

**HSBC Saudi Petrochemical
Equity Opportunities Fund**

Information Memorandum

*Issued by HSBC Saudi Arabia Limited in accordance with the Investment Funds Regulations
Issued by the Capital Markets Authority of the Kingdom of Saudi Arabia*

HSBC Saudi Petrochemical Equity Opportunities Fund

INTRODUCTION

HSBC Saudi Petrochemical Equity Opportunities Fund is sponsored and managed by HSBC Saudi Arabia Limited and governed by the Investment Funds Regulations issued by the Capital Market Authority (CMA) of the Kingdom of Saudi Arabia (pursuant to its Resolution Number 1-219-2006 dated 3/12/1427 H corresponding to 24/12/2006 as per the Gregorian calendar). HSBC Saudi Arabia Limited, a Joint Stock Limited Liability Company duly incorporated according to the laws and regulations of the Kingdom of Saudi Arabia, its Commercial Registration number is 1010221555 issued by the Ministry of Commerce and Industry, Kingdom of Saudi Arabia. The Fund Manager is an Authorized Person, under the CMA – Authorized Person Regulations, with a license Number 05008-37 Dated 5 / January / 2006.

DEFINITIONS

Manager/Fund Manager	means HSBC Saudi Arabia Limited or any successor duly appointed in accordance with requirements of the Capital Markets Authority of the Kingdom of Saudi Arabia
Company	means HSBC Saudi Arabia Limited
Subscriber/Unit holder	means the unit holder or investor in the Fund
Fund	means HSBC Saudi Petrochemical Equity Opportunities Fund
Bank	means the Saudi British Bank (SABB) and or its affiliates
Market	means the Saudi Equity Market
CMA	means the Capital Markets Authority of the KSA (based on the Capital Market Law issued by Royal Decree No.M/30 dated 2/6/1424H)
IFR	means the Investment Funds Regulations issued by the CMA
BOD/Board	means Board of Directors of the Fund
KSA	means Kingdom of Saudi Arabia
Unit	means ownership of the Fund held by Subscribers
NAV	means Net Asset Value, which is the value of the Fund after deduction of all applicable fees and charges
Valuation Day	means the day when the Net Asset Value will be calculated for subscriptions and redemptions of units.
Business Day	means official working day in KSA where the Saudi Market is open
Forward Pricing	means valuation of the Fund Units after the cut off time as specified in the Appendix hereto
The Committee	CMA Committee for Resolution of Securities Disputes
Appendix	means a supplement (attached hereto) of these Terms and Conditions describing the key terms of the Fund in detail

Terms and Conditions

1. FUND NAME

HSBC Saudi Petrochemical Equity Opportunities Fund is an open-ended collective investment scheme endorsed by the IFR.

2. ADDRESS OF THE FUND MANAGER

The address of the Manager, HSBC Saudi Arabia Limited, is at:

Olaya St., HSBC Bld,
P.O. Box 9084,
Riyadh 11413,
Kingdom of Saudi Arabia.
Phone No: 8001241212,
Fax No: +9661 299 2373.

3. DATE OF COMMENCEMENT

The Fund will begin accepting subscriptions on **8 December 2007** and only after receiving approval from the CMA.

4. THE REGULATORY AUTHORITY

The Fund is subject to the CMA regulations and will abide by the Investment Fund Regulations and other Enforced Regulations issued by the CMA from time to time. The Fund Manager is a licensed person under the CMA regulations; license Number 05008-37 issued on 5th January 2006.

5. DATE OF ISSUE OF THESE TERMS AND CONDITIONS

The Information Memorandum containing the Terms and Conditions of the Fund were issued on Monday November 5, 2007

6. SUBSCRIPTION OF UNITS IN THE FUND

The minimum initial subscription to invest in the Fund is SAR5,000 (Five Thousand), while the minimum additional subscription and minimum redemption is SAR2,500 (Two Thousand and Five Hundred). A minimum investment of SAR5,000 (Five Thousand) must be maintained in the Fund.

