



شركة الإستشارات المالية الدولية ش.م.ك.م.

INTERNATIONAL FINANCIAL ADVISORS K.S.C.C

Articles of Association



IFA International
Guaranteed Fund

للإستفسار



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Articles of Association

IFA International Guaranteed Fund

Articles of Association:

Refers to this Articles of Association and any future amendments thereto.

Fund Manager & Address:

International Financial Advisors (IFA)

Address: Al-Qeblla, Block 13, Salhiya Complex, Entrance No. 8, Fifth Floor

Custodian:

Kuwait Clearing Company

Auditor:

Anwar Al-Qattami & Co. – Grant Thornton

Preamble

By virtue of the provision of the Decree-Law No.31 of 1990, regulating the dealing in securities and establishing investment funds, the Minister of commerce and Industry Resolution No.113 of 1992, issuing the executive by-law for the said Decree-Law and its subsequent amendment, and following the approval of the Ministry of Commerce and Industry and the Central Bank of Kuwait, “IFA International Guaranteed Fund” was established among the holders of the investment units whose provisions are mentioned under these articles.

• Article One:

The above preamble shall be considered as an integral part of these articles and as a complementary part of the provision thereof.

• Article Two:

Definitions:

The following terms shall have the meaning as indicated against each of them:

The Fund:

IFA International Guaranteed Fund

Capital Guarantee:

The invested amount less the fund expenses, charges, and taxes if any at the end of the term.

Articles of Association:

These Articles or any amendments that may be made hereto in the future.

The Ministry:

Ministry of Commerce and Industry in the State of Kuwait

Supervising Authority:

Central Bank of Kuwait.

Fund Manager:

International Financial Advisors (IFA)

Custodian:

Kuwait Clearing Company

Investment Units:

Investment units of which the fund is formed.

Total Asset Value:

The value of securities and any other assets of the fund calculated pursuant to the texts of this system and as stated therein.

Net Asset Value:

The value of the fund's investments at the end of the financial period, evaluated according to the provisions of the fund's articles of association, plus the other assets, such as cash, debit balances and other items, less the fund liability towards others on the same date.

Net Unit Value:

Net asset value divided by the number of issued units.

Unit Price:

Is the net unit value at the concerned day.

Unit Evaluation:

Unit evaluation shall take place at the end of each calendar month, provided it is a business day, otherwise, in the preceding business day.

Business Day:

A day in which banks are operating in the State of Kuwait

Redemption:

Takes place on a quarterly basis.

The Unit Holder:

The owner of the units, whether such holder is a Kuwaiti national, non-Kuwaiti, or institutions founded inside the State of Kuwait, who may participate in the fund according to the provision of these articles.

Fund Capital:

From US\$ 18 (eighteen) million to US\$ 150 (one hundred fifty) million divided by 1.8 (one million eight hundred thousand) million units to 15 (fifteen) million units.

Securities:

Include, but not limited to, shares, bonds, and units of investment funds.

Auditor:

The company appointed for auditing the accounts of the fund, provided it fulfils the conditions required by law, and that it is an independent auditing firm associated with an international auditing firm.

Subscription Form:

The subscription request submitted by the applicant on the application form prepared by the Fund Manager for this purpose.

Sales Agents:

International Financial Advisors (IFA).
Addax Investment Bank

The Markets:

The capital of the fund will be invested in guaranteed financial instruments related to international indices of the following markets:

1. US market
2. European market
3. Chinese market
4. Indian market

The Law:

The laws, regulations, bylaws and decrees applicable from time to time in the State of Kuwait.

The Executive Bylaw:

The executive bylaw of the decree law No. 31 of 1990, and any amendments thereto.

• Article Three:

Name of the Fund:

“IFA International Guaranteed Fund”

• Article Four:

Fund Manager:

International Financial Advisors will establish and manage the fund pursuant to the provisions of this Articles of Association.

• Article Five:

Custodian:

Kuwait Clearing Company shall perform the function of the Custodian of the fund.

