

The Directors of the Company whose names appear in the section entitled "Management and Administration" accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

## **MASHREQ FUNDS PLC**

### **Mashreq Al-Islami Arab Tigers Fund**

#### **PROSPECTUS**

**19 August 2014**



(An umbrella fund, with segregated liability between sub-funds, incorporated as a variable capital investment company in Ireland with registration number 449570 on 22 November 2007 and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended.

## IMPORTANT INFORMATION

### THIS PROSPECTUS

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This Prospectus describes Mashreq Funds plc (the "Company"), an investment company with variable capital incorporated in Ireland as a public limited company. The Company is constituted as an umbrella fund, with segregated liability between sub-funds, insofar as the share capital of the Company will be divided into different series of Shares with each series of Shares representing a portfolio of assets, which will comprise a separate fund. Shares of any particular series may be divided into different Classes to accommodate different dividend and/or charges and/or fee arrangements and/or currencies including different total expense ratios.

The portfolio of assets maintained for each series of Shares and comprising a Portfolio will be invested in accordance with the investment objectives and policies applicable to such Portfolio as specified in this Prospectus.

### SHARIAH COMPLIANCE

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The Shariah Supervisory Board shall oversee the activities of the Company to ensure that the Company's policies, activities and investments are in compliance with the principles and precepts of Shariah law.

The Company became Shariah compliant on 12 March 2014, and prior to this date, the Company's investment policies included the investment in shares and related instruments of non-Shariah compliant companies.

### INVESTOR RESPONSIBILITY

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Prospective investors should review this Prospectus carefully and in its entirety and consult with their legal, tax and financial advisers for independent advice in relation to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Shares; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and (d) the provisions of this Prospectus.

### CENTRAL BANK AUTHORISATION - UCITS

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The Company is authorised by the Central Bank in Ireland as an Undertaking for Collective Investment in Transferable Securities under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. 232 of 2011), as amended. **The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. Authorisation of the Company by the Central Bank does not constitute a warranty by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. Such authorisation does not constitute an endorsement or guarantee of the Company by the Central Bank.**

### DISTRIBUTION AND SELLING RESTRICTIONS

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The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute and may not be treated as an offer or solicitation by or to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

### STOCK EXCHANGE LISTING

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Application was made to the Irish Stock Exchange for the Shares in Mashreq-Al-Islami Arab Tigers Fund, issued and available for issue, to be admitted to listing on the Official List of the Irish Stock Exchange and to trading on the Main Securities Market of the Irish Stock Exchange. Admission became effective on 26 August 2008. No

application has been made for the listing of the Shares on any other stock exchange. Notwithstanding the application to list the Shares, it is not anticipated that an active secondary market will develop in the Shares.

Neither the admission of the Shares to the Official List of the Irish Stock Exchange and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of this document pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of the service providers or any other party connected with the Company, the adequacy of any information contained in this document or the suitability of the Company for investment purposes. The Shares may also be listed on other exchanges in the future.

This document constitutes listing particulars for the purposes of listing the Shares in Mashreq-Al-Islami Arab Tigers Fund on the Official List of the Irish Stock Exchange and trading on the Main Securities Market of the Irish Stock Exchange.

## RELIANCE ON THIS PROSPECTUS

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Shares are offered only on the basis of the information contained in this Prospectus and the latest audited annual accounts and any subsequent half-yearly report of the Company. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation in connection with the offering of Shares other than those contained in this Prospectus and in any subsequent half-yearly or annual report for the Company and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or the Investment Manager. Statements in this Prospectus are in accordance with the law and practice in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the Company have not changed since the date hereof.

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, this English language Prospectus will prevail, except, to the extent (but only to the extent) required by law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a Prospectus in a language other than English, the language of the Prospectus on which such action is based shall prevail. All disputes as to the contents of this Prospectus shall be governed in accordance with the laws of Ireland.

## RISKS

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Investors should be aware that investment in the Company carries with it the potential for above average risk and is only suitable for people who are in a position to take such risks. The value of Shares may go down as well as up, and investors may not get back any of the amount invested. The difference at any one time between the issue and repurchase price of Shares due to applicable sales charges (if any) means that an investment in the Company should be viewed as medium- to long-term. Investment in the Company should not constitute a substantial proportion of an investor's portfolio and may not be appropriate for all investors. Risk factors for an investor to consider are set out in the section entitled "Investment Risks" below.

## REDEMPTION FEE

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The Company may charge redeeming Shareholders a redemption charge of up to 3% of the relevant redemption proceeds. For the avoidance of doubt any redemption charge payable shall not exceed the Duties and Charges relating to the relevant redemptions.

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## DIRECTORY

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**Mashreq Funds plc**

Registered Office:  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Directors:**

Mr Thomas Woulfe (Chairman)  
Mr Abdul Kadir Hussain  
Mr Denis Holland

**Custodian:**

BNP Paribas Securities Services,  
Dublin Branch  
Trinity Point  
10 - 11 Leinster Street South  
Dublin 2  
Ireland

**Promoter and Investment Manager:**

Mashreq Capital DIFC Limited  
Office 201 Level 2,  
Al Fattan Currency Tower DIFC  
PO Box 1250  
Dubai, UAE  
(Mashreq Capital is regulated by DFSA) Ireland

**Sponsoring Irish Stock Exchange Broker:**

J&E Davy  
Davy House  
49 Dawson Street  
Dublin 2  
Ireland

**Administrator:**

BNP Paribas Fund Services Limited  
Trinity Point  
10 - 11 Leinster Street South  
Dublin 2  
Ireland

**Company Secretary:**

Matsack Trust Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Auditors:**

Deloitte & Touche  
La Touche House  
Hatch Street  
Dublin 2  
Ireland

**Distributor:**

Mashreqbank psc  
Mashreq Bank Building  
Omar Bin Al Khattab Street  
Deira  
PO Box 1250  
Dubai, UAE

**Legal Advisers as to Irish law:**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Shariah Supervisory Board****Sheikh Abdalla Bin Suliman Al-Manei**

P.O. Box 26073,  
Al Riyadh 11486,  
Saudi Arabia.

**Sheikh Dr. Mohamed Al-Gari**

Suite 505, 5<sup>th</sup> Floor, Arabian Business Center,  
Wali Al Ahad Street, Rowais District.  
P.O. Box 23493, Jeddah 21426, Saudi Arabia.

**Sheikh Nizam Yaqouby**

P.O. Box 158, Yaqouby Store,  
Bahrain Gate, Al Manama, Bahrain

## CONTENTS

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	Page No
Important Information.....	1
Directory.....	4
Definitions.....	6
The Company.....	10
Investment Considerations.....	12
Investment Restrictions.....	16
Portfolio Investment Techniques.....	20
Investment Risks.....	21
Distribution Policy.....	23
Subscriptions.....	25
Determination of Net Asset Value.....	27
Conversion Of Shares.....	29
Redeeming Shares.....	30
Temporary Suspension of Dealings.....	32
Transfer of Shares.....	33
Mandatory Redemption of Shares.....	35
Termination of Share Classes.....	36
Management and Administration.....	37
Taxation.....	42
Fees and Expenses.....	47
General.....	49
Appendix I Recognised Markets.....	52

## DEFINITIONS

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<b>Administrator</b>	BNP Paribas Fund Services Dublin Limited, or such other company as may from time to time be appointed to provide administration, accounting, registration and transfer agency and related support services to the Company;
<b>AED or UAE Dirham</b>	the lawful currency of the United Arab Emirates;
<b>Articles</b>	the Articles of Association of the Company for the time being in force and as may be modified from time to time;
<b>Base Currency</b>	the currency in which the Net Asset Value of each Portfolio is calculated;
<b>Business Day</b>	a day (except Saturdays, Sundays and public holidays) on which banks in Dublin and in the United Arab Emirates are open for normal banking business or such other day or days as may be specified;
<b>Central Bank</b>	the Central Bank of Ireland;
<b>Class</b>	Shares of a particular Portfolio representing an interest in the Portfolio but designated as a class of Shares within such Portfolio for the purposes of attributing different proportions of the Net Asset Value of the relevant Portfolio to such Shares to accommodate different subscription, conversion and redemption charges, dividend arrangements, base currencies and/or fee arrangements specific to such Shares;
<b>Class Currency</b>	in relation to each Class of a Portfolio, the currency in which the Shares of such Class are designated;
<b>Company</b>	Mashreq Funds plc;
<b>Custodian</b>	BNP Paribas Securities Services, Dublin Branch, or such other company as may from time to time be appointed to provide custodian services to the Company;
<b>Dealing Day</b>	every Business Day or such other day or days as the Directors may determine and notify to the Administrator and to Shareholders in advance, provided there shall be at least one (1) Dealing Day per fortnight;
<b>Declaration</b>	a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA 1997 (as may be amended from time to time);
<b>Directors</b>	the directors of the Company for the time being and any duly constituted committee thereof;
<b>Duties and Charges</b>	all stamp duties and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions, transfer fees and expenses, agents' fees, brokerage fees, commissions, bank charges, registration fees and other duties and charges, whether payable in respect of the constitution, increase or reduction of all of the cash and other assets of the Company or the creation, acquisition, issue, conversion, exchange, purchase, holding, redemption, sale or transfer of Shares or assets held by the Company by or on behalf of the Company or in respect of the issue or cancellation of any share certificates of the Company or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation;
<b>€ or Euro</b>	the single currency of participating member states of the European Monetary Union introduced on 1 January 1999;

<b>Exempt Investor</b>	those Shareholders resident (or ordinarily resident) in Ireland for Irish tax purposes as described under section 739D(6) TCA and for which the Company will not deduct Irish tax in respect of the Shares once a Declaration has been received by the Company confirming the Shareholder's exempt status;
<b>FDI</b>	financial derivative instruments;
<b>GCC</b>	Gulf Co-operation Council;
<b>Initial Offer Period</b>	the period determined by the Directors during which Shares of a Class (other than Shares of a Class that are currently trading at their Net Asset Value per Share) are offered for subscription at a fixed price as set out in the section headed "Subscriptions" below. The Directors may extend or shorten the Initial Offer Period of each such Class at their discretion upon notification to the Central Bank;
<b>Investment Manager</b>	Mashreq Capital DIFC Limited or such other company as may from time to time be appointed to provide investment management services to the Company;
<b>Irish Resident</b>	any company resident, or other person resident or ordinarily resident, in the Republic of Ireland for the purposes of Irish tax. Please see the "Taxation" section below for the summary of the concepts of residence and ordinary residence issued by the Irish Revenue Commissioners;
<b>Irish Stock Exchange</b>	the Irish Stock Exchange Limited;
<b>Minimum Initial Subscription</b>	US\$1,000 or AED 5,000 or such other amount as the Directors may determine and notify to Shareholders;
<b>Minimum Holding</b>	US\$1,000 or AED 5,000 or such other amount as the Directors may determine and notify to Shareholders;
<b>Net Asset Value</b>	the net asset value of a Portfolio calculated as described in the "Determination of Net Asset Value" section of this Prospectus;
<b>Net Asset Value per Share</b>	the net asset value of a Share in any Portfolio, including a Share of any Class of Shares issued in a Portfolio calculated as described in the "Determination of Net Asset Value" section of this Prospectus;
<b>Portfolio</b>	a portfolio of assets established by the Directors (with the prior approval of the Custodian and the Central Bank) and constituting a separate fund represented by a separate series of Shares and invested in accordance with the investment objective and policies applicable to such Portfolio;
<b>OECD</b>	the Organisation for Economic Co-Operation and Development;
<b>Prospectus</b>	this document, any supplement or addendum designed to be read and construed together with and to form part of this document;
<b>Recognised Rating Agency</b>	Standard & Poor's Ratings Group ("S&P"), Moody's Investors Services ("Moody's"), Fitch IBCA or an equivalent rating agency;
<b>Recognised Market</b>	any recognised exchange or market listed or referred to in Appendix I to this Prospectus and such other markets as Directors may from time to time determine in accordance with the UCITS Regulations and specify in Appendix I to this Prospectus;
<b>Relevant Institution</b>	(a) a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein); (b) a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of

