objective is to invest in money market instruments to ensure low risks and high liquidity and for the Fund to continue its activity as stated in the Articles of Association.

Public Money Market Investment Funds are subject to the following terms and conditions:

1. The Fund shall not borrow or enter into transactions that may give rise to liabilities~~, except for borrowing to cover the redemption requests with a maximum of 10% of its net asset value~~ when contracting for more than 15% of its total assets.
2. The Fund may invest in any Sukuk and/or Bonds issued ~~or guaranteed~~ by the governments of the Gulf Cooperation Council (GCC) or guaranteed by them. ~~issued under the guarantee thereof and any Bonds and Sukuk whose credit rating is not less than (BBB) or the equivalent as rated by one of the recognized international rating agencies or any local rating agencies licensed by the Authority. In the event that the credit rating drops below that, the approval of the Authority shall be obtained~~.
3. The Fund, at the time of investment, may invest up to 15% as a maximum of its net asset value in any Bonds or Sukuk whose credit rating is not less than ~~less than (BBB)~~ (Investment Grade) as rated by one of the recognized international rating agencies or any local rating agencies licensed by the Authority. In the event that the credit rating drops below that, the approval of the Authority shall be obtained. Such percentage may include debt instruments of initial rating or anticipated rating or those rated according to instrument source at subscription.
4. The Fund must invest the assets thereof in ~~money market~~ instruments~~, in a manner~~ that ensure~~s~~ high-liquidity for the Fund with taking the following into consideration:
   a. The weighted average maturity is calculated according to the following equation:
      $(\sum_{i=1}^{n} x_i a_i)$

      Where:
      x= percentage of investment.
      a= maturity term (days) for money market instruments or the liquidity period of debt instruments and investment Funds.
      n= total number of Fund's investments in ~~money market~~ all instruments.
   b. The maximum period of any investment in the fund shall not exceed 397 days, except for investments that can be easily liquidated within five Business Days.
   c. The maximum limit of the weighted average maturity of the total fund investments shall not exceed 180 days.
5. Without prejudice to Item (4~~3~~) above, the Fund may invest a maximum of ~~15~~25% of the net asset value in other money market Funds and/or Debt Instrument Funds and/or Money Markets ETFs licensed by the Authority or subject to a Foreign Regulatory Body in accordance with the following:
   a. The Articles of Association shall state such investment and type of Fund.
   b. Investment Funds shall not be managed by the same Fund Manager.
   c. Investments made in one Fund shall not exceed 15% from the net asset value of the Fund.
   d. Investments made in Private Funds shall not exceed 10% from the net asset value of the Fund.

    e. Investments made in Funds managed by one manager shall not exceed 10% from the net asset value of the Fund.

6. The Fund may not own more than 10% of money market instruments from the same issuer, except for money market instruments issued from the governments of the GCC or issued under the guarantee thereof.
7. The fund investments in Money Market instruments issued by one issuer shall not exceed 15% of the fund's net asset value at the time of investment, except for the Money Market instruments issued or guaranteed by GCC governments, as deposits or their equivalents at the Islamic banks.
8. Investment of the fund assets in deposits or their equivalents at the Islamic banks with one entity shall not exceed 25% of the fund's net asset value. The Authority may approve an exception as deemed appropriate on a case-by-case basis based on a request submitted by the fund manager including reasons and validations for exceeding this percentage in the interest of the fund and Unit holders.
9. The Fund may not invest in assets other than the investment stipulated in these controls ~~money market~~ ~~instruments~~ ~~and the money market Funds~~ such as the Shares of listed and unlisted companies as well as real estate.
10. Assets, that may be owned by the Fund due to the following, shall be exempt from Item (~~8~~9) above:
    a. Settlement amongst a group of creditors and ~~money market instruments~~ issuer who defaults in payment.
    b. Practicing the implicit right thereof in the transferable ~~money market~~ instruments.

    Provided that the Fund Manager shall immediately notify the Authority within ten Business Days and get its approval on the mechanism of dealing with those assets.

11. The Fund Manager may discontinue redemption of the Fund's Units and liquidate the fund if the net unit value is less than the par value, after getting the approval of the Authority.
12. Investment of the fund assets in debt instruments issued by one Issuer shall not exceed 10% from the net asset value of the Fund at the time of investment, except the debt instruments issued by the governments of the Gulf Cooperation Council or guaranteed by them.
13. The Fund may invest a maximum of 10% of its net asset value at the time of investment in financial derivatives contracts and options for the purpose of hedging.

In all cases, the Fund Manager must follow a prudent risk management method and investment policy that aims to achieve an appropriate return on investment, and adhere to allocation of investment ratios in a balanced manner to provide for the risks and protection of the unit holders' rights.

Attachment (4)

Investment Controls of Debt Instruments Funds

Investment Controls of Debt Instruments Funds

The debt instrument Fund is an investment Fund whose main objective is to invest in medium and long-term debt instruments issued by governments, governmental companies or semi government, institutions and private companies or any other entity approved by the Authority, and regulated by Regulatory Bodies and rated by one of the recognized credit rating agencies, or the local rating agencies licensed by the Authority, in a manner that ensures ongoing operation of the Fund as set out in the Articles of Association.