• Article Six:

Type and Term of the Fund:

The fund shall be of a variable capital and for the non-renewable period of three years, with effect from the date of registration and publication of the approval of its establishment in the Official Gazette.

• Article Seven:

Fund Capital:

The Fund shall have a variable capital ranging from US\$ 18 (eighteen) million to US\$ 150 (one hundred fifty) million.

• Article Eight:

Investment Units:

The investments units of the fund are nominal, the value of each being US \$ 10.00 and the capital of the fund consists of 1.8 (one million and eight hundred thousand) million units to 15 (fifteen) million units.

• Article Nine:

- A. The nominal value of the unit at the date of establishing the fund shall be US\$ 10.00, and shall thereafter reflect the evaluation price from time to time.
- B. Units are undividable.
- C. Unit value shall be announced by the Fund Manager on monthly basis. Unit value shall be decided by the Custodian based on the provisions of this Articles of Association or any other entity selected by the Custodian and approved by the Supervising Authority via its publication in two daily newspapers.

Calculating Net Value:

This refers to the value of the fund investment at the end of the evaluation day, as evaluated pursuant to the provisions of the fund Articles of Association, in addition to the items of other assets including cash, other accounts receivables, minus the fund obligations toward other parties at the same date. The net added value is calculated pursuant to international accounting standards.

The Custodian shall be responsible for deciding the net value, pursuant to the following:

1. Tradable securities enlisted in International Stock Exchanges shall be evaluated pursuant to the last bid price.
2. Any other unlisted securities shall be initially evaluated in cost price, then evaluation will allow for any decrease or increase in value (as the case may be), and pursuant to the agreement between the Custodian and the account auditor with consideration of all relevant circumstances.
3. Any evaluation in a currency other than the US\$ should be transferred to US\$ in the official exchange price on the meant day as announced by the Central Bank of Kuwait.
4. Investment funds shall be evaluated pursuant to the last announced price of the net asset value.
5. All fund deductions, reserves (including taxes), accumulated costs and expenses paid by the fund shall be deducted.

Income and expenses are compiled daily whenever this is practical.

• **Article Ten**

Fund Objectives:

The fund aims at growing and securing the invested monies through investing in securities, financial indices and investment funds enlisted in international stock exchanges to achieve the best possible returns with the least possible risk.

• **Article Eleven:**

Maximum & Minimum Subscription Limits:

- A. The minimum subscription limit is US\$ 50,000.00 while the maximum limit is 50% of the fund size. Additional subscription shall be in the amount of US\$ 1,000.00 and its multiples.
- B. The Fund Manager shall subscribe in the fund with a number of units equal to 5% of the units offered for public subscription. Units held by the Fund Manager shall not be lower than 5% of the total issued fund units and shall not exceed 50% of the fund size.
- C. The Fund Manager may, upon first subscription, cover the unsubscribed units, provided he does not exceed the maximum subscription limit denoted in the previous article. He may also request the supervising authority to decrease the fund capital to not less than 50% of the issued capital. The Fund Manager may also call off the foundation of the fund, in case of which he has to refund

the subscribers all their paid amounts with all revenues they might have generated during their existence in the company or the entity that received the subscription applications, provided that the refunding takes place within the maximum limit of fifteen days as of the request of the same.

- D. Units subscribed in by the Fund Manager may not be less than 5% of the total units subscribed, and the Fund Manager shall not be entitled to dispose owned units within such limits as long as the fund exists. The minimum limit of the Fund Manager subscription is allocated to guarantee his abidance to the provisions of the law, the executive bylaw, this Articles of Association or the supervising authorities. Certificates of such percentage shall be maintained by the Custodian.
- E. The Custodian is not entitled to subscribe to the fund units for his own interest.

• **Article Twelve:**

Subscription Period:

Subscription shall remain open throughout the period specified in the invitation, and can not be closed till the end of that period. Shall this period come closer to an end without covering the minimum number of units, the Fund Manager may request to extend it to another similar period after obtaining the approval of the supervising authority, unless the Fund Manager covers the units not subscribed to.