July 1988 (Switzerland, Canada, Japan, United States); or (c) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;

<b>RMP Statement</b>	any risk management process statement adopted by the Company, from time to time, in accordance with the requirements of the Central Bank;
<b>Section 739B</b>	Section 739B of TCA 1997;
<b>Share or Shares</b>	a share or shares of whatsoever Class in the capital of the Company (other than Subscriber Shares) entitling the holders to participate in the profits of the Company attributable to the relevant Portfolio as described in this Prospectus;
<b>Shareholder</b>	a person registered in the register of members of the Company as a holder of Shares;
<b>Shariah Supervisory Board</b>	Sheikh Abdalla Bin Suliman Al-Manei, Sheikh Dr. Mohamed Al-Gari and Sheikh Nizam Yaqoub, or such other entity or persons as may from time to time be appointed to provide Shariah compliance advice to the Company;
<b>Subscriber Shares</b>	the issued share capital of two (2) subscriber shares of no par value issued at one Euro each and initially designated as "Subscriber Shares" and which are held by Mashreqbank psc and its nominees but which do not entitle the holders to participate in the profits of the Company;
<b>Subscriber Shareholder</b>	a person registered in the register of members of the Company as a holder of Subscriber Shares;
<b>TCA</b>	the Taxes Consolidation Act 1997;
<b>UCITS</b>	an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
<b>UCITS Regulations</b>	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. 352 of 2011), as amended and all applicable Central Bank regulations or notices made or conditions imposed or derogations granted thereunder;
<b>US or United States</b>	the United States of America, its territories and possessions including the States and the District of Columbia;
<b>US\$ or US Dollars</b>	the lawful currency of the United States of America;
<b>US Person</b>	<p>(a) Pursuant to Regulation S of the 1933 Act, "US Person" includes;</p> <ul style="list-style-type: none"><li>(i) any natural person resident in the United States;</li><li>(ii) any partnership or corporation organised or incorporated under the laws of the United States;</li><li>(iii) any estate of which any executor or administrator is a US Person;</li><li>(iv) any trust of which any trustee is a US Person;</li><li>(v) any agency or branch of a foreign entity located in the United States;</li><li>(vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US</li></ul>



Person;

- (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or
- (viii) any partnership or corporation if:
  - (a) organised or incorporated under the laws of any foreign jurisdiction; and
  - (b) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.
- (b) Notwithstanding (a) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a Non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "US Person."
- (c) Notwithstanding (a) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a US Person if:
  - (i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
  - (ii) the estate is governed by foreign law.
- (d) Notwithstanding (a) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person.
- (e) Notwithstanding (a) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a US Person.
- (f) Notwithstanding (a) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:
  - (a) the agency or branch operates for valid business reasons; and
  - (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
- (g) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African

Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons."

**Valuation Point**

5.00 pm (Irish time) or such other time as the Directors may determine from time to time and notify to Shareholders.

For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after such time as the Directors shall determine as the dealing deadline.

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## THE COMPANY

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The Company is an investment company with variable capital incorporated in Ireland on 22 November 2007 under registration number 449570 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. The object of the Company, as set out in Clause 2 of the Memorandum, is the collective investment in transferable securities and other liquid financial assets of capital raised from the public, operating on the principle of risk spreading in accordance with the UCITS Regulations. All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles of Association of Company, copies of which are available as described in the "*Documents for Inspection*" section of this Prospectus.

The Company has been structured as an umbrella fund with segregated liability between sub-funds, in that the Directors may from time to time, with the prior approval of the Central Bank, issue different series of Shares representing separate portfolios of assets. The assets of each Portfolio will be invested in accordance with the investment objective and policies applicable to such Portfolio as disclosed in this Prospectus. Although each Portfolio will be treated as bearing its own liabilities, the Company as a whole will remain liable to third parties for all of the liabilities of the Company. At the date of this Prospectus, the only Portfolio of the Company is the Mashreq-Al-Islami Arab Tigers Fund.

Under the Articles, the Directors are required to establish a separate Portfolio, with separate records, for each series of Shares in the following manner:

- (a) the Company will keep separate books and records of account for each Portfolio. The proceeds from the issue of each series of Shares will be applied to the Portfolio established for that series of Shares, and the assets and liabilities and income and expenditure attributable thereto will be applied to such Portfolio;
- (b) any asset derived from another asset comprised in a Portfolio will be applied to the same Portfolio as the asset from which it was derived and any increase or diminution in value of such an asset will be applied to the relevant Portfolio;
- (c) in the case of any asset which the Directors do not consider as readily attributable to a particular Portfolio or Portfolios, the Directors have the discretion to determine, with the consent of the Custodian, the basis upon which any such asset will be allocated between Portfolios and the Directors may at any time and from time to time vary such basis;
- (d) any liability will be allocated to the Portfolio or Portfolios to which in the opinion of the Directors it relates or if such liability is not readily attributable to any particular Portfolio the Directors will have discretion to determine, with the consent of the Custodian, the basis upon which any liability will be allocated between Portfolios and the Directors may at any time and from time to time vary such basis;
- (e) the Directors may, with the consent of the Custodian, transfer any assets to and from Portfolios if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph (d) above or in any similar circumstances; and
- (f) where the assets of the Company (if any) attributable to the Subscriber Shares give rise to any net profit, the Directors may allocate assets representing such net profits to such Portfolio or Portfolios as they may deem appropriate.

Shares of any particular series may be divided into different Classes to accommodate different subscription and/or redemption charges and/or charges and/or dividend and/or fee arrangements.

The Company is promoted by Mashreq Capital DIFC Limited, details of which may be found under "*The Investment Manager*" in the section entitled "*Management and Administration*" below.

## THE SHARE CAPITAL

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The authorised share capital of the Company is 500,000,300,002 Shares of no par value divided into 2 Subscriber Shares of no par value, 300,000 capitalisation shares of no par value and 500,000,000,000 Shares of no par value. The Directors are empowered to issue up to 500,000,000,000 Shares of no par value in the Company on such terms as they think fit.

The Subscriber Shares and capitalisation shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on redemption or on a winding-up. The Shares entitle the holders to attend and vote at general meetings of the Company and to participate equally (subject to any differences between fees, charges and expenses applicable to different classes of Shares) in the profits and assets of the Company. The Subscriber Shareholders and capitalisation shares shall have one vote for each Subscriber Share and capitalisation share held. The Subscriber Shares and capitalisation shares (to the extent any are in issue) will be held by Mashreqbank psc or its nominees.

The Company may from time to time by ordinary resolution increase its capital, consolidate the Shares or any of them into a smaller number of Shares, sub-divide the Shares or any of them into a larger number of Shares or cancel any Shares not taken or agreed to be taken by any person. The Company may by special resolution from time to time reduce its share capital in any way permitted by law.

## VOTING RIGHTS

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Subject to any special rights or restrictions for the time being attached to any Class of Shares, each Shareholder shall be entitled to such number of votes as equals the aggregate net asset value of that Shareholder's shareholding (expressed or converted into US\$ and calculated as of the relevant record date). The "relevant record date" for these purposes shall be a date being not more than thirty (30) days prior to the date of the relevant general meeting or written resolution as determined by the Directors. In relation to a resolution which in the opinion of the Directors gives or may give rise to a conflict of interest between the Shareholders of any series or Class, such resolution shall be deemed to have been duly passed only if, in lieu of being passed through a single meeting of the Shareholders of such series or Class, such resolution shall have been passed at a separate meeting of the Shareholders of each such series or Classes. All votes shall be cast by a poll of Shareholders present in person or by proxy at the relevant Shareholder meeting or by unanimous written resolution of the Shareholders.

## VARIATION OF SHAREHOLDERS RIGHTS

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Under the Articles, the rights attached to each series or Class of Share may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that series or Class or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of that series or Class. The rights attaching to any series or Class of Shares shall not be deemed to be varied by the creation or issue of further Shares ranking *pari passu* with Shares already in issue, unless otherwise expressly provided by the terms of issue of those Shares. The provisions of the Articles relating to general meetings shall apply to every such separate general meeting except that the necessary quorum at such a meeting shall be two persons present in person or by proxy holding Shares of the series or Class in question or, at an adjourned meeting, one person holding Shares, of the series or Class in question or his proxy.

## INVESTMENT CONSIDERATIONS

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### INVESTMENT OBJECTIVE AND POLICIES

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The Company has been established for the purpose of investing transferable securities in accordance with the UCITS Regulations. The investment objectives and policies for each Portfolio, and investment restrictions in relation thereto are set out in this Prospectus.

The assets of each Portfolio will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised below and subject to the market limits specified in the Articles and such additional investment restrictions, if any, as may be adopted by the Directors for any Portfolio and specified in this Prospectus. References below to a Portfolio means the Company acting for the account of the relevant Portfolio.

The first Portfolio established by the Company is Mashreq-Al-Islami Arab Tigers Fund. The Base Currency of the Mashreq-Al-Islami Arab Tigers Fund is US Dollars.

### MASHREQ AL-ISLAMI ARAB TIGERS FUND

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The investment objective of the Portfolio is to seek long term capital appreciation through Shariah compliant investments made primarily in equities of companies that are contained in the S&P Pan Arab Composite Sharia Index (the "Index"). The Index includes equities from issuers located in the countries of Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia and the United Arab Emirates ("MENA"). As of 30 June 2013, the Index contains 198 constituents of varying market capitalisations and which are spread across various industry sectors. The Index components are drawn from underlying country indices and are screened for Sharia compliance.

In addition to the investment strategies described in this Prospectus, if the Portfolio is unable, for any reason, to invest directly in a local market at any time, it may take exposure to the relevant market by investing in equity-linked participation notes. These are debt securities structured to provide a return based on the performance of a single equity security, basket of equity securities or an equity index. There is no limit to investment in such equity-linked participation notes provided that they constitute transferable securities that are listed or traded on Recognised Markets. The Portfolio may invest up to 10% of its net assets in equity-linked participation notes that are not listed on Recognised Markets. The below sections headed "*Investment Guidelines*" and "*Shariah Investment Guidelines*" shall apply equally to any equity-linked participation notes.

Although the Portfolio will focus primarily on investment in components of the Index in order to achieve its investment objective, it may make investments in certain other companies and markets in accordance with the investment guidelines set out below. In particular, the Portfolio may also invest in Shariah compliant equity securities that are not contained in the Index and that are listed on Recognised Markets. The Portfolio may invest up to 20% of its net assets in units or shares of other collective investment schemes which are Shariah compliant and which have similar investment policies and objectives to those of the Portfolio, in accordance with the section below headed "*Shariah Investment Guidelines*". In addition, the Investment Manager may appoint sub-investment managers with discretionary investment management powers to the Portfolio in accordance with the requirements of the Central Bank. Disclosure of such appointments will be provided to Shareholders upon request and details thereof will be disclosed in the periodic reports.