The debt instrument Fund which are offered through a Public Offer are subject to the following terms and conditions:

1. ~~The Fund may not borrow or enter into transactions that may give rise to liabilities, except for borrowing to cover the redemption requests with maximum 10% of the Fund's net asset value~~. The Fund shall not borrow or enter into transactions that may give rise to liabilities when contracting for more than 15% of its total assets.
2. The Fund may invest 35~~25~~% as a maximum limit of its net asset value at the time of investment in the debt instruments rated below Investment Grade ~~(BBB)~~ and/or unrated assets by the international rating agencies or local rating agencies which are licensed by the Authority and/or debt instruments of initial rating or anticipated rating or those rated according to instrument source at subscription provided that the single security shall not exceed 10% of the net asset value of the fund at the time of investment ~~and 10% of the fund's net asset value after the time of investment without prejudice to the Articles of Association or any other regulations issued by the Authority.~~
3. The Fund shall not own more than 10% of the debt instruments issued by a single issuer, except for the debt instruments issued or guaranteed by GCC governments.
4. The Fund's investment in debt instruments issued by a single issuer should not exceed 20% of the Fund's net asset value at the initial time of the investment and 30% of the fund's net asset value after the investment time, except for the debt instruments that are issued or guaranteed by GCC governments.
5. The Fund's investment in a debt instrument should not exceed 15% of the fund's net asset value at the initial time of investment and 20% of the fund's net asset value after the time of investment, except for the debt instruments that are issued or guaranteed by GCC governments.
6. The Fund may invest 25~~15~~% as a maximum limit of its net asset value in ~~money market Funds and/ or other debt instruments~~ other Fund~~'s~~ which are licensed by the Authority or by a Foreign Regulatory Bodies in accordance with the following:
    a. The Articles of Association shall state such investment and Fund type.
    b. Investment Funds are not managed by the same Fund Manager.
    c. The investments made in one Fund may not exceed 15% from its net asset value.
    d. The investments made in Private Funds may not exceed 10% from the net asset value of the fund.

    e. The investments made in Funds managed by one manager may not exceed 10% from the net asset value of the fund.
    f. The investments made in Funds not identical to the type of this Fund may not exceed 10% from its net asset value.

7. The Fund may invest a maximum of 10% of its net asset value in (Tier 2) Bonds/Sukuk whose rating is not less than Investment Grade issued by the international rating agencies or local rating agencies which are licensed by the Authority, provided that it is issued by a Kuwaiti bank that is subject to the supervision of the Central Bank of Kuwait.
8. The Fund may not invest in assets other than the investment instruments stipulated in these controls ~~debt instruments, the money market Funds and the debt instruments Funds~~, such as the Shares of listed and unlisted companies as well as real estates.
9. Listed debt instruments or assets, that may be owned by the Fund as a result of the following, shall be exempted from Item (8~~7~~) above:
    a. Settlement amongst a group of creditors and debt instruments issuer who defaults in payment
    b. Practicing the implicit right thereof in the transferable debt instruments.

Provided that the Fund Manager shall immediately notify the Authority within ten Business Days and get its approval on the mechanism of dealing with those assets.

10. The Fund may invest maximum of 10% of its net asset value at the time of investment in financial derivatives contracts and options for the purpose of hedging.

Attachment (5)

Investment Controls of the Real Estate Funds

Investment Controls of the Real Estate Funds

Real Estate Fund is an investment Fund that aims to invest the Fund's money in real estate purposes. Real Estate Funds which are offered in Public Offer are subject to the following terms and conditions:

First: Rules for Real Estate Funds

1. The Fund may not invest more than 10% of its net asset value in Listed Securities represented by shares or debt instruments or listed Funds, provided that the Fund's Articles of Association so provides.
2. The Fund may invest a maximum 25~~15~~% of its net asset value in other ~~real estate Funds and/or Money Market~~ Funds ~~or Equity Funds related to real estate~~ licensed by the Authority or subject to another Regulatory Body in accordance with the following:
    a. The Articles of Association shall state such investment and Fund type.
    b. Investment Funds are not managed by the same Fund Manager.
    c. The investments made in one Fund may not exceed 15% from its net asset value.
    d. Investments made in Private Funds may not exceed 10% from the net asset value of the fund.
    e. Investments made in Funds managed by one manager may not exceed 10% from the net asset value of the Fund.
    f. The investments made in Funds not identical to the type of this Fund may not exceed 10% from its net asset value
3. The Fund investments may not exceed, directly or indirectly, 30% of the Fund's net assets value ~~upon contracting~~ in a single real estate at the time of investment. The following cases are exempt from implementing this Item:
    a. The Fund that aims to invest in real estate/s determined in the prospectus upon establishment.
    b. The Fund that includes a real estate that values more than ten million Kuwaiti Dinars at the time of investment.
    c. Closed-ended Fund whose Articles of Association include determined positioning percentages for investment in a single real estate other than the percentages determined in this Item.
    d. The Fund that obtained the approval of the Unit holders who own more than 50% of the issued capital of the Fund to invest in a single real estate in another percentage.
    e. Real estates under development.

The provision of Item (3) above applies only if one or more properties are offered as an in-kind share in the Fund.

