

بنك الهلال
al hilal bank



AL HILAL GLOBAL SUKUK FUND

PUBLIC SUBSCRIPTION PROSPECTUS - 19TH FEBRUARY 2012

(AN OPEN-ENDED INVESTMENT FUND OPERATING IN
ACCORDANCE WITH ISLAMIC SHARIAH PRINCIPLES
ESTABLISHED PURSUANT TO RESOLUTION NO. 16494/8/
OF THE BOARD OF DIRECTORS OF THE UAE CENTRAL BANK,
AS AMENDED FROM TIME TO TIME, AND THE APPROVAL OF
THE SECURITIES AND COMMODITIES AUTHORITY)

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IMPORTANT INFORMATION

- This Prospectus has been prepared by the Sponsor to provide prospective investors with information about the Fund. Each prospective investor should read this Prospectus thoroughly and consult with an Advisor before submitting an Application to subscribe for the Units. The Sponsor is acting on behalf of the Fund in connection with the offering of Units pursuant to this Prospectus and is not responsible to any other person for advising on the suitability of a subscription for the Units. Each prospective investor will be required to stipulate in his Application that he has not relied upon the Sponsor or any service provider to the Fund for investment to obtain legal or tax advice and that the investor has relied only on his own Advisors for investment, legal and tax advice.
- The Fund operates pursuant to the terms and conditions provided for in detail in this Prospectus. Each prospective investor declares his consent with these provisions by submitting an Application to subscribe for the Units to the Sponsor of the Fund.
- The publication of this Prospectus does not under any circumstances imply that there has been no change in the affairs of the Sponsor or the Fund since the date hereof, or that information herein is correct as of any time subsequent to the date hereof. This Prospectus will be amended or withdrawn and reissued by the Sponsor if any material change occurs to the information contained in this Prospectus or if this information becomes misleading.
- This Prospectus has been prepared without taking into account the objectives, financial situation or needs of any prospective investor. Thus, each prospective investor shall consult an Advisor to ensure that his investment in the Fund is in line with his specific investment objectives, financial situation and special needs.
- The Units are not deposits or obligations of any bank and are neither guaranteed by any bank, nor insured by any entity.
- Investment in the Fund entails risks including the risk that the amount invested may be lost entirely. Therefore, Units are suitable only for investors for whom an investment in the Fund does not constitute a complete investment program and who fully understand and are willing to assume the risks involved in the Fund's investment program.

- The value of the Units is subject to decrease and increase and there can be no assurance that the Units will appreciate in value or that losses will not be realized. The Sponsor of the fund, the Investment Manager, Administrator, Custodian or any entity or branch related to any of the aforementioned does not guarantee return of capital, repayment of income or investing the proceeds of the Fund in the Fund. Each prospective investor should carefully review the risks associated with investing in the Fund, as more fully described in Paragraph 7.1 of this Prospectus.
- A prospective investor may be subject to certain constraints upon investment in the Fund as a result of laws and regulations applicable to such prospective investor. Each prospective investor is responsible for ensuring that it complies with all relevant requirements under any such laws and regulations and for determining whether it is a Restricted Person.

IMPORTANT INFORMATION

- The Units will be offered in the UAE and may, at the sole discretion of the Sponsor, be offered in other countries or jurisdictions or through other regulatory authorities. In respect of any such other country or regulatory authorities: (i) this Prospectus does not constitute an offer or solicitation to buy or sell Units if such offer or solicitation is regarded as illegal in such country or other regulatory authority in accordance with its laws and jurisdiction; or it considers the person making this offer unqualified or legally unauthorized to do such act; (ii) as of the date hereof, neither the Fund nor the Sponsor has been approved or disapproved by any relevant authority in such country or other regulatory authority, nor has this regulatory authority endorsed the merits of any offering or the accuracy or suitability of this Prospectus. The Sponsor may seek such approval or endorsement subsequent to the First Closing Date at its sole discretion.
- Other than as stipulated in this Prospectus, the Sponsor, the Investment Manager, service providers to the Fund (including, without limitation, the Administrator, the Custodian and legal counsel) or any of their employees or agents are not authorized to make statements or representations regarding matters addressed in this Prospectus. To the extent that any such statement or representation is made, it will not be approved, accepted or binding in any manner and should not be relied upon unless specifically authorized in writing by the Sponsor. Furthermore, no modification to or clarification of the terms of this Prospectus is or will be approved, accepted or binding in any manner and should not be relied upon unless specifically authorized in writing by the Sponsor and after obtaining the consent of SCA to any amendment to be made to this Prospectus.
- This Prospectus is being issued solely to be used by prospective investors in evaluating the offering of Units in the Fund. The information included in this Prospectus is subject to confidentiality and is exclusively for use and retention by such prospective investors. Each person who has received a copy of this Prospectus (whether or not such person purchases Units) is deemed to have agreed:
 - (i) not to reproduce, distribute or make available this Prospectus, in whole or in part, to any other person (other than such person's Advisors) without the Sponsor's express written consent;
 - (ii) if such person has not purchased Units, to return this Prospectus to the Sponsor promptly upon the request of the Sponsor; and
 - (iii) not to disclose any information contained in this Prospectus, except to the extent that such information was:
 - (a) previously known by such person through a source (other than the Fund or the Sponsor) not bound by any obligation to keep such information confidential; or
 - (b) in the public domain through no fault of such person; or
 - (c) acquired by such person hereafter by legitimate means from sources (other than the Fund or the Sponsor) not bound by any obligation to keep such information confidential.

IMPORTANT NOTICE

TO BE READ BY ALL INVESTORS

- The main objective of this Prospectus is to provide prospective investors with basic information that may help them take their investment decisions as regards investing in the offered Units. Each prospective investor before subscribing should read all the information in this Prospectus thoroughly in order to decide whether it is appropriate to invest in such Units or not. Each prospective investor should also obtain required advice from his financial and legal advisors relevant to the investment in the offered Units for subscription. Any reader to this Prospectus should take into consideration that the words and phrases included herein indicate that the information in this Prospectus is merely an estimation related to the future, and the objective is to clarify that it represents unconfirmed information. Therefore, such forward-looking statements should not be relied upon entirely as they are subject to change and it is impossible to predict future circumstances with certainty which may lead to the discrepancy between the actual and estimated results.

- An investment in the offered Units may involve a significant degree of risk. Therefore, a prospective investor should not invest any money in this subscription unless he can endure loss of the investment made (see Risks section).
- This Prospectus contains information that has been provided in accordance with the Issuance and Disclosure Rules of the SCA in the UAE. The Investment Manager and the Sponsor, whose names are mentioned in the contents of this Prospectus, assume joint and several responsibility for the accuracy of the Prospectus and they confirm to the best of their knowledge and belief after exercising due care and conducting possible studies to the extent appropriate, that there are no other facts or essential information the failure to disclose of which may make any declaration stated herein misleading or affecting the investment decision of the subscribers.
- Any amendment or addition to this Prospectus must be approved by the SCA and notified to the public through publication in a Daily newspaper according to the rules issued by SCA.
- The offering of Units pursuant to this Prospectus has been presented to the SCA and the UAE Central Bank for the purpose of offering the Units inside the UAE. To the extent that Units are offered in any other country, the

Investment Manager will be responsible for following all applicable procedures and taking all necessary measures to obtain the necessary approvals from the relevant authorities in those countries before offering the Units in them.

- The Fund and those in charge of its management undertake to comply fully and completely with all the laws, regulations and resolutions applicable in the country and with those to be issued at any time by the SCA.
- This Prospectus has been endorsed by the SCA in the UAE on 05/02/2012 under No. 2/2012. The SCA's endorsement of the Prospectus is not to be considered as an endorsement of the investment proposition or as a recommendation for subscription in the Units. It merely denotes that this Prospectus has the minimum requirements in accordance with the Issuance and Disclosure Rules of applied by the SCA. The SCA is not responsible for the accuracy, completeness or adequacy of the information stated in this Prospectus, and it will not be responsible whatsoever for any damage or loss that may be suffered by any person due to reliance on this Prospectus or on any part thereof.

This Prospectus is dated 19 February 2012.

SUMMARY OF TERMS

This summary should be read together with the information in this Prospectus and is completely restricted to the reference to the information appearing in the whole text of the Prospectus under the sections set out below. This information is available at the Sponsor upon the request of the investor. This information should be read entirely and a copy of which should be acquired prior to signing the subscription agreement for Units.

The Fund: Al Hilal Global Sukuk Fund.

Target Fund Size: The Fund will issue (500,000 Units) five hundred thousand Units as a minimum, each with a nominal value of USD 10 and with a total nominal value of (\$5,000,000) five million United States Dollars. The issued Units can be increased at any time throughout the duration of the Fund with a maximum amount of (50,000,000 Units) fifty million Units and with a total nominal value of (\$500,000,000) five hundred million United States Dollars. These Units will be issued in one class and will be fully paid.

The Sponsor will invest a minimum of (\$1,500,000) one and a half million United States Dollars in the Fund on

the First Closing Date.

Fund Duration: Unlimited.

Investment Objective: The Fund aims at generating appropriate periodic revenues on its Investments giving the Investors a chance to receive periodic dividends in order to achieve long-term capital growth by investing in a diversified portfolio of Shariah-compliant global fixed-income securities (Sukuk) and in accordance with the controls stipulated in the Investment Guidelines.

Income Distributions policy: The Fund aims at allocating dividends to the Investors of 100% of the achieved revenue at the end of the Financial Year of the Fund. The Investment Manager may, at its discretion, decide not to allocate cash distributions to Investors if it believes this will benefit the Investors.

Sponsor: Al Hilal Bank - The Investment Banking Group.

Investment Manager: Al Hilal Bank - The Investment Banking Group.

Units Registrar: This task has to be assigned to an entity independent from the Investment Manager such as the Custodian.

Advisory Board: The Fund will have an Advisory Board that will consist of a minimum of two suitably experienced individuals. The Sponsor has, in its sole discretion, the right to appoint and remove members

of the Advisory Board from time to time. On the First Closing Date, the Advisory Board will consist of the following individuals:

- Mr. Sarie Assad Ahmed Arar**, (Deputy CEO, Al Hilal Bank).
- Mr. Haisam Odiemah** (Senior Vice President, Finance and Strategic Planning, Al Hilal Bank).
- Ahmed Mohsen Kamel** (Vice President, Fund management, Al Hilal Bank).

Investment Adviser: CIMB-Principal Islamic Asset Management Sdn Bhd – Kuala Lumpur, Malaysia.

Custodian: HSBC Bank Middle East Limited, UAE Branch.

Administrator: APEX Funds Services Limited, Abu Dhabi.

Shariah Supervisory Panel: Members of the Fatwa and Shariah Supervisory Panel affiliated with the Sponsor.

Auditor: Ernst & Young Middle East.

Subscription of Units: During the initial offering period prior to the First Closing Date, the Fund will offer Units at a subscription price of USD 10 per Unit as well as the stipulated subscription fees of 0.75% due to the Sponsor and paid at subscription.

SUMMARY OF TERMS

After the First Closing Date, the Fund will offer Units on a weekly basis at a price equal to the net value of the Funds assets per Unit as well as the stipulated subscription fees of 0.75% due to the Sponsor and paid at subscription.

Units will not be offered in multiple classes and no fractions of Units will be issued.

Minimum Subscriptions: Initial subscriptions must be for a minimum amount of USD 10,000 or any higher amount in multiples of USD 1,000. Investors may subscribe for additional Units in an amount of USD 1,000 or any multiple thereof.

First Offering Plan: The initial offering period for the Units of the Fund will commence on Sunday 19/02/2012 until the end of day on Thursday 22/03/2012. In the case of non-coverage of the minimum size of the Fund which is (\$5,000,000) five million United States Dollars during the period set out above, the initial offering period will be extended until Thursday 19/04/2012. In the case of non-coverage of the minimum size of the fund at the end of the extension to the initial offering period, the launch of the Fund will be canceled, and the

subscription money received from all of the Investors will be refunded, including the Subscription Fees, within a period not exceeding (15) fifteen days from the closure of the initial offering period, taking into account Ministerial decree No. (206) for the year 2010 regarding the allocation of securities for subscribers and revenues resulting from the initial offering period.

Redemption: Any Investor may redeem the total value of all or some of the Units he owns by submitting a Redemption Notice, as explained in the form in Annex 2 attached to this Prospectus, to the Units Registrar, until the end of the working day four days prior to the concerned Dealing Day.

The redemption amount will be deposited in the relevant Investor Account within 10 working days of the relevant Dealing Day without deducting any expenses.

If the redemption amount in one Dealing Day exceeds 10% of Fund NAV, the Investment Manager, at his discretion, maintains the right to transfer the excess redemption orders to upcoming Dealing Days in order to avoid those losses that may be incurred by the compulsory liquidation of assets, achieving fairness when dealing with all redemption requests.