### SHARE CLASSES

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The Portfolio currently has a US Dollar Class and a Dirham (AED) Class. Shares in the US Dollar Class are issued at the Net Asset Value per Share as set out in the section headed "Subscriptions" below. The Dirham (AED) Class is offered from 10:00 am (Irish time) on 20 August 2014 until the earlier of the receipt of an initial subscription or 5:00 pm (Irish time) on 19 February 2015 (or such other date as may be determined by the Directors and notified to the Central Bank). The Initial Offer Price of the Dirham Class shall be AED 10 per Share.

## INVESTMENT GUIDELINES

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In making investments on behalf of the Portfolio, the Investment Manager shall adhere to the following guidelines, in addition to the investment restrictions set out in the section headed "Investment Restrictions":-

1. The Portfolio will invest at least 50% of its net assets in components of the Index;
2. The Portfolio may invest a maximum of 20% of its net assets in Shariah compliant equity securities of companies that are listed on Recognised Markets, other than components of the Index, in accordance with the section below headed "Shariah Investment Guidelines";
3. The Portfolio may make ancillary investments in cash; and
4. The Investment Manager may appoint sub-investment managers, in accordance with the requirements of the Central Bank, to manage up to a maximum of 25% of the net assets of the Portfolio.

The Portfolio does not intend to use FDI. Where a Portfolio proposes to use FDI in the future a risk management process will be submitted to the Central Bank in accordance with requirements of the Central Bank prior to the Portfolio engaging in FDI transactions.

## INDEX ELIGIBILITY CRITERIA

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Standard and Poor's<sup>1</sup> is the provider of the Index and has set the following eligibility criteria for the securities contained on the Index:

### *Sector-Based Screens*

Business activities related to the following are excluded:

1. Advertising and media, with the following exceptions:
  - media and advertising companies generating revenues in excess of 65% of total income from the GCC countries;
  - news channels;
  - newspapers; and
  - sports channels.
2. Alcohol
3. Cloning
4. Financials, except:
  - Islamic banks;
  - Islamic financial institutions;
  - Islamic insurance companies defined as a company having:
    - Shariah committee to supervise all activities;
    - all products are Islamic;
    - all investments of the company are Islamic;
    - passes accounting based screens;

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5. Gambling
6. Pork
7. Pornography
8. Tobacco
9. Trading of gold and silver as cash on deferred basis

During the selection process, each company's latest financial statement is reviewed to ensure that the company is not involved in any non-Shariah compliant activities, regardless of whether the latest statement is a quarterly, semi-annual or annual statement. If the latest statement is available in all three of these frequencies an annual statement will likely be used, as these are more likely to be audited. Those that are found to be non-compliant are screened out.

#### *Accounting-Based Screens*

After removing companies with non-compliant business activities, the rest of the companies are examined for compliance in financial ratios, as certain ratios may violate compliance measurements. Three areas of focus are leverage, cash, and the share of revenues derived from non-compliant activities. All of these are subject to evaluation on an on-going basis.

Such accounting based screens are not applicable to companies which are run on a fully Shariah compliant basis and such companies shall be considered compliant. Such companies may be characterised by (the list below is indicative, non-exhaustive and reviewed on a case to case basis):

- having a Shariah supervisory board;
- all transactions (business and financial) are in accordance with Shariah principles;
- incorporated and managed in a fully Shariah compliant manner.

Leverage compliance. This compliance is measured as:  $\text{debt} / \text{market value of equity (36 month average)} < 33\%$ .

Cash compliance. There are compliances with reference to cash holdings. These are:  $\text{accounts receivables} / \text{market value of equity (36 month average)} < 49\%$ ; and  $(\text{cash} + \text{interest bearing securities}) / \text{market value of equity (36 month average)} < 33\%$ .

Revenue share from non-compliant activities. In certain cases, revenues from non-compliant activities can be tolerated, if they comply with the following threshold:  $(\text{non-permissible income other than interest income}) / \text{revenue} < 5\%$ .

Dividend Purification Ratio. This ratio is provided to investors for purification purposes, it is calculated as:  
 $\text{dividends} * (\text{non-permissible revenue} / \text{total revenue})$ .

## **SHARIAH INVESTMENT GUIDELINES**

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In addition to the general investment restrictions set out under the heading "*Investment Restrictions*" below the Portfolio shall comply with the following Shariah investment guidelines:

1. The Portfolio is authorised to invest in the securities contained on the Index or any similar index approved by the Shariah Supervisory Board.
2. In addition, the Portfolio is authorised to invest in securities that are not contained on the Index or any other approved index, subject to the formal approval of the Shariah Supervisory Board which shall apply similar criteria as those set out in the section headed "*Index Eligibility Criteria*".

## **DIVIDEND PURIFICATION**

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The companies that qualify for investment by a Portfolio may engage in activities of a marginal nature that do not comply with Shariah principles. The Shariah Supervisory

Board has advised that any such amount becoming part of the Company's income is not permissible and hence the Portfolio should not benefit from it.

The Investment Manager or its designated agent will segregate the non-compliant income from the dividend income received by the Portfolio using the dividend purification ratio (dividends \* (non-permissible revenue / total revenue) and guidelines provided by the Shariah Supervisory Board. The non-compliant amount will be transferred to a non-compliant income account for donation to charity. It is intended that the amounts donated to charity will be detailed in the Company's annual report.

## SHARIAH COMPLIANCE OVERSIGHT

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To ensure on-going compliance with Shariah, the Investment Manager, as soon as it comes to its notice that an investment held by the Portfolio is deemed to be non-Shariah compliant shall use all best efforts to liquidate such an investment within 90 days of notification of such non-compliance.

The Company will strictly restrict its investments to the Index or other indices approved by the Shariah Supervisory Board from time to time and any investment outside these approved indices would require a formal approval from the Shariah Supervisory Board.

On an annual basis (as soon as possible after end of a calendar year), the Company will provide the following documents / information to Shariah Supervisory Board:

- (i) a list of all holdings comprised in the Portfolio;
- (ii) a list of dividends distributed during the previous year by all Portfolio holdings;
- (iii) a report on Company activities during the calendar year highlighting any violation of the Shariah rules during the year; and
- (iv) a statement of the accounts of the Company showing the income and expenses during the year under review.

Upon its satisfaction Shariah Supervisory Board will issue a compliance certificate which will be available for inspection by the Shareholders. The Custodian has no obligation to ensure the Shariah compliance of the investments of the Portfolio.

## AMENDMENT OF INVESTMENT OBJECTIVE / POLICIES

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Any change to the investment objectives and/or material investment policies of the a Portfolio may be amended with the approval by ordinary resolution of Shareholders in that Portfolio at a general meeting and in the event of a change of investment objectives and/or policies a reasonable notification period will be provided by the Company to enable Shareholders to redeem their Shares prior to implementation of these changes.



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## INVESTMENT RESTRICTIONS

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The assets of each Portfolio will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised below and subject to the market limits specified in the Articles and such additional investment restrictions, if any, as may be adopted by the Directors.

### 1 Permitted Investments

Investments of a Portfolio are confined to:

- 1.1 transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State;
- 1.2 recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year;
- 1.3 money market instruments, as defined in the UCITS Notices, other than those dealt on a regulated market;
- 1.4 units of UCITS;
- 1.5 units of non-UCITS as set out in the Central Bank's Guidance Note 2/03;
- 1.6 deposits with credit institutions as prescribed in the UCITS Notices;
- 1.7 financial derivative instruments as prescribed in the UCITS Notices.

### 2 Investment Restrictions

- 2.1 A Portfolio may invest no more than 10% of its net assets in transferable securities and money market instruments other than those referred to in paragraph 1 above.
- 2.2 A Portfolio may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by a Portfolio in certain U.S. securities known as Rule 144A securities provided that
  - such securities are issued with an undertaking to register with the U.S. Securities & Exchanges Commission within one year of issue; and
  - the securities are not illiquid securities, i.e. they may be realised by a Portfolio within seven days at the price, or approximately at the price, at which they are valued by the Portfolio.
- 2.3 A Portfolio may invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 The limit of 10% in 2.3 is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.5 The transferable securities and money market instruments referred to in paragraph 2.4 shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph 2.3.

- 2.6 A Portfolio may not invest more than 20% of its net assets in deposits made with the same credit institution.

Deposits by a Portfolio with any one credit institution, other than

- a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);
  - a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
  - a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand
- held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the Custodian.

- 2.7 The risk exposure of a Portfolio to a counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

- 2.8 Notwithstanding paragraphs 2.3, 2.6 and 2.7 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- (i) investments in transferable securities or money market instruments;
- (ii) deposits; and/or
- (iii) risk exposures arising from OTC derivatives transactions.

- 2.9 The limits referred to in 2.3, 2.4, 2.6, 2.7 and 2.8 above may not be combined, so that exposure to a single body shall not exceed 35% of the net assets of the relevant Portfolio.

- 2.10 Group companies are regarded as a single issuer for the purposes of paragraphs 2.3, 2.4, 2.6, 2.7, and 2.8. However, a limit of 20% of net assets of a Portfolio may be applied to investments in transferable securities and money market instruments within the same group.

- 2.11 A Portfolio may invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by any Member State or any local authority of a Member State or by Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland or the United States of America or by one of the following public international bodies including those of which one or more Member States are members: European Investment Bank, Asian Development Bank, Euratom, The European Bank for Reconstruction and Development, The International Bank for Reconstruction and Development (The World Bank), International Finance Corporation, the Inter-American Development Bank, International Monetary Fund, European Central Bank, Council of Europe, Eurofima, African Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank and the Tennessee Valley Authority.

A Portfolio must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its net assets.

### 3 Investment in Collective Investment Schemes ("CIS")

- 3.1 A Portfolio may not invest more than 20% of net assets in any one CIS.
- 3.2 Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.
- 3.3 The CIS are prohibited from investing more than 10 per cent of net assets in other CIS.
- 3.4 Where a Portfolio invests in the units of other CIS that are managed directly or by delegation by a UCITS management company or by any other company with which that management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Company's investment in the shares of the other CIS.
- 3.5 Where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment in the units of another CIS, this commission must be paid into the assets of the relevant Portfolio.

### 4 Index Tracking UCITS

- 4.1 A Portfolio may invest up to 20% of its net assets in shares and/or debt securities issued by the same body where the investment policy of the relevant Portfolio is to replicate an index which satisfies the criteria set out in the UCITS Regulations and is recognised by the Central Bank.
- 4.2 The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

### 5 General Provisions

- 5.1 A Portfolio, or management company acting in connection with all of the CIS which it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A Portfolio may acquire no more than:
  - (i) 10% of the non-voting shares of any single issuer;
  - (ii) 10% of the debt securities of any single issuer;
  - (iii) 25% of the shares or units of any single CIS;
  - (iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in paragraphs (ii), (iii) and (iv) above may be disregarded at the time of acquisition, if at that time, the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.
- 5.3 5.1 and 5.2 shall not be applicable to:
  - (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
  - (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;

- (iv) shares held by a Portfolio in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies with the registered offices in that non-Member State, where under the legislation of that non-Member State such a holding represents the only way in which the Portfolio can invest in the securities of issuing bodies of that non-Member State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.10, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6 and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below;
  - (v) shares held by the Company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of units at unit-holders' request exclusively on their behalf.
- 5.4 A Portfolio need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments, which form part of their assets.
- 5.5 The Central Bank has allowed each Portfolio to derogate from the provisions of paragraphs 2.3 to 2.11, 3.1, 3.2, 4.1 and 4.2 for a period of up to six months from the date of authorisation of such Portfolio, provided that such Portfolio observes the principle of risk spreading.
- 5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Portfolio, or as a result of the exercise of subscription rights, that Portfolio must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 5.7 A Portfolio may not carry out uncovered sales of:
- (i) transferable securities;
  - (ii) money market instruments;
  - (iii) units of collective investment undertakings; or
  - (iv) financial derivative instruments.
- 5.8 A Portfolio may hold ancillary liquid assets.