4. ~~The Fund may not borrow or enter into transactions that may give rise to liabilities over 40% of its net asset value whether directly or indirectly to the investment in real estate only~~. The Fund may not borrow or enter into transactions which may

result in contractual financial commitments more than 50% of its net asset value whether directly or indirectly, provided that the borrowing shall not exceed 10% of the Fund's net assets value to cover redemption requests.

5. The Fund Manager shall disclose any indirect debts on the Investment Portfolios or the companies in which the Fund invested for the purpose of possessing real estates.

~~6. The Fund may not borrow or enter into transactions that may give rise to liabilities more than 10% of the Fund's net assets value to cover the redemption requests only. In all cases, borrowing shall not exceed 40% of the Fund's net assets value~~.

6. The Fund Manager, when buying or selling a real estate, shall comply with the following:
   a. The purchasing price of real estate shall not exceed 5% of the average of appraisals received by the Fund Manager from the property evaluators. If the Fund wants to buy with a higher price than the average of the appraisals, the approval of the Unitholders owning more than 50% of the Fund's issued capital shall be first obtained, provided that the votes of the seller and the Related Parties, if any, shall be neutralized.
   b. The selling price of real estate to a Related Party of the Fund shall not be less than the average of appraisals received by the Fund Manager from the property evaluators. If the Fund wants to sell with a price less than the average of the appraisals, the approval of the Unitholders owning more than 50% of the Fund's issued capital shall be first obtained, provided that the votes of the buyer and the Related parties, if any, shall be neutralized.
   ~~c. Without prejudice to Item (a) and Item (b) above, the approval of the Investment Controller and the Authority shall be obtained when buying a real estate from or selling a real estate to the Related Parties of the Fund.~~

The provision of Item (6) above applies only if one or more properties are offered as an in kind share in the Fund.

7. Without prejudice to the provision of Item (3) in the First Article, the Fund may incorporate or take part in the incorporation of a company or companies for the purpose of possessing real estate inside and outside the state of Kuwait, provided that the percentage owned by the Fund shall not be less than 51% of the company and shall have control over its management.

Second: Requirements for the Real Estate Funds Assets

1. All real estate properties of the Fund shall be under possession under a title deed issued from a competent governmental body.

~~2. All real estate properties of the Fund which are under project shall be approved by virtue of an official statement from the official governmental body to be set for planning or construction.~~

2. Real Estate properties must be evaluated at the time of purchase.

3. In the event of purchase, the real estate shall be registered ~~Register the real estate~~ under the name of the Fund, where applicable; or provide the title deed that proves the Fund's ownership of the real estate in a manner that protects the rights of the Unitholders.
4. In the event that the real estate is directly owned by the Fund, the real estate must be wholly owned by the Fund, or the Fund shall have a separate share therein.

Third:~~-:~~ Valuation

The Fund Manager shall evaluate the real estate assets of the Fund in accordance with the requirements of Article (2-24) of these Bylaws, exercising the Care of a Prudent Person in the best interest of the Fund and Unit holders.

Fourth: Submitting the Report to the Unitholders

As an exception from Article (2.34) of this Module, the unlisted Fund Manager shall submit a periodical report to the Unitholders semiannually, unless the Articles of Association states a shorter period, and within a maximum period of fifteen Business Days from the end of the period, this report, in particular, shall include the information stipulated in Article (2-34) of this Module., ~~in particular, include the following information:~~

1. ~~Net asset value of the Fund's Units.~~
2. ~~Number of Fund's Units held by the Unitholders and their net value.~~
3. ~~A register for the account activity of each Unitholder solely, including any distribution paid after the last report that has been submitted to the Unitholders.~~
4. ~~A statement about the fees paid to the Fund Manager and the Service Providers.~~

Attachment (6)

Investment Controls of the Fund of Funds

Investment Controls of the Fund of Funds

The Fund of Funds is an investment Fund that aims for investment in other Funds licensed by the Authority or subject to another Regulatory Body.

The Fund of Funds which is offered through a Public Offer is subject to the following terms and conditions:

1. ~~The Fund shall not borrow or enter in transactions which may result in liabilities more than 10% of the net assets value of the Fund of Funds~~. The Fund may not borrow or enter into transactions which may result in contractual financial commitments more than 15% of its net asset value.
2. The Fund of Funds shall not invest in Funds unlicensed by the Authority or not subject to another Regulatory Body.
3. The Fund of Funds shall invest in at least three Funds, provided that the investment in each Fund shall be not less than 5% of the net asset value of the Fund of Funds. This percentage does not apply to the investment of Fund of Funds in any other Fund thereafter.
4. The investment of the Fund of Funds in another investment Fund shall not exceed 50~~40~~% of the net asset value of the Fund of Funds.
5. The investments made in Private Funds may not exceed 15~~10~~% from the net asset value of the Fund.
6. The investments made in Funds managed by one manager may not exceed 50~~40~~% from the net asset value of the Fund.
7. The Fund of Funds shall be prohibited to invest in another Fund of Funds.
8. The Fund of Funds shall be prohibited to invest in other Funds managed by the Fund of Funds Manager.
9. The Fund of Funds may invest not more than 10% of its net asset value in listed Securities, namely Shares or debt instruments. Listed Funds and traded index Funds are not included in this percentage.

