

BankDhofar Money Market Fund Open Ended Investment Fund (Private Placement)

Issue of 2,000,000 Units (two million Units) at a price of OMR
1.000 per Unit (Excluding Issue Expense of 2 Baizas per Unit.)

Subscription Period: from 17 March 2024 until 24 April 2024



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www.bankdhofar.com



His Majesty Sultan Haitham bin Tarik

**Investment Manager/ Collecting Agent
Bank Dhofar S.A.O.G
Asset Management Division**



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**Custodian/ Administrator/ Registrar & Transfer Agent
Gulf Custody Company S.A.O.C**



الشرعة الخليجية لحفظ الأوراق المالية
Gulf Custody Company

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This Prospectus has been prepared in accordance with the applicable guidelines stipulated by the Financial Services Authority (FSA) of the Sultanate of Oman. This is an unofficial English translation version of the original Prospectus prepared in Arabic which has been approved by the Capital Market Authority vide its Administrative Decision No. E/16/2024 dated 26 February 2024. In the event of any conflict between the English and Arabic versions, the Arabic version will prevail. The Financial Services Authority assumes no responsibility for the accuracy and adequacy of the statements and information contained in this Prospectus nor shall it have any liability for any damage or loss resulting from the reliance upon or use of any part of the same by any person.

Bank Dhofar S.A.O.G (the Investment Manager) and the Members of the Fund Management Body are responsible for the provision of the information contained in this document and confirm that no material information has been omitted, the omission of which would render this Prospectus misleading. A copy of the Investment Management Agreement is available with the Investment Manager for examination. The Fund will comply with all regulations and guidelines issued by the FSA.

IMPORTANT NOTICE

All Investors are requested to read the following notice carefully.

This Prospectus does not constitute an offer to sell, nor does it constitute an invitation by or on behalf of the Fund to subscribe to the Units in any jurisdiction other than Oman where such offer or invitation to subscribe is, or may be, unlawful.

The aim of this Prospectus is to present material information that may assist Investors to make an appropriate decision as to whether or not to invest in the Units offered. However, such Investors should not consider this Prospectus as a recommendation by the Investment Manager or the Legal Advisor to invest in the Units. Every Investor shall and is deemed to have agreed to bear the responsibility of obtaining independent professional advice in respect of a prospective investment in the Units and should, and is deemed to agree to, conduct independent evaluation of the information and assumptions contained herein using appropriate analysis or projections.

The Sponsor and the Investment Manager acknowledge that this Prospectus contains all the relevant material information and does not contain any misleading statements. The Sponsor and the Investment Manager further acknowledge that the Prospectus does not omit any material information that may positively or negatively impact the Investor's decision to invest or not to invest in the Units.

No person has been authorized to make any statement or provide information in relation to the Sponsor, the Investment Manager or the Units other than the those whose names are mentioned in this Prospectus who have been authorised to do so.

Where any unauthorized person makes any statement or provides information, such statement or information shall not be regarded as having been authorized by the Sponsor, the Investment Manager or the Legal Advisor.

PREFACE

A prospective Investor should not treat the contents of this Prospectus as investment, tax or legal advice. All prospective Investors must make their own investigation and evaluation of the opportunity to invest in the Fund and should consult with their own advisors concerning the evaluation of the risks of the investment and its suitability based on their financial and tax circumstances and risk preferences.

The Fund has been authorized and approved by the FSA as an investment scheme. In giving these authorizations, the FSA does not vouch for the financial soundness of the scheme nor for the correctness of any of the statements made or opinions expressed with regard to them. Furthermore, neither the FSA nor the Central Bank of Oman or any other Omani regulatory authority will bear any responsibility to any Unitholders for any loss resulting from reliance on any information contained in this Prospectus. The Units in the Fund are not listed on the MSX and no application has been made for the Units in the Fund to be listed on the MSX.

This Prospectus is issued by the Investment Manager of the Fund. The Investment Manager is responsible for the information contained in this Prospectus. To the best of the knowledge and belief of the Investment Manager (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The distribution of this Prospectus and the offering of the Units described herein may be restricted in certain jurisdictions and accordingly, persons into whose possession this Prospectus may come must inform themselves about and observe any such restrictions. This prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation by any person in any jurisdiction:

- (i) in which such offer or solicitation is not authorized; or
- (ii) in which the person making such offer or solicitation is not qualified to do so; or
- (iii) to any person to whom it is unlawful to make such offer or solicitation.

This Prospectus will be the prospectus of the Fund throughout its life. This Prospectus is based on the law and practice currently in force in Oman and is subject to the changes therein. Persons interested in acquiring Units should inform themselves as to:

- (i) the legal requirement within the countries of their nationality, residence, ordinary residence or domicile for such acquisition;

- (ii) any foreign exchange restrictions or exchange control requirements which they might encounter on acquisitions or disposal of Units; and
- (iii) the income tax and other taxation consequences which might be relevant to the acquiring, holding or disposal of the Units.

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CHAPTER ONE

ABBREVIATIONS & DEFINITION

“Administrator”	Gulf Custody Company S.A.O.C.
“Administration Agreement”	The agreement entered into between the Administrator and the Fund with respect to the Administration of the Fund’s assets and investments.
“Allotment Day”	The day on which the Units are allotted to the Investors.
“Articles of Association”	The Articles of Association of the Fund which, <i>inter alia</i> , prescribe the functions and powers of the Unitholders and the Fund Management Body and lay out rules for the operation of the Fund and as may be amended from time to time.
“Auditors”	Moore Stephens LLC.
“Application Form”	Means the form required to be signed by each Unitholder and issued to the Investment Manager or the Collecting Agent.
“Applicable Laws”	Means all laws, statutes, rules, regulations, orders or determinations of any governmental authority which has the authority to regulate the Fund, including the Securities Law and the FSA Executive Regulations.
“Business Day”	Means any day other than a Friday, Saturday or any other public holiday on which banks and Muscat Stock Exchange are closed.
“FSA”	The Financial Services Authority of Oman.
“FSA Approval”	Means the approval issued by the FSA bearing administrative decision number 2024/16 on the Fund Registration Date in the Investment Funds Register maintained by the FSA.
“FSA Executive Regulations”	The Executive Regulations of the Capital Market Law (issued pursuant to FSA Decision No 1/2009).
“Collecting Agent”	Bank Dhofar S.A.O.G being a bank/ entity operating in the field of securities and responsible for receiving Application Forms.
“Commercial Paper”	An unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities.
“Currency of the Fund”	Omani Riyal.
“Custodian”	Gulf Custody Company S.A.O.C, the entity responsible for safekeeping of assets of the Fund as per the terms of the Custodian Agreement.
“Custodian Agreement”	The agreement entered into between the Custodian and the Fund with respect to the custody of the Fund’s assets and investments.

“Current Account”	A bank account for customers that accepts unlimited deposits and withdrawals and provides instant access to funds.
“Dealing Day”	means the date or days on which Units of the Fund can be subscribed/redeemed and that is, every day of the week, except Friday, Saturday, and public holidays.
“Dealing Day+1”	Means one day after the Dealing Day.
“Dealing Day+2”	Means two days after the Dealing Day.
“Deposits”	Fixed Deposits, Wakala, Murabaha, Certificate of Deposit, and Current Account subject to regulatory framework in the Sultanate of Oman.
“EGM”	Extraordinary General Meeting of the Unitholders.
“Fees”	Investment Manager Fee: 0.5% per annum of Daily NAV of the Fund. Custodian, Administrator and Registrar & transfer agent Fee: 0.1% per annum of the daily NAV of the Fund.
“Financial Year”	The period commencing on 1 January and ending on 31 December of each Gregorian year.
“Fixed Deposit”	A deposit held at a bank and/or financial institution that has a pre- determined profit/ interest rates and fixed term.
“Fund”	Bank Dhofar Money Market Fund, an open-ended investment fund registered with the FSA.
“Fund Management Body”	The Fund Management Body constituted or elected by the general meeting of the Fund in accordance with Article (244) of the FSA Executive Regulations and the Fund’s Articles of Association.
“Fund Registration Date”	The date of registration of the Fund in the Investment Funds Register maintained by the FSA.
“GCC”	The Gulf Co-operation Council, as constituted from time to time. The countries that are currently part of GCC are Kingdom of Bahrain, Kingdom of Saudi Arabia, Kuwait, Qatar, Sultanate of Oman and United Arab Emirates.
“Governing Law”	The laws of Sultanate of Oman.
“Investment Manager”	Bank Dhofar S.A.O.G, Asset Management Division.
“Investment Management Agreement”	The agreement entered into between the Fund and the Investment Manager concerning the management of the Fund.
“Investment Grade”	A rating that indicates that the issuer or the instrument has a relatively low risk of default. The ratings below are termed Investment Grade: Long term: Standard & Poor’s:- AAA to BBB- Moody’s:- Aaa to Baa3