## 6 Financial Derivative Instruments ("FDIs")

- 6.1 A Portfolio's global exposure (as prescribed in the UCITS Notices) relating to FDI must not exceed its total net asset value.
- 6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the UCITS Notices.)
- 6.3 A Portfolio may invest in FDIs dealt in over-the-counter (OTC) provided that
- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 6.4 Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

The Company may acquire real and personal property that is required for the purpose of its business.

The Company shall not acquire either precious metals or certificates representing them.

The Company may invest up to 5% of net assets in warrants on transferable securities which warrants are traded or dealt on a Recognised Market.

The Company shall not (except as a permitted investment technique described in the "Portfolio Investment Techniques" section of this Prospectus) make any loan of its assets provided that, for the purpose of this restriction, the holding of ancillary liquid assets such as deposits, and the acquisition of bonds, notes, commercial paper, certificates of deposit, bankers acceptances, and other debt securities or obligations permitted by the UCITS Regulations, and the acquisition of transferable securities, money market instruments or other financial instruments that are not fully paid, shall not be deemed to constitute the making of a loan.

A Portfolio may borrow up to 10% of its Net Asset Value for temporary purposes. A Portfolio may acquire foreign currency by means of a back-to-back loan. Foreign currency acquired in this manner is not classified as borrowing for the purpose of the restriction on borrowing provided that the offsetting deposit (a) is denominated in the base currency of the relevant Portfolio and (b) equals or exceeds the value of the foreign currency loan outstanding.

Without limitation, the Directors, in accordance with the requirements of the Central Bank, may adopt additional investment restrictions to facilitate the distribution of Shares to the public in a particular jurisdiction. In addition, the investment restrictions set out above may be changed from time to time by the Directors in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares are currently offered, provided that the assets of a Portfolio, at all times, will be invested in accordance with the restrictions on investments set out in the UCITS Regulations. In the event of any such addition to, or change in, the investment restrictions applicable to the relevant Portfolio, a reasonable notification period will be provided by the Company to enable Shareholders to redeem their Shares prior to implementation of these changes. A Portfolio will not amend such investment restrictions except in accordance with the requirements of the Central Bank and of the Irish Stock Exchange for as long as the Shares are listed on the Irish Stock Exchange.

## PORTFOLIO INVESTMENT TECHNIQUES

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A Portfolio may employ investment techniques and instruments for efficient portfolio management of the assets of the Company in accordance with the requirements of the Central Bank under the UCITS Regulations and described below. In this context, efficient portfolio management means investment decisions involving transactions that are entered into for one or more of the following specific aims:

- the reduction of risk;
- the reduction of cost;
- the generation of additional capital or income for the Company with an appropriate level of risk, taking into account the risk profile of the Company as described in this Prospectus and the general provisions of the UCITS Directive.

The Portfolio does not intend to use FDI, repurchase agreements, reverse repurchase agreements or stock lending arrangements.

## WHEN-ISSUED AND FORWARD COMMITMENT SECURITIES

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A Portfolio may purchase securities on a "when-issued" basis and may purchase or sell securities on a "forward commitment" basis. The price, which is generally expressed in yield terms, is fixed at the time the commitment is made, but delivery and payment for the securities take place at a later date. When-issued securities and forward commitments may be sold prior to the settlement date, but a Portfolio will usually enter into when-issued and forward commitments only with the intention of actually receiving or delivering the securities or to avoid currency risk, as the case may be. No income accrues on securities which have been purchased pursuant to a forward commitment or on a when-issued basis prior to delivery of the securities. If a Portfolio disposes of the right to acquire a when-issued security prior to its acquisition or disposes of its right to deliver or receive against a forward commitment, the relevant Portfolio may incur a gain or loss.

## CURRENCY TRANSACTIONS

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A Portfolio is permitted to invest in securities denominated in a currency other than the Base Currency and may purchase currencies to meet settlement requirements.

## INVESTMENT RISKS

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Investment in the Company carries certain risks, which are described below. These risks are not purported to be exhaustive and potential investors should review this Prospectus in its entirety and consult with their professional advisers, before making an application for Shares.

There can be no assurance that a Portfolio will achieve its objectives.

## INDEMNIFICATION OBLIGATIONS

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The Company has agreed to indemnify the Directors, the Investment Manager, the Administrator and the Custodian as provided for in the relevant agreements.

## MARKET RISK

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The investments of a Portfolio are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change substantially. Debt securities are interest rate sensitive and may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. The magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. Since investment in securities may involve currencies other than the Base Currency, the value of a Portfolio's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of a Portfolio will therefore depend in part on the ability of the Investment Manager to anticipate and respond to such fluctuations in stock prices, market interest rates and currency rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

## EQUITY SECURITIES

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Equity securities represent ownership interests in a company or corporation, and include common stock, preferred stock and warrants and other rights to acquire such instruments. Investments in equity securities in general are subject to market risks that may cause their prices to fluctuate over time. The value of convertible equity securities is also affected by prevailing interest rates, the credit quality of the issuer and any call provisions. Fluctuations in the value of equity securities in which a Portfolio invests would cause the Net Asset Value of the relevant Portfolio to fluctuate.

## POLITICAL AND/OR REGULATORY RISKS

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The value of the assets of a Portfolio may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

## EMERGING MARKET ECONOMIES

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Where a Portfolio invests in emerging market countries, the economies of such countries may differ favourably or unfavourably from the economies of industrialised countries. The economies of emerging market economies are generally heavily dependent on international trade and have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. Investments in emerging markets entail risks which include the possibility of political or social instability, adverse changes in investment or exchange control regulations, expropriation and withholding of dividends at source. In addition, such securities may trade with less frequency and volume than securities of companies and governments of developed, stable nations. There is also a possibility that redemption of Shares following a redemption request may be delayed due to the illiquid nature of the assets.

The legal infrastructure and accounting, auditing and reporting standards in emerging market countries in which a Portfolio may invest may not provide the same degree of information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

## CUSTODIAL RISK

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As a Portfolio may invest in markets where custodial and/or settlement systems are not fully developed, including in emerging markets (ie. countries in the MENA region, as described in the "Investment Objectives and Policies" section of this Prospectus), the assets of a Portfolio which are traded in such markets which have been entrusted to sub-custodians in circumstances where the use of such sub-custodian is necessary, may be exposed to risk in circumstances where the Custodian will have no liability.

## CURRENCY RISK

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The Net Asset Value per Share of a Portfolio will be computed in the Base Currency, whereas the investments held for the account of such Portfolio may be acquired in other currencies. The Base Currency value of the investments of the relevant Portfolio designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital.

In the case of a Class which is designated in the currency other than the Base Currency of the Portfolio, a currency conversion will take place on subscriptions, redemptions, exchanges and distributions at the prevailing rate of exchange available to the Company and the cost of conversion will be deducted from the relevant Portfolio.

## SMALL CAP RISK

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Where a Portfolio may invest in small capitalisation companies, such investments involve greater risk than is customarily associated with larger, more established companies due to the greater business risks of small size, limited markets and financial resources, narrow product lines and a frequent lack of depth of management. The securities of small or medium-sized companies are often traded over-the-counter, and may not be traded in volumes typical of securities traded on a national securities exchange. Consequently, the securities of smaller companies may have limited market stability and may be subject to more abrupt or erratic market movements than securities of larger, more established companies or the market averages in general. In a declining market these stocks can also be hard to sell at a price that is beneficial to the relevant Portfolio.

## RELIANCE ON THE INVESTMENT MANAGER

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The Company will rely on the Investment Manager in implementing its investment strategies. The bankruptcy or liquidation of the Investment Manager may have an adverse impact on the Net Asset Value of the relevant Portfolio. Investors must rely on the judgement of the Investment Manager in making investment decisions. The Investment Manager and its principals and affiliates will however devote a substantial degree of their business time to the Company's business.

## INVESTMENT TECHNIQUES

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There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for efficient portfolio management purposes including, but not limited to, the techniques listed below. To the extent that the Investment Manager's expectations in employing such techniques and instruments are incorrect, a Portfolio may suffer a substantial loss having an adverse effect on the Net Asset Value of the Shares.



## TRANSACTION CHARGES

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Sales, redemption or transaction charges may be payable in respect of a Portfolio if specified in the section entitled "*Fees and Expenses*". **In the short-term, these charges will have the effect of reducing the value of an investment. Accordingly, an investor should view its investment in a Portfolio as medium- to long-term.**

## NO INVESTMENT GUARANTEE EQUIVALENT TO DEPOSIT PROTECTION

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An investment in a Portfolio is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.

## PROVISIONAL ALLOTMENTS

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As the Company may provisionally allot Shares to proposed investors prior to receipt of the requisite subscription monies for those Shares the Company may suffer losses as a result of the non-payment of such subscription monies, including, for example, the administrative costs involved in updating the records of the Company to reflect Shares allotted provisionally which are not subsequently issued. The Company will attempt to mitigate this risk by obtaining an indemnity from investors, however, there is no guarantee that the Company will be able to recover any relevant losses pursuant to such indemnity.

## SETTLEMENT RISKS

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The equity markets in different countries will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of a Portfolio are uninvested and no return is earned thereon. The inability of a Portfolio to make intended purchases due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to a Portfolio due to subsequent declines in value of the portfolio security or, if it has entered into a contract to sell the security it could result in a possible liability of it to the purchaser.

## INCENTIVE ARRANGEMENTS

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The incentive arrangement involves the payment of performance fees and could create an incentive for the Investment Manager to select riskier or more speculative trades than would be the case in the absence of such an arrangement. The payment of the performance fee will be based on performance which may include net realised and net unrealised gains and losses as at the end of each Calculation Period. As a result, payments of performance fees may be made in respect of unrealised gains which may subsequently never be realised.

## FEES AND EXPENSES

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Whether or not a Portfolio is profitable, it is required to pay fees and expenses including organisation and offering expenses, brokerage commissions, management, administrative and operating expenses and custodian fees. A portion of these expenses should be offset by interest income.

## BORROWING POLICY

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Under the Articles the Directors are empowered to exercise all of the borrowing powers of the Company subject to any limitations under the UCITS Regulations and to charge the assets of the Company as security for such borrowings.

A Portfolio may not borrow money, grant loans or act as guarantor on behalf of third parties, except:

- (i) foreign currency may be acquired by means of a back-to-back loan, i.e. borrowing one currency against the deposit of an equivalent amount of another currency) provided that where foreign currency borrowings exceed the value of the "back-to-back" deposit, any excess shall be regarded as borrowing and therefore aggregated with other borrowing for the purposes of the 10% limit referred to below). Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 70(1) of the UCITS Regulations provided that the offsetting deposit is (a) denominated in the base currency of the Portfolio and (b) equals or exceeds the value of the foreign currency loan outstanding; and
- (ii) a Portfolio may incur temporary borrowings in an amount not exceeding 10% of its net asset value and may charge its assets as security for such borrowings.