• **Article Thirteen:**

Allocation Period:

Units shall be allocated to subscribers of the fund within 15 (fifteen) days from the end of the subscription period.

• **Article Fourteen:**

Profit Distribution Policy:

After the end of the fund term, the Fund Manager is entitled to decide the part that shall be distributed to the investors as a return of the investment units pursuant to what he deems appropriate for the interest of the fund and its investors. Distribution amount and time shall be announced in at least two daily newspapers, provided that distribution to the owners of the units begins within the period of 60 days as of the date of announcement. The Fund Manager may distribute the said part of investment return in cash or in the form of bonus units or both, after obtaining the approval of the supervising authority.

• Article Fifteen:

Subscription and Sales Agents:

- A. Subscription to the fund shall be open to the following:
 - Kuwaiti nationals.
 - GCC citizens
 - Kuwaiti or GCC companies and establishments.
 - Expatriates, foreign companies and establishments residing in or out of the State of Kuwait.
- B. Subscription applications to fund units shall be received through the following sales agents:
 - Addax Investment Bank

• Article Sixteen:

Subscription Applications:

- A. Subscription takes place with the selling agents receiving the subscription applications, which shall deposit the received amount in a special account under the name of the fund. Such amount shall be handed to the Custodian after completing the procedures of establishing the fund.
- B. Subscribers shall duly fill and deliver the designated subscription form which should include the name of the fund, the value or limit of its capital, the name of the Fund Manager, the name of the Custodian the name of the subscriber, his address, nationality, the number of units he wishes to subscribe to, their value, any other details, and a declaration signed by the subscriber agreeing to the fund's Articles of Association.
- C. The subscriber shall receive from the company or the selling agent, a signed receipt stating the name, nationality and address of the subscriber, data of subscription, number and value of subscription units.
- D. Subscription shall be open throughout the period specified in the invitation and shall be closed only after expiry of the said period. In the event where the subscription period is about to expire without all the units being covered, the fund manager may request its extension for a similar period unless it covers the value of the units.
- E. Shall the period specified for subscription end without covering all the offered units, the Fund Manager may reduce the capital to the amount that has been covered, provided that it is not less than 50% of the total number of the units offered for subscription after approval of the ministry of commerce and industry. It may also decide not to go ahead with establishing the fund and, in such event, the fund manager and the custodian shall refund to the subscribers the amount paid by them and returns, within a period not exceeding ten days from the date of its aforesaid decision.

- F. The fund manager shall sort the subscription applications and perform the allocation within a period not exceeding fifteen days from the end of the subscription period. In the event where the subscription applications exceed the maximum limit of the authorized capital, the units shall be allocated among the new participants in the ratio of their respective subscription, while fragments are allocated to the Fund Manager unless otherwise stated in the fund Articles of Association.
- G. The amounts exceeding the value of the units allocated to the subscriber shall be returned to him within thirty days from the date on which the allocation procedures ended.
- H. The Fund Manager shall not accept cash subscription above US\$ 10000/-. Subscription amounts above the said limits should be paid in non-cash methods like bank cheques.
- I. Subscription applicants should provide the following document:
- Valid civil ID for Kuwaiti nationals and expatriates resident in the State of Kuwait.
 - Passport or travel document for non-residents in the State of Kuwait.
 - The license issued by the Ministry of commerce and industry for companies, individual establishments or individual representing the same with a proof of authorization.
 - Official documents for other local entities, and documents issued and authenticated from concerned authorities in the country of origin for non-resident establishments, entities and companies.

• **Article Seventeen:**

Subscription and Redemption:

1. The fund guarantees the invested capital to participants, minus fund expenses and charges and any taxes at the end of the fund term (three years as of the date of activity commencement). Therefore, any redemption during the fund period shall not be subject to capital guarantee.
2. Unit holders are entitled to redeem their units once every three months. Redemption shall be processed via a request of the same to be submitted to the Fund Manager, pursuant to the evaluation price announced in the redemption date, minus the redemption expenses, provided that the Fund Manager is notified of the redemption request at least ten working days prior to the evaluation day.