	Fitch:- AAA to BBB- Capital Intelligence:-AAA to BBB Short Term: Standard&Poor's: A1+ to A3 Moody's:- P1 to P3 Fitch:- F1+ to F3 Capital Intelligence:- A1 to A3 Since the investment of the Fund would be for a Short Term, the Short-Term credit rating would primarily be used wherever required.
"Investor"	A natural or juristic person subscribing in the Units of the Fund through private placement.
"Legal Advisor"	Al Maamary, Al Abri & Co. (MAQ Legal).
"Member"	A member of the Management Body from time to time.
"Minimum Subscription"	One Thousand Omani Riyal (OMR 1,000) (with additional subsequent minimum subscription of One Hundred Omani Riyal (OMR 100).
"MSX"	Means the Muscat Stock Exchange Company S.A.O.C.
"NAV Calculation Frequency"	On each Business Day.
"Date of calculation of NAV"	Business Day following the previous Business Day.
"Net Asset Value" or "NAV"	The total assets less all liabilities of the Fund, calculated as stated in Chapter 13 of this Prospectus.
"Net Asset Value per Unit"	The Net Asset Value divided by the total number of Units in issue, the international Financial Reporting Standards will be taken into account while calculating the NAV.
"Objective"	the Fund seeks to generate maximum returns with preservation of capital and daily liquidity as the main objective.
"Registrar & Transfer Agent" / R&T Agent"	Gulf Custody Company S.A.O.C.
"Regulatory Approvals"	The Central Bank of Oman approval on establishing the Fund vide its non-objection letter No. LD/CBS/BD/2023/1309 dated 15 October 2023.
"RO" / "OMR"	Rial Omani, the lawful currency of Oman.
"Securities"	Any financial contract or ownership right or debt instrument which are negotiable and transferable such as stocks, bonds, Sukuks and other securities specifically mentioned in the Securities Law or determined by the Board of Directors of the FSA.
"Securities Law"	The Omani Securities Law, issued pursuant to Royal

	Decree 46/2022.
“Short Term”	Means less than one year.
“Sponsor”	Bank Dhofar S.A.O.G, who will contribute in the Fund’s capital upon its establishment.
“Subscription Opening Date”	Means 17 March 2024, the date on which subscription for the Fund’s Units began.
“Subscription Closing Date”	Means 24 April 2024, the date on which subscription for the Fund’s Units ends.
“Unitholders”	Means holders of Units in the Fund.
“Units”	Each unit in the Fund, having a nominal value of OMR 1 (Omani Riyal One) for each unit.
“Unlisted”	The Fund’s units will not be listed on the MSX.
“USD”	United States Dollars.
“Working Hours”	The official working hours of Bank Dhofar S.A.O.G is 8am until 3pm.

CHAPTER TWO

THE FUND

2.1 THE FUND

Bank Dhofar Money Market Fund is an open-ended investment fund (unlisted) established under the laws of the Sultanate of Oman for the purpose of investing in the Securities. It is a contractual arrangement between Investors (that is, Unitholders), the Fund Management Body and the Investment Manager, under which Investors acquire Units providing a pro-rata entitlement to the net assets of the Fund on a divisible basis based on the terms and conditions described in this document. The Fund is registered with FSA but is not listed on the MSX. For subscription and redemption process, please refer to chapter 11 of this Prospectus.

2.2 ESTABLISHMENT & GOVERNANCE

The Fund is attached to Bank Dhofar S.A.O.G. with a variable capital divided into investment units with equal rights. The liability of the Unitholders shall be limited to the value of their contributions. The value of the Units shall be payable upon subscription. The affairs of the Fund will accordingly be governed by this Prospectus and the Articles of Association which will serve as the constitution of the Fund. All provisions of the Securities Law, the FSA Executive Regulations and other directives issued by the FSA shall apply to the Fund at all times.

2.3 MINIMUM CAPITAL

The fully paid-up capital of the Fund at the time of establishment shall not be less than OMR 2,000,000, as required under the FSA Executive Regulations. The share of the Sponsor shall not be less than 5% of this capital. The Sponsor shall not sell or redeem its share except after three years from the date of the Subscription Closing Date.

CHAPTER THREE

INVESTMENT OBJECTIVES, PROCESS AND RESTRICTIONS

3.1. INVESTMENT OBJECTIVES & STRATEGY

A money market fund is a type of mutual fund that invests in low-risk securities. These funds have relatively low risks compared to other mutual funds and generate returns that generally reflect short-term profit gains.

In line with the above, the Fund seeks to generate maximum returns with preservation of capital and daily liquidity as the main Objective. The Fund seeks to achieve this by investing in liquid, high-quality securities issued by banks, governments, government entities, quasi-governments & other entities primarily in Oman and the GCC.

The Fund will invest in instruments which may include the following:

- o Call accounts
- o Fixed Deposits
- o Certificate of deposits
- o Treasury bills issued by Government
- o Commercial Papers
- o Short Term maturing bonds and sukuk with residual maturity less than 1 year
- o Murabaha
- o Wakala
- o Money market funds
- o Other short-term liquid instruments

Any entities or instruments issued by such entities in which the Fund invests, should, as at the date of the investment, be rated at least Investment Grade by any of the credit rating agencies such as Standard & Poor's, Moody's, Fitch or Capital Intelligence. The rating requirement does not apply to (i) banks and licensed finance or leasing companies under the supervision of the Central Bank of Oman, (ii) any bank or entity under the supervision of any Central Bank in the

GCC, (iii) issuances of Treasury Bills by any GCC Government, or (iv) Government or Government-related entities in the GCC (including Oman) with a Government shareholding of fifty per cent. (50%) or more.

The Fund will invest only in instruments/Securities that are denominated in Omani Riyal and any GCC currencies, United States Dollars, Great British Pounds or Euros.

The meaning of GCC currencies or the United States Dollars and other currencies is that they are the currencies issued by the central banks of these countries and approved by their governments.

Asset Allocation:

In order to meet the liquidity needs, the asset allocation will be broadly as below:

Maturity	Allocation
1 year or less	The Fund will allocate two third and above of its assets to invest in this type of instrument with a maturity of less than one year.
More than 1 year	The fund will allocate a maximum of one-third of its assets to invest in this type of instrument with a term of more than one year.

The Fund shall invest at least 75% of its capital to attain its main Objectives.

Any change to the investment Objective is the responsibility of the Fund Management Body. The Objective may be amended from time to time if at least two thirds of the Members of the Fund Management Body deem it to be in the best interests of the Unitholders and will require the prior approval of the Unitholders at an EGM and the consent of the FSA.

3.2. INVESTMENT PROCESS

The investment process focuses on capital preservation and liquidity – the key ingredients most Investors demand from a short-term money management fund.

3.2.1. Emphasis on Safety

Investors look to money market funds primarily to safeguard their cash. Therefore, the Fund will have strong emphasis on safety and liquidity.

To preserve principal and maintain liquidity, the Fund will maintain extremely high credit-quality standards. Money market fund investments are not without risk, particularly in the securities issued by corporates, where yields tend to be higher and so does the risks. The Investment

Manager's responsibility is to evaluate and manage those risks in an effort to safeguard and protect the Unitholders' assets.

3.2.2. Diversification

In addition to focusing on high credit quality, the Fund will also aim for high diversification standards. In doing so, the Fund seeks to further reduce the credit risk of any single issuer.

3.2.3. Short Term Investment Horizon

To maintain liquidity and manage the interest rate risk, the Fund would strive to maintain sufficient liquid assets.

3.3. INVESTMENT RESTRICTIONS

The Investment Manager will be bound by the following investment restrictions at the time of making investments.

Maturity	Maturity of the Securities and Deposits to be in line with the asset allocation guidelines under section 3.1.
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Exposure	The Fund shall not hold more than 10% of the outstanding securities of any issuer. The Fund's investment in any Securities issued by any single issuer shall not exceed 10% of the Net Asset Value of the Fund.
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- **Single entity in Oman:**

The Fund will not invest more than 10% of its NAV or 10% of the total deposit of that bank/entity whichever is lower in Fixed Deposits/ Securities of any single bank/entity. Investments in call/ current account are excluded from this limitation. The Fund will not invest more than two thirds of its Net Asset Value in any Securities issued by the Government of a GCC country or in Deposits of any single licensed commercial bank based in Oman that is designated as Domestic Systemically Important Bank (D-SIBs) by the central bank in their respective countries, similar to the Bank for International Settlements' requirements.

- **Single entity outside Oman:**

The Fund will not invest more than 25% of its Net Asset Value in Securities or Deposits of any single entity based outside Oman. The total Securities and Deposits with banks outside Oman will not exceed 50% of the Fund's NAV.

- **Other Money Market Funds:**

Subject to limits on exposure limits, The Fund shall not invest more than 20% of its Net Asset Value in third-party open-ended schemes & funds that principally invest in money market and/or related Securities.

Geography The Fund shall invest between 50%-100% of its Net Asset Value in Securities and Deposits of entities that are domiciled inside of Oman. The Fund shall not invest more than 50% of its Net Asset Value in Deposits or Securities of entities that are domiciled in the GCC region (excluding Oman). The Fund shall not invest more than 10% of its Net Asset Value outside the GCC region. The geographical limits are as given below:

	Geography	Maximum Limit	Minimum Limit
1	Oman	100%	50%
2	GCC (excluding Oman)	50%	0%
3	Outside the GCC	10%	0%

Borrowing The Fund may borrow up to a maximum of 10% of its NAV at an interest rate approved by the Fund Management Body.