Except where the redemption is for all of the Units owned by the Investor, the minimum redemption amount which may be redeemed by any Investor on

any Dealing Day is USD 10,000. Any amount exceeding the minimum amount will be in multiples of USD 1,000 and, in all cases, the net asset value of the remaining Units for the Investor after any redemption should not be less than USD 10,000.

The Investment Manager may take a decision of a compulsory redemption to the Units in certain limited circumstances – see Paragraph 5.5.

Currency: The U.S. Dollar (USD).

Subscription Fees: Each Investor whose application to purchase Units is accepted must pay a subscription fee equal to 75 basis points (0.75%) of the Subscription Amount due to the Sponsor. The Subscription Fee is payable to the Sponsor at subscription.

Redemption Fees: None.

Investment Manager Fees: The Fund will pay the Investment Manager annual Management Fees of 85 basis points (0.85%) of the Fund NAV.

Custodian Fee: The Fund will pay the Custodian an annual fee of 2 basis points (0.02%) of the Fund NAV with a monthly minimum amount of USD 1,250.

Administrator Fee: The Fund will pay the Administrator 7.5 basis points (0.075%) calculated on the Fund's net asset value. The Fee is subject to a monthly minimum of USD2,000. Also an all-inclusive annual fee of USD 5,000 will be charged for the preparation of all the required draft quarterly and annual financial statements for the Fund.

SUMMARY OF TERMS

Units Registrar Fee: None

Shariah Supervisory Panel Fees: The Fund will pay the Shariah Supervisory Panel an annual fee of 150,000 United Arab Emirates Dirhams, which is equivalent to approximately USD 40,836.

Costs prior to Fund Offering: Costs in connection with establishing the Fund will not exceed a maximum amount of USD 150,000.

Registration Fees and other Expenses: None.

Fund NAV and Unit NAV: The Fund NAV and the Unit NAV will be calculated by the Administrator on each Dealing Day by deducting all the liabilities of the Fund from the total value of the Assets. The Fund NAV and the Unit NAV will be determined in USD, and Assets held in other currencies will be exchanged to USD based on the then prevailing exchange rates as determined by the Administrator.

Investor Information Rights: Investors will receive the following reports:

- An Annual Report, including audited financial statements expressed in USD. The first Financial Year end of the Fund will be 31 December 2012.

- An information document for the Fund provided on a monthly basis and including, amongst other things, details of the Fund NAV and Unit NAV over the previous month.

- Additional reports as may be determined by the Investment Manager from time to time.

Annual reports and other notices and information relating to the Fund may also be reviewed by Investors at the following website: www.alhilalbank.ae.

Risk Factors: An investment in the Fund involves certain risks that potential investors should carefully consider. Such an investment may not be appropriate for all investors and should not be considered as a complete investment program. There is no guarantee that the Fund will increase in value. For a detailed description of the principal risk factors relating to the Fund and its activities, please refer to Paragraph 7.

Rights of the Owners of the Units: Participation in the Fund is intended for passive investment purposes only. The Fund is not incorporated under the UAE Companies Law and purchasing of Units will not grant Investors the rights given to shareholders of commercial companies. The ownership of Units will not, therefore, confer upon Investors any ownership, voting or control rights in the Fund or the Assets, except as expressly set forth in this Prospectus.

Compliance with Shariah: All investments made by the Fund will be in compliance with the provisions of Shariah and in accordance with the Fatwa and opinions of Shariah Supervisory Panel. The investment program as well as the auditing standards will be approved by the Shariah Supervisory Panel. The Shariah Supervisory Panel has the right to review and monitor the activities of the Fund to ensure the compliance of the Funds assets with the provisions and principles of Shariah. For more details, see the Shariah Supervisory Panel section.

Shariah Supervisory Panel: The Fund will have a Shariah Supervisory Panel that will consist of members of the Fatwa and Shariah Supervisory Panel affiliated with the Sponsor. The Shariah Supervisory Panel will consist of the following individuals:

1. Sheikh Nizam Yaqubi.
2. Sheikh Dr. Abdul Sattar Abu Ghuddah.
3. Sheikh Essam Ishaq.
4. Sheikh Dr. Mohammad Abdul Rahim bin Sheikh Mohammad Ali Sultan Al Olama.

The Shariah Supervisory Panel will provide ongoing supervision and oversight of the Fund's affairs and Assets to ensure compliance with the provisions of Shariah law. The Shariah Supervisory Panel will receive an annual fee payable by the Fund.

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Appendix 1

Application for Units

Appendix 2

Redemption Notice

1. PRELIMINARY MATTERS

1.1 DIRECTORY

SPONSOR

Al Hilal Bank - The Investment Banking Group
P.O. Box 63111 Abu Dhabi, UAE
Tel: +971 (0)2 499 4220
Fax: +971 (0)2 626 5250
Email: akamel@alhilalbank.ae

INVESTMENT ADVISER

CIMB-Principal Islamic Asset Management Sdn Bhd, Level 5, Menara Milenium
8 Jalan Damanelea Bukit Damansara
50490 Kuala Lumpur, Malaysia
Tel: +603 2084 2000
Fax: +603 2084 2299

CUSTODIAN

HSBC Bank Middle East Limited, UAE Branch
Emaar Square, Level 3
Building No. 5
P.O. Box 502601 Dubai, UAE
Tel: +971 (0)4 4235000
Fax: +971 (0)4 4236874

AUDITOR

Ernst & Young Middle East
Nation Tower 2,
Corniche,
Abu Dhabi, 136, UAE
Tel: +97124174400
Fax: +97126273383

INVESTMENT MANAGER

Al Hilal Bank - The Investment Group Public Joint Stock Company
P.O. Box 63111
Abu Dhabi, UAE
Tel: +971 (0)2 499 4220
Fax: +971 (0)2 626 5250
Email: akamel@alhilalbank.ae

ADMINISTRATOR

Apex Fund Services Limited, Abu Dhabi
Office 704
Salam HQ Bldg, Al Salam Street
PO Box 27925
Abu Dhabi
United Arab Emirates
Tel: +97126726327
Fax: +97126726328

UNITS REGISTRAR

Al Hilal Bank - The Operations Group
Public Joint Stock Company
P.O. Box 63111
Abu Dhabi, UAE
Tel: +971 (0)2 499 4444
Fax: +971 (0)2 626 5250
Email: akamel@alhilalbank.ae

LEGAL ADVISOR

Linklaters LLP

Ninth Floor, Currency House
Dubai International Financial Centre
P.O. Box 506516 Dubai, UAE
Tel: +971 (0)4 369 5800
Fax: +971 (0) 4 369 5801

SHARIAH SUPERVISORY PANEL

THE SHARIAH SUPERVISORY PANEL
WILL CONSIST OF THE FOLLOWING
INDIVIDUALS:

- 1.SHEIKH NIZAM YAQUBI.
- 2.SHEIKH DR. ABDUL SATTAR ABU GHUDDAH.
- 3.SHEIKH ESSAM ISHAQ.
- 4.SHEIKH DR. MOHAMMAD ABDUL RAHIM BIN SHEIKH MOHAMMAD ALI SULTAN AL OLAMA.

ALL INQUIRIES REGARDING THIS PROSPECTUS, THE FUND AND THE OFFER OF UNITS SHOULD BE DIRECTED TO THE SPONSOR.

1.2 DEFINITIONS

“**Administration Agreement**” means the agreement entered into between the Sponsor on behalf of the Fund and the Administrator (as amended and replaced from time to time) pursuant to which the Sponsor on behalf of the Fund has appointed the Administrator to act as the administrator of the Fund and to provide certain administrative services to the Fund.

“**Administrator**” means Apex Fund Services Limited, Abu Dhabi, or its successor when acting as an administrator of the Fund in accordance with the Administration Agreement, or such other entity appointed as an Administrator by the Sponsor on behalf of the Fund from time to time.

“**Advisor**” means a professional providing advice on the acquisition, holding and disposal of investments (including, but not limited to, brokers, accountants, bank managers and legal counselors).

“**Advisory Board**” has the meaning given to it in Paragraph 4.3.

“**AED**” means the lawful currency of the UAE.

“**USD**” means the United States of America Dollar, the lawful currency of USA.

“**Al Hilal Bank**” means the public joint stock company incorporated in the Emirate of Abu Dhabi and licensed by the UAE Central Bank (with license number 13/151/2008).

“**Annual Report**” means each annual report of the Fund.

“**Application**” means a properly completed subscription for Units submitted by the Investor(s) to the Sponsor in accordance with the form and requirements set forth in this Prospectus.

“**Assets**” means all of the cash, securities, accrued profits and investments of the Fund.

“**Auditor**” means Ernst & Young Middle East or such other entity appointed as auditor to the Fund by the Sponsor, from time to time.

“**Custodian**” means HSBC Bank Middle East Limited, UAE Branch, or its successor when acting as a Custodian of the Fund in accordance with the Custodian Agreement, or such other entity appointed as custodian by the Sponsor on behalf of the Fund from time to time.

“**Custodian Agreement**” means the agreement entered into between the Sponsor on behalf of the Fund and the Custodian, (as amended and replaced from time to time), pursuant to which the Custodian will provide certain custodial services in respect of the Fund.

“**Business Day**” means any day when banks are open for business in the UAE (except for Fridays, Saturdays and official holidays of banks and funds in the country).

“**Dealing Day**” means Tuesday of every week; or the following Business Day in case Tuesday is not a Business Day; or any other Day designated by the Sponsor, from time to time, on which the purchase and redemption orders collected during the previous week, or delayed from previous weeks are dealt with as necessary and in accordance with stipulated provisions.

“**Evaluation Day**” means the day prior to the Dealing Day, at the end of which the Fund and Unit NAV’s are evaluated, pursuant to which purchase and redemption orders for Units are executed on the Dealing Day.

“**Fees**” means the fees payable pursuant to Paragraph 6.

“**Financial Year**” means the financial year of the Fund, which ends on 31 December in each year. The first financial year of the Fund will end on 31 December 2012.

“**First Closing Date**” means the first Dealing Day on which Units in the Fund are issued to Investors. It is anticipated that the First Closing Date will be on 22 March 2012, although the Sponsor may delay or postpone such date in accordance with the Fund’s Subscription Plan and SCA’s approval. The Sponsor may postpone the First Closing Date until 22 April 2012 if the total investments in the Fund do not reach or exceed the minimum size of the Fund, which is (\$5,000,000) five million United States Dollars.

“**Fund**” means the Al Hilal Global Sukuk Fund, an open-ended investment fund established pursuant to the Resolution and the approval of the SCA, and offered in accordance with the terms of this Prospectus and with Islamic principles as interpreted by the Shariah Supervisory Panel.

“**Investment Management Agreement**” means the

agreement between the Sponsor on behalf of the Fund and the Investment Manager, as amended from time to time, pursuant to which the Investment Manager of the Fund provides certain services related to investment management.

“**Investment Manager**” means the Investment Banking Group at Al Hilal Bank in its capacity as the manager of the Assets in accordance with this Prospectus.

“**Fund NAV**” means the net asset value of the Fund, as calculated in accordance with Paragraphs 5.6 and 5.7.

“**Global Markets**” means all international markets where the Fund is permitted to conduct transactions.

“**Investment Adviser**” has the meaning given to it in Paragraph 4.6.

“**Investment Advisory Agreement**” shall mean the investment advisory agreement entered into between the Investment Manager and the Investment Adviser.

“**Investment Committee Advisor**” has the meaning given to it in Paragraph 4.4.

“**Investment Committee**” has the meaning given to it in Paragraph 4.4.

“**Investment Guidelines**” has the meaning given to it in Paragraph 2.5.

“**Investment Strategy and Objectives**” means the investment strategy and objectives of the Fund set forth in Paragraph 2.4.

“**Investor**” means each person whose Application to subscribe for Units is accepted and who is subsequently issued Units in the Fund.

“**Investor Account**” means, in respect of each Investor, the personal or corporate account held with Al Hilal Bank on behalf of the Investor and identified by the Investor in the Application as the account to be used for purposes of an investment in the Fund as described in this Prospectus.

“**Management Fee**” has the meaning given to it in Paragraph 6.3.

“**Prospectus**” means this prospectus relating to the issuance of Units, as it may be amended or supplemented from time

to time in accordance with the terms herein and upon the approval of the SCA.

“Redemption Notice” means a written notice in the form set forth in Appendix 2, which notice will be sent to the Units Registrar by any Investor wishing to redeem some or all of its Units, and which will be irrevocable unless otherwise permitted in writing by the Sponsor.

“Register” means the authoritative record of the Units held by Investors maintained by the Units Registrar in its capacity as the Units Registrar, which will set forth details of (i) all subscriptions by Investors for Units, (ii) any Units transferred to other Investors and (iii) any redemption of Units.

“Resolution” means Resolution No. 164/8/94 of the Board of Directors of the UAE Central Bank, as amended.

“Restricted Person” means a U.S. Person or any other person subject to constraints upon investment in the Fund as a result of applicable laws and regulations imposed by its state of nationality or domicile.