Attachment (7)

Investment Controls of Real Estate Income-Generating Fund (Traded)

Investment Controls of Real Estate Income-Generating Fund (Traded)

The Real Estate Income-Generating Fund (Traded) is a close-ended Fund, listed in the Exchange. It aims to invest the Fund's money in Real Estate Income-Generating Funds Assets.

The provisions of the Funds provided for in this Module shall apply to the Real Estate Income-generating Fund (Traded) unless otherwise specified in this attachment and in a manner consistent with its nature and objectives, and subject to the following terms and conditions:

First: The rules of subscription increase for Real Estate Income-Generating Fund (Traded)

1. Real Estate Income-Generating Funds (Traded) shall be offered for public subscription at the time of incorporation. In all cases, the subscription shall result in the fulfillment of the requirements of listing in the Exchange. In the event of not meeting the listing requirement, the Fund Manager shall refund the funds to the subscribers in accordance with the provisions of the Prospectus.
2. The real estate subject of the fund's investment or the right to the usufruct (Intifa'a) over real estate and its valuations must be specified in the Fund's prospectus.
3. ~~It is permissible, upon the incorporation of~~ It is permissible in the Real Estate Income-Generating Fund (Traded), ~~to~~ participation in an in kind share is according to the following conditions:

~~a. The Articles of Association shall permit participation in the Fund with in kind shares.~~

   a. The asset provided as an in kind share shall meet the conditions stipulated in this Appendix.
   b. The prospectus shall ~~must~~ include the property, its valuations, and the purchase or the right to the usufruct (Intifa'a) price in accordance with the contract in Item 5 (First) of this Appendix.
   c. The capital of the Fund may be increased by means of in kind shares in accordance with the same conditions stipulated in this Item, except Item (b). The increase shall be allocated to the owner of the in-kind shares. The Pre-emptive Right shall not be applied to subscription of old Unitholders
4. The Fund Manager shall complete the procedures for listing in the Exchange within ninety ~~sixty~~ days from the date of obtaining the final license to incorporate the Fund from the Authority. The Authority may, if it deems it necessary, extend this period for an additional period of up to thirty days upon a reasoned request by the Fund Manager. The Fund Manager shall be liable for disciplinary action in the event of a delay in completing the listing procedures unless the delay is due to unforeseen circumstances.
5. Upon submitting the application for incorporation, the Fund Manager shall provide the Authority with a binding contract for the sale of the real estate subject to investment to the Fund or a contract arranging the right to the usufruct the asset (Intifa'a) or transfer

of ownership as specified in the terms and conditions of the Fund's Articles of Association.

~~6. Upon submitting the application form for incorporation, the Fund Manager shall provide the Authority with a contract concluded between the Fund Manager and a real estate management company to manage the Fund's real estate.~~

6. The capital of the Real Estate Income-generating Fund (Traded) may not be reduced.
~~7. The capital of the Fund may be increased by means of in kind shares in accordance with the same conditions stipulated in clause (3) (First) of this Appendix. The increase shall be allocated to the owner of the in kind shares. The Pre-emptive Right shall not be applied to subscription of old Unitholders.~~

Second: Rules of Investment in Real Estate Income-Generating Fund (Traded)

1. The Fund invests mainly in developed real estates that generate income periodically for a period of not less than six months ~~one year~~ and may generate periodic income in accordance with these controls. The Fund Manager may not invest in lands.
2. The Fund Manager shall distribute 90% of the operations' revenues to the Unit holders on an annual basis, unless the Articles of Association provide for a shorter period.
3. The Fund may invest ~~no more than~~ 25% as a maximum of its net asset value in Money Market Funds and/or Real Estate Income-Generating Funds (Traded) and/or Securities Investment Funds licensed by the Authority or subject to another Regulatory Body, and must comply with the following ~~under the following conditions~~:
    a. ~~Funds invested in shall be licensed by the Authority or subject to another Regulatory Body~~. The Fund's Articles of Association shall state that investment as well as the type of Fund.

    ~~b. The Fund's Articles of Association provide that it is permissible to invest in Money Market Funds or Real Estate Income-Generating Funds (Traded).~~

    b. The investments made in one Fund may not exceed 15% of the net asset value of the Fund.
    ~~c. None of the Funds invested in shall be managed by the same Fund Manager.~~ None of the said Funds shall not be managed by the same Fund Manager.
    d. The investments made in Funds managed by one manager may not exceed 15% from the net asset value of the Fund.
    e. The investments made in Private Funds may not exceed 10% of the net asset value of the Fund.

~~4. The Fund investments may not exceed, directly or indirectly, 30% of the Fund's net asset value upon contracting in a single real estate, except for the Fund that aims to invest in a specific asset of at least KD 30 million. The provision of this clause applies only if one or more properties are offered as an in kind share in the Fund.~~

4. The Fund investments may not exceed, directly or indirectly, 30% of the Fund's net asset value in a local real estate at the time of investment. The following cases are exempt from implementing this Item:
    a. The Fund that aims to invest in real estate/s determined in the prospectus upon establishment.
    b. The Fund that includes a real estate that values more than ten million Kuwaiti Dinars at the time of investment.
    c. The Fund that obtained the approval of the Unit holders who own more than 50% of the issued capital of the Fund to invest in a single real estate in another percentage.