Shares The Fund shall not invest in equity shares of any entity as the Fund's investments will only be limited to the financial instruments described in paragraph 3.1 above.

Limits on Liability The Fund will not invest in securities carrying unlimited liability. The Fund will not make investments for the purpose of exercising control or management. None of these restrictions will require the sale of any Securities or liquidation of deposit of the Fund where any restriction is breached as a result of an event outside of the control of the Investment Manager which occurs after the investment is made, but no further investment in the relevant Securities or Deposits may be made by the Fund until the relevant restriction can again be complied with. The Investment Manager may change the above restrictions to attain the investment Objective of the Fund with approval of the Fund Management Body subject to relevant regulations.

3.4. PROFITS

Unitholders are entitled to the net returns achieved by the Fund after deducting all liabilities, including Fees, expenses and tax.

3.5. DIVIDEND POLICY

The Fund Management Body may approve dividends, in respect of any financial period, to be paid to Unitholders out of:

- (a) Profit income received by the Fund; and
- (b) Realized or unrealized gains derived by the Fund.

Such dividends may be paid regardless of any accumulated deficit on the capital account, including as a result of net realized or unrealized losses. As a result, such dividend may be paid when the Unitholders may have a holding with a net asset value less than the cost of its acquisition.

The Investment Manager shall not declare dividend from the proceeds from the issue of Unit.

CHAPTER FOUR

PURPOSE AND ESTIMATED EXPENSES

PURPOSE:

The purpose of this Prospectus is for the establishment of an unlisted open-ended money market fund for the purpose of investing in the instruments set out in paragraph 3.1 of this Prospectus.

ESTIMATED ISSUE EXPENSES

The aggregate expenses for establishing the Fund are estimated at an amount of OMR 22,500 (Twenty-Two Thousand Five Hundred Omani Riyals). The expenses will be collected and deducted from each of the Unitholders Subscription amounts at the time of establishment of the Fund at 2 Baizas for each Unit subscribed for and allotted to them.

In case the expenses exceed the amounts collected from Unitholders, the same excess amounts will be paid by the Sponsor.

The estimated expenses under various heads are given in the following table:

Particulars	Amount (OMR)
Investment Manager Fund Establishment Fees	10,000
Legal Advisor Fees	7,500
FSA Fees	2,000
Miscellaneous Expenses (marketing, advertising, printing etc.)	3,000
Total Estimated Issue Expenses*	22,500

**The total expenses mentioned above are estimates and may change according to actual expenses. The estimated expenses listed above do not include Value Added Tax. **

CHAPTER FIVE

MANAGEMENT OF THE FUND

5.1 STRUCTURE AND ORGANISATION OF THE FUND MANAGEMENT BODY

The Fund shall be managed and supervised by a specialized management body (the “**Fund Management Body**”) elected by the ordinary general meeting of the Unitholders in accordance with the provisions of the Articles of Association. The Fund Management Body will consist of four (4) members.

The first Fund Management Body shall be appointed by the Investment Manager by agreement with the Sponsor. The term of office of the first Fund Management Body shall not exceed one (1) year from the date of the Fund’s registration in the Investment Funds Register maintained by the FSA.

After one (1) year from the date of the Fund’s registration in the Investment Funds Register maintained by the FSA, the Fund Management Body shall convene an ordinary general meeting of the Unitholders to elect a new Fund Management Body in accordance with Applicable Laws, regulations and the Articles of Association. The new Fund Management Body shall have a term of a maximum of five (5) years.

Members of the Fund Management Body are responsible to the Unitholders and the FSA for supervising and overseeing the performance of the Fund and other service providers and their carrying out of their activities for the purpose of safeguarding the interests of the Fund and Unitholders in accordance with Applicable Laws and regulations.

The Fund Management Body shall supervise and monitor the activities of the Fund and its service providers for the purpose of ensuring proper conduct of the daily routine of the Fund’s exercise of its activities and efficiency of the Fund’s operations.

5.2 MEMBERSHIP CRITERIA OF FUND MANAGEMENT BODY

Members of the Fund Management Body shall satisfy each of the following criteria:

- 1- He/she must have a record of good conduct and a sound reputation;
- 2- He/she must not previously have been convicted of a crime or an offence involving dishonesty, or a breach of trust, or a crime stipulated in the Securities Law, the Commercial Companies Law (promulgated by Royal Decree 18/2019) or the Oman Commercial Law (promulgated by Royal Decree 55/1990, as may be amended from time to time) unless rehabilitated; and
- 3- He/she must not have been declared bankrupt.

5.3 MEMBERS OF THE FIRST FUND MANAGEMENT BODY

The following are the Members of the first Fund Management Body the appointment of which is intended by the Sponsor:

S. No.	Name of the Member
1	Mr. Salim Mohammed Al Mashaikhi
2	Ms. Huda Mohammed Al Amri
3	Mr. Said Al Habsi
4	Mr. K. Gopakumar

Below is a brief biographical summary of the Fund Management Body Members:

1) Mr. Salim Mohammed Al Mashaikhi

Mr. Salim Al Mashaikhi was formerly employed in the Expenditure Department of Royal Court Affairs. He has extensive experience in investments, and he was member of fund management body of many successful funds in Oman. Mr. Salim is currently also a Board member of Sohar International Bank S.A.O.G.

2) Ms. Huda Mohammed Al Amri

Ms. Huda Mohammed Al-Amri is currently working in the Investment Department of Social Protection Fund (previously known as Public Authority of Social Insurance (PASI)). She has fourteen (14) years of experience in Finance & Accounting across organizations: Social Protection Fund, Omantel, General Census for Population and Housing & Establishments and Financial Service Company. She has graduated from Sultan Qaboos University with a majors in Natural Resource Economics and Business Administration.

3) Mr. Said Al Habsi

Mr. Said Al Habsi has over 21 years of experience. He is currently working at the Oman Investment Authority as Investment Director. He had also worked for the Oman Investment Fund (OIF) and the Ministry of Defence Pension Fund. Mr. Al Habsi has been a board member of several joint stock companies in Oman.

4) Mr. K. Gopakumar

Mr. K. Gopakumar joined Bank Dhofar S.A.O.G as Deputy Chief Executive Officer in November 2021. He is a veteran finance professional with more than thirty (30) years of experience in various leadership roles in Wholesale Banking, Retail Banking, Treasury & FI, Investment Banking, Asset Management, Private Banking, Financial Control and Operations with renowned financial institutions. Prior to joining Bank Dhofar S.A.O.G, Mr. Gopakumar held several leadership positions at banks in Oman. He has also held positions as fund management body member in many leading registered funds in Oman. He is a Chartered Accountant, Cost Accountant and Company Secretary from India, a member of the Chartered Institute of Management Accountants, London, Member of the ACI - The Financial Markets Association, London and a Member of the Corporate Treasurers, London. He also holds an MBA from IMD Lausanne, Switzerland.

5.4 POWERS AND DUTIES OF THE MANAGEMENT BODY

The Fund Management Body shall carry out oversight and supervision of the Fund's business and shall undertake the following:

- Evaluation of the Fund's investment performance and monitoring of the Fund's investments compared to the performance of similar investment funds or any other benchmark or index on the basis of which comparison can be made, whilst taking into account the investment Objectives of the Fund;
- Ensure the Fund's compliance with this Prospectus, the Articles of Association and statutory requirements;
- Evaluation of the performance the Investment Manager and other service providers;
- Ensure adequacy of the Fund's systems to safeguard its assets and that adequate accounting controls are in place;
- Ensure the adequacy the Investment Manager's systems and internal controls so as to protect the interests of the Fund and Unitholders;
- Avoid conflicts of interest and ensuring that adequate procedures are in place to resolve any conflicts of interest in the best interest of the Fund and Unitholders;
- Ensure segregation of functions when one company is acting as provider of more than one service to the Fund;
- Consider and approve any transactions proposed to be entered into between the Fund and its related parties and to suitably disclose the same;
- Consider and approve the Fund's annual report, financial statements and other information and disclose the same in accordance with Applicable Laws and regulations while ensuring that such disclosure is fair, timely, transparent and not misleading;
- Appoint and remove service providers to the Fund and determine their fees; and
- Passing resolutions relating to the distribution of dividends

5.5 FUND MANAGEMENT BODY MEETINGS AND PROCEEDINGS

5.5.1 The following principles shall be observed during meetings of the Fund Management Body:

- the number of the attendees shall not be less than two-thirds of the Fund Management Body;
- the Fund Management Body shall not take part in discussions and/or voting on matters if he/she or his/her spouse or relatives up to second degree have interest;
- the Fund Management Body resolutions shall be passed by a majority vote of the present Members;
- any objection by a Member to any resolution shall be recorded in the minutes of the meeting; and
- the Fund Management Body shall meet at least four times per year with a maximum time gap of four months between any two consecutive meetings.

5.5.2 The Fund Management Body shall elect from amongst its Members a Chairman and a Deputy Chairman.

5.5.3 Without prejudice to the above, the Fund Management Body may hold its meetings and its Members may participate in such meetings by means of audio and video conferencing provided that at such meeting the secretary of the Fund Management Body meeting is able to identify the attending Members and all attending parties are able to listen to each other's deliberations. For the avoidance of doubt, a Member of the Fund Management Body participating in a meeting of the Fund Management Body by means of audio and video conference shall be deemed to be present, in their personal capacity, at the meeting. Further, the Fund Management Body may issue its resolutions by circulation without the need to hold a meeting if necessary.