## FOREIGN TAXES

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The Company may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Company may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Company may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Company obtains a repayment of foreign tax, the Net Asset Value of the Company will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

## DISTRIBUTION POLICY

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The Articles empower the Directors to declare dividends in respect of any Shares out of net income (including dividend and interest income) and the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the Company. Any dividend unclaimed after a period of one year from the date of declaration of such dividend shall be forfeited and the Shareholder shall, in lieu of the dividend, be issued additional Shares based on the Net Asset Value of the Shares as at that date, with the value of such additional Shares being equal in value to the amount of such dividend. The distribution policy of each Portfolio will be specified in this Prospectus.

The Directors do not intend to declare dividends in respect of the Mashreq-Al-Islami Arab Tigers Fund.

## SUBSCRIPTIONS

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The Directors may issue Shares of any Class in the Company, and create new Classes of Shares in the Company, on such terms as they may from time to time determine. The creation of new Classes of Shares must be notified to, and cleared in advance by the Central Bank. Shares of any particular Portfolio may be divided into different Classes to accommodate different dividend provisions and/or charges and/or fee arrangements and/or currencies including different total expense ratios.

The price at which Shares in any Portfolio are initially issued will be specified in this Prospectus and thereafter Shares will be issued at the Net Asset Value per Share.

Subscriptions for Shares at the Initial Offer Price will be considered during the Initial Offer Period, upon receipt by the Administrator of completed share applications and subscription monies as specified below. Such Shares will be issued on the last day of the Initial Offer Period. Investors must acquire Shares with a value at least equal to the amount of the Minimum Initial Subscription.

Subscriptions for Shares must be paid in the relevant Class Currency, unless the Directors otherwise agree to accept subscriptions in any freely convertible currency, in which case such subscriptions will be converted into the relevant Class Currency at the rate of exchange available to the Company and the cost of conversion will be deducted from the subscription monies.

Thereafter (and, in the case of all other Classes, from the date of this Prospectus) Shares will be issued at their Net Asset Value per Share, subject to the provision for Duties and Charges in respect of the issue of the Shares and rounding as provided for in the Articles on each Dealing Day. For subsequent subscriptions, investors must subscribe for Shares with a value of at least US\$1,000 or AED 1,000 and in respect of the Dirham Class, investors must subscribe for Shares in multiples of AED 1,000. The requirements in respect of the Minimum Initial Subscription and the minimum subsequent subscriptions may be waived by the Directors in their absolute discretion.

In order to receive Shares at their Net Asset Value per Share as of any particular Dealing Day, a properly completed subscription application form must be received by the Administrator before 12.30 pm (Irish time) on the relevant Dealing Day (provided however, any Director may, up to the Valuation Point on the Dealing Day, authorise the Administrator to accept a subscription application form, so long as such subscription application form is not accepted after the relevant Valuation Point), or such other time prior to the Valuation Point as the Directors may from time to time determine and notify in advance to Shareholders and the Central Bank.

Subscription application forms received after the above deadlines shall be held over until the following Dealing Day.

Subscription application forms should be sent by post or facsimile (with the original and supporting anti-money laundering documentation to follow promptly by post) to the Distributor or relevant sub-distributor for onward transmission to the Administrator in accordance with the details set out in the subscription application form or to the Company at the following address:

BNP Paribas Fund Services Dublin Limited  
Trinity Point  
10 - 11 Leinster Street South  
Dublin 2  
Ireland

Subscription monies should be sent by wire transfer to the relevant account specified in the subscription application form, or by transfer of assets in accordance with the provisions described below, on the relevant Dealing Day.

If cleared funds representing the subscription monies are not received by the Company by close of business on the relevant due date, the Directors reserve the right to cancel the provisional allotment of Shares. In such an event the investor shall indemnify the Company and the Administrator for any loss suffered by the Company as a result of the investor's failure to transmit the subscription monies in a timely fashion. In the event that the Directors decide not to cancel a provisional allotment of Shares

notwithstanding that cleared funds have not been received by the Company by the relevant cut-off time, the Directors reserve the right to charge interest at such rate as the Directors may from time to time determine on such subscription monies commencing on the third Business Day following the relevant Dealing Day. Subscription monies received from applicants prior to the receipt of a completed subscription application form will be maintained (without interest) in the subscription/redemption account opened by the Custodian in the name of the Company, the monies will not be available for investment and will remain the property of the applicant until the relevant share application is accepted by the Company. A sales charge may be deducted from subscription monies as detailed in the section entitled "Fees and Expenses".

The Directors, or the Administrator as their delegate, may also issue Shares in exchange for assets which the Company is permitted to hold under the investment objectives and policies and investment restrictions applicable to the relevant Portfolio of the Company. No Shares may be issued in exchange for such assets unless the Directors are satisfied that (a) the number of Shares issued will not be more than the number which would have been issued for settlement in cash having valued the assets to be exchanged in accordance with the valuation provisions set out in the Articles and summarised herein; and (b) all fiscal Duties and Charges arising in connection with the vesting of such assets in the Custodian for the account of the Company are paid by the person to whom the Shares in the Company are to be issued or, at the discretion of the Directors, partly by such person and partly out of the assets of the Company, and the Custodian is satisfied that (i) the terms of such exchange shall not materially prejudice the Shareholders in the Company; and (ii) that the assets have been vested in the Custodian.

The Directors may, in their absolute discretion, waive the Minimum Initial Subscription and Minimum Holding for each Class of Shares.

Measures aimed towards the prevention of money laundering may require a detailed verification of the applicant's identity. Depending on the circumstances of each application, a detailed verification might not be required where (a) the applicant makes the payment from an account held in the applicant's name at a recognised financial institution; or (b) the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above are within a country recognised by Ireland as having equivalent anti-money laundering regulations.

The Company, and the Administrator acting on behalf of the Company, reserve the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Company, and the Administrator acting on behalf of the Company, may refuse to accept the application and all subscription monies. Shareholders will not be permitted to request the redemption of their Shares unless the original completed subscription application form has been received by the Administrator, and all anti-money laundering checks required by the Central Bank have been completed in respect of the relevant subscription.

All Shares issued will be in registered form and written confirmation of ownership will be sent to Shareholders within ten (10) business days of registration. Share certificates will not be issued unless the Directors otherwise determine. The number of Shares issued will be rounded to the nearest one thousandth of a share and any surplus money will be credited to the Company. The Directors may, in their absolute discretion refuse to accept any subscription for Shares, in whole or in part.

Different procedures and time limits (which may be earlier than those set out in this Prospectus) may apply if applications for Shares are made through a sub-distributor, provided however that no subscription application form will be processed by the Company on any Dealing Day unless the relevant subscription application form is received before the relevant dealing deadline for that Dealing Day, as described above. Applicants should also note that they may be unable to purchase Shares through a sub-distributor on days that such sub-distributor is not open for business.

The Company will not knowingly issue any Shares to any US Person except in a transaction which does not contravene US securities laws. Each applicant for Shares will be required to provide such representations, warranties or documentation as may be required by the Company to ensure that these requirements are met prior to the issue of Shares.

## DETERMINATION OF NET ASSET VALUE

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The Net Asset Value of each Portfolio, and the Net Asset Value per Share in each Portfolio, shall be calculated by the Administrator to the nearest four decimal places in the base currency of the relevant Portfolio on each Dealing Day in accordance with the valuation provisions set out in the Articles and summarised below.

The Net Asset Value of a Portfolio shall be calculated by ascertaining the value of the assets of the relevant Portfolio and deducting from such amount the liabilities of the Portfolio, which shall include all fees and expenses payable and/or accrued and/or estimated to be payable out of the assets of the Portfolio. The Net Asset Value per Share in a Portfolio shall be calculated by dividing the Net Asset Value of the relevant Portfolio by the total number of Shares issued in respect of that Portfolio or deemed to be in issue as of the relevant Dealing Day.

In the event that the Shares of any Portfolio are divided into different Classes of Shares, the amount of the Net Asset Value of the Company attributable to a Class shall be determined by establishing the number of Shares issued in the Class at the relevant Valuation Point and by allocating the relevant fees and Class expenses to the Class, making appropriate adjustments to take account of distribution, subscriptions, redemptions, gains and expenses of that Class and apportioning the Net Asset Value of the Company accordingly. The Net Asset Value per Share in respect of a Class will be calculated by dividing the Net Asset Value of the relevant Class by the number of Shares of the relevant Class in issue. The Net Asset Value of the Company attributable to a Class and the Net Asset Value per Share in respect of a Class will be expressed in the Class Currency of such class if it is different to the Base Currency.

The Net Asset Value of the Company and the Net Asset Value per Share in the Company in respect of any Dealing Day will be calculated using the value of each the relevant assets or liabilities as at the Valuation Point.

The currency exposures of the assets of the Company will not be allocated to separate Classes. The Investment Manager or sub-investment manager shall limit hedging to the extent of the particular Share Class' currency exposure. Foreign exchange hedging shall not be used for speculative purposes. The periodic reports of the Company will indicate how hedging transactions have been utilised.

Each asset which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued at the last bid price on the relevant Recognised Market at close of business on such Recognised Market on each Dealing Day. Prices will be obtained for this purpose by the Administrator from independent sources, such as recognised pricing services or brokers specialising in the relevant markets, which in the opinion of the Administrator represent objective and accurate sources of information. If the investment is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market shall be that which the Directors determine provides the fairest criterion of value for the investment. If prices for an investment quoted, listed or traded on the relevant Recognised Market are not available at the relevant time, or are unrepresentative in the opinion of the Directors or their delegates, such investment shall be valued at such value as shall be estimated with care and in good faith as the probable realisation value of the investment by a competent professional person, firm or corporation appointed for such purpose by the Directors and approved for the purpose by the Custodian. If the investment is quoted, listed or traded on a Recognised Market but acquired or traded at a premium or discount outside of or off the Recognised Market, the investment shall be valued taking into account the level of premium or discount as of the date of valuation of the instrument and the Custodian must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security. Neither the Directors or their delegates nor the Custodian shall be under any liability if a price reasonably believed by them to be the last known market price or, as the case may be, middle market quotation for the time being, may be found not to be such.

The value of any investment which is not normally quoted, listed or traded on or under the rules of a Recognised Market, will be valued at its probable realisation value estimated with care and in good faith by the Directors (who shall be approved for the purpose by the Custodian) in consultation with the Administrator or by a competent person, firm or corporation appointed by the Directors and approved for such purpose by the Custodian.

Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Directors (in consultation with the Administrator and the Custodian) any adjustment should be made to reflect the fair value thereof. Derivative instruments including swaps, interest rate futures contracts and other financial futures contracts which are traded on a Recognised Market shall be valued at the settlement price as determined by the relevant Recognised Market at the close of business on such Recognised Market, provided that where it is not the practice of the relevant Recognised Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments shall be valued at their probable realisation value estimated with care and in good faith by the Directors (who shall be approved for the purpose by the Custodian) in consultation with the Administrator. The value of forward foreign exchange contracts which are dealt in on a Recognised Market shall be calculated by reference to the price appearing to the Directors to be the price at which a new forward contract of the same size, currency and maturity as determined by the relevant Recognised Market could be effected, provided that if such market price is not available for any reason, such value shall be calculated in such manner as the Directors (who shall be approved for the purpose by the Custodian) shall, in consultation with the Administrator, determine to be the price at which a new forward contract of the same size, currency and maturity could be effected.

Derivative instruments and forward exchange contracts which are not dealt on a Recognised Market shall be valued by the counterparty at least daily, provided that the valuation is verified at least weekly either by the Investment Manager or other independent party such person to be independent of the counterparty and approved for that purpose by the Custodian.