    The provision of ~~this clause~~ Item (4) applies only if one or more properties are offered as an in kind share in the Fund.
5. ~~The Fund may not borrow or enter into transactions that may give rise to liabilities over 50% of its net asset value whether directly or indirectly, and to be invested in real estate only~~. The Fund may not borrow or enter into transactions which may result in contractual financial commitments more than 50% of its net asset value whether directly or indirectly.
6. The Fund may ~~not~~ invest in real estate outside the State of Kuwait, provided that the Fund investments in those real estate shall not exceed, directly or indirectly, 25% of the Fund's net assets value at the time of investment.
7. In the event that the property is directly owned by the Fund, the property must be wholly owned by the Fund or the Fund shall have a separate share therein. In the event the investment in the property is an arrangement of the right to the usufruct (Intifa'a), such rights shall include the entire property or a separate share therein.
8. The Fund may incorporate or take part in the incorporation of companies for possessing real estate ~~in the state of Kuwait~~, provided that the percentage owned by the Fund shall not be less than 51% of such company and shall have control over its management. The property to be invested in is required to have a minimum of ~~one~~ six operating months ~~year~~.
9. The term of the Fund shall not be less than 10 years, and may be renewed in accordance with the Fund's Articles of Association.
10. The Fund Manager, when investing in real estate, shall observe the following:
    a. The purchase price or obtaining the right to the usufruct (Intifa'a) for it shall not exceed 5% above the average of valuations that the Fund Manager has received from the real estate valuators. In the event it wishes to invest at a price higher than the average of the valuations, the approval of the Unit holders who own~~'~~ ~~assembly shall be obtained by a majority of~~ more than 50% of the issued Fund's capital shall be obtained, provided that the votes of the Units owned by the seller or assignor of the right to the usufruct (Intifa'a) and the Unit holders of parties relevant to the seller or assignor of the right to the usufruct (Intifa'a) if any, shall be neutralized. ~~may not vote on this decision~~.
    b. The sale price of the property or the waiver of the right to the usufruct (Intifa'a) shall not be less than the average of valuations that the Fund Manager received from the real estate valuators. In the event of an intention to sell or waiver at a

price lower than the average of the valuations, the approval of the Unit holders who own~~' assembly shall be obtained by a majority of~~ more than 50% of the issued capital of the Fund shall be obtained, provided that the votes of the Units owned by the buyer or assignor and the Unit holders of ~~from the~~ parties relevant to the buyer or assignor, if any, shall be neutralized ~~shall not vote on this decision~~.

~~c. Without prejudice to Item (a) and Item (b) above, the approval of the Investment Controller and the Authority must be obtained when dealing in investments in which the counterparty is one of the parties related to the Fund.~~

The provision of Item (10) above applies if one or more properties are offered as an in kind share in the Fund.

<u>Third: The requirements of the assets of the Real Estate Income-Generating Fund (Traded)</u>

1. Without prejudice to the provisions included in this Attachment, the Real Estate Income-Generating Fund (Traded) may invest right to the usufruct (Intifa'a) inside the State of Kuwait, whether they were governmental or through signing usufruct contracts with individuals or private companies. ~~Except for the right to the usufruct (Intifa'a),~~ All the properties of the Fund shall be owned pursuant to a deed of title issued by the designated governmental authority.

~~2. All the properties of the Fund subject to the project must be approved in respect of its planning and it shall be free of violations, or be built with an official statement from the designated governmental authority (description certificate).~~

2. All Fund properties must have been valued at the time of the investment.
3. In the event of a purchase, the property shall be registered in the name of the Fund or the company that it establishes for this purpose where applicable; or submit the title deed that proves the Fund's ownership of the real estate in a manner that protects the rights of the Unitholders.
   In the event of obtaining the right to the usufruct (Intifa'a), this must be done under a written contract in accordance with the provisions of the relevant laws.
4. The Fund Manager shall ensure that the real estate subject of investment meets the following conditions:
   a. Generate periodic income for a period not less than six months ~~one year~~, and commensurate with the feasibility of investing in them.
   b. Have a good historical record or there is a promising prospect that the Fund will have a good income level from the revenues generated from the property.
   c. Having economic feasibility in accordance with market studies.
   d. Free of any attachment, mortgage, or privilege rights, except for mortgage rights restricted to the property as a result of the facilities or loans received by the Fund.
5. The Fund Manager shall, in the event of obtaining the right to the government usufruct (Intifa'a) of a property favor of the Fund or in favor of a company established by him,

ascertain the approval of the designated authorities to transfer the usufruct contract in the name of the Fund.

6. The Fund Manager may ~~must~~ insure at one or more insurance companies for all the properties invested in, in full value and the risk of loss of rent at the occurrence of the incident covered by the insurance.