5.6 APPOINTMENT OF NEW MEMBERS IN THE EVENT OF VACANT SEATS

Where any Member's position falls vacant prior to the end of the term, the other Members may appoint another person as a replacement Member until the end of the Fund Management Body's remaining term of office.

5.7 VACATION OF OFFICE

The office of a Member shall be vacated if:

- he or she resigns his or her office by written notice;
- he or she has absented himself or herself (such absence not being pre informed absence with leave or by arrangement with the Management Body) for meetings of the Fund Management Body for a consecutive period of twelve months and the Fund Management Body resolves that his or her office shall be vacated;
- he or she becomes of unsound mind or physically incapacitated;
- he or she becomes insolvent, or suspends payment to his creditors;
- he or she is requested to resign by a written notice signed by all the other Members;
- an ordinary resolution requesting his resignation is passed at a meeting of Unitholders as described in chapter 12; or
- The board of directors of the FSA issues a resolution to dismiss the Member.

5.8 SITTING FEES OF THE FUND MANAGEMENT BODY MEMBERS

The Members of the Fund Management Body shall be entitled to sitting fees for attending meetings of the Fund Management Body and reimbursement of expenses properly and reasonably incurred by them in the execution of their duties, in each case, in accordance with the Articles of Association.

5.9 CANCELLATION OF RESOLUTIONS

Unitholders who own at least 5% of the issued Units shall have the right to file a request with the Fund Management Body for cancellation of any resolution(s) passed by the Fund Management Body or the Unitholders' general meeting (as the case may be) if such resolution(s) may cause the Fund or the Unitholders to suffer loss or damage. Such request shall be referred to the body that had originally issued the resolution to decide whether or not to cancel same. Cancellation of the resolution(s) the cancellation of which is requested requires another resolution passed by the majority of the Members of the body which issued the resolution(s) the cancellation of which is requested.

CHAPTER SIX

THE INVESTMENT MANAGER

6.1 INVESTMENT MANAGER

The day to day management of the Fund's portfolio will be the responsibility of the Investment Manager who will manage the assets of the Fund in accordance with the rules and principles stated in this Prospectus, the Articles of Association and the terms of the Investment Management Agreement.

The Investment Manager is Bank Dhofar S.A.O.G, Asset Management Division which is a highly reputed asset manager in Oman.

The strengths of the Investment Manager are as below:

- The Team members have managed one of the largest Money Market Fund in Oman in the past;
- The portfolios and funds managed by the members of Investment Manager team have consistently delivered outstanding returns with significantly less volatility than the market in the past;
- The Investment Management team focuses on 4-pillars of investment:
 - Sourcing right opportunities and perform thorough evaluation.
 - Focus on structuring favorable outcomes to the Funds creating impact to Investors returns.
 - Reduce risk through diversification.
 - Stable income generation to Investors and optimizing exits from investments.

In performing its duties and obligations under the Investment Management Agreement, the Investment Manager will be supervised by the Fund Management Body and will be required to comply with the investment guidelines of the Fund as determined by the Fund Management Body from time to time, as well as Applicable Laws and this Prospectus.

The Investment Manager and its related persons will not be liable to the Fund or the Unitholders for any losses to which the Fund or the Unitholders may become subject in connection with or arising out of or related to the Investment Management Agreement, the Prospectus, the operation or affairs of the Fund or any other action or omission in relation to the Fund, unless and to the extent that such losses resulted from:

- Fraud, gross negligence or willful misconduct of the Investment Manager or its related persons;
- Material breach of any provision of the Investment Management Agreement or this Prospectus by the Investment Manager or its related persons; or
- A material violation of any applicable Securities Law by the Investment Manager or its related persons.

To the extent set out in the Investment Management Agreement, the Investment Manager is authorized to employ the services of independent advisors and consultants if it is determined to be in the best interest of the Fund as long as it is not in violation of the FSA Executive Regulations.

The Investment Management Agreement provides that the appointment of the Investment Manager will continue unless and until determined by the Fund Management Body giving to the Investment Manager not less than 12 months written notice. The Investment Management Agreement may be terminated forthwith by notice in writing by either party to the other if the Investment Manager breaches or fails to perform any of its obligations under the Investment Management Agreement and fails to remedy such breach within 60 days of being required to do so by the Management or if the Investment Manager has commenced liquidation or if a liquidator, administrator or similar officer is appointed. A copy of the Investment Management Agreement is available for inspection at the office of the Investment Manager.

Any termination of the Investment Management Agreement will only take place if a successor Investment Manager has been appointed or otherwise with prior consent of the FSA.

6.2 ROLE OF THE INVESTMENT MANAGER

The Investment Manager will be responsible for identifying investment opportunities and entering into transactions consistent with the Objectives and investment guidelines of the Fund. After an investment is made, the Investment Manager will be responsible for monitoring the investment until the time of exit. More specifically, the Investment Manager shall be responsible for monitoring the portfolio structure, investment performance and compliance with the asset allocations.

The Investment Manager manages the Fund in line with the Prospectus, the Articles of Association and any Applicable Laws or regulations for the time being in force. The Investment Manager shall manage the portfolio of the Fund in line with the investment Objectives of the Fund and shall take all investment decisions or other decisions in the best interest of the Fund and Investors.

The Investment Manager will follow the following steps while conducting its duties:-

Step 1: Evaluate trends relating to profit and investment returns

Profits on Securities and Deposits in the short and long term. The Investment Manager keeps track of the key influences on profit rates to benefit from the changes.

Step 2: Identify Attractive Sectors

The Investment Manager will evaluate each sector to take advantage of what the Investment Manager believes are the most attractive sectors, based on safety, liquidity and yield, and enables us to avoid sectors that the Investment Manager deems unattractive.

Step 3: Determine Maturity Structure

The yield curve depicts the relationship between yields and maturities: as maturities increase, yields increase and the curve slopes upward. The Investment Manager will attempt to balance yield and maturity by evaluating the slope and dynamics of the curve and pinpoint areas that the Investment Manager believes offers the most attractive yields at the best price, while staying within the applicable asset allocation guidelines.

Step 4: Select Securities

When selecting Securities and Deposits, the Investment Manager will conduct a thorough analysis of the issuer's short and long-term credit ratings by credit rating agencies for investments or perform in-house thorough evaluation.

The Investment Manager will use comparable between deposit rates offered by various banks, yield analysis, duration analysis or such other appropriate metrics in evaluating Securities and Deposits.

Step 5: Investment & Monitoring

Based on the outcome of the above steps, the Investment Manager will buy and sell Securities and Deposits and monitor the investments on a daily basis. The Investment Manager will decide on the appropriate

maturity of the instrument based on the cash flow analysis of the Fund.

The Investment Manager will have an internal committee comprising of senior personnel of the bank with experience in fixed income and risk to monitor the investments.

The Investment Manager shall:

- take all day to day decisions and otherwise act as it deems appropriate in relation to the management, investment and reinvestment of the Fund;
- keep the investment policies and Objectives of the Fund under review and, from time to time, suggest to the Fund Management Body such amendments as in its opinion might be made to them in the interests of Unitholders;
- ensure that the Fund's portfolio complies with the Investment Guidelines;
- at all times give promptly to the Fund Management Body all information, explanations and such other advice as the Fund Management Body may require with respect to the Investments and the Fund;
- render written reports of the composition of the Fund's portfolio as often as the Fund Management Body reasonably requires;
- keep proper records of all work done by or on behalf of the Fund concerning the provision of the Investment Management Services;
- prepare or assist in the preparation of all necessary investment reviews, statements, circulars, advertisements, booklets or other documents describing or referring to the Fund; and
- safeguard the Fund from any unnecessary investment risks; Provide liquidity for the Fund to discharge any obligation.

CHAPTER SEVEN

SERVICE PROVIDERS

7.1 CUSTODIAN

The Custodian of the Fund is Gulf Custody Company S.A.O.C, As per the Custodian Agreement, the duties of the Custodian include the following:

- to hold or arrange for the Securities, Deposits, and/or other assets of the Fund to be held in safe custody;
- to hold bearer instruments in that form and to register other instruments in the name of the Custodian or any other person appointed by it;
- to hold Securities which are not fully paid, subject to such conditions as the Custodian may reasonably specify in accordance with applicable local practice;
- to purchase or subscribe for any type of security or Deposits in accordance with the Investment Manager's instructions;
- to sell or otherwise dispose of Fund assets and to deal with the proceeds, in each case in accordance with the Investment Manager's instructions;
- to enter into any agreement or instrument on behalf of the Fund in connection with any security or deposit to be included in the Fund, in each case in accordance with the Investment Manager's instructions;
- to deliver the documents of title and any other instruments relating to the assets of the Investment Manager or in accordance with the Investment Manager's instructions; and
- Where the Securities and/or Deposits owned by the Fund are registered in the name of the Custodian or any other person appointed by it (but not otherwise), to keep the Investment Manager informed of all actions required in respect of each of the assets.