Certificates of deposit shall be valued by reference to the latest available sale price for certificates of deposit of like maturity, amount and credit risk on each Dealing Day or, if such price is not available, at the latest bid price or, if such price is not available or is unrepresentative of the value of such certificate of deposit in the opinion of the Directors, at probable realisation value estimated with care and in good faith by a competent person approved for the purpose by the Custodian. Treasury bills and bills of exchange shall be valued with reference to prices ruling in the relevant markets for such instruments of like maturity, amount and credit risk at close of business on such markets on the relevant Dealing Day.

Units or shares in collective investment schemes shall be valued on the basis of the latest available net asset value per unit as published by the collective investment scheme. If units or shares in such collective investment schemes are quoted, listed or traded on or under the rules of any Recognised Market then such units or shares will be valued in accordance with the rules set out above for the valuation of assets which are quoted, listed or traded on or under the rules of any Recognised Market. If such prices are unavailable, the units will be valued at their probable realisation value estimated with care and in good faith by the Directors (who shall be approved for the purpose by the Custodian) in consultation with the Administrator or by a competent person, firm or corporation appointed for such purpose by the Administrator and approved for such purpose by the Directors and the Custodian.

Notwithstanding the above provisions the Directors may, with the approval of the Custodian (a) adjust the valuation of any listed investment; or (b) in relation to a specific asset permit some other method of valuation approved by the Custodian to be used if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they deem relevant, they consider that such adjustment or alternative method of valuation is required to reflect more fairly the value thereof.

In determining the Company's Net Asset Value per Share, all assets and liabilities initially expressed in foreign currencies will be converted into the Base Currency of the Company using the market rates prevailing at the Valuation Point. If such quotations are not available, the rate of exchange will be determined in accordance with policies established in good faith by the Directors.

Save where the determination of the Net Asset Value per Share in respect of the Company has been temporarily suspended in the circumstances described under "Temporary Suspension of Dealings" below, the Net Asset Value per Share of the Company shall be made public at the registered office of the Investment Manager and shall also be

published by the Administrator in various publications as required and will be notified immediately and without delay upon calculation to the Irish Stock Exchange on each Dealing Day and published by the Irish Stock Exchange on its website ([www.ise.ie](http://www.ise.ie)) and shall be kept up to date.

## CONVERSION OF SHARES

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Except where dealings in the relevant Shares have been temporarily suspended in the circumstances described in this Prospectus, Shareholders will be entitled on any Dealing Day to convert any or all of their Shares of any Class in any Portfolio (Original Class) into Shares of the same Class in any other Portfolio (New Class) in accordance with the conversion procedures set out in this prospectus. For these purposes, a conversion request will be treated as a redemption request in respect of the Original Class and as a subscription application in respect of Shares of the New Class.

When requesting the conversion of Shares as an initial investment in a Portfolio, Shareholders should ensure that the aggregate Net Asset Value per Share of the Shares converted is equal to or exceeds any minimum holding for the relevant Portfolio. In the case of a conversion of a partial holding only, the value of the remaining holding must also be at least equal to any minimum holding for the relevant Portfolio. If the number of Shares of the New Class to be issued on conversion is not an integral number of Shares, the Company may issue fractional Shares of the New Class or return the surplus arising to the Shareholder seeking to convert the Shares of the Original Class.

A sales charge and/or a portfolio transaction fee may be payable on a conversion of Shares between Portfolios if such fee would be payable on a subscription for the New Class and/or a redemption of the Original Class. Because excessive conversions can disrupt the management of Portfolios and increase transaction costs, the Company limits conversion activity per Shareholder to two substantive conversion redemptions (at least thirty days apart) from any portfolio during any twelve month period. In this context, "substantive" means either a monetary amount or a series of movements between Portfolios that the Directors determine, in their sole discretion, could have an adverse effect on the management of the relevant Portfolios.



## REDEEMING SHARES

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Shareholders may request the Company to redeem their Shares on any Dealing Day at their Net Asset Value per Share on such Dealing Day in accordance with the redemption procedures.

Shareholders may request the redemption of all or any of their Shares on any Dealing Day at their Net Asset Value per Share as of the relevant Dealing Day provided that a properly completed redemption request form is received by the Administrator before 12.30 pm (Irish time) on the relevant Dealing Day (provided however, any Director may, up to the Valuation Point on the relevant Dealing Day, authorise the Administrator to accept a redemption request form, so long as such redemption request form is not accepted after the relevant Valuation Point), or such other time as the Directors may agree and notify in advance to the Shareholders, provided that, if applicable, the redemption request must be accompanied by a share certificate in respect of the Shares (duly endorsed by the Shareholder) or such other evidence of ownership as the Administrator may request.

Redemption request forms received after the above deadlines will be held over and dealt with on the following Dealing Day, unless the Directors otherwise determine. Redemption request should be made on the redemption request form approved by the Company and should be sent by post or facsimile (with the original followed by post) to the Distributor or relevant sub-distributor for onward transmission to the Administrator or to the Administrator at the address specified above under "Subscriptions".

Shareholders will not be entitled to withdraw redemption requests unless otherwise agreed by the Administrator in consultation with the Directors. The Directors or the Administrator shall be entitled to refuse to redeem any Shares until the share certificates (if any) in respect of those Shares have been returned to the Company. The original of all requests for redemptions must be received by the Administrator in order for payment to be made, provided, however, that payment may be made where a redemption request has been submitted by fax where payment is made to the account specified by the Shareholder in its original subscription application form, or such other account as may be specified by original notice in writing to the Administrator.

The Shares shall be redeemed at the Net Asset Value per Share on the Dealing Day on which redemption is effected as calculated in accordance with the Articles of Association.

If outstanding redemption requests from all holders of Shares of a particular Portfolio on any Dealing Day total an aggregate of more than 10% of all the Shares of such Portfolio in issue on such Dealing Day, the Company shall be entitled at its discretion to refuse to redeem such number of Shares in issue in that Portfolio on that Dealing Day in respect of which redemption requests have been received as the Directors shall determine. If the Company refuses to redeem Shares for this reason, the requests for redemption on such date shall be reduced rateably and the Shares to which each request relates which are not redeemed shall be redeemed on each subsequent Dealing Day in priority to any request received thereafter, provided that the Company shall not be obliged to redeem more than 10% of the number of Shares of a particular Portfolio outstanding on any Dealing Day, until all the Shares of the Portfolio to which the original request related have been redeemed.

Redemption proceeds will be paid in the currency received by the Administrator in respect of the subscription for the Shares being redeemed. Any currency conversion necessary will be undertaken by the Administrator at the investor's expense at the prevailing rate on the date of redemption. Redemption proceeds will be paid within five (5) Business Days of the relevant Dealing Day unless payment has been suspended in the circumstances described under "Temporary Suspension of Dealings" below. Unless otherwise agreed with the Company, redemption proceeds will be paid by electronic transfer at the expense of the relevant Shareholder to the Shareholder's account as specified in the Shareholder's subscription application form or as otherwise specified by original notice in writing by the Shareholder to the Company.

Redemption proceeds may, with the consent of the Shareholder concerned, be paid by in specie transfer to the Shareholder in question of the assets of the Company. The assets to be transferred shall be selected at the discretion of the Directors, subject to the approval of the Custodian and taken at their value used in determining the redemption

price of the Shares being so repurchased. If requested by the Shareholder, the Company must sell the assets on behalf of the Shareholder and give the Shareholder cash. Such distributions will not materially prejudice the interests of remaining Shareholders.

Where satisfaction of a redemption request would result in a Shareholder holding a number of Shares in a Class of with a value less than the Minimum Holding for that Class, the Directors shall be entitled, at their discretion, to treat the application for redemption as an application for the redemption of all of that Shareholder's Shares of the relevant Class or to offer the Shareholder an opportunity to amend or withdraw the redemption request.

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## TEMPORARY SUSPENSION OF DEALINGS

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The Directors may at any time, with prior notification to the Custodian, temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of Shares of any Portfolio, or the payment of redemption proceeds, during:

- (a) any period when any Recognised Market on which a substantial portion of the investments for the time being comprised in the Company are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings on any such Recognised Market are restricted or suspended;
- (b) any period when, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, the disposal or valuation of investments for the time being comprised in the Company cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interests of Shareholders;
- (c) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the Company or during any period when for any other reason the value of investments for the time being comprised in the Company cannot, in the opinion of the Directors, be promptly or accurately ascertained;
- (d) any period when the Company is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the Company, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;
- (e) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the Company or the remaining Shareholders in the Company;
- (f) any period when the Directors determine that it is in the best interests of the Shareholders to do so.

Notice of any such suspension shall be published by the Company at its registered office and in such newspapers and through such other media as the Directors may from time to time determine, if in the opinion of the Directors, it is likely to exceed thirty (30) days, and shall be transmitted immediately to the Central Bank, the Irish Stock Exchange and the Shareholders. Shareholders who have requested the issue or redemption of Shares of any series or Class will have their subscription or redemption request dealt with on the first Dealing Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

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## TRANSFER OF SHARES

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Transfers of Shares must be effected by transfer in writing in any usual or common form or in any other form approved by the Directors from time to time. Every form of transfer must state the full name and address of each of the transferor and the transferee and must be signed by or on behalf of the transferor. The Directors or their delegate may decline to register any transfer of Shares unless the transfer form is deposited at the registered office of the Company, or such other place as the Directors may reasonably require, accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and to determine the identity of the transferee. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of Shareholders. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed a subscription application form with respect to the relevant Shares to the satisfaction of the Directors. The Directors may also, at their absolute discretion, decline to register a transfer which would result in either the transferee holding Shares with a Net Asset Value less than the Minimum Initial Subscription, or the transferor holding Shares with a Net Asset Value less than the Minimum Holding for the relevant Class.

Shares are freely transferable except that the Directors may decline to register a transfer of Shares (a) if the transfer is in breach of US securities laws; (b) if in the opinion of the Directors the transfer would be unlawful or result or be likely to result in any adverse regulatory, legal, pecuniary or tax consequences or material administrative disadvantage for the Company or the Shareholders as a whole; (c) in the absence of satisfactory evidence of the transferee's identity; or (d) where the Company is required to redeem appropriate or cancel such number of Shares as are required to meet the appropriate tax of the Shareholder on such transfer. A proposed transferee may be required to provide such representations, warranties or documentation as the Directors may require in relation to the above matters. In the event that the Company does not receive a Declaration in respect of the transferee, the Company will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption, repurchase, cancellation or other payment in respect of the Shares as described in the section headed "Taxation" below.

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### Subscriptions by and Transfers to US Persons

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The Directors may authorise the purchase by or transfer of Shares to or on behalf of a US Person if:

- (a) such purchase or transfer does not result in a violation of the 1933 Act or the securities laws of any state of the United States;
- (b) such purchase or transfer would not require the Company to register under the 1940 Act; and
- (c) there will be no adverse regulatory, tax or fiscal consequences to the Company or any of their respective Shareholders as a result of such a purchase or transfer.

Each applicant for Shares who is in the United States or a US Person will be required to provide such representations, warranties or documentation as may be required by the Directors to ensure that such requirements are met prior to approval of such sale or transfer by the Directors. The Directors shall determine from time to time the number of US Persons who may be admitted into the Company. The Directors have determined to permit the private sale of Shares in the United States or to US Persons to a limited number of "accredited investors" (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are also "qualified purchasers" (as defined in Section 2(a)(51) of the 1940 Act) under restrictions and other circumstances designed to preclude any requirement to register the Shares under the 1933 Act or any securities law of any state of the United States, or cause the Company to become subject to the registration requirements of the 1940 Act, including presentation by such investors, prior to the delivery to them of Shares, of a letter containing specified representations and agreements.