<u>Fourth: Regulatory requirements for the Real Estate Income-Generating Fund (Traded)</u>

1. Where the purpose of the Real Estate Income-Generating Fund (Traded) is to invest in a single property, it is necessary to obtain the approval of the Unit holders' assembly at the time of selling or waiver of the right to the usufruct (Intifa'a) of the sole property that the Fund invests in. The Articles of Association of the Real Estate Income-Generating Fund (Traded) may include restrictions regarding the Fund Manager's freedom to dispose of the properties owned by the Fund or the companies it establishes.
2. The Fund Manager may ~~shall~~ appoint one or more real estate companies whose purposes permit managing real estate properties in order for it to manage the properties of the Fund. The Fund Manager must ensure that the company has the necessary expertise in the field of property management, which is responsible for all aspects of real estate management, including but not limited to the management, maintenance, rental, collection of rent and other management matters.
3. The Fund Manager may appoint one or more Market Maker licensed to practice the activity of Market Maker, provided that they shall be registered at the Exchange and the Authority must be notified prior to practicing the activity over the Fund's Units.
4. All notices of Unit holders applicable to the Fund Manager towards the Unit holders, and stipulated in Chapter Two of this Module, shall be replaced with disclosures by the Fund Manager in the disclosure system in force at the Exchange in accordance with the terms specified for each notice, to the extent that it does not conflict with the nature of the Real Estate Income-Generating Fund (Traded).
5. In the event of delisting the Real Estate Income-Generating Fund (Traded) from listing in the Exchange, it must be liquidated in accordance with the procedures adopted in these Bylaws, unless the Unit holders assembly approves by a majority of more than 50% of the issued capital of the fund to continue as a real estate Fund, provided that the Fund is compatible with the provisions of these Bylaws.
   In the event of the expiration of the Fund in accordance with the conditions set forth in Chapter Two of this Module, the Fund shall be considered delisted and shall be liquidated in accordance with the Bylaws and Articles of Association of the Fund.
6. The real estate Fund may be converted into a Real Estate Income-Generating Fund (Traded) according to the following conditions:
   a. Amend the Fund's Articles of Association in accordance with the requirements and controls of investment in the Real Estate Income-Generating Fund (Traded).
   b. The requirements of listing in the Exchange shall be met, and if the real estate Fund is a close-ended Fund, it may offer part of its Units for subscription in order to meet the listing conditions and requirements.

c. The Fund shall be in compliance with the conditions, controls and rules of the Real Estate Income-Generating Fund (Traded) provided for in this Attachment.

7. The Authority may grant the real estate Fund a period to meet the requirements for conversion to a Real Estate Income-Generating Fund (Traded). The Authority may extend this period whenever it deems it necessary.
8. Once the Real Estate Fund is converted into a Real Estate Income-Generating Fund (Traded) it becomes subject to the provisions of this Attachment and the Exchange rules.

Fifth: Valuation

1. The Fund Manager shall evaluate the real estate assets of the Fund~~, once every six months at a minimum, and shall consider the lowest valuation~~ in accordance with the requirements of Article (2-24) of these Bylaws, exercising the Care of a Prudent Person in the best interest of the Fund and Unit holders.
2. The Fund Manager shall reference the following equation to evaluate the cash generated from operating activities:
   Cash generated from operating activities = Net Income + (Depreciation, Amortization + Loss from Selling Fund Assets) - (Profit from Selling Fund Assets + Interest/Deposit Earnings) - Maintenance, Property Development and Evacuation Provisions.
3. The Fund Manager shall determine the maintenance, real estate development, and evacuation provisions at a reasonable rate, with explanations provided in case the allocated amount exceeds 10% of the total operating revenue of the Fund.

Attachment (9)

Investment Controls of Venture Capital Funds

Investment Controls of Venture Capital Funds

A Venture Capital Fund is an investment Fund that aims to invest in companies or projects that have a moderately high degree of risk, such as new companies or projects, or distressed companies, or companies that aim to expand or invest in the field of modern technologies, or companies with new or innovative ideas in technology.

The Venture Capital Fund is subject to the following conditions and controls:

1. The Fund shall be a Private Fund and take the form of a Closed- Ended Fund.
2. The Articles of Association defines the areas of the Fund's investment and set the ratios, controls and restrictions on investments and borrowing in line with the Fund's objective.
3. The Fund Manager shall exercise the care of a prudent person and ensure the economic feasibility of the investment, conduct the necessary studies and due diligence checks, and conduct an independent financial assessment before entering into any investment for the Fund. The Fund Manager may not rely on an assessment report that has been prepared for more than three months when entering or withdrawing an investment.
4. Without prejudice to item (3) above, the Fund Manager shall take the due diligence to register the ownership of the Fund or prove ownership in the invested assets in accordance with the laws and regulations in force in the investment country.
5. The Fund may establish or contribute to the establishment of companies for the purpose of investing in assets in accordance with its investment objective, whether inside or outside the State of Kuwait.
6. The Fund Manager may delegate a natural or legal entity with the necessary practical experience in the target field to manage one of the fund's assets, and such delegation shall not dismiss the Fund Manager of his responsibilities.
7. As an exception to the provision of Article (2-21-1) of Chapter Two of this Module, the employees of the Fund Manager who are registered as representatives of a Collective Investment Scheme Manager may occupy the membership of the Board of Directors of a company whose Securities form part of the assets of a Fund Managed by the Fund Manager.
8. Without prejudice to item (7) above, the Fund Manager shall have a clear and written policy for the policies and cases of conflict of interest within the scope of the business carried out by the Fund, and it must be included in accordance with the latest update of it in the Fund's Articles of Association.
9. The Fund may invest a maximum ~~15~~20% of its net asset value in other Securities.
10. Excluding the provisions stipulated in item (9) above, the shares that the Fund may own as a result of a company's listing which is owned by the Fund, or in the event of any of those listed companies withdrawing from the regulated markets, or in cases of settlement or reconciliation over assets. In all events, the Authority shall be notified immediately to take action.