In fulfilling the above duties, the Custodian shall:

- maintain separate custody accounts in the name of the Fund. For the avoidance of doubt, the cash accounts to which all income and proceeds derived from the assets of the Fund shall be credited, will be maintained on behalf of the Fund by the Custodian;
- maintain records showing the custody accounts held by the Investment Manager for the Fund if any;
- keep all assets of the Fund segregated from assets held by the Custodian for its own account;
- the Custodian may take such steps as it may be considered expedient to enable

it to provide the Custodian services required in respect of the Fund and may, with the prior consent of the Fund Management Body appoint one or more third parties as sub-custodian; and

- sub-custodians will only be appointed if the Fund Management Body is satisfied the proposed sub-custodian has the appropriate expertise and experience to perform this role.

7.2 REGISTRAR & TRANSFER AGENT

Gulf Custody Company S.A.O.C is the Registrar & Transfer Agent for the Fund.

The duties of the Registrar & Transfer Agent include the following:

- Data capture of commercial and noncommercial Investor related fund transactions;
- Creation of Units / redemption of Units / switches & transfers;
- Computation and payment of dividends;
- Maintenance of Investor database;
- Creation and distribution of reports;
- Reconciliations of cash and Units;
- Issue of statement of accounts;
- Effecting payouts;
- Handling customer complaints / queries; and
- Any other related services.

7.3 ADMINISTRATOR

The Administrator of the Fund is Gulf Custody Company S.A.O.C . As per the Administration Agreement, the duties of the administrator are as follows:

- Issue necessary instructions to the Custodian for settlement of any transactions;
- Calculation of the Net Asset Value including the calculation of the Fund's income and expense accruals;
- Preparation of accounts;
- Maintenance of the Fund's financial books and records;
- Payment of the Fund's expenses;
- Receipt of income;
- Reconciliations & Settlements;

- Calculation and payment of dividends and distributions;
- Supervision of the orderly liquidation and dissolution of the Fund; and
- Any other related activities.

The Administrator may take such steps as it may consider expedient to enable it to provide the administration services required in respect of the Fund and may, with the prior consent of the Fund Management Body appoint one or more third parties as sub-administrator provided that it is licensed by FSA to perform investment management activity.

Sub-administrator will only be appointed if the Fund Management Body is satisfied the proposed sub-administrator has the appropriate expertise and experience to perform this role.

7.4 AUDITORS

The Auditor of the Fund is Moore Stephens LLC. P.O Box 933, Postal Code 112, Sultanate of Oman. Tel No.+968 24061000 Fax No:- +968 24061001

7.5 BANKERS

The Fund maintains bank accounts with Bank Dhofar S.A.O.G. However, the Fund may open new bank accounts with other banks (if required).

7.6 DISTRIBUTOR

The Investment Manager is currently acting as distributor to the Fund. The Investment Manager may appoint other distributors in or outside Oman on terms agreed between the Investment Manager and the Distributor Subject to approval of the Fund Management Body.

CHAPTER EIGHT

FEES AND EXPENSES

8.1 INVESTMENT MANAGER FEES

The annual management fee will be 0.5% per annum of the Net Asset Value of the Fund paid to the Investment Manager. The Fee will be calculated and paid monthly based on the daily Net Asset Value of the Fund.

8.2 ADMINISTRATION, REGISTRAR & TRANSFER AGENT & CUSTODY FEE

The Fund will pay the Administrator, R&T Agent & Custodian a fee totaling 0.1% per annum of the Net Asset Value of the Fund. The Fee will be calculated and paid monthly based on the daily Net Asset Value of the Fund.

8.3 OTHER FEES

The other fees will include the fees of the Fund Management Body as specified in chapter 4.

8.4 RUNNING EXPENSES

In addition to the fees mentioned above, the Fund will incur other operating expenses, including legal fees, mailing stamps, seals, brokerage and other related fees incurred on the acquisition and realization of investments. The Fund also pays expenses incurred in connection with any issue of Units and costs of the yearly simplified prospectus.

The Fund shall also incur other recurring expenses such as the fees of the external auditors, advertisements, printing, general meetings and any special meetings cost, brokerage commission and banking fees.

CHAPTER NINE

RISK FACTORS & MITIGATIONS

Prior to investing in any Units, interested Investors should carefully consider, together with all other information contained in this Prospectus, the matters and risks described below. The risks identified below are not exhaustive and other risks and considerations, including some which may either not be presently known to the Fund or currently deemed as not material, may impact any investment in the Units and the business, financial condition and/or operating results of the Fund.

An investment in the Units entails a certain degree of risk and, therefore, should be undertaken only by Investors capable of evaluating the risks of the investment and bearing the risks it represents.

There can be no assurance that an Investor will receive a return on its investment, and therefore, an Investor should only invest in the Fund and its Units if such Investor is able to withstand a total loss of its investment. Prospective Investors should ensure they understand the nature of the investment in the Fund and the potential extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own fully independent legal, tax, accounting and financial evaluation of the merits and risks of investment in the Fund and that they consider the suitability of such investment in the context of their own circumstances and financial condition.

SPECIFIC RISK FACTORS:

9.1 RISKS RELATING TO RETURNS

Money market instruments are affected by changes in interest rates. When interest rates decline, the market value of these instruments generally can be expected to rise. Conversely, when interest rates rise, the market value of fixed-income securities generally can be expected to decline. The longer the duration or maturity of a fixed-income security, the more susceptible it is to interest-rate risk.

Mitigation: Investments are made in short maturity instruments thus the risk of price volatility is low. Also, the investment in instruments which have price volatility will be very low.

9.2 CONCENTRATION RISK

The investments made by the Fund may be concentrated in a single sector or country, since the main objective of the Fund is to invest in money market instruments issued by various banks thus there will be large exposure to the banking sector. While the endeavours to diversify the investment in various countries in the GCC the returns available in each country will determine the allocation to each country.

Mitigation: The Investment Manager will endeavor to diversify the investments.

9.3 CREDIT RISKS

Issuers of various money market Securities may be unable to make the Interest / coupon / profit payments and/or repay the principal when due as a result of (included but not limited to) liquidation risk, damage risk, performance risk or any other related risk to the underlying assets.

Mitigation: The Investment Manager will endeavor to diversify the investments and invest in Securities that have high credit rating.

9.4 INCOME RISK

There is a risk that the Fund's income will decrease due to a decrease in return rates or profit rates and when the Fund is forced to invest in instruments with lower returns. The rate of return may fluctuate, and this risk is not a risk of negative returns. Low profitability or a low rate of return can affect the Fund's returns and may cause it to achieve low returns for an extended period.

9.5 EXCHANGE & CURRENCY RISKS

The Fund expects to invest in Securities denominated in currencies other than OMR. Though these currencies are pegged to the USD, any change to the peg or changes in exchange control regulations will have an impact on the NAV.

Mitigation: The fund will endeavor to hedge the foreign exchange risk of currencies other than OMR.

GENERAL RISK FACTORS:

9.6 POLITICAL & ECONOMIC RISKS

The value of Units and the income generated by the Fund may be affected by uncertainties such as political or diplomatic developments, changes in government policies, taxation and interest rates, currency repatriation and other political and economic developments in law and regulations and, in particular, the risks of expropriation, nationalization and confiscation of assets and changes in legislation relating to the level of foreign ownership.

Mitigation: Political risk in GCC is relatively low compared with other regions in the Middle East. However, it is a risk factor that cannot be eliminated completely.

9.7 LEGAL RISKS

The laws and regulations governing the Fund are subject to change. The legislation can change in countries where the Fund may invest. Such legislation may have an adverse effect on the investments held by the Fund.

9.8 TAXATION RISKS

The Fund is exempt from tax as per the prevailing regulation applicable in Oman but may be subject to local taxation to the extent income is derived from other jurisdictions. It is possible, therefore, that the current interpretation of the law or understanding of practice may change or, indeed, that the law may be changed with retrospective effect. Accordingly, it is possible that the Fund could become subject to taxation in the countries in which the Fund may invest that is not anticipated either at the date of this document or when investments are made, valued or disposed of.

9.9 OTHER RISKS

The foregoing list of risk factors is not comprehensive. Investment in the Fund should be regarded as long-term in nature. Prospective Unitholders should consult their own advisors before deciding to subscribe for Units

CHAPTER TEN

TAXATION

10.1 TAX POSITION OF THE FUND

Royal Decree No. 28/2009 promulgating the Income Tax Law (as amended), the income of funds (such as the Fund) set up as joint investment accounts and registered with the FSA are exempt from income tax. In addition, article (45) of the Securities Law provides that “*without prejudice to the Income Tax Law promulgated by Royal Decree 28/2009, a collective investment fund offered for public subscription shall be exempt from income tax*”.

As a result, the income earned by the Fund shall be exempted from Omani taxation (but may be subject to taxation under to laws of other jurisdictions to the extent that may become applicable).

10.2 UNITHOLDER TAXATION

Investors should consult their professional advisors on the potential tax consequences of subscribing for, purchasing, holding, transferring or redeeming of Units under the laws of their country of citizenship, domicile, residence or incorporation.