Accordingly, amongst other things, each investor that is a US Person will be required to represent, that it: (i) is an "accredited investor" as defined in Regulation D; (ii) it will not transfer or deliver all or any part of its Shares except in accordance with

the restrictions set forth in the Prospectus and the Articles; (iii) is acquiring the Shares for the its own account, for investment purposes only and not with a view to resale or distribution; and (iv) is a "qualified purchaser" for purposes of the 1940 Act. A "qualified purchaser" generally includes a natural person who owns not less than US\$5,000,000 in investments or a company acting for its own account or the accounts of other qualified purchasers which owns and invests on a discretionary basis not less than US\$25,000,000 in investments and certain trusts. Further, the subscription application form and the Articles contain restrictions on transfer designed to assure that these conditions will be met.

Unless otherwise agreed by the Directors, each non-US investor will be required to represent, amongst other things, that it: (i) is not a US Person; (ii) will not transfer or deliver all or any part of its Shares except in accordance with the restrictions set forth in the Articles and this Prospectus; (iii) will notify the Directors immediately if it becomes a US Person at any time during which it holds or owns any Shares; (iv) has not obtained any of the funds used by it to effect the purchase of Shares from US Persons; (v) is acquiring the Shares for its own account, for investment purposes only and not with a view to resale or distribution; and (vi) received information as to offers to sell and communicated offers to buy the Shares, as the case may be, whilst it was outside the United States and was outside the United States at the time it originated its application to buy the Shares.

The Directors may refuse an application for Shares by or for the account or benefit of any US Person or decline to register a transfer of Shares to or for the account or benefit of any US Person and may require the mandatory redemption or transfer of Shares beneficially owned by any US Person.

## MANDATORY REDEMPTION OF SHARES

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Shareholders are required to notify the Company immediately in the event that they become Irish Residents, US Persons or cease to be Exempt Investors, or the Declaration made by or on their behalf is no longer valid. Shareholders are also required to notify the Company immediately in the event that they hold Shares for the account or benefit of Irish Residents, US Persons or otherwise hold Shares in breach of any law or regulation or otherwise in circumstances having or which may have, adverse regulatory, tax or fiscal consequences for the Company or the Shareholders as a whole. In addition, Shareholders are required to notify the Company if any information provided or representations made by them on any subscription application form is no longer correct.

Where the Company becomes aware that a Shareholder is (a) a US Person or is holding Shares for the account or benefit of a US Person and such person is not an "accredited investor" (as defined in Rule 501(a) of Regulation D under the 1933 Act) and a "qualified purchaser" (as defined in Section 2(a)(51) of the 1940 Act; (b) holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, legal, pecuniary or tax consequences or material administrative disadvantage for the Company or the Shareholders as a whole; or (c) not holding Shares equal to or greater than the Minimum Holding, the Company, at its absolute discretion, may: (i) direct the Shareholder to dispose of those Shares to a person who is entitled to own the Shares within such time period as the Company stipulates; or (ii) redeem the Shares at their Net Asset Value per Share as at the next Business Day after the date of notification to the Shareholder or following the end of the period specified for disposal pursuant to (i) above.

Under the Articles, any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer, or deliver for redemption, his Shares pursuant to the above provisions or who fails to make the appropriate notification to the Company shall indemnify and hold harmless each of the Directors, the Company, the Investment Manager, the Administrator, the Custodian and the Shareholders (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

The Company shall be entitled to redeem Shares in respect of any series or class in the Company in circumstances described in the section entitled "Termination of Share Classes".

## TERMINATION OF SHARE CLASS

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A Portfolio is established for an unlimited period and may have unlimited assets. However, a Portfolio may (but is not obliged to) redeem all of the Shares of any series or Class in issue if:

- (a) the Shareholders of the relevant Portfolio pass a special resolution providing for such redemption at a general meeting of the holders of the Shares of that Class;
- (b) the redemption of the Shares in that Class is approved by a resolution in writing signed by all of the holders of the Shares in that Class of the relevant Portfolio; or
- (c) the Directors deem it appropriate because of adverse political, economic, fiscal or regulatory changes affecting the Class of Shares in the relevant Portfolio.

If the Custodian has given notice of its intention to retire and no new custodian acceptable to the Company and the Central Bank has been appointed within ninety (90) days of such notice, the Company shall apply to the Central Bank for revocation of its authorisation and shall redeem all of the Shares of any series or Class in issue.

In each such case, the Shares of Class shall be redeemed after giving not less than one month's but not more than three months' prior notice to all holders of such Shares. The Shares will be redeemed at the Net Asset Value per Share on the relevant Dealing Day less such sums as the Company in its discretion may from time to time determine as an appropriate provision for Duties and Charges in relation to the estimated realisation costs of the assets of the Company and in relation to the redemption and cancellation of the Shares to be redeemed.

### THE DIRECTORS AND SECRETARY

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The Directors are responsible for managing the business affairs of the Company. The Directors have delegated (a) the administration of the Company's affairs, including responsibility for the preparation and maintenance of the Company's records and accounts and related fund accounting matters (including the calculation of the Net Asset Value per Share) and Shareholder registration and transfer agency services to the Administrator; and (b) the safe-keeping of the Company's assets to the Custodian. The Directors will also delegate responsibility for the investment management and disposal of the assets of the Company to the Investment Manager. In addition, the Directors may from time to time delegate the marketing, distribution and sale of Shares to a distributor or distributors.

The Directors are listed below with their principal occupations. None of the Directors has entered into an employment or service contract with the Company nor is any such contract proposed. Consequently, the Directors are all non-executive Directors. The Company has granted indemnities to the Directors in respect of any loss or damages which they may suffer save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the Company. The Articles do not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The address of the Directors is the registered office of the Company.

Mr Thomas Woulfe (Irish)  
Mr Abdul Kadir Hussain (American)  
Mr Denis Holland (Irish)

**Thomas Woulfe** (66) was educated at University College Dublin. He has a DPA., B.Comm. and a MBS(Fin). He has lectured MBA and MBS Finance courses in UCD. He was employed by BNP Paribas from 1974 to 2007 and was a director of BNP Paribas Fund Services (Ireland) Limited from 2003 to 2007. Prior to that, he worked with the Central Bank of Ireland (Foreign Dept. & Markets). At BNP Paribas he was responsible for Corporate Business and subsequently IFSC, Structured and Optimisation products. He set up BNPP's funds services business and was a director of them until July 2007. He was until December 2010 a director of various BNP Paribas Irish subsidiaries. He is currently a director of various Irish insurance subsidiaries of Credit Agricole and of SPRVs. He has other fund directorship experience.

**Abdul Kadir Hussain** has been Chief Executive of Mashreqbank's DIFC entity Mashreq Capital since April 2006. In addition, he also runs the Asset Management business at Mashreqbank. Mashreqbank is the largest privately owned bank in the UAE and Mashreq Capital's primary lines of business is Asset Management. Mr Hussain set up the first Fixed Income Hedge fund within the DIFC which invests globally in Emerging Economies. Mashreq Capital also manages a regional conventional bond fund and a Shariah Compliant Fixed Income fund along with its sister concern Mashreq Al Islami. Both of these funds are multiple winners at the MENA Fund Manager Awards and in 2012 Mr Hussain was recognized by MENA Fund Manager Magazine with an "Outstanding Achievement by an Individual" award. Prior to joining Mashreq Capital, Mr Hussain was a Managing Director at Credit Suisse. He was involved in various roles there including proprietary trading and fixed income research. He spent six years in Asia during and after the Asian Financial crises and was voted best High Yield Analyst in Asia by both Finance Asia magazine and The Asset Magazine for 3 years running between 2001-2003. He has an undergraduate degree from Wharton and an MBA from the Anderson School at UCLA. He has also been a registered CFA for the past 15 years.

**Denis Holland** is an independent non-executive director of a number of Irish financial sector companies. Since 2005, he held board appointments with Irish and Cayman Islands based businesses in funds management and structured finance. He is a former career banker with over 25 years' experience and a successful track record in capital markets and client relationship management. He previously held senior management positions at BNP Paribas Group, Dublin and headed the Financial Institutions Group from 1999 to 2005. Earlier responsibilities included Head of the Institutional Investors Group (1996-1999) and as a Senior Corporate Finance Executive (1993 to 1996). Before BNP, he was at Barclays Bank which included 4 years in structured finance and originating tax oriented investments for UK corporate and institutional clients. In the 1980's, he



headed a proprietary trading business in foreign exchange, interest rate derivatives and international bonds and subsequently became Treasury Director for Barclays Bank, Dublin. His early career was at the Central Bank of Ireland gaining experience in international reserves management, interest rate policy and supervisory capital management of the Irish banking system. He is a commerce and public administration graduate of University College, Dublin.

None of the Directors has any unspent convictions, has been declared bankrupt, or has been the subject of an individual voluntary arrangement or a receivership of any assets held by such person. None of the Directors was a director with an executive function of any company at the time of or within the 12 months preceding its bankruptcy, receivership, administration, compulsory liquidation, creditors voluntary liquidation, company voluntary arrangement or composition or arrangement with its creditors generally. There have been no public criticisms of any of the Directors by any statutory or regulatory authority and no Director has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company. No Director was a partner of any partnership at the time or within 12 months preceding its compulsory liquidation, administration or partnership voluntary arrangement. No Director has had a receiver appointed over any of his assets or of any of the assets of a partnership of which he was a partner within 12 months after he ceased to be a partner of that partnership.

A memorandum detailing the names of all companies and partnerships of which the directors of the Fund have been a director or partner in the past five years, together with an indication of whether or not the individual is still a director or partner, is available for inspection at the Offices of the Sponsoring Irish Stock Exchange Broker.

The Company Secretary is Matsack Trust Limited of 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

## THE INVESTMENT MANAGER AND THE PROMOTER

The Company has appointed Mashreq Capital DIFC Limited (the "Investment Manager") as the investment manager, with responsibility for all of the investment decisions relating to the Company's investment portfolio. The Investment Manager is a wholly-owned subsidiary of Mashreqbank psc, Dubai, United Arab Emirates. As of 31 August 2013, it has assets under management of approximately USD 430,781 million. It is regulated by the Dubai Financial Services Authority.

The Investment Management Agreement dated 30 April 2008 between the Company and the Investment Manager ("the Investment Management Agreement") provides that in the absence of negligence, wilful default, fraud or bad faith, neither the Investment Manager nor any of its directors, officers, employees or agents shall be liable for any loss or damage arising out of its performance of its obligations and duties under the Investment Management Agreement. Under the Investment Management Agreement, in no circumstances shall the Investment Manager be liable for special, indirect or consequential damages, or for lost profits or loss of business, arising out of or in connection with the performance of its duties, or the exercise of its powers, under the Investment Management Agreement. The Company is obliged under the Investment Management Agreement to indemnify the Investment Manager from and against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including legal fees and expenses) directly or indirectly suffered or incurred by the Investment Manager in connection with the performance of its duties and/or the exercise of its powers under the Investment Management Agreement, in the absence of any negligence, wilful default, bad faith or fraud.

Under the Investment Management Agreement, the Investment Manager is entitled to delegate or sub-contract all or any of its functions, powers, discretions, duties and obligations to any person approved by the Directors and in accordance with the requirements of the Central Bank, provided that such delegation or sub-contract shall terminate automatically on the termination of the Investment Management Agreement and provided further that the Investment Manager shall remain responsible and liable for any acts or omissions of any such delegatee as if such acts or omissions were those of the Investment Manager. The Investment Manager will pay the fees of any such approved person, out of the Investment Manager's fees.