11. The Fund may invest a maximum of ~~15~~25% of its net asset value in other investment Funds licensed by the Authority or subject to another Regulatory Body, in accordance with the following:
~~12. Without prejudice to Item (11) above, the Fund may invest in Venture Capital Funds and/or Money Market Funds that are licensed by the Authority or are subject to another Regulatory Body, in accordance with the following:~~
    a. The Articles of Association shall state such investment and fund type.
    b. The investment Funds are not managed by the same Fund Manager.

    ~~c. The investments made in Venture Capital Funds may not exceed 10% from the net asset value of the Fund.~~

    c. The investments made in one Fund may not exceed 15% of the net asset value of the Fund.
    d. The investments made in Funds managed by one manager may not exceed ~~10~~15% from the net asset value of the Fund.
    e. The investments made in Funds not identical to the type of this Fund may not exceed 10% from the net asset value of the Fund.

Attachment (11)

Investment Controls of Multi-Asset Funds

Investment Controls for Multi Asset Funds

A Multi-Asset Fund is an investment Fund with the main objective of investing the Fund’s money to achieve various investment objectives through distributing them in different Securities, real estate assets, money market instruments or otherwise specified by the Bylaws by several types of assets for diversified and sound risk management and to maximize the revenues related to investment in the one-type asset.

Multi Asset Funds are subject to the following terms and conditions:

First: General Controls

1. The Fund's Articles of Association shall state the types of assets that support its investment objectives and determine the minimum and maximum limits for each type of asset in the Fund, provided that the maximum limit for any single asset type does not exceed 60% of the Fund's net asset value.

2. The Fund may not own more than 10% of all securities issued from the same issuer, except for money instruments or debt instruments issued from the governments of the GCC or issued under the guarantee thereof.

3. No borrowing or entering into transactions which may result in contractual financial commitments more than 15% of its net asset value

4. The Fund may not invest more than 10% of its net asset value in financial derivatives contracts and options.

Second: Investment Controls in Securities

Taking into consideration Item (1) of First of this attachment, the fund may invest in listed Securities traded in various sectors in the regulated markets and the fields of investment related to Securities that are specified in the Articles of Association, in accordance with following:

1. The Fund’s investments in listed Securities represented by shares, debt instruments, or listed Funds issued by a single issuer shall not exceed 10% of the Fund’s net asset value, except for the following:

   a. A Fund, whose types include investment in Securities of listed companies on Kuwait Stock Exchange or on any other organized stock exchange, or a Fund, whose Articles of Association provide to invest in a certain field or sector or a specific index of listed Securities, may not exceed 5% of that market value to the total market value of that field, sector or specific index. In regard to a Fund, whose Articles of Association provide to invest in a certain field or sector or a specific index of listed Securities the Articles of Association of the Fund shall set forth the standards to specify the investment field, sector or index and the Fund Manager shall keep a register for all the listed Securities that meet such standards. The Authority shall be notified on a quarterly basis with the market value of all

Securities to the total market value of that field within fifteen Business Days from the end of that period.

b. If the excess is due to an increase in the price of the same listed security itself, the fund may keep the security, provided that it does not exceed 15% of the Fund's net asset value.

2. In regard to a Fund whose types include investment in shares of unlisted companies, the share of any single unlisted company shall not exceed 5% of the Fund's net asset value.

Third: Investment Controls in Money Markets

Taking into consideration Item (1) of First of this attachment, the fund may invest in in money market instruments to ensure low risks and high liquidity and for the Fund to continue its activity as stated in the Articles of Association, in accordance with following:

1. The Fund may invest in a maximum of 20% of the net asset value of any Bonds and Sukuk whose credit rating is not less than (Investment Grade) as rated by one of the recognized international rating agencies or any local rating agencies licensed by the Authority. In the event that the credit rating drops below that, the approval of the Authority shall be obtained. This percentage may also include debt instruments with an initial rating, projected rating, or rating in accordance with the instrument's issuer upon subscription.

2. The Fund must invest the assets thereof in money market instruments, in a manner that ensures high-liquidity for the Fund with taking the following into consideration:

a. The weighted average maturity is calculated according to the following equation: $(\sum_{i=1}^{n} x_i a_i)$ Where:

x= percentage of investment.

a= maturity term (days).

n= total number of Fund’s investments in money market instruments.

b. The maximum period of any investment in the fund shall not exceed 397 days, except for investments that can be easily liquidated within five Business Days.

c. The maximum limit of the weighted average maturity of the total fund investments shall not exceed 180 days.

3. The fund investments in Money Market instruments issued by one issuer shall not exceed 10% of the fund’s net asset value, except for the Money Market instruments issued or guaranteed by GCC governments, as deposits or their equivalents at the Islamic banks.

4. Investment of the fund assets in deposits or their equivalents at the Islamic banks with one entity shall not exceed 25% of the fund's net asset value. The Authority may approve an exception as deemed appropriate on a case-by-case basis based on a request submitted by the fund manager including reasons and validations for exceeding this percentage in the interest of the fund and Unit holders.