CHAPTER ELEVEN

SUBSCRIPTION AND REDEMPTION

11.1 INITIAL SUBSCRIPTION

Omani and foreign individuals may subscribe through private placement to the Units of the Fund, as well as to Omani and non- Omani corporate entities, institutions, investment funds, and pension funds

11.2 SUBSCRIPTION ON BEHALF OF MINOR CHILDREN

For the purpose of this initial subscription, any person below 18 years of age as on last subscription date will be treated as a minor. Only a father may subscribe on behalf of his minor children.

If the subscription is made on behalf of a minor by any person other than the father he/she shall be required to attach a valid legal Power of Attorney issued by the competent authorities authorizing him/her to deal in the Fund of the minor through sale, purchase and investment.

11.3 APPLICATION FORMS FOR INITIAL SUBSCRIPTION

The Prospectus and Application Forms for initial subscription can be obtained from the branches of the Collecting Agent or from the office of the Investment Manager.

11.4 INITIAL SUBSCRIPTION PRICE

The Initial Subscription Price is One Omani Riyal (OMR 1.000) per Unit; excluding Issue Expense of 2 Baizas per Unit.

11.5 MINIMUM SUBSCRIPTION

The minimum initial subscription shall be One Thousand Omani Riyal (OMR 1,000) for each subscriber and additional subsequent subscription of minimum of One Hundred Omani Riyal (OMR 100).

11.6 MAXIMUM SUBSCRIPTION

There is no maximum limit for subscription in Units as per the relevant laws and regulations.

11.7 MINIMUM SIZE FOR INITIAL SUBSCRIPTION

The Fund will not be established and all applications received for initial subscription shall be refunded unless valid subscriptions are received for a minimum of 2,000,000 Units during the Initial Subscription Period.

11.8 INITIAL SUBSCRIPTION PERIOD

The Initial Subscription Period shall commence on 17 March 2024 and shall close on 24 April 2024 at the closure of the bank's Business Day.

11.9 MODE OF SUBSCRIPTION

- The Investors shall be responsible for furnishing all their particulars, ensuring correctness and validity of the information provided in the Application Forms. While emphasizing it, the banks receiving the initial subscriptions have been instructed to accept the Application Forms that comply with all the requirements as provided for in the Application Form and in this Prospectus.
- The Investors shall be required, before filling in the Application Forms, to carefully read the Prospectus and the terms and conditions of the subscription.
- The Investors shall be required to submit the complete Application Form and furnish all their particulars as required in the form, including the civil status number, date of birth in case of minor children, Commercial Registration number in case of companies, etc.
- The Investors applying for Units during the Initial Subscription Period shall be required to submit the duly filled Application Form to one of the Collecting Agent receiving the subscriptions (as referred to in the Prospectus) and make payment towards the value of Units as specified in the Prospectus, ensuring that all the documents in support of the information furnished referred to above are enclosed (including any Know-Your-Customer documents).
- In case of payment of the value of Units being subscribed is made through cheque/demand draft or remittance, it shall be in favour of the Fund.

11.10 COLLECTING AGENT

Bank Dhofar S.A.O.G. is authorized to receive completed Application Forms together with the value of Units subscribed during their official working hours in the Initial Subscription Period.

The Investors shall be responsible for submission of their Application Forms to the Collecting Agent before closing of the Initial Subscription Period. In this regard, the Collecting Agent shall have the right not to accept any application for subscription that is received after the official working hours on the closing date of the Initial Subscription Period.

The Collecting Agent receiving the initial subscription shall be required to accept the Application Forms after confirmation of compliance with the procedure and subject matter, in line with the requirements as provided for in this Prospectus. Hence, the Collecting Agent shall instruct the Investors to comply and fulfill any requirement that may appear in the application submitted.

11.11 SUBSCRIPTIONS SUBSEQUENT TO INITIAL OFFER PERIOD

Subscription for the Units of the Fund subsequent to initial offer period and after it being registered in Funds register with FSA shall be open to all the categories of Investors as mentioned in section 11.1 above subject to their fulfilling criteria as laid down below:

- Application form for subsequent subscription can be obtained from the office of the Investment Manager. Investors can subscribe to the Fund on any Business Day. Subscription forms must be completed and submitted along with clear funds for requested Units to the Registrar & Transfer Agent. Subscription may only be made by submitting the form prepared for such purposes in accordance with instructions contained therein. Subscription requests will be irrevocable unless the Fund Management Body otherwise agree;
- After submitting completed Applications Forms from Investors to the Fund, the Subscription Price shall be made known to Investors through an account statement that gives Units allotted, price, amount received net of subscription fees and date of allotment (Dealing Day+1);
- The Registrar and Transfer Agent will issue allotment notification to holders of new Units within one (1) Business Day from the date of allotment (Dealing Day+2).

11.12 PROCEDURES FOR SUBSEQUENT SUBSCRIPTION

- All applications for subscription to Units should reach the Registrar & Transfer agent by 10am with clear funds to receive the NAV of the previous Business Day and any subscription request received after 10 am of a Business Day will get same day NAV. The amount of any subscription request not met in full on a particular business day will be

carried forward to the next Business Day, unless revoked with the Fund Management Body consent.

- The Fund will allot Units on Dealing Day+1.
- The Registrar & Transfer Agent will issue the Unitholders account on Dealing Day+1 by the number of Units mentioned therein and the capital of the Fund will stand increased accordingly.
- Fractions of Units will be issued up to three decimal places thus ensuring the Investor is allotted the full amount of subscription.

11.13 REQUIRED DOCUMENTS FOR INITIAL AND SUBSEQUENT SUBSCRIPTIONS

a) Omani nationals -18 years and above	Copy of the passport/ Identity Card / driving license.
b) Non-Omani nationals	Copy of passport & Resident Card.
c) Minors below 18 years	Copy of the birth certificate and copy of the identity card or passport of guardian/parent.
d) Companies and Enterprises	Copy of the Commercial Registration Certificate or overseas equivalent.
e) Authorities and Pension Funds	Copy of the constitutive decree or decision.

The applicant shall indicate a bank account number along with proof of bank account for the receipt of dividends and other distributions on the application approved by the Investment Manager designed for the subsequent subscription.

11.14 REFUSAL OF SUBSCRIPTION

Applications for subscriptions will be refused by the Registrar & Transfer agent if:

- the subscription price for the Units applied for is not paid in accordance with the conditions described in this Prospectus or in the Application Form of the same;
- an application contains more than one name;
- the Application Form does not satisfy all the requirements in the Application Form or does not enclose the required documents with the subscription;

- any of the requirements mentioned in this Prospectus are not met; and/ or
- in case of application for amount exceeding 10% of the NAV of the Fund after initial offer period, the Investment Manager reserves the right to reject such application.

11.15 REDEMPTION

The Fund will offer daily redemptions whereby Units may be redeemed for a daily cash amount on any Business Day. Unitholders willing to redeem should fill in the redemption application form peppered for this purpose. Redemption requests should be addressed to the Fund and through the Registrar & Transfer agent. Applications received on any Business Day by 10 am will get the Business Day NAV, and any redemption request received after 10 am will get the next Business Day NAV. However, any subscriptions received by 10 am of any Business Day can only be redeemed after one Business Day. For the redemption request to be effective, the request must refer to the Fund and contain full registration details, the number of Units wishes to redeem and the bank details for the payment of the redemption proceeds.

If the Registrar & Transfer agent determines that its requirements for redemption have not been satisfied, the Registrar & Transfer agent shall notify the Investor who has given the redemption order, by the end of the Business Day following the receipt of the redemption order, that its requirements have not been satisfied and further specify the procedures that would have to be completed or the documents which are needed to be submitted by the Investor.

All redemption applications should reach the Registrar & Transfer agent as specified above. The Fund may not suspend the right of the Investor to redeem the value of his Units except:

1. for any period during which trading is suspended of Securities representing at least 51% of the total assets of the Fund;
2. if redemptions on single day exceeds 33% of Fund NAV;
3. In accordance with any limits or provisions clearly stated in the Articles of Association; and
4. In exceptional circumstances approved by the FSA.

If the Fund has suspended redemption, it must, within the next Business Day after the date of suspension, send the redemption suspension notice to the FSA and disclose the same.

11.16 ANNUAL DISCLOSURE

The Fund will disclose annually the procedures to be followed for the issuance and redemption of Units through issuing a summary document describes the procedures of subscription and redemption and any other documents in connection to subscription and redemption orders.

11.17 TIMELINE FOR INITIAL SUBSCRIPTION PROCEDURES*:

The following timeline illustrates the expected duration until the Subscription Closing Date:

Process	Date
Prospectus approval date by the FSA	26 February 2024
Subscription Opening Date	17 March 2024
Subscription Closing Date	24 April 2024
Due date for the Investment Manager to receive the Application Forms from the Collecting Agent.	25 April 2024
Notification to the FSA of the results of the subscription of the Units of the Fund and the proposed allocation.	28 April 2024
Approval from the FSA of the proposed allocation	29 April 2024

*The dates shown above are estimates and may be subject to change.