7. CURRENCY OF THE FUND

The price of Fund Units is denominated in Saudi Riyals ("SAR"). If payment for Units is made in a currency other than the denominated currency of the Fund, the payment will be converted to the denominated currency of the Fund by the Manager at the prevailing exchange rate and the purchase will become effective upon realization of the funds in the denominated currency and based on the forward Unit price.

8. INVESTMENT OBJECTIVES

The Fund is an open-ended investment fund with the aim of achieving, over the medium to long term, capital growth by investing in a portfolio of Saudi petrochemical equities of companies listed on the Saudi Equity Market. The Fund's assets will be concentrated and actively managed in petrochemical companies aiming to achieve capital growth without a reference to a specific benchmark or weightings of petrochemical companies in the Saudi Equity Market. The Fund Manager may choose to invest excess cash of the Fund in short-term money market instruments. The Fund is an income accumulation fund whereby its income will be reinvested and not distributed to the unit holders. The reinvestment of the Fund's income will be reflected in the value and price of the units.

9. INVESTMENT STRATEGY

The Fund will follow an active investment strategy by investing in equities of Saudi petrochemical companies listed on the Saudi Equity Market. The Fund will adhere to the investment guidelines approved by the Board of

Directors of the Fund. Depending on market conditions, the Manager may, with the approval of the Board, maintain part or all of the Fund's assets in the form of cash or short-term money market instruments.

The maximum borrowing of the Fund that is intended to cover redemption requests must not exceed ten (10) percent of its net asset value except in the case of borrowing from its Fund Manager or an affiliate to meet redemption requests.

The Fund Manager will segregate and separately identify the securities and other assets of the Fund from those of the company, the Manager and other funds and will be maintained in well known and reputable institutions as determined by the Fund Manager.

10. INVESTMENT RISKS

The value of the units in the Fund is subject to fluctuations in the value of the equities the Fund is invested in. Consequently the price of the Fund's Units may go up or down and unit holders may receive an amount, which is less than the amount initially invested upon redemption. As the Fund invests in Saudi Equity Market, The Fund and Unit holders are subject but not limited to the following investment risks:

- **Political and/or Regulatory Risks:** The Kingdom of Saudi enjoys a stable political environment. The Kingdom has been given credit ratings, by global credit rating agencies, which appraise the Political stability of the country however, The Fund may be adversely affected by uncertainties such local/domestic/international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, and other developments in the laws and regulations of Saudi Arabia.
- **Economic Risk:** The Kingdom of Saudi Arabia enjoys a robust economy, which is heavily dependent on the price of oil which fuels economic growth. The Saudi economy and companies that deal in this sector and are listed on the Saudi Equity Market are exposed to the effects of the fluctuation in the oil price. The Fund's assets are invested mainly in the Saudi Equity Market to which those assets might go up or down as a result in the fluctuation in oil prices.
- **Liquidity Risk:** The fund could be exposed to liquidity risk in case the volumes in Saudi Stock Market decreases in dealings in the Saudi Equity Market, which in turn might make it difficult to provide liquidity when investors request redemptions.
- **Market Risks:** Investors in the Fund would be exposed to market risk which includes but not limited to, fluctuation in prices of companies the Fund is invested in, fluctuation of petrochemical goods which will effect directly and indirectly prices of petrochemical companies which represent the investment universe of the Fund.
- **Other Risks:** The Fund Manager will depend on Specific Investment Policies and Strategies that might be concentrate on certain companies or certain sectors with the aim of achieving the funds objectives.

The investor accepts full responsibility for any loss in investment that the fund might incur. The Fund is not a deposit or obligation nor is it guaranteed by the Manager or any of its affiliates or subsidiaries. The Fund is subject to investment risk unless otherwise specified in the Fund's terms and conditions.

11. FEES AND EXPENSES

The Fund will pay to the Manager a management fee for the management of the Fund as stated in the Appendix hereto. The management fee will be calculated daily and deducted on a monthly basis from the net asset value of the Fund. The Fund will also be liable for all other expenses incidental to the management of the Fund such as legal and audit fees, and other continuing expenses such as, but not limited to, safe keeping fees, custodial fees, and transaction charges. The Fund will charge a one time subscription amount paid upfront upon investing in the Units of the Fund. And will be deducted at the time the Subscriber's funds are received. Details of the fees associated with the Fund are stated in the Appendix attached hereto.