Fourth: Investment Controls in Debt Instruments

Taking into consideration Item (1) of First of this attachment, the fund may invest in medium and long-term debt instruments, in a manner that ensures ongoing operation of the Fund as set out in the Articles of Association, in accordance with following:

1.The Fund may invest 20% as a maximum limit of its net asset value in the debt instruments rated below (Investment Grade) and/or unrated assets by the international rating agencies or local rating agencies which are licensed by the Authority, and/or debt instruments with an initial rating, projected rating, or rating in accordance with the instrument's issuer upon subscription.

2. The Fund shall not own more than 10% of the debt instruments issued by a single issuer, except for the debt instruments issued or guaranteed by GCC governments.

3. The Fund's investment in debt instruments issued by a single issuer should not exceed 10% of the Fund's net asset value, except for the debt instruments that are issued or guaranteed by GCC governments.

4. The Fund's investment should not exceed 10% of the fund's net asset value of any Bonds and Sukuk of the second segment of the supporting capital Tier 2 whose credit rating is not less than (Investment Grade) as rated by one of the recognized international rating agencies or any local rating agencies licensed by the Authority, provided that it shall be issued from one of the banks or the Kuwaiti banks subject to the central bank's supervision.

5. Without prejudice to the items in Fourth of this attachment, the prescribed limits may be exceeded by 5% of the Fund's net asset value after the investment period without any breach to the Articles of Association or guidelines by the Authority.

Fifth: Investment Controls in Real Estate Assets

Taking into consideration Item (1) of First of this attachment, the fund may invest the Fund's money in real estate purposes, in accordance with the following:

1. The Fund investments may not exceed, directly or indirectly, 30% of the Fund's net assets value in a single real estate at time of investment, with the exemption of the following cases from implementing this item:
   a. The Fund that aims to invest in a specific Property(s) as specified in the prospectus upon incorporation.
   b. The Fund that contains a specific asset of at least KD 10 million at the time of investment.

c. The closed Fund, provided that its bylaws include specific position percentages to invest in a single property, other than the percentage specified in this item.
d. The Fund that obtains approval from unit holders owning more than 50% of the Fund's issued capital to invest in a single property other than this percentage.
e. Properties under development with a condition that the articles of association includes the specific percentage of investment in the real estate under development apart from the percentage specified in this Item.

2. Without prejudice to the provisions of the previous Item, the Fund may incorporate or take part in the incorporation of companies for possessing real estate in the state of Kuwait, provided that the percentage owned by the Fund shall not be less than 51% of such company and shall have control over its management.

3. The Fund Manager shall disclose any indirect debts on the Investment Portfolios or the companies in which the Fund invested for the purpose of possessing real estates.

4. In addition to the borrowing limits stipulated in Item No. (3) of First in this attachment, the Fund may include in its types of investments in real estate borrowing or entering into transactions which may result in financial commitments not exceeding 25% of its net asset value, directly or indirectly upon contracting, to the investment in real estate only.

5. The Fund Manager, when buying or selling a real estate, shall comply with the following:

a. The purchasing price of real estate shall not exceed 5% of the average of appraisals received by the Fund Manager from the property evaluators. If the Fund wants to buy with a higher price than the average of the appraisals, the approval of the Unitholders owning more than 50% of the Fund's issued capital shall be first obtained, provided that the votes of the seller and the Related Parties, if any, shall be neutralized.

b. The selling price of real estate to a Related Party of the Fund shall not be less than the average of appraisals received by the Fund Manager from the property evaluators. If the Fund wants to sell with a price less than the average of the appraisals, the approval of the Unitholders owning more than 50% of the Fund's issued capital shall be first obtained, provided that the votes of the buyer and the Related parties, if any, shall be neutralized.

6. All real estate properties of the Fund shall be under possession under a title deed issued from a competent governmental body.

7. All real estate properties of the Fund which are under project shall be approved by virtue of an official statement from the official governmental body to be set for planning or construction.

8. Real Estate properties must be evaluated at the time of purchase.

9. All real estate properties must be clear of any legal or judicial conflicts and submit proof from the official governmental body.

10. Register the real estate under the name of the Fund, where applicable; or provide the title deed that proves the Fund's ownership of the real estate in a manner that protects the rights of the Unitholders.

11. If the Fund directly owns the property, it must be wholly owned by the Fund or the Fund must hold a specific share thereof.

Sixth: Investment Controls in Other Funds

Taking into consideration Item (1) of First of this attachment, the fund may invest in other Funds unlisted licensed by the Authority or subject to another supervisory entity, in accordance with the following:

1. The Articles of Association shall state such investment and Fund type.

2. Investment Funds are not managed by the same Fund Manager.

3. Investments made in a single Fund may not exceed 15% from the net asset value of the fund.

4. Investments made in a Private Funds may not exceed 10% from the net asset value of the fund.

5. Investments made in Funds managed by one manager may not exceed 15% from the net asset value of the Fund.

In all cases, the Fund Manager must follow a prudent risk management method and investment policy that aims to achieve an appropriate return on investment, and adhere to allocation of investment ratios in a balanced manner to provide for the risks and protection of the unit holders' rights.