3. Subscription commences after three months of commencing fund activity via submitting an application of the same to the Fund Manager pursuant to the evaluation price announced in that date, in addition to the marketing commission, provided that the Fund Manager is notified of the subscription request at least ten working days prior to the evaluation day.
4. Investment units shall be evaluated after the end of the period specified for redemption and subscription by the Custodian or any other specialized entity he chooses and is approved by the supervising authority, within the dates and in the manner specified in the fund's Articles of Association. The Fund Manager may not perform such evaluation. Evaluation price should be published in two daily newspapers at least.
5. In the event where the difference between the number of units to be redeemed and the number of units being subscribed to exceed 10% of the issued capital of the fund before the closing date specified for receiving redemption and subscription applications, the fund manager may then suspend the redemption process.

• **Article Eighteen:**

Record of Participants and Investment Units:

1. The Fund Manager shall keep a special register in which it shall record the names of subscribers to the fund, their nationalities, addresses and number of units they own. This record should reflect any changes in the said details, which shall be duly and promptly notified to the Custodian.
2. The data stated in the subscribers register shall prevail upon any difference between them and those stated in the certificates.
3. The said record shall be maintained by the Fund Manager, and unit holders, as well as any party of interest, shall have the right to view the same.

• **Article Nineteen:**

Death:

In case of death of the units holder and the transfer of the units to his heirs; the share of each heir should not be less than the limit specified in paragraph (A) of article eleven. If the share of a particular heir is less than the said limit, and the heirs did not reach an agreement to transfer the units ownership to fall within such limit; the Fund Manager may request purchase of the subject units for the last announced price.

• Article Twenty:

Bankruptcy and Attachment:

In case of owner's bankruptcy or the application of judicial attachment on the units owned by him, the investment manager may request to purchase such units pursuant to the latest announced evaluation price and to hand over their value to the concerned entities.

• Article Twenty One:

Fund Manager's Charges and Expenses:

1. The Fund Manager is entitled for a marketing commission (payable once) from the invested amount pursuant to the following table:

Investment Amount	Sales Commission
Less than \$ 500,000	2.00 %
From \$ 500,000 to \$ 999,999	1.50 %
From \$ 1,000,000 and up	1.00 %

The fund bears all establishment expenses incurred by the Fund Manager within the limit of K.D 50,000 (Kuwaiti Dinars Fifty Thousand), which shall be amortized within the first fiscal year of the fund.

2. Charges received by the Fund Manager shall not in any case exceed 5% annually of the net asset value of the fund, being:
 - a. With the exception of the expenses of the fund staff, the fund bears all the expenses spent by the Fund Manager, represented in the charges of the Fund Manager, the fund custodian, auditors, advertising, and printed matters.
 - b. The Fund Manager shall in consideration of its managing and investing the capital of the fund, receive 1.25% of the net asset value of the fund annually as a management fee, to be calculate on monthly basis and compiled annually. These charges are considered part of the expenses of the fund.
 - c. In case the Fund Manager achieve returns on the investment above 10% annually, he shall be entitled for additional incentive charges of 20% of the additional returns above 10% annually, to be paid at the end of the fiscal year.

• Article Twenty Two:

Custodian Fees:

In consideration of its performing its duties specified in these articles, the custodian shall receive fees at the end of the financial year at the rate of 0.125% (one and quarter per thousand) of the net asset value of the fund.

• Article Twenty Three:

Rights of Unit Holders:

- A. Upon liquidation, the net asset value of the fund is proportionally distributed to unit holder.
- B. Any unit holder is entitled for a copy of the periodical reports, annual and semi annual balance sheets, and any fund related information.
- C. The rights of unit holders are composed of the unit value and its returns. The owner shall not be liable for any amounts above the issued paid price of the unit, without prejudice to any rights given or allowed under this Articles of Association. Neither the owner nor his general or private representative is entitled to interfere with the administrative affairs of the fund.
- D. The Fund Manager shall be held liable toward the unit holders for any damages incurred by them as a result of his violation of the provisions of the law, the executive bylaw or the fund Articles of Association, or due to the misuse of their granted authorities or as a result of gross negligence.