12. DEALING COSTS

The Fund shall bear all dealing fees and charges incurred in selling and buying in Saudi equities and any other regulatory fees or charges, levied from time to time.

13. THE FUND BOARD OF DIRECTORS

The Fund is supervised by a Board of Directors (Board), made up of six members of who will serve terms of no more than five years; at least two directors of the Board will be independent directors and a Chairman will head the Board. The Fund Manager reserves the right to change the composition of the Board subject to the approval

of the CMA. The BOD functional term will commence upon the CMA approval of the Fund Terms & Conditions. The Board will meet, at least, twice each year to oversee the Fund Manager's activities and to ensure compliance with the IFR issued by the CMA and investment guidelines set by the Board for the Fund.

The Board of Directors of the Fund will be compensated for services to the Fund but their compensation will not exceed SAR 100,000 (One Hundred Thousand) annually.

The Board will follow the following procedure for voting:

A meeting of the Board will be convened at the written request of the Chairman, at least 15 days prior to the date of the meeting. The Board will meet at the Chairman's discretion at anytime other than official meetings. The meetings will take place at the Fund's headquarter or at other venues, as decided by the Board. At least half of the members of the Board must be present at meetings including the Chairman. If a member is not able to attend a meeting, he can nominate another person to attend on his behalf, provided the following criterion are met:

- The request should be in writing,
- One person can only attend on behalf of one member of the Board,
- The person acting on behalf of a member of the Board should not be allowed to vote on issues of conflict of interest,
- In the event of a tie, the chairman will cast the deciding vote.

- Board Members*:

Name	Credentials	Current Position
Osama Mohammed Shaker (President)	-Master of Science degree in Statistics -BS degree in Quantitative Methods	Head of Investment Services
Zaid Abdurrahman Al-Gwaiz (Independent Member)	-BA degree in Accounting - Previous Senior Manager of HSBC and SABB Deputy Managing Director (HSBC Saudi Arabia) Head of Commercial Banking (SABB) Senior Manager Credit & Risk Management (SABB)	Early Retired
Nasser Mohammed Almeghailaith (Independent Member)	- Preceding Manager of HSBC and SABB Investment Division Manager Money Market Funds (HSBC Saudi Arabia) Senior Dealer Money Markets (SABB Treasury) Manager Administration Treasury (SABB Treasury)	Early Retired
Khaled Abdulaziz Ajudaie (Member)	- Over 25 years of expertise in Local and Money Market Funds management - Established the Brokerage Services of SABB	Head of Mutual Funds
Mazin Fawaz Baghdadi (Member)	-BS Industrial Management - specialized in Finance	Deputy Head of Mutual Funds.
Sultan Abdulatif Al-Nugali (Member)	-BS in Business Science	Manager Mutual Funds

*The Board Members serve as Members of the Board of Directors of existing Funds of HSBC Saudi Arabia Limited.

The Fund directors' responsibilities will include but limited to the following:

- The approval of all material contracts involving the investment fund.
- Overseeing and, where appropriate, ratifying any conflicts of interest the fund manager has identified according to IFR.
- Meeting at least twice annually with the fund manager's compliance officer and/or compliance committee and MLRO, and overseeing the fund manager's compliance with all applicable laws and regulations.
- The approval of any recommendations made by a liquidator once appointed.
- The responsibility to confirm the completeness and accuracy, and compliance with IFR, of the terms and conditions of the Fund.
- Ensuring that the fund manager carries on his obligation in the best interest of the unit holders.
- To act for the benefit of the fund and its unit holders. A fund director's fiduciary responsibility to unit holders includes a duty of loyalty and a duty to exercise reasonable care.
- Approval of delegated powers of the Manager to act as an Advisor, Sub-Manager, Custodian, Trustee, Agent, or Broker subject to precedent CMA approval.

- Approval of delegated services of the Manager for bookkeeping, subscription and redemption entries, sales and purchases, financial transfers, confirmation and information on balances, in response to Subscriber's enquiries.