“SCA or the Authority” means the Securities and Commodities Authority of the UAE.

“Shariah Supervisory Panel” has the meaning given to it in Paragraph 4.5.

“Sponsor” means Al Hilal Bank – Investment Banking Group in its capacity as the establishing party and Sponsor of the Fund.

“Subscription Amount” means the total capital contributed

to the Fund by an Investor in accordance with its subscription for Units, as set forth in its Application.

“Subscription Fee” means the fee payable to the Sponsor in accordance with Paragraph 6.2.

“Subscription Price” means (i) on the First Closing Date, USD 10 per Unit, or (ii) on subsequent Dealing Days, the price per Unit equal to the Unit NAV as determined at that day’s Valuation Point.

“Sukuk” means Shariah-compliant global fixed income securities.

“UAE” means the United Arab Emirates.

“UAE Companies Law” means UAE Federal Law No. 8 of 1984 concerning commercial companies, as amended, or any successor law thereto.

“Unit” means a portion of the Fund to be issued to the Investor.

“Unit NAV” means the net asset value of a Unit, as calculated in accordance with Paragraphs 5.6 and 5.7.

“Units Registrar” means the Operations Group at Al Hilal Bank or whoever succeeds it as the unit registrar in accordance with the terms of the Registrar Agreement, or any other entity that the Sponsor appoints as unit registrar on behalf of the Fund from time to time.

“Units Registrar Agreement” means the agreement between the Sponsor on behalf of the Fund and the Units Registrar, as amended from time to time, pursuant to which the Units’ Registrar will provide Units Registrar Services.

“US” or “U.S.” means the United States of America

“U.S. Person” means a “U.S. person” as defined in Rule 902 of Regulation S under the United States Securities Act of 1933, as amended.

“Zakat” means an obligation in respect of the funds paid for a specified type of purpose and for specified categories.

1.3 INTERPRETATIONS

References in this Prospectus to the singular will include the plural and vice versa.

References in this Prospectus to the Sponsor or the Investment Manager or any service provider to the Fund will include their respective successors and assignees.

References in this Prospectus to “persons” will include natural persons, corporate bodies, unincorporated associations and any other juridical persons, entities or bodies.

References in this Prospectus to periods of time will be construed in accordance with the Gregorian calendar except where otherwise stated.

2. THE FUND

2.1 GENERAL

The Fund is an open-ended investment fund authorized by the UAE Central Bank and established in accordance with the provisions of the Resolution. Units in the Fund generally will be available for purchase or redemption, as applicable, on a weekly basis in accordance with Paragraph 5.3 and 5.5, respectively. Units in the Fund will be available for subscription in the UAE and there will be no limit to the number of Units in the Fund that may be issued at any time, subject to the ability of the Sponsor in its sole discretion to limit or cease the issuance of Units.

The Sponsor may invest a minimum of AED five million in the Fund as of the First Closing Date, and their investment will be subject to the terms of this Prospectus.

2.2 FUND STRUCTURE

The Fund is a portfolio of assets that will be established and supervised at all times by the Sponsor for the benefit of the Investors.

The Fund is not incorporated as a commercial company under the UAE Companies Law and does not confer upon Investors the rights given to shareholders of commercial companies. The Fund has, however, the status of an independent legal entity in accordance with the provisions of the Resolution.

The ownership of Units does not confer upon Investors any voting or other procedural rights, any individual right to receive dividends or other distributions from the Fund or from the underlying Assets or any other rights with respect to the underlying Assets, except as expressly set forth in this Prospectus. Participation in the Fund is for passive investment purposes only.

Investors collectively own the Assets and participate pro rata in the appreciation or depreciation of the Assets resulting from the gains, losses, income, profits, dividends,

if any, and expenses attributable to the activities of the Fund based upon the number of Units they hold. Once an Investor pays the full Subscription Amount and the corresponding Subscription Fee relating to its Application for Units, such Investor will not be obliged to contribute any additional capital to the Fund in respect of such Units.

The Fund and the Units are denominated in USD. All payments to the Fund, including Subscription Amounts and corresponding Subscription Fees, must be made in USD and all payments must be net of withholdings, cost of exchange and banking charges. Similarly, the payment of redemption proceeds by the Fund will be made in USD.

All payments to the Fund will be debited from, and all redemption proceeds will be paid to, the applicable Investor Account.

Each Investor shall be responsible for the payment of Zakat as may be applicable to it from time to time.

2.3 STOCK EXCHANGE LISTING

Units shall not be listed at any financial market unless SCA approval is acquired upon meeting what it stipulates from terms and conditions.

2.4 INVESTMENT OBJECTIVE AND STRATEGY

The principal investment objective of the Fund is to generate appropriate returns providing Investors with regular income distributions and some capital growth. The Investment Manager will seek to achieve this investment objective mainly by investing in a diversified portfolio of Sukuk.

2.5 INVESTMENT GUIDELINES

The Investment Manager will adhere to the following guidelines (the "Investment Guidelines") when making investment decisions in relation to the Fund and will do so in consultation with the Shariah Supervisory Panel:

- (a) There are no restrictions on the currency in which the Sukuk are denominated. However, non-USD and non-USD pegged currencies should not account for more than 50% of Fund NAV and no single non-USD currency should account for more than 20% of Fund NAV.
- (b) There is no minimum rating for individual sovereign Sukuk. However, unrated sovereign Sukuk should not account for more than 10% of Fund NAV.
- (c) If the corporate Sukuk is unrated but the issuer of the Sukuk is rated, the issuer rating can be used. No more than 10% of Fund NAV will be invested in unrated corporate Sukuk. No more than 20% of Fund NAV will be invested in below investment grade and unrated corporate Sukuk.

(d) Convertible Sukuk should not account for more than 10% of Fund NAV.

(e) Any Sukuk issuance at the time of investing in them should not account for more than 15% of Fund NAV and should not account for more than 15% of the issuance in which the Fund has invested. The Fund shall not invest more than 20% of Fund NAV in securities issued by the same group of corporate entities.

(f) Sovereign and quasi-sovereign issuances should account for at least 30% of Fund NAV. The classification of an issuance as quasi-sovereign shall be determined by the Investment Manager in its sole discretion.

(g) No more than 60% of Fund NAV should be held in Sukuk issued by entities in the UAE and, in relation to all other jurisdictions, no more than 50% of Fund NAV.

(h) Cash investments and cash equivalent investments, such as Wakala and Murabaha contracts instruments, may be concluded by the Fund when the Investment Manager regards it as necessary for the efficient management of the Fund, provided that they are held in compliance with the provisions of Shariah.

(i) Under normal operating conditions, up to 25% of Fund NAV may be held in the form of cash and/or other short-term investments deemed appropriate by the Investment Manager in its sole discretion. Cash will be invested in a Shariah-compliant manner. Under non-normal operating

conditions, including events such as providing liquidity for client transactions or during periods of excessive market volatility, cash and/or other short-term investments may account for up to 70% of Fund NAV.

(j) The Fund will not utilize loans to implement its investment strategy (i.e. it will not obtain any loans for investment purposes) and will not short sell securities or buy securities on margin.

(k) There are no counterparty limits for cash and/or other short-term investments. However, the Investment Manager will keep Assets under review and will, where possible, seek to place Assets with counterparties that are rated.

(l) The use of Shariah-compliant currency forward contracts and cross-currency profit rate swaps may be used for hedging purposes only.

(m) Federal Law No. 15 of 1972 on the Israeli Boycott will be complied with at all times.

The Sponsor has the right to modify the Investment Guidelines in its sole discretion if it believes doing so is in the best interest of the Fund and after acquiring prior approval from the SCA. The Sponsor will provide prior written notice to Investors of any changes to the Investment Guidelines.

2.6 BENCHMARK

When pursuing the investment objectives and considering the Investment Guidelines, the Investment Manager will adopt LIBOR plus 100 bps as the Fund's benchmark.

3. UNITS

3.1 UNITS IN THE FUND

The size of the Fund on the First Closing Date is targeted to be USD 5 million as a minimum amount through the issue of (500,000 Units) five hundred thousand Units as a minimum amount each with a nominal value of USD 10. The Sponsor has the discretion to proceed with the Fund if the value of the Assets at the First Closing Date are less than this amount provided that a prior approval from the SCA is acquired.

During the initial offering period prior to the First Closing Date, the Fund offers Units at the Subscription Price. The minimum initial subscription amount in the Fund and the minimum additional subscription amounts in the Fund are set forth in Paragraph 5.2.

Units will not be offered in multiple classes and no fractions of Units will be issued.

3.2 OWNERSHIP OF INVESTMENTS

The Fund is not incorporated as a commercial company under UAE Companies Law. Investors in the Fund will have no legal rights in or to any of the Assets except as set forth herein. The purchase by an Investor of Units in the Fund does not confer upon them the rights accorded to shareholders of commercial companies, nor does it give rise to or confer any voting or other procedural rights, any right to receive dividends or other distributions from the Fund or from the underlying Assets, or any other rights with respect to the underlying Assets, except as expressly set forth in this Prospectus.

Investors collectively own the Assets and participate pro rata in the appreciation or depreciation of the Assets resulting from the gains, losses, income, profits, dividends, if any, and expenses attributable to the activities of the Fund based upon the number of Units they hold.

In accordance with the Custodian Agreement, the Custodian will open and maintain a cash account or cash accounts for custodial transactions on behalf of and in the name of the Fund or its nominees and hold all monies received for the account of the Fund in such account or accounts with such banks or other persons on their usual terms and otherwise in such manner as the Investment

Manager shall from time to time direct.

Care will be taken to ensure that the Assets are separately identified as being held on behalf of the Fund and the Investors and, to the extent possible, to protect the Assets in the event of the insolvency of the Sponsor or any party holding such Assets. Accordingly, the Sponsor will adopt several measures intended to segregate and protect the Fund's Assets, including the following:

- (a) The cash Assets will be held in a separate custodial account opened, where permitted, in the name of the Fund, which account will be restricted to transactions of the Fund;
- (b) The Assets and related income of the Fund will be kept separate and not mixed with the assets of the Sponsor or the Investment Manager;
- (c) The Fund's accounts will be maintained and audited separately by an external auditor; and
- (d) The accounts of the Fund will not be consolidated with the accounts of the Sponsor or the Investment Manager.

3.3 INCOME DISTRIBUTION POLICY

It is intended that 100% of the periodic income received from the underlying Assets will be distributed, net of applicable fees at the end of each calendar year. Income Distributions will usually be paid within four weeks of declaration. Distributions will be made from the existing Units on the Evaluation Day stated in the declaration. The Investment Manager may refrain from making cash distributions, at its sole discretion, if it believes doing so is in the best interest of the Unit holders.

4. FUND MANAGEMENT

4.1 MANAGEMENT BY THE SPONSOR

Al Hilal Bank is the Sponsor of the Fund. The Investment Banking Group of Al Hilal Bank will assume the duties of the Investment Manager.

Al Hilal Bank was established in 2007 and is wholly owned by the Abu Dhabi Investment Council, which is an investment body of the ruler of Abu Dhabi. Al Hilal Bank has an authorized capital of AED 4 billion, of which AED 2.59 billion is paid up as of the date of this Prospectus, and is licensed to operate as an Islamic commercial bank. Al Hilal Bank's objective is providing banking, investment, commercial and service activities in compliance with Islamic Shariah.

Al Hilal Bank aims to contribute to the UAE's national growth and prosperity while also raising the positive profile of Islamic banking globally. Al Hilal Bank is committed to becoming the region's leading financial institution, escalating the development of Islamic banking with a fresh approach to the industry, new technology and service excellence.

The Sponsor will assume the following duties in its capacity as Sponsor, Investment Manager and Units Registrar:

(a) Duties of the Sponsor:

(i) Informing Investors of important developments that may affect the Fund and arranging for the circulation of appropriate information.

(ii) Liaising with regulatory authorities, including the SCA and the UAE Central Bank.

(iii) Coordinating the Fund's other service providers, including appointing and dismissing them.

(iv) Marketing and distributing the Units. The Sponsor may, in its sole discretion, appoint one or more distributors to assist it in marketing and distribution.

(b) Duties of the Investment Manager:

(i) Investing the Assets in a manner deemed appropriate by the Investment Manager in accordance with this Prospectus and in compliance with Islamic provisions and principles as construed by the Shariah Supervisory Panel.

(ii) Instructing the Custodian to open, maintain and close

accounts on behalf of the Fund, including the custody accounts and brokerage accounts.

(iii) Issuing instructions and authorizations to the brokers regarding investments and relevant money market instruments.

(iv) Holding, transferring and disposing, and practicing all the rights, powers, privileges and other rights of ownership and possession in relation to the Assets.

(v) Instructing the Fund's service providers in relation to the purchasing, selling, transferring, returning, replacing or maintaining of any Assets.

(c) Duties of the Units Registrar:

(i) Maintaining the Units Register.

(ii) Receiving Applications and Redemption Notices.