CHAPTER TWELVE

UNIT OWNERSHIP

12.1 UNITHOLDER'S RIGHTS

The Registrar shall maintain a register of Unitholders which shall include full particulars and details of the Unitholders, including their name, nationality, address, number of Units held and serial number. All Unitholders shall have the following rights inherent in the ownership of the Units, namely:

- The right to one vote for every Unit held by him/her;
- The right to receive dividends as may be, within discretion of the Management Body, distributed to Unitholders from time to time;
- The right to share in the distribution of the Fund's assets upon liquidation of the Fund;
- The right to inspect the annual balance sheet, profit and loss statement and cash flow statement and the other financial books of accounts and records relating to the Fund;
- The right to receive notice of and the right to participate and vote in any meeting of the Unitholders;
- The right to apply for the annulment of any decision by a meeting of the Unitholders or the Fund Management Body or the Investment Manager which is contrary to the law of the Sultanate of Oman or this Prospectus;
- The right to institute actions against the Management Body, the Investment Manager or the Auditors on behalf of the Unitholders;
- A Unitholder who holds at least 5% of Units may request the Fund management to cancel any resolution adopted by the Fund's management or in the general meeting as the case may be, if such resolution is detrimental to the Fund or Investor. The request shall be referred to the same body which has issued the resolution, to decide on it, and respective body may accept or reject such request in its sole discretion.

12.2 LIMIT OF LIABILITY

Liability of the Unitholders for obligations of the Fund is limited only to the extent of their commitments. No Unitholders will be obligated to make any payment in excess of its commitment for any liability or for the discharge of the obligations of the Fund. Once the subscription price has been paid in full, a Unitholders will have no further financial liability to any party in respect of his holding of Units or the liabilities of the Fund.

12.3 EXPENSES

The expenses of running the Fund may be charged against income and/or capital in accordance with International Financial Reporting Standards and the treatment may alter at any time and from time to time in accordance with those standards.

12.4 UNITHOLDER MEETINGS (GENERAL MEETING)

- 12.1.1 The general meeting is the supreme authority of the Fund and shall comprise of all Unitholders.
- 12.1.2 Every Unitholders or their proxy carrying a written authorization may attend the general meeting and shall have one vote for every investment Unit held by him.
- 12.1.3 The Ordinary General Meeting shall be held in accordance with Articles of Association.
- 12.1.4 Where the Fund Management Body fails to convene the general meeting the Investment Manager shall convene it. Notice to attend the general meeting shall not be valid unless it also includes the agenda. Notice to attend the general meeting shall be published, after approved by FSA, in at least two daily newspapers for two consecutive days. The notice shall be sent to the Investor by ordinary post or delivered by hand or to his representative after recording his signature, at least two weeks prior to the date of the meeting together with authorization form, agenda, memos and documents to be discussed by the meeting.
- 12.1.1 The Fund Management Body shall establish the agenda of the general meeting or it may be established by the Investment Manager if the meeting is convened by the Investment Manager. The agenda shall also include proposals by any Investor who holds at least 5% of the capital, at least two weeks prior to the date of sending the notice to the Unitholders to attend the meeting. The general meeting shall not consider any issues that are not included in the agenda.
- 12.1.2 Investors and proxies who hold all the Units of the Fund may hold a general meeting without regard to the rules stipulated for such meeting. The meeting may adopt any resolutions within the authority of the general meeting.
- 12.1.3 The general meeting shall be valid if attended by Investors or proxies representing at least 50% of the Units outstanding.

- 12.1.4 Where the required quorum is not present, a second general meeting shall be called within one month from the date of the first meeting. The notice shall be published in the daily newspapers at least one week prior to the date of the meeting. The second ordinary general meeting shall be valid regardless of the percentage of attendance.
- 12.1.5 The ordinary general meeting shall be held for following purposes:
- a) To elect the Members of Management Body; and
 - b) For any other purpose as deemed fit by the Management Body/Investment Manager provided that it does not contradict with Article (253) of the FSA Executive Regulations.
- 12.1.6 The General Meeting shall be held in accordance with the Articles of Association. The Extraordinary General Meeting (EGM) may be held if the Fund's interest so requires or in accordance with the law or regulation or on request by an Investor or more who holds 10% or more of the Fund's capital. However, in case of all of the following issues, the extraordinary general meeting shall be convened to consider:
- a) Amendment to the Articles of Association.
 - b) Change of main investment Objectives of the Fund.
 - c) Change in the frequency of calculation of NAV or Net Redeemable Value.
 - d) Reducing the frequency or limits on redemption.
 - e) Change of the Fund's status such as a merger, spinoff or conversion or other.
 - f) Dissolution and liquidation of the Fund.
- 12.1.7 The Extra Ordinary General meeting shall be valid if attended by Investors or proxies representing at least 60% of the Units.
- 12.1.8 Where the required quorum is not present, a second EGM shall be called within one month from the date of the first meeting. The notice shall be published in the daily newspapers at least one week prior to the date of the meeting. The second extraordinary general meeting shall require attendance by Investors holding at least 50% of the Unit.
- 12.1.9 Resolutions of the ordinary and extraordinary general meetings shall be adopted by absolute majority except for the resolution to remove a Member of the Fund Management Board which shall require a special majority (with the approval of the Unitholders holding at least 75% of the outstanding Units of the Fund).
- 12.1.10 The general meeting shall be chaired by the chairman of the Fund's Management Body or by his vice chairman, and by the Investment Manager if it has called for the general meeting if the chairman and vice chairman are absent. The meeting shall appoint a secretary to record the minutes including deliberations, resolutions and votes. Every Investor shall have the rights to access the minutes.

- 12.1.11 A secretary shall be appointed in the general meetings to prepare the minutes, including deliberations, decisions, and votes. Every Unitholder in the Fund has the right to view the minutes of the meeting.
- 12.1.12 The FSA may send an observer to attend all general meetings, supervise its procedures and ensure that resolutions are adopted in accordance with the law. The minutes signed by the secretary and approved by the chairman of the meeting, auditor and the Legal Advisor, shall be filed with FSA within fifteen days from the date of the meeting.

CHAPTER THIRTEEN

NET ASSET VALUE CALCULATION

13.1 NAV CALCULATION

The Net Asset Value per Unit is the Net Asset Value divided by the number of Units in issue. The Net Asset Value is the value of the assets attributable to the Fund (including accrued income) less the attributable liabilities (including accrued charges and expenses and provisions for contingent liabilities as appropriate).

The value of the assets attributable to the Fund and the attributable liabilities are determined by the Fund Management Body in accordance with the following:

- A) The assets attributable to the Fund are deemed to include the following:
 - all cash in hand, on debt or on deposit, or on call, including any profit accrued thereon;
 - all bills, demand notes, promissory notes and accounts receivable;
 - all Securities owned or contracted on behalf of the Fund other than Units and rights to Units;
 - all coupon / interest / profit accrued on any profit-bearing investments owned or held for the Fund;
 - all other investments held for the Fund; and
 - all other assets of the Fund of every kind and nature, including prepaid expenses as valued and defined from time to time by the Fund Management Body;
- B) Any expense or liability attributable to the Fund may be capitalized and amortized over such period as the Fund Management Body may determine (and the Fund Management Body may from time to time determine to lengthen or shorten any such period) and the unamortized amount thereof at any time will also be deemed to be an asset;
- C) The assets attributable to the Fund are valued as follows:
 - all listed Securities will be valued at Market Value
 - cash, unlisted Securities and receivables will be valued at cost plus accrued profit if any, and
 - any assets not valued in accordance with the foregoing will be valued at their attributable fair values in accordance with commonly accepted international valuation standards,

If in any case a particular value is not ascertainable as above provided or if the Fund Management Body shall consider that some other method of valuation better reflects the fair value of the relevant investment then in such case the method of valuation of the relevant investment shall be such as the Fund Management Body in good faith in its absolute discretion shall decide.

- D) Notwithstanding the foregoing, where at the time as of which the assets are being valued, any investment attributable to the Fund has been realized or contracted to be realized, there will be included in the assets on behalf of the Fund in place of such investment the net amount receivable on behalf of the Fund in respect thereof, provided that, if the net amount receivable is not payable until some future time after the time as of which the assets are being valued, the Fund Management Body may make such allowances as they consider appropriate;
- E) Any valuations made pursuant to this Prospectus will be binding on all persons; and
- F) The liabilities attributable to the Fund will be determined to include all its liabilities (including such amount as the Fund Management Body determine to provide in respect of contingent liabilities) of whatsoever kind and nature except liabilities represented by Units. In determining the amount of such liabilities, the Fund Management Body may calculate any liabilities on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period. Where applicable, liabilities will be accrued from day-to-day.

In calculating the Net Asset Value, the Fund Management Body may rely upon such automatic pricing services as it shall determine or, if so advised by the Fund Management Body, may use information provided by particular pricing services, brokers, market makers or other intermediaries. Furthermore, in calculating the Net Asset Value, the Fund Management Body shall instruct the Investment Manager to use reasonable endeavors to verify pricing information provided by the Investment Manager or any connected person but Investors should note that in certain circumstances it may not be possible or practicable to verify such information. In such circumstances, the Fund Management Body will not be liable for any loss suffered by the Fund by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in such information.

In all cases the standard accounting practice IFRS will be applicable on NAV calculation.