14. FUND MANAGER

HSBC Saudi Arabia Limited (“the Fund Manager”) manages the Fund under the Commercial Registration no. 1010221555 issued by the Ministry of Commerce and Industry of the Kingdom of Saudi Arabia guided by the Terms and Conditions of the Fund that have been approved by the CMA, and the BOD of the Fund. The address of the Fund Manager is Olaya St., SABB Bld, at P.O. Box 9084 Riyadh 11413 Kingdom of Saudi Arabia, Phone No: +9661 470-6535 and Fax No: +966 225-7020.

Under this Agreement, the Subscriber requests and authorizes the Manager to invest the Fund’s assets in accordance with the investment objectives and policy specified in these Terms and Conditions. The Subscriber authorizes the Manager, subject to prior approval of the BOD, to delegate his power and authority to one or more financial institutions to act as an Advisor, Sub-Manager, Custodian, Trustee, Agent, or Broker of the Fund and to contract with such party to provide investment or custody services of the Fund’s assets directly or indirectly hereinafter referred to as a “Delegated Party”.

The Subscriber is aware and agrees that the above services are offered against fees to be levied on the Fund's account. In respect to authority delegations, the Subscriber understands that the Manager shall not disclose any information regarding the Subscriber to such Advisor, Sub-Manager, Custodian, Trustee, Agent or Broker, unless any applicable law or regulation in any applicable jurisdiction requires such disclosure.

The Manager shall provide the Fund with the services of qualified personnel in the field of supervision, administration, and accountancy in order to manage the Fund effectively. This includes bookkeeping, subscription and redemption entries, sales and purchases, financial transfers, confirmation and information on balances, in response to Subscriber's enquiries. The Manager is hereby authorized by the BOD of the Fund to delegate any of the above functions to a third party.

A Subscriber obtains no specific rights to the whole or any specific part of the Investments in the Fund's Portfolio. A Subscriber may not transfer or assign any of the rights and obligations hereunder without the written consent of the Manager. The Manager shall not be liable for any act or omission or the solvency of Agents and Financial Institutions used in the ordinary course of business.

The Fund Manager is an Authorized Person under the CMA – Authorized Person Regulations license Number 05008-37 issued on 5th January 2006.

15. THE CUSTODIAN

SABB Securities Services Company Limited is appointed as the “Custodian” of the Fund, The Custodian is a limited liability company, who’s commercial registration number is 1010235982 issued by the Saudi Arabian Ministry of Commerce and Industry on 23/7/2007 as well as receiving a licenses from the CMA, license no 07071-05 issued on 26/6/2007. The Custodial services and other services associated are in accordance with the Fund’s Terms and Conditions which have been approved by the CMA and the Fund BOD. The Custodian’s address is at the Muraba’a District on Prince Abdulaziz bin Mosaad Al Jalawi Street P.O. Box 9084 Riyadh 11413 Kingdom of Saudi Arabia Phone No: +9661 4050677 Fax No: +9661 4050677. Website:www.sabbsecurities.com

SABB Securities Services will maintain for each Fund a ledger of all unit holders, the ledger will be updated for each unit holder to reflect number of units and value of units after each and every evaluation.

16. AUDITOR

Ernest and Young will be the official auditors of the Fund and the BOD will reserve the rights to change the auditor of the Fund after giving notice to the CMA and the Subscribers of the Fund. The advice and auditing will take place at their offices in the Al Faisaliah Office Bldg. on Olaya St. P.O. Box 2732 Riyadh 11461 Kingdom of Saudi Arabia Tel. +96612734740.

17. AUDITED ACCOUNTS

In accordance with the rules of the IFR issued by the CMA the Manager will prepare Unaudited Financial Statements at least semi-annually and give access to the public to these Financial Statements within 45 calendar days of the end of the relevant period. In addition, audited Financial Statements for the Fund as of the end of each Gregorian year (31st December) will be prepared within 90 calendar days of year end. Audited Financial

Statements at the end of each fiscal year will be available at the Fund Manager's headquarter or any of its offices and shall be mailed to unit holders upon their written request free of charge.