• Article Twenty Four:

Units Certificates:

- A. All certificates shall be nominal.
- B. The Fund Manager shall, within the period of not more than 45 days of receiving the subscription amount, issue a certificate/certificates to the unit holders in the names specified by the owner in the form designated for this purpose as approved from the supervising authority, showing in particular the number of units allocated to the owner (or the person specified by him) and their dates.
- C. In case of any difference between the details of the participants record and those shown in the certificates, superiority shall be for the record details.
- D. With consideration to the terms and conditions, guarantees and fees stipulated by him, the Fund Manager shall issue replacement certificates of the lost or damaged ones. The owner is particularly obliged to compensate for the damaged

incurred due to the issuance of replacement certificates. In case the owner gets hold of the lost certificates at any time, he has to promptly submit the same to the Fund Manager.

• Article Twenty Five:

Reports and Balance Sheets:

- A. The Fund Manager shall prepare the annual balance sheet and the statement of profits and losses of the fund as of the last day of each fiscal year, provided the same is approved by both the Custodian and the auditor which should be an independent auditing firm associated with an independent international auditing group. All balance sheets and statements of profits and losses shall be audited by the Fund Manager and approved by the auditor after being audited by the latter to be in conformity with international accounting standards of financial reports.
- B. The Fund Manager should also prepare a semi-annual balance sheet and the statements of profits and losses for the first six months of each fiscal year.
- C. With each annual balance sheet and statement of profits and losses, the Fund Manager shall prepare a semi-annual and an annual report including all the financial details and the statement of profits and losses for the fund along the previous period pursuant to the internationally approved accounting standards, any other financial details, or any details in transactions that might affect the fund as requested by the supervising entities.
- D. The semi-annual report should be prepared within a period of not more than thirty days as of the end of the first six months covering the report. The annual report should be prepared within a period of not more than forty five days as of the end of the fiscal year. The details of the semi-annual report should be reviewed and audited by the auditor, which should be an independent company associated with an international auditing group, pursuant to the international accounting standards. The Fund Manager shall send a copy of these details to the supervising authority.
- E. The Fund Manager shall prepare a report on the activities of the fund every three months stating the financial position of the fund. A copy of this report shall be sent to the supervising authority and unit holders shall be entitled to view it.
- F. The Fund Manager should enable participants for whom units were allocated to view annual and semi-annual reports after their approval by the supervising authority, and to send them copies of the same by post. Annual

financial statements should be published in at least two daily arabic newspapers after they are approved by the supervising authority.

• **Article Twenty Six:**

Financial Year of the Fund:

The financial year of the fund commences on 1st January of each calendar year and shall end on the 31st December. However, the first financial year shall begin on the date of establishment of the fund and end on the 31st December of the following financial year.

• **Article Twenty Seven:**

Profit Distribution Policy:

The fund shall not distribute profits. Profits shall be added to the fund assets.

• **Article Twenty Eight:**

Investment Policies and Risks:

The Fund Manager may invest fund capital in the field of securities pursuant to the following policies:

1- Investment Fields:

- A. The fund aims at growing and securing invested monies via investing in securities, and investment funds enlisted in international stock exchanges to achieve the best possible returns.
- B. The Fund Manager is not entitled to invest the fund capital in fields other than the above mentioned field and with the least possible risks.
- C. The Fund Manager and staff may not perform any transactions with the fund, neither for their own interest or for the interest of their relatives till fourth kin (brothers and sisters in law) that includes utilization of the fund. In case any of such transaction took place, the person who processed the transaction shall be liable for compensating the fund for the damage it incurred.
- D. The Fund Manager shall abide by the policies and restrictions on investment as stipulated by this system.