(iii) Issuing information about the value and number of the Units to Investors.

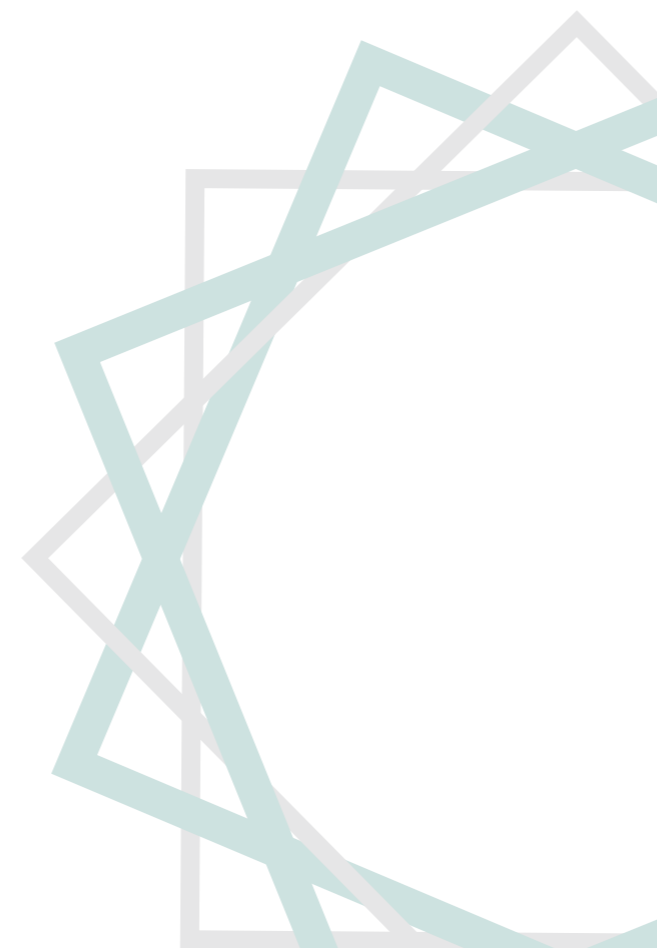
The Sponsor may authorize any employee or another agent of the Sponsor to act on behalf of the Fund in all the matters related to the aforementioned. This authorization will not prejudice the responsibility of the Sponsor for any matter, and this authorization will not result in any additional burdens to be incurred by the Fund provided that the agent satisfies the conditions for providing such service in accordance with the regulations or instructions of SCA.

4.2 INDEMNIFICATION OF THE SPONSOR

The Sponsor and its directors, members, stockholders, partners, officers and employees will not be liable, in damages or otherwise, to any Investor for:

- (a) any act or failure to perform any task by such person in connection with the operation and management of the Fund or for any losses, claims, costs, damages, or liabilities arising therefrom;
- (b) any tax liability imposed on the Fund or any Investor; or
- (c) any losses due to the actions of or failure to perform any task by any brokers or other agents of the Fund, except if it has been determined by a final decision of a court of competent jurisdiction that such act or failure to perform any task, tax liability or losses resulted from gross negligence, fraud or a willful and material violation of applicable law by the Sponsor. To the extent permitted by applicable law, the Sponsor and its directors, members,

stockholders, partners, officers and employees will be indemnified from the Assets and held harmless from and against any and all actual losses, claims, costs, damages or liabilities of any nature whatsoever, including legal fees and other costs and expenses incurred, to which such person may become subject in connection with any matter arising from, related to or in connection with this Prospectus or the operations and management of the Fund, except where found by a final decision of a court of competent jurisdiction to be attributable to the gross negligence, fraud or willful and material violation of applicable laws of any such person.



4.3 ADVISORY BOARD

The Fund will have an advisory board (“**Authority Board**”) that will consist of a minimum of two suitably experienced individuals appointed from time to time by the Sponsor in its sole discretion. Investors holding a substantial number of Units may be invited to become members of the Advisory Board. The Fund will not bear any financial burdens of whatever form of the Advisory Board and such burdens, if any, will be borne by the Sponsor.

The members of the Advisory Board will not be involved in the day-to-day management of the Fund. The Advisory Board will meet at least quarterly to review the management and performance of the Fund and to discuss and advise on major matters affecting the interests of the Fund and making recommendations concerning the same. The role of the Advisory Board will be to consult with and advise the Sponsor and the Investment Manager on major matters relating to the Fund. For the avoidance of doubt, it is not the function of the Advisory Board to prescribe asset allocation or to select individual securities for the Fund’s portfolio where such issues are left solely to the discretion of the Investment Manager or to participate in the daily management of the Fund.

No member of the Advisory Board will be liable for any act or omission by such person in connection with the activities of the Advisory Board, except as a result of such member’s gross negligence or willful misconduct. The Advisory Board will not be responsible for any and all actual losses, claims, costs, damages or liabilities of any nature whatsoever, including legal fees and other costs and expenses incurred by him/her in connection with the activities of the Advisory Board, provided that such losses are not the result of his gross negligence or willful misconduct.

As at the First Closing Date, the members of the Advisory Board will be:

Mr. Sarie Asaad Ahmed Arar (Deputy CEO, Al Hilal Bank): joined Al Hilal Bank in 2008 as Executive Vice President and Head of Wholesale Banking Group. He has focused on domestic and international businesses and has established a solid footing in this key economic segment. He has more than 22 year of broad banking experience drawn from his in-depth exposure in various areas in major financial institutions in the UAE. He serves as a member of several management committees of Al Hilal Bank and a board member of subsidiaries under Al Hilal Group. Sarie holds a Master’s Degree in Business Administration from USA and attended leading business schools for executive management and leadership programs.

Mr. Haitham Adeimah (Senior Vice President- Finance and Strategic Planning, Al Hilal Bank): served as the Chief of Financial Sector in KPMG for more than 10 year during which he provided auditing and consulting services for customers; including, banks, investment

funds and sovereign funds in the Middle East. In 2010, Mr. Haitham joined Al Hilal Bank as the Vice President of Strategic Financial Group. In addition, he is a member in several administrative committees, and a board member of subsidiaries under Al Hilal Group. Haitham holds a Master’s Degree in Banking and Financial Management from Sorbonne University and a B.A degree in Accounting and Information Technology from Toledo University in USA. Haitham is also a chartered accountant certified from Hampshire in USA.

Mr. Ahmed Mohsen Kamel, (Vice President - Fund Management, Al Hilal Bank): joined Al Hilal Bank in June 2008. Mr. Kamel has over 17 years of experience in the Investment and Funds Management arena. Prior to Al Hilal Bank, he was the Manager of Asset Management Products at Union National Bank, where he was managing the local investment funds and portfolios for regional private banks. Previously, he was a Trader in EFG- Hermes, then occupied several positions; including, Trader in CIB in Egypt, and an Assistant Head of Investments at Citibank N.A Egypt. Mr. Kamel holds the Bachelor’s degree in Economics and Business Administration from The American University in Cairo. In 2001, Mr. Kamel completed the Investment and Fund Evaluation Course provided by EFG- Hermes which based on the standards of Chase Bank in Manhattan. Currently, Mr. Kamel is seeking to obtain the Master degree in Finance from Edinburgh Business School. Besides, He is participating in Chartered Financial Analyst program. Mr. Kamel is a regional trainer certified by Citibank in investments, and an accredited investment adviser. Recently, he has awarded the Chartered Investment Portfolio Manager and Certified Wealth Manager from American Academy of Financial Management.

4.4 INVESTMENT COMMITTEE

The Fund will have an investment committee (“**Investment Committee**”) that will consist of a minimum of two suitably experienced individuals appointed from time to time by the Investment Manager in its sole discretion. The Fund will not bear any financial burdens of whatever form of the Investment Committee and such burdens, if any, will be borne by the Investment Manager.

The Investment Committee will meet on a regular basis to monitor the day-to-day operation and performance of the Fund and the activities of the Investment Manager and to make recommendations to the Investment Manager regarding the investment program and guidelines of the Fund.

An investment committee advisor (“**Investment Committee Advisor**”) will be appointed by the Investment Manager, who will sit on the Investment Committee as an observer only with the right to discuss any matter at Investment Committee meetings, but will not participate in voting on and/or making recommendations to the

Sponsor and/or Investment Manager.

No member of the Investment Committee will be liable for any act or omission performed or omitted by any member in connection with the activities of the Investment Committee, except as a result of such member’s gross negligence or willful misconduct. Each member of the Investment Committee will be indemnified from the Assets and held harmless from and against any and all losses, claims, costs, damages or liabilities of any nature whatsoever, including legal fees and other costs and expenses, incurred by it in connection with the activities of the Investment Committee, provided that such losses were not the result of his gross negligence or willful misconduct.

As at the First Closing Date, the members of the Investment Committee will be:

Datin Seri Norashikin

Chief Executive Officer, CIMB-Principal Islamic Asset Management Sdn Bhd

Norashikin is currently the CEO of CIMB Principal Islamic Asset Management Sdn Bhd.

An experienced financial market professional, Norashikin has extensive experience both locally and abroad with Citigroup Investment Bank and Standard Chartered Bank. Prior to joining CPIAM, she served as the Director of Treasury, Bank Islam Malaysia Berhad where she launched

numerous innovative Islamic products such as Islamic swaps and Islamic options; and managed a landmark 30-year sukuk for a government authority.

Norashikin is a member of the Chartered Financial Analyst (CFA) and holds an MA Mathematics from Oxford University, MSc. Actuarial Science from City University of London and MSc. Islamic Banking and Finance.

Mohd Fadzil Mohamed

Chief Investment Officer

CIMB-Principal Islamic Asset Management Sdn Bhd

Fadzil is currently the Chief Investment Officer of CIMB-Principal Islamic Asset Management Sdn Bhd (“CIMB-Principal Islamic”). He has nearly 20 years experience in the financial industry in various capacity, with the last 16 years specializing in fixed income fund management, economics and fixed income research.

Prior to joining CIMB-Principal Islamic, he was the CEO and Fixed Income Chief Investment Officer of a Malaysian fund management company. He recently won two industry performance awards for his previous company, for Best MYR Bond Fund and Best MYR Islamic Bond Fund categories. He holds a BSc (Econs) Hons degree in Accounting and Finance from University of Aberystwyth, Wales, UK.

Norzehan Mohamed Salleh

Portfolio Manager,

Global Sukuk,

CIMB-Principal Islamic Asset Management Sdn Bhd

Zehan joined CIMB-Principal in January 2009 through CIMB’s TCB Programme and was previously rotated in 3 other departments within the Group. She began her career in CPAM as a credit analyst covering multi-sectors within the Ringgit bond market and also covers the credits out of the Gulf Cooperation Countries (GCC) in the regional space. She started funds management role in July 2011 with short term money market funds and several other Ringgit bond institutional and insurance clients. Zehan graduated from Universiti Teknologi MARA with a Bachelor of Accountancy (Hons).

Rina Izzati Raduan

Portfolio Manager,

Global Sukuk,

CIMB-Principal Islamic Asset Management Sdn Bhd

Rina joined CIMB-Principal Islamic beginning November 2015 as the Global Sukuk Portfolio Manager. She has been in the banking industry since 2004 where she started her career in Treasury with a focus in liquidity management as well as capital markets.

Prior to joining CIMB-Principal Islamic, she was the Fixed

Income Portfolio Manager in a local Islamic bank where she co-manages the Bank’s fixed income portfolios and assisted the Bank in maintaining its top position as the Islamic Principal Dealer. She received her MBA from the International Islamic University Malaysia and a Bachelor’s Degree in Business Administration (Finance) from Universiti Putra Malaysia.

4.5 THE SHARIAH SUPERVISORY PANEL

All investments made by the Fund will be Shariah-compliant and the investment program, as well as the screening criteria, will be approved by the Fund's shariah supervisory panel ("Shariah Supervisory Panel"). The Shariah Supervisory Panel will have the right to review and monitor the activities of the Fund to ensure that the Fund's holdings are in compliance with Shariah principles.

The Shariah Supervisory Panel, which is compensated for its role from the Assets, will be composed of the Fatwa and Shariah Supervisory Panel of the Sponsor, and will, as at the First Closing Date, comprise the following individuals:

Sheikh Nizam Yaqubi. Sheikh Yaqubi is a graduate in Economics and Comparative Religion from McGill University and is currently pursuing a doctorate in Islamic Law. Mr. Yaqubi is an internationally acclaimed scholar

in the Islamic banking industry. Mr. Yaqubi has been a teacher of Tafsir since 1976. Mr. Yaqubi advised a number of banks and financial institutions on matters pertaining to Islamic banking and finance and is a board member of the Accounting & Auditing Organization for Islamic Financial Institutions. Mr. Yaqubi is the author of many publications and articles on Islamic finance and has delivered over 500 lectures, sermons and training sessions.