18. DESCRIPTION OF UNITS AND DIVIDENDS

The Manager may issue an unlimited number of units in the Fund, all of same class. Each unit represents an equal common interest in the Fund. The Fund is an income accumulation Fund where by the net income will be reinvested in the Fund and not distributed as dividends to unit holders. The reinvestment of income will be reflected in the value and price of units. The Fund Manager will not issue certificates to evidence ownership of units in the Fund. The Manager will maintain for the Fund a ledger of all unit holders in the Fund. Following a subscription, Subscribers will receive a confirmation containing full details of the Subscription. If the Fund is liquidated, units will share pro rata in the net assets of the Fund available for distribution to unit holders.

19. INITIAL SUBSCRIPTION IN THE FUND

The initial subscription of the Fund shall take place beginning on 1st December 2007 and ending on 3rd December 2007. All initial subscriptions will be invested in short-term money market instruments prior to the investment date on 4th December 2007. There are no minimum amounts that must be raised before the Fund may be launched.

20. INVESTMENT BY THE FUND MANAGER INTO UNITS OF THE FUND

The Manager, subject to the CMA's approval, may invest in the Fund for its own account by introducing seed capital (if the investment is made at the initiation of the Fund) or a regular Subscription after the Fund inception of the Fund. The seed capital shall be treated as a subscription by the Manager for units in the Fund and consequently, the provisions contained herein with regard to, inter alia, redemptions, shall also apply to such seed capital.

21. PROCEDURE OF SUBSCRIPTION AND REDEMPTIONS IN THE FUND

A Subscriber can be a single person, joint person, an establishment, a partnership or a limited liability company. The Fund will be sold locally as well as globally to individuals, establishments or companies who seek to invest in the Saudi Equity Market. In the event that the Subscriber is more than one person, then unless indicated otherwise, any investment made in the Funds shall be considered the joint property of such persons and such person authorize the Manager to act upon written instructions of all, both, or any one of such persons. In the event that the Subscriber is an establishment, a partnership or a limited liability company then prior to such a Subscriber being allowed to make investments in the Funds, such Subscriber shall submit to the Manager a copy of such Subscriber's Commercial Registration, Articles of Association, Partnership Agreement, if appropriate, Corporate Resolutions all in a form satisfactory to the Manager. The Manager reserves the right to refuse a Subscription Application if the Manager is not satisfied with any part of the documentation supplied. Exception to "Article 50, Investor Limits" of the IFR issued by the CMA has been obtained.

Procedure for Subscriptions: Subscribers wishing to purchase the Fund Units shall do so by completing and delivering to the Manager a completed and signed Subscription Application Form in addition to signed Terms and Conditions, with either (a) the necessary funds for their participation or (b) an authorization to debit an account with the Bank.

Subscribers could opt to use technological means to participate in the Fund, using the electronic services offered by the Manager i.e. Internet, Telephone and ATM Machines. All such subscriptions will be subject to successful transmission of the Subscription information to the Manager. The failure to receive the Subscription information, caused by any technical fault of the system used by Subscriber, would not be in anyway, the responsibility of the Manager. The failure of all such electronic subscriptions would result in subscription not being accepted for the Subscriber.

A valid application will be one where the necessary funds for the purchase of the Fund units is received by the Manager on or before the date and time specified in the Appendix hereto. In case of payment by cheque, the Subscription will be valid only from the Valuation Day immediately following the receipt of cleared funds. Any Subscription by a Subscriber received after the cut-off time specified in the Appendix hereto will be valid only from the next Valuation Day.

Procedures for Redemptions: Subscribers can request the redemption of part or all of their units upon completing and signing a redemption form and delivering the completed form to the Manager or transmitted through electronic means i.e. Internet, Phone or ATM Machine. The Manager does not take any responsibility

for the failure of electronic redemption and the Subscriber understands that such failure would result in rejection of their redemption request. Redemptions are subject to the conditions set out in the Appendix hereto.

Deadline for Subscriptions: All applications for Subscriptions will take place on Business Days during the week. An investment by a Subscriber in the Fund will become effective on, and will be based on, Forward Pricing as at the earliest feasible Valuation Day, as specified in the Appendix hereto.

Deadline for Redemptions: All orders to redeem Units received on one Valuation Day after the cut-off time, as specified in the Appendix hereto, will be executed on the next Valuation Day.