2- General Restrictions on Investment:

The Fund Manager is not entitled to perform any of the following transactions for the interest of the fund:

- Lending
- Overdraft sale
- Guarantees & Securities
- Acting as main guarantor of issued equities
- Dealing in commodities
- Dealing in real estates
- Cheque discounting

3- Investment Risks:

The value of the units and their returns may increase or decrease during the period. The unit holders are guaranteed their invested capital minus the charges and expenses of the fund and taxes, if any, at the end of the fund term.

• Article Twenty Nine:

The Auditor:

- A. The Fund Manager shall appoint and specify the wages of the auditor after approval of the supervising authority, for the purpose of auditing the accounts of the fund. The auditor is entitled at any time to view the registers, books, files and documents relevant to the management of the fund invested capital and its other assets, either held by the Fund Manager or the Custodian according to the general accounting standards.
- B. The auditor shall notify the supervising authority of any violations of provisions of the law or funds articles of association committed in the performance of its duties.
- C. The auditor shall be liable for any professional shortage, negligence, or fraud committed in the performance of its duties.
- D. The auditor should be an independent auditing company associated with an international auditing group, and shall provide his advice in all issues pursuant to general accounting standards.
- E. The auditor can not be terminated during the fiscal year for which he was appointed to audit the fund accounts but after the approval of the supervising authority. The supervising authority should, verify the request prior to terminating the auditor
- F. The auditor can not cease to perform his duties during the fiscal year for which he was appointed to audit the fund accounts. In case there are compelling reasons that prevent the auditor from continuing his duties, he has to notify

the Fund Manager, the Custodian and the supervising authority to find a replacement. In this case the auditor shall continue to perform his duties till the appointment of his replacement. The auditor shall be liable for all the damages incurred by the fund or the unit holders in case of his violation of this restriction. The replacement auditor should be appointed within the maximum period of sixty days as of the date of the auditor's request to cease performing his duties.

• **Article Thirty:**

Liabilities of the Custodian:

The Custodian shall be liable for performing the following:

- A. Following up the performance of the Fund Manager and verifying that he is managing and investing the fund capital pursuant to the provisions of the law, the executive bylaws, the fund's Articles of Association, the decrees and directives of the supervising authority. The Fund Manager should provide the Custodian with the information that enable him perform his duties. The Custodian is entitled to receive, view, and review all the fund/manager records, books, papers, documents and correspondence relevant to the management and investment of the fund assets. The Custodian is further entitled to request the fund auditor or other auditors to audit the fund accounts and provide him with a report on the same. The Custodian undertakes to notify the supervising authority with any violations of this Articles of Association, the law or bylaws, that might be committed by the fund manager. In addition to the above, the Custodian should notify and direct the Fund Manager in writing concerning any violations of this Articles of Association, and to send a copy of the same to the supervising authority. The Fund Manager should take the necessary corrective procedures of such violations within the maximum period of thirty days of being notified of their existence, to answer the Custodian of his view thereof, and to notify the supervising authority therewith.
- B. The Fund Manager shall provide the Custodian with all the details relevant to his investments in the stock exchanges, where he invests the fund capital. It is the liability of the Fund manager to check the correctness of these details, based on which the Custodian shall evaluate the investments.
- C. The Custodian shall approve the evaluation price calculated pursuant to this Articles of Association and may, as he deems appropriate appoint one or more specialized evaluators, provided they are a financial institution that is established before five years and experienced in the field of evaluating securities. The Custodian shall bear all the evaluation expenses of the external evaluator.

- D. The Custodian has to obtain copies of all the transactions performed for the interest of the fund and a copy of the unit record and any changes therein to enable the Custodian to supervise the performance of the Fund Manager pursuant to this Articles of Association.
- E. The Custodian shall keep the monies, securities and other assets of the fund to assure that these monies are managed and invested within the limits, restrictions, and policies specified in the Articles of Association of this fund.
- F. The Custodian shall perform the obligations associated with the management and investment of the funds monies by the fund manager, unless the performance of these obligations conflict with provisions of the law, the executive by law, the funds articles of associations, or the directive issued by the supervising authority, which shall settle any conflict between the manager and the custodian as a result of execution of such obligation.
- G. Both the Custodian and the Fund Manager should disclose any mutual interests, and inform the supervising authority of the type and range of such interests. The supervising authority may disclose the same if it deems it appropriate.