Sheikh Dr. Abdul Sattar Abu Ghuddah. Sheikh Dr. Abu Ghuddah holds a doctorate in Shariah and Comparative Jurisprudence, a Master's degree in Shariah, a Master's degree in Hadith sciences, a Bachelor's degree in Shariah and a Bachelor's degree in law. Sheikh Dr. Abu Ghuddah holds many prominent positions, including as a member of the Accounting and Auditing Standards Board and Shariah Board of the Accounting & Auditing Organization for Islamic Financial Institutions and the Shariah committee of the Central Bank of Bahrain, as well as serving on the Shariah Supervisory Panels of a number of prominent financial institutions. Sheikh Dr. Abdul Ghuddah is the author of several books on Islamic Finance and teaches at numerous institutes on Islamic Finance.

Sheikh Essam Ishaq. Sheikh Ishaq is a graduate of McGill University. Sheikh Ishaq has studied Shariah in Masjids with different scholars. Sheikh Ishaq currently teaches Fiqh, Islamic Theology and Tafseer in Bahrain. Sheikh Ishaq holds prominent positions and memberships in numerous institutes, including as Director and Shariah

Advisor of Discover Islam, Member of the Board of Trustees of the Al Iman Islamic School and his positions on the Shariah Supervisory Panels of a number of financial institutions.

Sheikh Dr. Mohammad Abdul Rahim bin Sheikh Mohammad Ali Sultan Al Olama. Sheikh Mohammad Abdul Rahim holds a Doctorate and Master's Degree in Islamic Jurisprudence from the Faculty of Shariah and Islamic Studies, University Umm Al Qura in Makkah Al Mukarramah. He also obtained a Bachelor degree in Shariah from the Faculty of Shariah in Al Madina Al Munawwarah. Sheikh Mohammad Abdul Rahim holds many prominent positions, including as expert in Islamic Jurisprudence at the Organization of the Islamic Conference, expert in Islamic Fiqh in the Islamic World Association in Makkah Al Mukarramah, Head of Quranic Studies and member of the Organizing Committee for Dubai International Holy Quran Award, and member of Zakat Fund Shariah Committee. Sheikh Mohammad Abdul Rahim is a member of the Shariah Board at: Noor Islamic Bank, Manazil Real Estate Company, Mawarid Financing Company and Madaen Real Estate Company. He is the author of many research studies and articles on Islamic Finance matters and he has participated in many training sessions, workshops and television shows on the subject. Currently, he is an Associate Professor at Emirates University where he teaches Islamic Studies at the Faculty of Law.

The Dow Jones Islamic Market Index Shariah Supervisory Panel has established the following guidelines (which may be amended from time to time in the sole discretion of the Dow Jones Islamic Market Index Shariah Supervisory Panel) to ensure that the securities in the Index are in compliance with Shariah principles:

(a) Commodities underpinning Murabaha, Ijara and other Islamic financial instruments must be permitted under Shariah for trading purposes and will not include gold, silver and currencies.

(b) Securities of companies that operate in the following industries will not be included in the Fund's portfolio:

- (i) alcoholic beverages;
- (ii) arms;
- (iii) pornography and associated industries;
- (iv) financial companies (other than approved Islamic institutions);
- (v) gambling;
- (vi) leisure activities that conflict with Islamic law and traditions;
- (vii) pork and pork products;
- (viii) derivatives (other than approved Islamic products); and
- (ix) tobacco.

(c) The Fund will not invest in securities of companies that have the following properties:

- (i) The company's total profit-bearing debt divided by the trailing 24-month average market capitalization is thirty-three percent (33%) or more.
- (ii) The sum of a company's profit-bearing cash and securities divided by the trailing 24-month average market capitalization is thirty-three percent (33%) or more.
- (iii) The company's accounts receivables divided by the trailing 12-month average market capitalization is thirty-three percent (33%) or more.

The Investment Manager will adhere to the above guidelines, as amended by the Dow Jones Islamic Market Index Shariah Supervisory Panel, and the Shariah Supervisory Panel will supervise the implementation of these guidelines, as amended by the Dow Jones Islamic Market Index Shariah Supervisory Panel, in respect of the activities of the Fund to ensure that the Assets are in compliance with Shariah principles.

The Shariah Supervisory Panel has the right to forfeit any profit on the Asset(s) earned through a non-Shariah-compliant manner.

4.6 FUND MANAGMENT

The Investment Manager has been appointed by the Sponsor on behalf of the Fund pursuant to the Investment Management Agreement to act as an Investment Manager of the Fund pursuant to the Investment Management Agreement, with full discretion, power and authority, provided that the Investment Manager acts in accordance with the Investment Guidelines and Objectives as set out above.

The Investment Manager's general duties and powers are set out above in Section 4.1.

The Investment Manager may delegate its duties and powers under the Investment Management Agreement to a third party of its choice provided that (i) such party has the necessary licences and approvals to carry out the activities delegated to it; (ii) the Sponsor and SCA approve such delegation; (iii) the delegation does not reduce the responsibilities of the Investment Manager in respect of the Investors and the SCA; and (iv) it does not result in the Fund or the Investors incurring any additional losses of whatever nature. The Investment Manager is entitled

to rely on whomever it finds fit to provide the necessary financial and technical advice to perform its function as Investment Manager of the Fund provided that it does not result in any reduction or release of responsibility of the Investment Manager or an increase in the potential incurred costs on the Fund and Investors.

Thus, the Investment Manager will work with CIMB-Principal Islamic Asset Management which will act as investment adviser ("Investment Adviser"). The Investment Adviser shall provide its recommendations to the Investment Manager in accordance with the Investment Advisory Agreement. manage the Fund as the Investment Manager's agent pursuant to the Investment Advisory Agreement.

The Investment Manager shall not be liable to the Fund or any investor in the Fund or otherwise for:

(a) any error of judgment or loss suffered by the Fund or any investor in connection with the investment management services it provides the Fund; or

(b) any matter or thing done or omitted to be done by the Investment Manager howsoever any such loss may have occurred, unless such loss or disadvantage arises from negligence, fraud, willful default in the performance or non-performance by the Investment Manager or persons duly authorised by it, or any violation of applicable law by the Investment Manager.

The Fund undertakes to hold harmless and indemnify the Investment Manager against all actions, proceedings, claims, costs, and expenses but excluding tax in respect of the Investment Manager's overall income or profits which may be brought against, suffered or incurred by the Investment Manager by reason of the performance of his duties or functions under the terms of this Agreement, including all legal, professional and other expenses incurred (whether in taking legal action on behalf of the Fund or otherwise) except everything that shall arise from negligence, fraud or willful default in the performance or non-performance of the Investment Manager's duties and functions.

Pursuant to the Investment Advisory Agreement, the Investment Adviser shall only provide recommendations to the Investment Manager in relation to matters that it sees in the best interest of the Investors, evaluate different investment opportunities and provide recommendations and advice in relation to any other matter related to the Fund as may be requested by the Investment Manager.

4.7 THE CUSTODIAN

The Sponsor has appointed HSBC Bank Middle East Limited, UAE Branch as Custodian of the Assets, which will be held directly by the Custodian or through its agents, sub-Custodians, or delegates pursuant to the Custodian Agreement.

HSBC Bank Middle East Limited is established as a limited liability company regulated by the Jersey Financial Services Commission and has branches in several Middle Eastern countries, including the UAE. HSBC Bank Middle East Limited is an indirect wholly-owned subsidiary of HSBC Holdings Plc, a public company incorporated in England and Wales. HSBC Holdings Plc, with its subsidiaries and associated companies, is one of the largest banking and financial services organizations in the world, with well-established businesses in Europe, the Asia Pacific region, the Americas, the Middle East and Africa.

The Custodian will, among other duties, establish accounts for the Fund and provide safe custody of the Assets that are held with the Custodian. The Custodian may in turn appoint agents for the purpose of holding the Assets as circumstances require.

In performing its duties in the markets where the Custodian cannot directly provide its custodial services, the Custodian may appoint any of its Associates (as defined in the Custody Agreement) as sub-custodians, agents and delegates (with full powers of sub-delegation) as it thinks fit to perform, in whole or in part, any of its duties, provided that the Custodian will at all times remain liable for any acts or omissions of any such person howsoever appointed as if such acts and omissions were those of the Custodian. The Custodian shall be responsible for the payment of the fees of any sub-custodian, agent or delegate that it appoints.

The Fund will pay the Custodian such fees for its services as the Sponsor and the Custodian may negotiate from time to time, details of which are set out in the section "Summary Terms" at the beginning of this Prospectus and under "Custodian Fees" below, including, potentially, an annual fee and asset and transaction-based fees.

Pursuant to the Custodian Agreement, the Fund will indemnify the Custodian of he actual losses it incurred while carrying out its duties as Custodian provided that it will not be indemnified for losses in connection with or arising out of the fraud, negligence or willful default of the Custodian.

The Custodian in no way acts as trustee of the Fund. The Custodian is a service provider to the Fund. Neither the Custodian nor its employees or agents are responsible for, or accept any responsibility or liability for any

losses suffered by the Fund or any investors in the Fund as a result of any failure by the Investment Manager to adhere to the investment objective and strategy, policy, investment restrictions, financing restrictions, borrowing restrictions, operating guidelines of the Fund, business affairs, organisation, sponsorship or investment management of the Fund or the Sponsor. In addition, the Custodian is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for any information contained in this Prospectus.

The Custodian is not involved with and is under no duty to supervise compliance with the investment objectives and strategy, policies, investment or financing restrictions or operating guidelines of the Fund, business affairs, organization, sponsorship or investment management of the Fund or the Sponsor in relation to the Assets.

The Custodian will not participate in transactions and activities, or make any payments denominated in US dollars, which, if carried out by a US Person, would be subject to sanctions by The Office of Foreign Assets Control of the US Department of the Treasury ("OFAC").

Notwithstanding anything to the contrary contained in this Prospectus, the Custodian's liabilities to the Sponsor and in relation to the Assets for any cause whatsoever and regardless of the form of the action will at all times be limited to the direct loss suffered by the Fund and/or the Sponsor.

The Custodian will not be responsible for any cash, securities and/or other assets comprising the Assets which are not deposited with or held to the Custodian's order. In particular, the Custodian will not be responsible for any cash, securities and/or other assets placed with agents, sub-custodians or any other delegate outside the Custodian's global Custodian network and who is appointed by the Sponsor and/or the Investment Manager. The Custodian shall not be liable for any error of judgment, mistake of law, omission or any loss arising out of a pricing error or settlement error resulting from the failure of any third party to produce accurate information or due to circumstances arising outside of the Custodian's control.

The Sponsor, in its sole discretion, may replace HSBC Bank Middle East, UAE Branch with another Custodian. The Sponsor or the Custodian may terminate the Custodian Agreement by giving the other party not less than three months' prior written notice.

4.8 THE ADMINISTRATOR

The Sponsor has appointed Apex Fund Services Limited, Abu Dhabi, as Administrator to provide administration services for the Fund pursuant to the Administration Agreement on behalf of and subject to the overall control of the Sponsor.

The Administrator is responsible for the general administration of the Fund, which includes, amongst other things, arranging calculations of asset valuations and fees and administration of invested cash. The Administrator's duties include, but are not limited to, the following tasks:

- (a) calculating Fund NAV and Unit NAV;
- (b) calculating the Fees;
- (c) maintaining books of accounts and related records of the Fund; and
- (d) preparing unaudited financial reports and assisting the Auditor in preparing the Annual Report.

The Fund will pay the Administrator such fees for its

services as the Sponsor and the Administrator may negotiate from time to time, details of which are set out in the section "Summary of Terms" at the beginning of this Prospectus and under "Administrator Fees" below. The Administrator will also be reimbursed by the Fund for its actual out-of-pocket expenses.

Pursuant to the Administration Agreement, the the Fund will indemnify the Administrator and such agents from and against all actions proceedings claims demands costs expenses whatsoever made against or incurred by them or any of them arising out of or in connection with the Administrator's powers save where such actions proceedings claims demands costs and expenses result from or arise out of the fraud, negligence or willful default of the Administrator.

Pursuant to the Administration Agreement, in performing its duties the Administrator may appoint an Affiliate (as defined in the Administration Agreement) as agents and delegates (with the necessary full powers of delegation) as it sees fit to perform in whole or in part any of its duties and discretions, provided that the Administrator will remain liable for any acts or omissions of any such agent or delegate howsoever appointed, as if such acts and omissions were those of the Administrator. The Administrator shall be responsible for the payment of the fees of any agent or delegate that it appoints without imposing any amount on the Fund to repay any related amounts resulting from such appointment.

The Administrator in no way acts as trustee of the Fund. The Administrator is a service provider to the Fund and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Fund. Neither the Administrator nor its employees or agents are responsible for, or accept any responsibility or liability for any losses suffered by the Fund or any investors in the Fund as a result of any failure by the Sponsor to adhere to the investment objective and strategy, policy, investment restrictions, financing restrictions, borrowing restrictions, operating guidelines of the Fund, business affairs, organisation, sponsorship or investment management or strategy of the Fund or the Sponsor. In addition, the Administrator is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for any information contained in this Prospectus..