Delay of Redemption: If the total aggregate requests for redemption on any Valuation Day, exceed 10% of the total number of Units outstanding on the previous Valuation Day, the Manager may, at its discretion, defer any redemption in whole or in part, so that the 10% level is not exceeded. At a given valuation day, if total redemptions are in excess of 10%, all redemption requests will be processed on a pro rata basis. Any redemption request so reduced will be effected in priority to subsequent redemption requests received in respect of the next valuation cycle, subject always to the 10% limit. If any redemption would reduce a Subscriber's investment in the Fund to less than the minimum specified in the Appendix hereto, the manager reserves the right to redeem the entire investment. The proceeds of all redemptions will be paid in the denominated currency of the Fund by crediting the Subscriber's account with the Bank, by draft or telex transfer in accordance with the Subscriber's instructions. Charges will be deducted for draft or telex charges.

Refusal of Subscriptions: The Manager reserves the right to refuse participation by Subscribers in the Fund if, inter alia, such participation would result in violation of regulations applicable to the Fund that may from time to time be imposed by the CMA.

22. VALUATION OF ASSETS AND PUBLICATION OF NAV

The unit purchase price or redemption price will be the Net Asset Value per unit on the valuation day of the Fund as specified in the Appendix. The Net Asset Value of the Fund for the purpose of purchase or redemption of units is calculated by subtracting from the value of the total assets of the Fund the amount of the Fund's liabilities including without limitation the fees specified in Clause 11 and 12 as well as the liabilities of the Fund, if any. The unit price is determined by dividing such resulting figure by the total number of outstanding Fund Units on the relevant Valuation Day. The valuation of the Fund will take place on a daily basis. If banks in the country in which the Fund's assets are primarily held or banks in Saudi Arabia are not open for business on any valuation day, then the valuation day will be the next business day on which such banks are open for business.

The time of valuation of the assets of an investment fund may be scheduled to occur up to two (2) days after the deadline for submitting instructions for purchases and redemptions if the Fund Manager reasonably determines that a substantial portion of the assets of the investment fund cannot be promptly valued reliably (including, but not limited to circumstances in which the principal market on which the asset in question is dealt is closed at the time of valuation).

23. EARLY REDEMPTION FEES

The Manager will not charge any early redemption fees irrespective of the time elapsed from the date of investment in the Fund.

24. APPOINTMENT OF LIQUIDATOR AND REPLACEMENT FUND MANGER

The CMA shall have the power to appoint a replacement Fund Manager or a Liquidator or to take any other measures it deems necessary in line with the events listed in the IFR.

25. TERMINATION OF THE FUND

The BOD of the Fund on the advice of the Manager reserves the right to terminate the Fund by giving at least two months' notice to Subscribers after obtaining the CMA's approval. In such case the Fund's assets will be liquidated, its liabilities discharged and the remaining proceeds of such liquidation distributed to the Subscribers in the proportion to which their Units bear to the total Units as ascertained by the Manager at the time the Fund was terminated.

26. PERIODIC STATEMENTS/ADVICE

Each unit holder will receive a statement of investment in the Fund at the end of each calendar quarter. This will be sent to the mailing address provided by the unit holder on the Account Opening Application form unless

notification of an address change has been provided in writing; the statement can also be sent to the unit holder's electronic address (upon request). If the unit holder finds any discrepancies in the statement, then these should be brought to the attention of the Manager within 60 (sixty) calendar days from the statement date, otherwise the statement will be considered correct. If the unit holder does not receive the quarterly statement, then the unit holder should visit the nearest branch within 90 (ninety) days of the statement's issue date to request a copy of the statement.

27. CONFLICT OF INTEREST

The Manager will seek to avoid any conflict of interest arising between the Fund's interests and those of its customers or between interests of different customers. Where any such conflict arises, the Manager shall ensure fair treatment to all unit holders of the Fund. In a case of potential conflict, the Manager shall not unfairly place the Manager's interests above those of its customer's except where a properly informed customer has consented in the circumstances. The full procedures for dealing with conflicts of interest will be made available on request.