13.2 SUSPENSION OF NAV

The Fund Management Body may suspend the determination of the Net Asset Value for the whole or any part of a period during which:

- a breakdown occurs in any of the means normally employed by the Fund Management Body in ascertaining the value of investments attributable to the Fund;
- for any other reason the value of a substantial part (in the opinion of the Fund Management Body of the investments attributable to the Fund cannot reasonably be ascertained;
- circumstances exist as a result of which, in the opinion of the Management Body, it is not reasonably practical to realize or to dispose of investments or fairly to determine the Net Asset Value;
- the remittance of funds which will or may be involved in the realization of, or in the payment for, investments or the issue, sale or redemption of Units cannot in the opinion of the Fund Management Body be carried out without undue delay and at normal rates of exchange; or
- Subscription and redemption will be suspended for any period during which the determination of the Net Asset Value has been suspended. Any application or subscription received or deemed received during any such suspension will be dealt by reference to the first Business Day following termination of all relevant suspension(s) provided that all affected applicants will be notified of the suspension(s) and given an opportunity to withdraw the relevant application(s) prior to such Business Day.

13.3 PUBLICATION

The Net Asset Value per Unit will be made known to the MSX and to the Unitholders on each Business Day by publishing it on the MSX website and will also be available on request to the Investment Manager.

CHAPTER FOURTEEN

REGULATORY FRAMEWORK

The Fund will be governed by the Securities Law, the FSA Executive Regulations and all other Applicable Laws of the Sultanate of Oman. The Fund is an investment fund attached to Bank Dhofar S.A.O.G pursuant to this Prospectus and the Fund's Articles of Association.

CHAPTER FIFTEEN

ARTICLES OF ASSOCIATION

The Articles of Association of the Fund shall contain the following information:

1. The form of the Fund (closed- end or open-end).
2. Name
3. Capital
4. Currency
5. Constitution of the management for the Fund
6. Investment Objectives of the Fund
7. Method of issue and redemption of Units
8. Frequency of redemption
9. Dissolution and liquidation of the Fund
10. Commencement and end of the Financial Year of the Fund

A copy of the Articles of Association is available for inspection at the office of the Investment Manager.

CHAPTER SIXTEEN

ACCOUNTS AND ACCOUNTING POLICIES

16.1 GENERAL

- The Fund shall have a financial liability independent from Bank Dhofar S.A.O.G. and the Management Body
- An independent and separate bank account for the Fund shall be maintained by the Custodian for the purpose of making withdrawals and Deposits on behalf of the Fund.
- The Fund shall be treated, in respect of all sales and purchases and other transactions, as an independent entity and shall be credited in the case of sales and debited in the case of purchases. All costs related to the Fund shall be paid directly from the assets of the Fund.
- Accounting records for the Fund shall be maintained independently from the records of the Bank and shall be audited by the Auditors approved or nominated by the Management Body. The Fund Management Body has the power to remove or change the Auditors of the Fund during the life of the Fund. The appointment of Auditors will be notified to the FSA.
- The Financial Year of the Fund is from 1st January to 31st December.

16.2 ACCOUNTING POLICY

The accounts are to comply with International Financial Reporting Standards and as required by Omani law.

16.3 REVENUES & EXPENDITURES OF THE FUND

Revenues of the Fund shall consist of:

- 1- Profits earned as a result of dealing in Securities held on behalf of the Fund; and
- 2- Any other revenue, directly linked to the Fund and resulting from the investment of the assets of the Fund. Expenditure of the Fund shall consist of:
 - the initial Issue Expense of the Fund as set out in Chapter 4 of this Prospectus;
 - the fees as explained in chapter 7;
 - expenses in respect of accounting records and auditing fees;
 - customary brokerage commission and banking fees paid in connection with the sale and purchase of Securities held on behalf of the Fund;
 - all liabilities of the Fund in relation to taxation, whether due on the assets or income of the Fund;
 - any expenditure related to the exercise of rights and duties in respect of

the assets of the Fund;

the cost of preparing, printing, publishing and distributing public notices, annual and interim reports, valuations, accounts and price lists and such other reports or documents as may be allowed or required under the Applicable Laws or regulations of Oman and any other communications to Unitholders;

- costs of printing any certificates or proxies;
- any losses incurred as a result of dealing in Securities held on behalf of the Fund;
- the cost of maintaining accounts;
- the cost of preparing and filing all official documents concerning the Fund, including registration statements and offering circulars with all authorities having jurisdiction over the Fund or the offering of Units;
- the cost of holding any meeting of Unitholders;
- legal fees;
- the fees of the Management Body; and
- any other expenditure directly related to the Fund.

16.4 REPORTS & ACCOUNTS

The Fund's Financial Year is from 1st of January to 31st December in each year. The Administrator shall, within 60 days of the closing of each Financial Year prepare the balance sheet and profit and loss accounts and further statements detailing the main items of revenues and expenditures duly audited by an independent auditor. Audited accounts will be sent to MSX and the Unitholders by mail within 60 days of the closing of each Financial Year. The Administrator will, within 30 days of the end of quarter of each Financial Year, prepare interim un-audited accounts for the Fund and publish them in two daily newspapers in Oman, at least one of them in Arabic language for two consecutive days. The quarterly and yearly reports will be published by the Administrator and will send them to the MSX website through the electronic transmission system of MSX within the statutory time limits.

CHAPTER SEVENTEEN

DISSOLUTION AND LIQUIDATION OF THE FUND

The Management of the Fund may recommend to the extraordinary general meeting to dissolve and liquidate the Fund for any reason including:

1. Expiration of the term of the Fund;
2. Accomplishment of the Objective for which the Fund was established pursuant to the Articles of Association and this Prospectus;
3. Reduction of the net asset value (NAV) of the Fund to less than OMR 500,000;
4. The Fund stops carrying out its business without legitimate reason;
5. Reduction in the net asset value (NAV) to the extent that expenses incurred by the Investors are unreasonably high;
6. On recommendation by the Investment Manager; and
7. On request by the FSA.

The general meeting may issue a resolution to dissolve and liquidate the Fund including the appointment of a liquidator, setting his fees and the liquidation process. The powers of the Fund's management and service providers shall end immediately on appointment of the liquidator.

The proceeds of the liquidation shall be used to discharge the due and payable obligations of the Fund, after payment of dissolution and liquidation expenses. The balance shall be distributed to Unitholders on a pro rata basis.

CHAPTER EIGHTEEN

UNDERTAKINGS

1) Bank Dhofar Money Market Fund (The Fund)

The Members the Fund Management Body of Bank Dhofar Market Fund (under formation) jointly and severally confirm that:

- a) all reasonable efforts have been made in order to ensure that the information furnished in this Prospectus is complete, correct and accurate, and to avoid omission of any material facts or information that would make the contents of this Prospectus misleading; and
- b) they shall abide by the provisions of the Fund's Articles of Association, the Security Law, FSA Executive Regulations, the Commercial Companies Law and any regulations and rules issued pursuant to the aforementioned.

On behalf of the Fund Management Body

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2) The Investment Manager

In accordance with the responsibilities prescribed by the FSA Executive Regulations of issued under Ministerial Decision No. 1/2009, and instructions issued by the FSA, we have reviewed all the relevant documents and other material required for the preparation of this Prospectus relating to the establishment of the Fund and issuance of its Units.

The Investment Manager is responsible for the authenticity of the information contained in the Prospectus, and it has confirmed that no material information has been omitted, the omission of which would render this Prospectus misleading.

We confirm that we have taken all necessary due care as required by the profession with regard to the Prospectus. Based on our review of the Prospectus, the discussions held with the Sponsor and other relevant persons, the review we have undertaken with such relevant bodies with respect to the establishment of the Fund and issuance of its Units, profitability projections, pricing basis and the content of the documents submitted to ourselves, and based on the studies and deliberations held with the Sponsor, we confirm that:

- a) We have taken reasonable care in ensuring that the information furnished to us by the Sponsor and which is contained in the Prospectus is consistent with the facts available in the documents and material pertaining to the establishment of the Fund and issuance of its Units.
- b) On the basis of our perusal and information made available to us by the Sponsor, it is hereby confirmed that the Sponsor has neither concealed any fundamental information nor omitted any important information, omission of which would have made the Prospectus misleading.
- c) The Prospectus and the information contained therein are consistent with all the rules and conditions governing disclosure obligations as provided for in the Securities Law and relevant regulations and directives issued by the FSA and the standard form of prospectus adopted by the FSA, and are consistent with all other instructions and directives issued in this respect.
- d) The data and information presented in the Prospectus are, based on our review, correct, fair and accurate to the extent that they assist the Investor in taking an appropriate decision whether or not to invest in the Units in accordance with the rules and requirements of disclosures.

On behalf of the Investment Manager

Bank Dhofar S.A.O.G

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Legal Advisor

The Legal Advisor whose name appears below confirms that, save as otherwise allowed by the FSA, all the procedures undertaken in respect of the establishment of the Fund and issuance of its Units referred to in this Prospectus are consistent with the provisions of the laws and regulations relating to the activities of the Fund, the Securities Law and the FSA Executive Regulations and FSA directives issued thereunder and the Articles of Association. The Legal Advisor further confirms that the Fund has obtained all the official licenses and approvals necessary for undertaking the activities set out in this Prospectus.

On behalf of the Legal Advisor

Al Maamary, Al Abri & Co. (MAQ Legal)

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