The Administrator is not involved with and is under no duty to supervise compliance with the investment objectives and strategy, policies, investment restrictions, financing restrictions relating to the Assets.

The Administrator will not participate in transactions and activities, or make any payments denominated in US dollars, which, if carried out by a US Person, would be subject to sanctions by OFAC.

Notwithstanding anything to the contrary in this Prospectus, the Administrator's liability to the Fund and

in relation to the Assets for any causes whatsoever and regardless of the form of the action will at all times be limited to the direct loss suffered by the Fund and/or the Investor(s) to the value of the Assets.

The Administrator shall not be liable or otherwise responsible for any loss suffered by any person by reason of (i) any act or omission of any person prior to the commencement date of the Administration Agreement, (ii) any defect, error, inaccuracy, breakdown or delay in any product or service provided to the Administrator by any third party service provider, and (iii) any inaccuracy, error or delay in information provided to the Administrator by or for the Fund or Sponsor (including any broker, market maker or intermediary). The Administrator shall not otherwise be liable for any loss to the Fund or any other person, unless direct loss is sustained as a result of its fraud, negligence or wilful default. In any event, the Administrator's aggregate liability for Damage in any one calendar year shall be limited to the amount of fees due to the Administrator during such period, and for these purposes "Damage" shall mean the aggregate of all losses or damages and costs suffered or incurred, directly or indirectly, by the parties to the Administration Agreement, including as a result of breach of contract, breach of statutory duty, tort (including negligence), fault or other act or omission by the Administrator, but excluding any such losses, damages or costs arising from the fraud or dishonesty of the Administrator or in respect of liabilities

which cannot lawfully be limited or excluded.

The Sponsor, in its sole discretion, may replace Apex Fund Services Limited, Abu Dhabi as the Administrator. The Sponsor or the Administrator may terminate the Administration Agreement by giving the other party not less than 3 months' prior written notice.

4.9 THE UNITS REGISTRAR

Pursuant to the Units Registry Agreement, Al Hilal Bank – Operations Group was appointed to provide the service of a Units Registrar. The duties of the Units Registrar are as follows:

- (a) maintaining the Units Register;
- (b) receiving subscription applications and Redemption Notices and conversion requests and remedying them; and
- (c) issuing information about the value and number of the Units to Investors.

4.10 THE AUDITOR

The Sponsor, on behalf of the Fund, has appointed Ernst & Young Middle East as the Auditor to carry out an independent audit of the Fund on an annual basis. The Auditor also will conduct quarterly unaudited reviews of the Fund.

5. INVESTMENT IN THE FUND

5.1 ELIGIBLE INVESTORS

Subscription for Units will be available to any person who is not a Restricted Person provided that he is an account holding customer of Al Hilal Bank and who completed the Application in accordance with Paragraph 5.3.

If a prospective investor is not an existing customer of Al Hilal Bank, then such prospective investor must complete the procedures necessary to open a personal or corporate account with Al Hilal Bank prior to or contemporaneous with submitting the Application under the same conditions for account opening applicable to the other clients for the same type of account in the Bank. If a prospective investor is not at least 21 Gregorian years of age or if a prospective investor is subscribing to the Fund on behalf of an individual who is not at least 21 Gregorian years

of age, then such prospective investor must contact the Sponsor and provide documentation sufficient to evidence legal authorization to subscribe to the Fund.

Each prospective investor is invited to meet with the Sponsor to discuss with it, and to ask questions and receive answers concerning the terms and conditions of this offering of the Units, and to obtain any additional information, to the extent that the Sponsor possesses such information or can acquire it without unreasonable effort or expense, necessary to verify the information contained in this Prospectus.

This offering can be withdrawn at any time and is specifically made subject to the terms described in this Prospectus. This offering will continue until terminated by the Sponsor in accordance with this Prospectus. The Sponsor may accept or reject any subscription to purchase the Units being offered hereby in whole or in part. The Sponsor may stop offering Units completely, or may offer Units on a limited basis, for a period of time or permanently.

5.2 SUBSCRIPTION AMOUNTS

An Application for an initial subscription for Units must be for a minimum amount of USD 10,000 or any higher amount in multiples of USD 1000. Investors may subscribe for additional Units in the Fund in an amount of USD 1000 or any multiple thereof, in addition to the stipulated subscription fees of 75 basis points (0.75%) of the subscription amount due to the Sponsor and paid at subscription.

5.3 SUBSCRIPTION PROCEDURE

The initial offering period for the Units of the Fund will commence on Sunday 19/02/2012 until the end of day on Thursday 22/03/2012. In the case of non-coverage of the minimum size of the Fund which is (\$5,000,000) five million United States Dollars during the period set out above, the initial offering period will be extended until Thursday 19/04/2012. In the case of non-coverage of the minimum size of the fund at the end of the extension to the initial offering period, the launch of the Fund will be canceled, and the subscription money received from all of the Investors will be refunded, including the Subscription Fees, within a period not exceeding (15) fifteen days from the closure of the initial offering period, taking into account Ministerial decree No. (206) for the year 2010 regarding the allocation of securities for subscribers and revenues resulting from the initial offering period.

Each prospective investor, or Investor subscribing for additional Units, must submit an Application for a subscription of Units in the form set forth in Appendix 1 attached to this Prospectus. The Sponsor may accept a completed Application and accompanying Subscription

Amount in its sole discretion on the First Closing Date or on any subsequent Dealing Day so long as such Application is received by the Sponsor after coordination with the Units Registrar at the end of the Business Day preceding the determined Dealing Day by four Business Days from the First Closing Date or such subsequent Dealing Days.

The Subscription Amount corresponding to each Application (together with the corresponding Subscription Fee) must be deposited in full in the applicable Investor Account prior to or contemporaneous with the submission of the Application, and the Subscription Amount (and the corresponding Subscription Fees) will be debited from such account immediately upon receipt of the Application by the Sponsor. If the Subscription Amount and the corresponding Subscription Fees are received after the determined time for the weekly Dealing Day, the Sponsor will treat the Application as an application to subscribe for Units on the Dealing Day of the following week at a subscription price per Unit equal to the Unit NAV on that Day, provided that the applicant will be notified of that issue.

In the case of Applications submitted to the Sponsor prior to the First Closing Date, all Subscription Amounts and Subscription Fees collected by the Sponsor will be debited from the relevant Investor Account and deposited in a

pooled, non-interest-bearing account maintained by the Sponsor until the First Closing Date.

Once a prospective investor submits an Application, such Application will be irrevocable unless otherwise permitted by the Sponsor in written form. Upon acceptance of an Application to subscribe for Units, each Investor will receive a confirmation from the Sponsor for its Subscription Amount stating the number of Units purchased and the price per Unit paid. This confirmation will serve as documentary evidence of the purchase of Units. Such confirmation will be issued to each Investor within 10 days of the Dealing Day on which the related Application is accepted.

In all cases, the subscription for the Units will not be valid unless approved by the Sponsor and documented in the Register.

5.4 TRANSFER OF UNITS

An Investor may not sell or transfer a portion or all of its Units without the prior written consent of the Sponsor in its capacity as the Units Registrar, and only in the cases of inheritances, donations, transfer of ownership to relatives, judicial judgments and other cases that the Units Registrar finds necessary after obtaining the approval of SCA. Any transfer of Units will not be approved unless:

- the transferor provides sufficient written evidence to the Sponsor that the prospective transferee is eligible to hold Units and is not a Restricted Person;
- no other Investor is likely to be adversely affected as a result of such transfer;
- the transferor sends its transfer request in writing to the Units Registrar in such form as the Sponsor may require; and
- the transferee provides such documentation as the Sponsor may require.

Any sale or transfer of Units to a Restricted Person will

result in the mandatory redemption of the related Units. Any sale or transfer of Units shall be subject to a transfer fee payable to the Sponsor equal to 50 basis points (0.5%) of the value of the Units transferred.

5.5 REDEMPTION

(a) Optional Redemption by an Investor

An Investor may not redeem Units for a period of 6 months from the date on which such Units were purchased.

An Investor, may request redemption of some or all of its Units by delivering a Redemption Notice in the form set forth in Appendix 2 to this Prospectus to the Sponsor after coordination with the Units Registrar and until the end of the Business Day preceding the determined Dealing Day by four Business Days. All Units to be redeemed will be valued on the relevant Dealing Day according to the Unit NAV without any deductions, and redemption proceeds in respect of such redeemed Units will be distributed to a redeeming Investor's Account within 10 Business Days of such Dealing Day.

In the case of redemption by an Investor of some of its

Units, the minimum value of the remaining Units of such Investor must not be less than USD 10,000 or such lesser amount determined by the Sponsor of the Fund from time to time.

(b) Compulsory Redemption by the Investment Manager

The Investment Manager may request compulsory redemption of any Unit at the applicable Unit NAV in the following circumstances:

(i) The Units are held (whether directly or indirectly) by or for the benefit of:

- any Restricted Person;
- any person, or the Investment Manager suspects they are held by any person, in breach of any law, code or regulatory requirement of any country or governmental authority or any of the policies, procedures and/or guidelines established by the Sponsor, the Investment Manager, the Administrator or any governmental authority including but not limited to those in relation to money laundering, terrorism or terrorist financing; or
- any person whose holding or continued holding of those Units may in the determination of the Investment Manager, cause, or be likely to cause, a legal, regulatory, pecuniary, tax, compliance or material administrative disadvantage to the Fund or its Investors generally or to the Sponsor.

(ii) The representations or declarations in the Application are incorrect or invalid.

(iii) The Fund Manager decides in his absolute discretion, that the possession of any Unit by the Investor who owns such Unit violates any applicable laws or may result in tax consequences harmful to the Fund.

In the event of a compulsory redemption in accordance with this paragraph, the Investor will be notified in writing and will be given a period of 10 Business Days to remedy any irregularity that causes compulsory redemption. If the Investor fails to respond or if the Investment Manager is not satisfied with any remedial actions, then the Investment Manager has the right to redeem the Units compulsorily at the price of the Unit on the Dealing Day following the expiry date of the grace period given to the Investor without deducting any expenses. Neither the Fund nor the Investment Manager will, in any form, bear any responsibility to the Investor due to the compulsory redemption of any Units. The concerned Investor may seek recourse against the Investment Manager before any competent court in the UAE.

(c) Postponement of Units redemptions

If the redemption amount in one Dealing Day exceeds 10% of Fund NAV, the Investment Manager, at its discretion, may suspend the exceeded redemption at a maximum period of two Dealing Days in order to avoid those losses that may be incurred by compulsory

liquidation of assets achieving fairness when dealing with all redemption requests; and

(i) if the request for redemption of large amounts in a certain period of time makes it difficult for the Fund to acquire adequate cash to respond to the redemption requests without resorting to liquidating some assets before their time or in an inappropriate time or in unfavorable conditions; or

(ii) the Investment Manager is unable to liquidate the assets of the Fund for reasons beyond his control; or

(iii) there is rapid and sudden decrease in the prices of the assets in the Fund

the Investment Manager in coordination with the Sponsor may delay the fulfillment of such redemption requests for a period exceeding two Dealing Days provided that a plan to execute all the redemption requests is put in place the situation is addressed in a manner that is equitable to each Investor requesting a redemption of Units and acquiring the approval of the SCA.

5.6 NET ASSET VALUE

Except when the calculation of Fund NAV or Unit NAV is suspended or deferred in accordance with the terms of this Prospectus, the Fund NAV and Unit NAV will be calculated at the end of the Evaluation Day.

The Fund NAV on the specific Evaluation Day will be the value of the Assets less the total liabilities of the Fund at the end of such day.

The Unit NAV will be the amount of the Fund NAV attributable to the Units divided by the total number of the existing Units at the end of the specific Evaluation Day.

The Assets will include cash, securities, accrued profit and the investments of the Fund. The liabilities of the Fund will include expenses (including accrued expenses) and any contingencies (including taxation) for which provisions or reserves are required. The liabilities of the Fund will also include amounts due to the Sponsor, the Administrator, the Custodian and any other third party service providers appointed by the Sponsor on behalf of the Fund, whether such amounts are due for the payment of Management

Fees, any other Fees, or otherwise, in accordance with the terms of this Prospectus.

Each of the Fund NAV and the Unit NAV will be calculated to two decimal places. The International Financial Reporting Standards (IFRS) will be the framework applied to the Fund's accounting standards.

The Administrator shall be entitled, without verification, further enquiry or liability on the Administrator's part, to rely on pricing information in relation to specified investments held by the Fund which is provided by price sources stipulated in the Services set out in the Administration Agreement or, in the absence of any such stipulated price sources, any price sources on which the Administrator may choose to rely provided that it exercises reasonable care in choosing the price source.