28. VOTING RIGHTS POLICIES

- After consulting with the compliance officer of the Fund, The Board shall agree the general policies in relation to voting rights available to the Fund due to its holdings which compromise its investment portfolio.

- The Manager would decide "at its discretion" the enforcement of any voting rights after consulting with the compliance officer of the Fund or the Fund Compliance Committee in respect to the general procedures mentioned above in this section.

- The Manager shall have the right but not the obligation to attend and/or vote in Annual General Meetings ("AGMs") and Irregular General Meetings ("IGMs") of companies in which the Fund holds assets after consulting with the compliance officer of the Fund. The Manager would vote in favor of the Fund's unit holders and in compliance with Article 28 of these Terms and Conditions.

- A unit holder cannot require the Manager to vote in any particular manner, or to abstain from voting, on any underlying companies held by the Fund.

29. AMENDMENT OF THESE TERMS AND CONDITIONS

The Manager may, at any time and at its sole discretion, amend these Terms and Conditions provided that the CMA's approval is obtained for such amendments. It is further provided that the Manager notifies the Subscribers by mail of the proposed changes and furnishes them with a copy of the amended text. The amendments will become effective 60 (sixty) calendar days from the date of any such notice.

30. COMPLAINTS PROCEDURE

All complaints shall be forwarded to the Company's Compliance Department. Complaints will be presented once requested from CMA and/or requested by the Manager. Complaints would be forwarded by the CMA to the Committee for ruling. Full procedures for dealing with complaints will be made available by the Fund Manager on request.

31. GOVERNING LAW

The Terms and Conditions contained in this Information Memorandum are subject to the laws of the Kingdom of Saudi Arabia.

32. LANGUAGE AND CALENDAR

According to the IFR issued by the CMA, the official language of these Terms and Conditions is Arabic and any complaint will be viewed in relation to Arabic language version of these Terms and Conditions. All references to a period of time in these Terms and Conditions shall be considered to be a reference to the Gregorian calendar.

33. COMPLIANCE WITH THE REGULATIONS

The Manager certifies that these Terms and Conditions and other Fund documentation are in compliance with the IFR issued by the CMA and contain full, true and plain disclosures of all material facts relevant to the Fund.

APPENDIX

Summary Financial Disclosure

Name of the Fund	HSBC Saudi Petrochemical Equity Opportunities Fund
Fund Manager	HSBC Saudi Arabia Limited.
Fund Currency & Index Currency	Saudi Riyals
Currency Risk	Saudi Riyals
Policy of Investment and assets allocation	The Fund will follow an active freestyle investment strategy by investing in equities of Saudi petrochemical companies listed on the Saudi Equity Market.
Benchmark	HSBC Saudi Petrochemical Equity Index
Risk/Return Profile	High risk
Minimum Initial Subscription Balance	SAR 5,000
Minimum Additional Subscription/Redemption	SAR 2,500
Cut Off Time For Receiving Subscription/Redemption Applications	At 1:30 PM KSA time on any Business Day
Price Applicable for Purchase/Redemption of Units	If valid application is received prior to the cut off time, then the price applicable thereto shall be the prevailing price on the next valuation day
Valuation Day	Each Business Day in KSA following the Market close on that day
When Redeemed Funds are Paid to Investors	Two (2) Business Days following the applicable Valuation Day
Subscription Fee	Up to 3% of Subscription amount, paid upfront
Management Fee	[1.50%] per annum of the Net Asset Value of the Fund
Dealing Charges	The Fund shall bear all dealing fees and charges selling and buying in Saudi equities and any other regulatory fees or charges.
Board Compensation*	Not exceeding SAR 100,000 a year.
Custody Charges*	2 basis points (0.0002) per annum of the Fund's Net Asset Value
Auditing Charges*	SAR 25,000
Date of Inception	11 December 2007
Unit Price at Inception	SAR 10

* Such expenses are estimates and are expected not exceed 0.50% per annum of the Average Net Asset Value of the Fund. All such expenses' details will be stated in the Fund's yearly report.

I/We hereby have read, understood the Terms and Conditions of the Fund and confirm I/We received a copy and signed.

Name
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Name
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Signature
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Signature
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Date
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Date
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