• **Article Thirty One:**

Authorities of the Fund Manager:

The Fund Manager is authorized to manage the fund and direct the investment pursuant to the provisions of this Articles of Association, the law, the bylaws and the directives of the supervising authority, and shall represent the fund legally in its relation with other parties and before court.

• **Article Thirty Two:**

Amendment of the Articles of Association:

- A. The Articles of Association of the fund may be amended based on a request submitted by the Fund Manager and the approval of the supervising authority, provided such amendments shall not affect the basic rights obtained by the owners of the units but after the approval of more than 50% of them.
- B. The Fund Manager shall inform the owners of any final amendments decided by the supervising authority either by registered mail, or via publication in two Arabic daily newspapers.

The Fund Manager has to inform the Custodian in writing of any final amendments approved by the supervising authority.

• Article Thirty Three:

Fund Termination:

The fund shall terminate for one of the following reasons:

- Expiry of the term specified for the fund.
- Issue of a court judgement to dissolve the Fund
- Termination or bankruptcy of the company that established the fund unless it is replaced with another manager.
- Deletion of the fund from the register of investment funds in the Ministry of Commerce and Industry.
- Based on an application submitted from owners of 5% of the units to the supervising authority to liquidate the fund, and the consent of 75% of the units holders.
- Fulfilling the objective for which the fund was established.
- If the supervising authority solely deemed it appropriate to liquidate the fund or based on the request of the Fund Manager and in both cases for reasons deemed acceptable by the supervising authority.

• Article Thirty Four:

Methods of Liquidation of the Fund:

- A. In case of optional liquidation, the Fund Manager shall liquidate the fund himself or appoint a liquidator for this purpose.
- B. In case of liquidation based on a legal verdict, a liquidator should be assigned by the court, provided the verdict specifies the charges of the liquidator and the liquidation period.
- C. The liquidation of the fund shall be performed pursuant to the provisions of the law of shareholding companies as long as they do not conflict with the provisions of the law organizing securities trading and investment funds establishment or the executive bylaw or Articles of Association of the fund.
- D. The Fund Manager shall publicize the termination of the fund after approval of the supervising authority and the appointment of the liquidator via registering in the record of investment funds in the Ministry of Commerce and Industry, and publication in the official gazette and two other daily local newspapers at least.
- E. In case the Fund Manager did not perform the above procedure, the supervising authority shall perform it.

Termination of the fund shall not waive the rights of other parties, and liquidation procedures shall not start but as of the date of publicizing and publication.

• **Article Thirty Five:**

The Fund Manager shall be liable toward the unit holders of investment units for any damages they incur due to the violation of the provisions of the law, the executive bylaws or as a result of misusing the capacities entitled to him or as a result of gross negligence.

• **Article Thirty Six:**

Disclosure:

The Fund Manager should disclose to the units holders any details or information that might fundamentally affect the value of the units and the procedures he took to handle this. Such revelation shall be performed in the times and in the manner specified in the fund's Articles of Association or as decided by the supervising authority.

• **Article Thirty Seven:**

Any item not expressly provided for in this Articles of Association shall be subject to the provisions of the law No. (31) of the year 1990 concerning the organization of trading securities and establishing investment funds as well as the provisions of its executive bylaw issued pursuant to the Ministerial Decree No. (113) of the year 1992 and amendments thereof.

• **Article Thirty Eight:**

Correspondence:

All correspondence shall be addressed:

- A. To any unit holders at the last address recorded in the Fund's register.
- B. To the Fund Manager at the following address:
International Financial Advisors (IFA)
Al-Salhiya
P.O. Box 4694 Safat 13047 Kuwait

• **Article Thirty Nine:**

Law and Jurisdiction:

These Articles of Association shall be subject, and interpreted according to the provisions of the Kuwaiti law. The Kuwaiti courts shall solely be competent to settle all disputes related hereto or arising herefrom.