Without prejudice to the generality of the foregoing, the Administrator shall not be responsible or liable to any person for the valuation or pricing of any assets or liabilities of the Fund (save as provided in the Services set out in the Administration Agreement) or for any inaccuracy, error or delay in pricing information supplied to the Administrator, unless as a result of the Administrator's fraud, negligence or wilful default.

The Administrator will use reasonable endeavours to independently verify the price of any such assets or liabilities of the Fund using its network of automated

pricing services, brokers, market makers, intermediaries or other third parties.

In the absence of readily available independent pricing sources, the Administrator may rely solely upon any valuation or pricing information (including, without limitation, fair value pricing information) about any such assets or liabilities of the Fund (including, without limitation, private equity investments) which is provided to it by: (i) the Sponsor, and/or (ii) any valuer, third party valuation agent, intermediary or other third party which in each such case is appointed or authorised by the Sponsor to provide valuations or pricing information of the Fund's assets or liabilities to the Administrator.

The Administrator will send to the Investment Manager the clear Fund NAV and the clear Unit NAV usually within 1 Business Day of the applicable Dealing Day.

5.7 ASSET VALUATION GUIDELINES

The Administrator will be responsible for the calculation of the Fund NAV and the Unit NAV.

The Fund NAV and Unit NAV will be calculated at each Valuation Point in accordance with the following guidelines:

- (a) The value of the Assets will be determined on the basis of the official closing price or, where none is available, the last known price on the relevant market. Where an Asset is traded on more than one market, the Investment Manager, in collaboration with the Administrator, may in its sole discretion select such price on the principal market on which the Asset in question is traded.
- (b) For Assets not quoted on a particular market, available valuation reports or other information will be used by the Investment Manager in collaboration with the Administrator to estimate probable realization value.
- (c) Cash and debt instruments, securities, receivables and

any similar instruments will be valued at their then current market value.

(d) 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. The Investment Manager, in collaboration with the Administrator and after taking the opinion of the Auditor, may determine in relation to any Asset or any part thereof to apply some more suitable method of valuation when such method of valuation is more appropriate.

(e) The Fund NAV and the Unit NAV will be stated in USD. Any Assets or liabilities denominated in currencies other than USD will be converted into USD at the then prevailing market rates and as approved by the Investment Manager as it may find fit.

(f) All valuations determined by the Investment Manager in collaboration with the Administrator will be final and binding save in the case of manifest error.

5.8 SUSPENSION OF THE NET ASSET VALUE CALCULATION

The Investment Manager may suspend or defer the calculation of the Fund NAV and the Unit NAV in the following circumstances:

- (a) When one or more exchanges or markets in which Assets amounting to 10% or more of Fund NAV are closed, or when dealings on such exchanges or markets are suspended or restricted.
- (b) When foreign exchange controls restrict the Fund's ability to exchange currency for the purchase of Assets or to sell Assets, provided that such Assets compose at least 10% out of the total Assets.
- (c) When for any reason the price or value of Assets cannot be ascertained with sufficient accuracy.
- (d) When the Sponsor has elected to terminate the Fund in accordance with this Prospectus.

(e) When there has been a material and substantial change in the valuation of not less than 10% of the Assets.

(f) When the business operations of the Sponsor, the Administrator or any other service provider appointed by the Sponsor are substantially interrupted or closed for any reason outside of the control of any such entity.

(g) For any other reasons that the Investment Manager deems important and necessary; provided, however, that the Investment Manager must inform the SCA of the suspension and the reasons therefore, the suspension duration, and the ways to remedy and avoid them in the future, within a period of no more than 2 working days of the suspension date.

In the event of any suspension or deferral of the calculation of Fund NAV or Unit NAV, the Investment Manager in collaboration with the Administrator will notify Investors of such suspension or deferral as soon as practicable and will make reasonable efforts to bring such period of suspension or deferral to an end as soon as practical. Units may not be subscribed for or redeemed during any such period of suspension or deferral.

5.9 REPORTING

The Investment Manager, in collaboration with the Administrator, will provide Investors with an Annual Report. The Annual Report will include the audited financial statements of the Fund prepared in accordance with IFRS with a supporting audit report. The Annual Report will be made available to Investors within 3 months at the end of the Financial Year to which it relates. The first Financial Year of the Fund will end on 31 December 2012.

The Sponsor will provide a fact sheet for the Fund on a monthly basis. The Fund fact sheet will be available at branches of Al Hilal Bank and on the Sponsor's website. The Fund fact sheet will include, among other things, details of the Fund NAV and Unit NAV. In addition, the Sponsor will send the most recent Unit NAV to Investors via SMS.

The Sponsor may provide additional reports to Investors from time to time as it deems appropriate with respect to related market conditions and will comply with any reporting requirements set forth in the Resolution.

The Unit NAV, calculated on the last Valuation Point, may be obtained by Investors from the Sponsor upon request.

5.10 TERMINATION AND LIQUIDATION

The activities of the Fund may be terminated and the Fund liquidated and dissolved if the Sponsor determines in its sole discretion that terminating the activities of the Fund is in the best interest of Investors or the Fund, but after referring to the SCA and obtaining its approval for the termination or liquidation.

Upon making the foregoing determination, the Sponsor in collaboration with the Administrator will proceed to liquidate the Assets and discharge the liabilities of the Fund. The net proceeds of such liquidation will be distributed to the Investors in accordance with their Units. Following the liquidation of the Fund, the Sponsor will cause a final set of duly audited accounts for the Fund to be prepared and distributed to Investors.

6 FEES AND EXPENSES

The Fees and expenses set out in this Prospectus will apply to all Units unless otherwise noted herein. In addition to all such Fees and expenses, the Sponsor reserves the right to charge Investors for costs incurred in connection with:

- (a) any transfer of Units that the Sponsor chooses to permit;
- (b) valuation reports in respect of the Units held by a particular Investor in addition to those reports that the Sponsor provides to Investors on a periodic basis; and
- (c) any other services provided to Investors in relation to the Fund.

The Sponsor has discretion to reduce, waive or rebate any Fee otherwise applicable to any Investor.

The Administrator is responsible for calculating and paying all Fees due to the Fund's service providers. Such Fees will be calculated and accrued on each Dealing Day before the calculation of the Fund NAV and Unit NAV, and such Fees will be payable at the repayment times as agreed with the relevant service providers.

6.1 COSTS INCURRED PRIOR TO FIRST CLOSING DATE

The Investors will bear on a pro rata basis all the expenses related to the formation of the Fund and its preliminary marketing, including the costs of audit and legal and other costs relating to the formation, promotion and initial marketing of the Fund. Such costs may be amortized in consultation with the Auditor and as allowed by law. The Sponsor will have paid these costs in advance, and the Fund will reimburse the Sponsor for these costs. The Sponsor expects that these costs will not exceed USD 150,000.

6.2 SUBSCRIPTION FEE

Each Investor whose Application to purchase Units is accepted must pay a subscription fee ("Subscription Fee") equal to 75 basis points (0.75%) of the Subscription Amount paid by such Investor. The Subscription Fee is payable to the Sponsor and is in addition to the Subscription Amount.

6.3 MANAGEMENT FEES

(a) Fixed Fees

The Investment Manager will receive an annual management fee ("Management Fee") from the Assets equal to 85 basis points (0.85%) of the Fund NAV, accruing on each Evaluation Day and to be paid in cash in arrears within 15 days of the end of each calendar quarter. The first Management Fee payable will be calculated from the First Closing Date to the end of the relevant calendar quarter.

Upon termination of the Fund pursuant to the provisions set forth in Paragraph 5.10, the Investment Manager will receive the amount of the Management Fee prorated through the effective date of such termination.

6.4 CUSTODIAN FEES

In accordance with the Custodian Agreement, the Fund will pay the Custodian an annual fee of 4.5 basis points (0.045%) of the Fund NAV (the Fund NAV will be calculated without deducting the fee amount from it), and the total amount of the Custodians fee will be calculated by applying the percentage above on each Dealing Day (before valuing the Unit NAV) and this amount is accrued every quarter of the Fund's Financial Year. The minimum fee payable will be USD 1,250 per month.

6.5 ADMINISTRATOR FEES

The Fund will pay the Administrator 7.5 basis points (0.075%) calculated on the Fund's net asset value. The Fee is subject to a monthly minimum of US\$ 2,000. Also an all-inclusive annual fee of US\$ 5,000 will be charged for the preparation of all the required draft quarterly and annual financial statements for the Fund.

6.6 UNITS REGISTRAR FEES

The Fund will not pay any fees to the Units Registrar.

6.7 SHARIAH SUPERVISORY PANEL FEES

The Fund will pay the Shariah Supervisory Panel an annual fee of AED 150,000, which is equivalent to approximately USD 40,836. Such amount will accrue on a weekly basis and be paid quarterly.

6.8 TRANSFER FEE

Any transfers of Units shall be subject to, if applicable, transfer fees that shall be payable to the Sponsor of the Fund which is equivalent to 0.5% of the value of all of the Units being transferred.

6.9 OTHER OPERATION EXPENSES

In addition to the aforementioned, the Fund will bear all the continuous operation expenses and the other expenses of the Fund, including, but not limited to, the expenses of preparing, printing and distributing the Annual Reports and any notifications or other

correspondences to be sent to the Investors and other reports requested by the UAE Central Bank or SCA, in addition to all the fees of the transactions and the other expenses related to the purchase and sale of Assets, including the commissions, price differences, bank charges and any other costs to be paid normally in connection with trading in securities, and also the fees and charges of the Auditor and the legal advisors. The Fund will also be responsible for the costs incurred due to any claim, lawsuit, arbitration, mediation or dispute related to the operations of the Fund, and the amount of damages resulting from any judgment or settlement.

Each Fund service provider is responsible for all costs and expenses incurred in connection with its duties (including, but not limited to, salaries, utilities, office space, telephones and computers).

7. RISK FACTORS AND CONFLICTS OF INTEREST

7.1 RISK FACTORS

The investment program of the Fund entails substantial risk. There can be no assurance that the investment objectives of the Fund will be achieved or that the value of Units will not decrease.

Any investment entails some level of risk. Each prospective investor in the Fund should carefully compare its ability to withstand risk with the potential for volatility in the value of Units. Each prospective investor should consider the following list of risk factors, which does not purport to be a complete explanation of the risks involved in an investment in the Fund.

Such risks include, but are not limited to:

(a) Company-Specific and Market Risk:

The success of the Fund's activities may be affected by the success or failure of the companies in which the Fund invests and by general economic and market conditions, such as market and other trends, profit rates, availability of credit, volatility, inflation rates, economic uncertainty, changes in laws, national and international political circumstances and other factors. The Fund focuses on investing in the global Sukuk market, which may be deemed immature and emerging and thus could display higher volatility characteristics than wider international fixed income markets. The Fund is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearing-houses.

(b) Difficult Market Conditions:

Assets may not be readily realizable and no market may formally exist. While the Sukuk market has grown significantly in recent years, Investors should note that there may be times when the market is illiquid and it is difficult to sell an Asset. Furthermore, expected profits on Investments may increase on a wider basis and there may be higher trading costs than normally associated with trading conventional debt instruments.

(c) Non-Diversification:

The Fund's portfolio will be concentrated in terms of asset class as it will only invest in certain Sukuk. Accordingly, the

investment portfolio of the Fund may be subject to more rapid changes in value than would be the case if the Fund were required to maintain a wider diversification among types of investments, issuers and geographic areas.

(d) Debt Securities Generally:

The Fund expects to invest in private and sovereign debt instruments. The Fund may invest in debt instruments that are unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face ongoing periods of uncertainty and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of profit amounts and principal. Such instruments are regarded as speculative instruments with respect to the issuer's capacity to pay profit amounts and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.

(e) Distressed Securities:

The Fund may invest in "below investment grade" securities of issuers in weak financial conditions, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments, although they may

also offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such securities may be considered for trading purposes, and the ability of such companies to pay their debts on schedule could be affected by adverse profit rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies.

(f) High Yield Securities:

The Fund may invest in "higher yielding" (including non-investment grade) Sukuk. Such securities are generally not exchange traded and, as a result, these financial instruments trade in the over-the-counter marketplace, which is less transparent and has wider bid/ask spreads than the exchange-traded marketplace. In addition, the Fund may invest in Sukuk of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such Assets. Also, the market for credit price is often inefficient and illiquid, making it difficult to accurately calculate the discounting amount for valuing financial instruments. High profitability

securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to meet timely profit amounts and make principal payments. High profitability securities are generally more volatile and may or may not be subordinated to certain other relevant securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. High profitability securities may also not be protected by financial obligations or limitations on additional indebtedness. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of profit rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay profit amounts thereon, and increase the incidence of default of such securities.

(g) Systemic Risk:

The Fund may be subject to risk arising from a default by

one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Fund interacts on a daily basis.

(h) Tax Considerations

Taken into Account: The Investment Manager may take tax considerations into account in determining when the Fund's securities positions should be sold or otherwise disposed of and may assume certain market risks and incur certain expenses in this regard to achieve favorable tax treatment of a transaction.

(i) Convertible Sukuk:

Convertible Sukuk may be converted into or exchanged for a specified amount of stocks of the same or a different issuer within a particular period of time at a specified price or formula. A convertible Sakk entitles its holder to receive profit amounts that are generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible Sakk matures or is redeemed, converted or exchanged. Convertible Sukuk have unique investment characteristics in that they generally (i) have higher profitability than stocks, but lower profitability than comparable non-convertible Sukuk, (ii) are less subject to

fluctuation in value than the stocks related to convertible Sukuk due to their fixed income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible Sakk is a function of its "investment value" (determined by its profitability in comparison with the profitability of other securities of comparable maturity and quality that do not have a conversion right) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible Sakk is influenced by changes in profit rates, with investment value declining as profit rates increase and increasing as profit rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible Sakk's investment value. The conversion value of a convertible Sakk is determined by the market price of the regular stocks related to Sukuk. If the conversion value is low relative to the investment value, the price of the convertible Sakk is governed principally by its investment value. To the extent the market price of the stocks approaches or exceeds the conversion price, the price of the convertible Sakk will be increasingly influenced by its conversion value. A convertible Sakk generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the stocks while holding a fixed income security. Generally, the amount of the premium decreases as the

convertible Sakk approaches maturity. A convertible Sakk may be subject to redemption at the option of the issuer at a price established in the convertible Sakk's governing instrument. If a convertible Sakk held by the Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the stocks or sell it to a third party. Any of these actions could have an adverse effect on the Fund's ability to achieve its investment objective.

(j) Risk Control Framework:

No risk control system is fail-safe, and no assurance can be given that any risk control framework employed by the Investment Manager will achieve its objective. Target risk limits developed by the Investment Manager may be based upon historical trading patterns for the securities and financial instruments in which the Fund invests. No assurance can be given that such historical trading patterns will accurately predict future trading patterns.

(k) Credit Risk:

Is inherent in the underlying Assets. The risk of failure of payment of the interim cash flow or the redemption amount is directly transferred to the Investor. The value of the Assets may be affected by credit migration, failure to meet periodic payments, failure to repay capital or other issues related to investments in securities in emerging markets. Losses in these securities may result in loss in capital.

(l) Default Risk:

Is associated with investments in fixed income securities. Issuers of these securities may not pay the contractual distributions or principal on the instrument in a timely manner, or at all. A default of restructuring of contractual obligations may adversely affect the value of the Fund.

(m) Control Risk:

Investors in the Fund will have no:

- (i) legal or proprietary ownership rights in or to any of the Assets; and
- (ii) voting, control, management rights or any other rights in the administration or operation of the Fund, the Assets, the Sponsor or the Investment Manager.

(n) Custodian and Broker Risks:

Assets may be held by the Custodian and its sub-custodians, on behalf of the Fund. In some circumstances, assets may be held by the Custodian or its sub-custodian in a nominee structure. The use of a Custodian, and its sub-custodian, and their nominee structure represents some potential risks:

- (i) in terms of the legal ownership structure of the Assets; and
- (ii) in the event that the Custodian, any sub-custodian, or nominee holding encounters financial difficulties to

may be significantly wide. If valuations should prove to be significantly different from the price at which the Fund can trade, Investors could be adversely affected. Sukuk which the Investment Manager believes are fundamentally undervalued or overvalued may not ultimately be valued in the capital markets at prices and/or within the time frame the Investment Manager anticipates. In particular, purchasing securities at prices which the Investment Manager believes to be distressed or below fair value does not represent a guarantee that the price of such securities will not decline even further.

(dd) Cash Concentration:

A portion of the Assets may be in cash or cash equivalents as described in Paragraph 2.5. There can be no assurance that attempts to mitigate downside risk and preserve capital by investing in cash or cash equivalents will be successful. Investments in cash or cash equivalents do not have the same potential for appreciation in value as other investment opportunities. Therefore, the Fund may be prevented from achieving its objective during any period in which its Assets are not substantially invested in accordance with its principal investment strategies. Moreover, investments in cash or cash equivalents, although generally safer than investments in equity securities, may still lose value.

(ee) Possible Effects of Substantial Redemption;

Limitations on Redemption: Substantial redemptions of

Units by Investors (including Investors that may hold a disproportionate share of outstanding Units at any given time) may require the Fund to liquidate the Assets more rapidly than otherwise desirable to raise necessary cash to fund redemptions which could adversely affect the Fund NAV. Illiquidity in certain securities could make it difficult for the Fund to liquidate positions to satisfy redemption requests on favorable terms, which may affect the Fund NAV. In some circumstances, the Sponsor may find it necessary to limit the right of Investors to redeem their Units.

(ff) Potential Conflicts of Interest:

Each of the Sponsor and the Investment Manager is either individually or through affiliates engaged in many businesses (including brokerage) with interests in the global fixed income, currency, commodity, equity and other markets, in addition to those related to the Fund. Such additional businesses and interests may give rise to potential conflicts of interest. A description of some of such potential conflicts of interest is set forth under Paragraph 7.2 below.

(gg) Investments by the Sponsor and Employees of the Sponsor in the Fund:

In addition, the Sponsor and certain employees of the Sponsor may have substantial personal investments in the Fund. The amount of the Sponsor's or employees personal investment in the Fund (if any) may change over time.

Investors will not be provided with notice of the Sponsor's or its employees' investment in, or redemption from, their respective investments in the Fund.

(hh) Frequent Trading and Turnover:

The Sponsor or Investment Manager may make frequent trades in order to implement the Fund's investment program. Frequent trades typically result in high transaction costs, which could have an adverse effect on the performance of the Fund. In addition, the turnover rate within the Fund may be significant, potentially involving substantial brokerage commissions, fees and other transaction costs, which could have an adverse effect on the Fund's performance.

(ii) Suspension of Trade:

Trading in the Fund may be suspended in extreme market conditions, such as abnormally low levels of liquidity in the Sukuk markets. The Investment Manager will make reasonable efforts to bring such period of suspension or deferral to an end as soon as practical. Investors should, however, be aware that such suspension will limit their access to the Fund pending resumption of trade.

(jj) No Separate Counsel; No Independent Verification:

The Legal Advisor represents the Sponsor and the Fund. The Legal Advisor does not represent Investors in the Fund and no independent counsel has been retained to act on behalf of Investors. The Legal Advisor is not responsible

for any acts or omissions of the Sponsor, the Investment Manager or the Investment (including their compliance with any guidelines, policies, restrictions or applicable law, or the selection, suitability or advisability of their investment activities) or any Administrator, accountant, custodian/prime broker or other service provider to them. This Prospectus was prepared based on information furnished by the Sponsor; the Legal Advisor has not independently verified such information.

The foregoing list of risk factors does not purport to be a complete enumeration of the risks involved in an investment in the Fund. Prospective investors should read this Prospectus in its entirety and consult with their own Advisors before deciding to subscribe for units.

7.2 POTENTIAL CONFLICTS OF INTEREST

Al Hilal Bank and its affiliates engage in a broad spectrum of activities involving banking, financial investments and advisory services. Al Hilal Bank is wholly owned by the

Abu Dhabi Investment Council, which is an investment body of the Ruler of Abu Dhabi. Instances may arise in which the interests of the Sponsor, the Investment Manager or their respective affiliates conflict with the interests of the Fund.

Subject to its duty to devote reasonable time and effort to the affairs of the Fund, the Sponsor and the Investment Manager may engage in any other management or investment management activities and related businesses and may in the course of such engagements provide services that are identical or similar to those provided to the Fund. The Sponsor and the Investment Manager may give advice and take action in the performance of such duties for other clients that differ from advice given and action taken with respect to the affairs of the Fund. The Sponsor and the Investment Manager, their respective affiliates, employees and clients may invest, for their own accounts or on behalf of others, in securities of companies that may be held by the Fund. There is no limitation with respect to the Sponsor's or the Investment Manager's other activities or investments or with respect to other investment funds or portfolios managed by the Sponsor or the Investment Manager. The Fund will not be entitled to compensation related to such activities or investments. These are considerations of which Investors should be aware, and which may cause conflicts that could disadvantage the Fund.

Conflicts of interest may arise in the allocation of investment opportunities among investment funds and

other accounts operated and managed by the Sponsor, the Investment Manager or their respective affiliates. The Sponsor and the Investment Manager will seek to allocate investment opportunities believed appropriate for the Fund and other investment funds or accounts they operate or manage in a manner that they consider, in their sole discretion and consistent with their obligation to each fund or account, to be reasonable.

The Sponsor and the Investment Manager may combine purchase or sale orders on behalf of the Fund with orders for other accounts for which the Sponsor or the Investment Manager or any of their respective affiliates provides investment services, including accounts in which the Sponsor or the Investment Manager or any of their respective affiliates may have beneficial interests.

8. NOTICES AND COMMUNICATIONS

Notices and communications will be given to each Investor at the postal address or email address provided in its Application.

Annual Reports and other notices and information relating to the Fund may be reviewed by Investors at the following website: www.alhilalbank.ae.

The Sponsor and the Investment Manager will not deal with service providers to the Fund who are their affiliates, in a manner that is more favorable to such affiliated service providers than the manner in which they would deal with any unaffiliated independent service provider.

Present and future activities of the Sponsor, in addition to those described in this Paragraph 7.2, may give rise to additional conflicts of interest.

By having made an investment in the Fund, an Investor is deemed to have acknowledged and assented to the existence of potential conflicts of interest relating to the Sponsor and the Investment Manager and to the operations of the Fund in the face of these potential conflicts.

9. TAXATION

9.1 GENERAL

This Prospectus does not summarize the possible tax consequences of the acquisition, holding or disposal of Units in each of the jurisdictions in which prospective investors reside. Each prospective investor should consult its own professional advisors about the potential tax, exchange control or other consequences of subscribing for, holding and disposing of Units under the laws of its country of citizenship, domicile or residence.

9.2 UAE

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Fund is made will endure indefinitely. The following information is based on the law and practice currently in force in the UAE and, accordingly, is subject to changes therein.

Under current legislation in the UAE, there is no liability for capital gains tax, wealth tax, capital transfer tax or estate or inheritance tax on the issue or redemption of Units, nor is any stamp duty or similar tax payable on the issue, transfer or redemption of Units.

10. GENERAL INFORMATION

10.1 CONFIDENTIAL INFORMATION

The Sponsor shall be entitled to retain any information it receives in such manner as it shall, in its absolute discretion, consider appropriate. The Sponsor reserves the right to engage such agents as in its absolute discretion it shall consider appropriate for the purpose of complying with its obligations pursuant to applicable laws and regulations.

The Sponsor will treat non-public information received from Investors as confidential and will not disclose such information other than:

- (a) to its professional advisors or other service providers where the Sponsor considers such disclosure necessary or appropriate in the normal course of business or to enable it to conduct its affairs; or
- (b) where such disclosure is required by any applicable law or order of any court of competent jurisdiction or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank, governmental or other regulatory or taxation agency or authority.

By submitting an Application for Units, each prospective investor is deemed to consent to any such disclosure.

10.2 AMENDMENT

The Sponsor reserves the right, upon due notification to the Investors and receipt of approval from the SCA, to amend the provisions of this Prospectus.

10.3 GOVERNING LAW

This Prospectus and the terms and conditions contained herein, including all Appendixes shall be governed by, and construed in accordance with, the laws of the United Arab Emirates to the extent that such laws do not contradict with the Islamic principles as interpreted by the Shariah Supervisory Board, in which case the latter will apply. As set forth in the Application, each Investor irrevocably submits to the non-exclusive jurisdiction of the courts of Abu Dhabi in respect of these matters, which does not prevent an action being taken against an Investor in any other jurisdiction.

10.4 ANTI-MONEY LAUNDERING

In order to comply with laws or regulations aimed at the prevention of money laundering in the relevant jurisdictions of operation, the Sponsor has adopted and is committed to maintaining anti-money laundering and "Know Your Client" procedures, and will require subscribers to provide evidence to verify their identity and source of funds. The Sponsor may delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

The Sponsor reserves the absolute right to request such information as is necessary to verify the identity of each prospective investor, the person or entity on whose behalf the prospective investor is providing the Subscription Amount and any proposed transferee of Units.

In the event of delay or failure on the part of the applicant or proposed transferee of Units in producing any information required for verification purposes, the Sponsor may refuse to accept the Application or transfer, as the case may be, and in the former case any funds

received will be returned without profit to the account from which they were originally debited. In addition, the Sponsor reserves the absolute right to return the Subscription Amount (and the corresponding Subscription Fees) to a prospective investor in the event that that or another third party refuses to accept such funds for anti-money laundering purposes or any other reason.

The Sponsor reserves the right to refuse to make any redemption payment to an Investor if the Sponsor suspects or is advised that the payment of redemption proceeds to such Investor might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or if such refusal is considered necessary or appropriate to ensure the compliance by the Sponsor with any such laws or regulations in any applicable jurisdiction.