The Investment Management Agreement shall continue in force from the date of

authorisation of the Company by the Central Bank (the "Commencement Date") until terminated by either party thereto on ninety days' written notice to the other party or immediately by written notice from either party thereto to the other party if the other party (a) commits any material breach of the Investment Management Agreement or commit persistent breaches of the Investment Management Agreement which is or are either incapable of remedy or have not been remedied within thirty days of a non-defaulting party serving notice requiring the remedying of the default; (b) becomes incapable of performing its duties or obligations under the Investment Management Agreement; (c) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof; (d) is the subject of a petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; (e) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (f) is the subject of an effective resolution for the winding up (except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other parties); or (g) is the subject of a court order for its winding up or liquidation.

## SHARIAH SUPERVISORY BOARD

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The Shariah Supervisory Board is made up of three members; Sheikh Abdalla Bin Suliman Al-Manei, Sheikh Dr. Mohamed Al-Gari and Sheikh Nizam Yaqouby. The Shariah Supervisory Board entered into an agreement with the Investment Manager in relation to the provision of Shariah compliance advice in respect of a number of funds that the Investment Manager manages. This agreement has been amended by way of schedule dated 12 November 2013 to incorporate the provision of Shariah compliance advise in respect of the Company. Details of the members of the Shariah Supervisory Board are set out below.

### **Sheikh Abdalla Bin Suliman Al-Manei - Chairman**

Sheikh Abdalla is a Saudi national. He is a member of the Saudi Forum of Senior Shariah Scholars, which advises the government of the Kingdom of Saudi Arabia and Saudi public on all issues relating to religion. Sheikh Abdalla is a senior judge in Saudi courts and he chairs the court in the western region. He is also a prominent member of the International Fiqh Academy and member of the Saudi higher Council Awqaf and serves on the Shariah boards of a number of financial institutions.

### **Sheikh Dr. Mohamed Al-Gari - Executive Member**

Dr. Al-Gari is an active member of the International Fiqh Academy. He sits in the Shariah Boards of more than twenty five financial institutions in the GCC, Europe and the United States. In addition to his Shariah education, Dr. Al-Gari graduated from University of California with a Ph.D in Economics. He is a professor of Islamic Economics at King Abdulaziz University in Jeddah and the Director of its Islamic Economics Research centre.

### **Sheikh Nizam Yaqouby - Executive Member**

Sheikh Nizam is a prominent Shariah scholar from Bahrain and he sits in the Shariah Boards of more than twenty financial institutions in the GCC, Europe, Asia and America. Sheikh Nizam is a regular speaker in Islamic Finance conferences on various issues relating to Islamic Finance. In addition to his Shariah qualifications, Sheikh Nizam Yaqouby holds a Masters in Economics and Comparative Religion from McGill University in Canada.

## THE ADMINISTRATOR

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Pursuant to the Administration Agreement dated 30 April 2008 between the Company and the Administrator, BNP Paribas Fund Services Dublin Limited has been appointed to provide administration, registrar and transfer agency services in respect of the Company with responsibility for performing the day-to-day administration of the Company and each Fund and providing related fund accounting services (including the calculation of the Net Asset Value of each Fund and the Net Asset Value per Share). The Administrator was incorporated in Ireland as a limited liability company on 9 April 1998 and as at 31 December 2012 administered assets of more than €1,100 billion.

The Administrator shall exercise reasonable care in the performance of its duties as set out in the Administration Agreement. The Administrator shall not be liable for any loss of any nature whatsoever suffered by the Company or its delegates in connection with the performance of its obligations under this Agreement, except where that loss results from negligence, fraud or wilful default on the part of the Administrator. The Administrator shall not be liable for any indirect, special or consequential loss howsoever arising, even if advised of the possibility of such loss or damage arising. Subject to the above, the Administrator shall not be liable to the Shareholders, the Company, or its delegates for any loss, liability, claim, cost or expense suffered by any person on account of anything done by the Administrator in accordance with or in pursuance of any request or advice of the Company, the Investment Manager, or the Custodian or their agents or such other delegates of any of them or as a result of the Administrator reasonably relying wholly or in part on the authority, accuracy, truth and completeness of information provided to it by the Company, the Investment Manager, the Custodian or any of their agents or delegates.

The Administration Agreement provides that the appointment of the Administrator will continue in force for a period of three years unless and until terminated by any party giving to the other not less than 90 days' written notice provided that such notice does not expire until after the end of the initial term, although in certain circumstances (e.g. the insolvency of either party, unremedied material breach after notice etc) the Administration Agreement may be terminated forthwith by notice in writing by either party to the other. The Administration Agreement also contains provisions regarding the Administrator's legal responsibilities.

The fees of the Administrator will be paid by the Company.

## THE CUSTODIAN

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Pursuant to the Custodian Agreement dated 1 April 2008 between the Company and the Custodian (the "Custodian Agreement"), BNP Paribas Securities Services, Dublin Branch has been appointed as custodian of all the Company's assets. The Custodian is a branch of BNP Paribas Securities Services SCA, a company incorporated in France as a Partnership Limited by Shares and is authorised by the ACP (Autorité de Contrôle Prudentiel) and supervised by the AMF (Autorité des Marchés Financiers), whose head office is at 3 rue d'Antin, 75002 Paris, France. It is owned up to 99.99% by BNP Paribas Group, one of Europe's largest banks. The Custodian acts, inter alia, as trustee or custodian of a number of collective investment schemes and as at 31 December 2012 had €5,500 billion in assets under custody.

The Custodian Agreement contains provisions governing the responsibilities of the Custodian, including its primary responsibilities which are acting as custodian and ensuring the safe-keeping of the cash and assets of the Company. The Custodian is obliged to enquire into the conduct of the Company in each financial year and to report thereon to the Shareholders, stating whether in the Custodian's opinion the Company has been managed in accordance with the limitations imposed on the investment and borrowing powers of the Company and the Custodian by the Articles and the UCITS Regulations and, if it has not been so managed, in which respects it has not been so managed and the steps which the Custodian has taken to rectify the situation.

The Custodian is liable to the Company and the Shareholders for any loss suffered by them as a result of its unjustifiable failure to perform its obligations or its improper performance of them. The Company has agreed to indemnify the Custodian against any losses suffered in acting as Custodian other than losses arising as a result of its unjustifiable failure to perform its obligations or its improper performance of them.

Under the UCITS Regulations, the liability of the Custodian will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safe-keeping. The Company and the Custodian acknowledge that the Central Bank considers that, in order to discharge its responsibility under the UCITS Regulations, the Custodian must exercise care and diligence in choosing and appointing a third party as a safe-keeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned and must maintain an appropriate level of supervision over the safe-keeping agent and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged. This does not purport to be a legal interpretation of the UCITS Regulations or the corresponding provisions of the UCITS Directive.

The Custodian Agreement shall continue in force for an initial period of 3 years. Following the expiry of this initial term, the Custodian Agreement shall be automatically renewed for further periods of 1 year, but may be terminated by either of the parties on giving 90 days prior written notice to the other party. The Custodian Agreement may be terminated forthwith by either party giving notice in writing to the other party if at any time:- (i) the party notified shall be unable to pay its debts as they fall due or go into liquidation or receivership or an examiner shall be appointed pursuant to the Companies (Amendment) Act 1990 (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the notifying party); (ii) the party notified shall commit any material breach of its duties under the Custodian Agreement and shall not have remedied that breach within thirty days of service of written notice requiring it to be remedied; or (iii) any of the representations or warranties or covenants contained in the Custodian Agreement cease to be true or accurate in any material respect.

## THE DISTRIBUTOR

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The Company has appointed Mashreqbank psc (the "Distributor") as distributor with responsibility for distribution of the Shares of the Company. The Distributor is a financial services institution incorporated under the Federal law of the United Arab Emirates and regulated in Dubai by the Central Bank of the United Arab Emirates.

The appointment of the Distributor is not exclusive and the Company may from time to time appoint other persons to provide distribution services. The Distributor may appoint sub-distributors and placing agents for the distribution of Shares with the prior approval of the Company. The Distributor and any of its directors, officers, employees or agents will not be liable for any loss or damage arising directly or indirectly out of or in connection with the performance by the Distributor of its duties unless such loss or damage arises out of or in connection with the negligence, wilful default or fraud of or by the Distributor in the performance of its duties or of any sub-distributor or agent appointed by the Distributor. The Company has agreed to indemnify and keep indemnified and held harmless the Distributor (and each of its directors, officers, employees and agents) from and against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or directly or indirectly suffered or incurred by the Distributor (or any of its directors, officers, employees or agents) out of or in connection with the performance of its obligations and duties hereunder in the absence of any negligence, wilful default or fraud.

The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares and may not apply to certain other classes of persons.

*The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisers as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares.*

### Taxation of the Company

The Company intends to conduct its affairs so that it is Irish tax resident. On the basis that the Company is Irish tax resident, the Company qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish corporation tax on its income and gains.

The Company will be obliged to account for Irish tax to the Irish Revenue Commissioners if Shares are held by non-exempt Irish resident Shareholders (and in certain other circumstances), as described below. Explanations of the terms "resident" and "ordinarily resident" are set out at the end of this summary.

### Taxation of Non-Irish Shareholders

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Company will not deduct any Irish tax in respect of the Shareholder's Shares once the Declaration has been received by the Company confirming the Shareholder's non-resident status.

If this Declaration is not received by the Company, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). The Company will also deduct Irish tax if the Company has information which reasonably suggests that a Shareholder's Declaration is incorrect. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company and holds the Shares through an Irish branch and in certain other limited circumstances. The Company must be informed if a Shareholder becomes Irish tax resident.

Generally, Shareholders who are not Irish tax resident will have no other Irish tax liability with respect to their Shares. However, if a Shareholder is a company which holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Shares (on a self-assessment basis).

### Taxation of Exempt Investors

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) Taxes Consolidation Act of Ireland ("TCA"), the Company will not deduct Irish tax in respect of the Shareholder's Shares once the Declaration has been received by the Company confirming the Shareholder's exempt status.

The categories listed in section 739D(6) TCA can be summarised as follows:

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).
2. Companies carrying on life assurance business (within the meaning of section 706 TCA).
3. Investment undertakings (within the meaning of section 739B TCA).

4. Special investment schemes (within the meaning of section 737 TCA).
5. Unauthorised unit trust schemes (to which section 731(5) (a) TCA applies).
6. Charities (within the meaning of section 739D(6) (f) (i) TCA).
7. Qualifying managing companies (within the meaning of section 734(1) TCA).
8. Specified companies (within the meaning of section 734(1) TCA).
9. Qualifying fund and savings managers (within the meaning of section 739D(6) (h) TCA).
10. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6) (i) TCA).
11. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
12. The National Asset Management Agency.
13. The National Pensions Reserve Fund Commission or a Commission investment vehicle.
14. Qualifying companies (within the meaning of section 110 TCA).
15. Any other person resident in Ireland who is permitted (whether by legislation or by the practice or concession of the Irish Revenue Commissioners) to hold Shares in the Company without requiring the Company to deduct or account for Irish tax.

Irish resident Shareholders who claim exempt status will be obliged to account for any Irish tax due in respect of Shares on a self-assessment basis.

If the Declaration is not received by the Company in respect of a Shareholder, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

#### Taxation of Other Irish Shareholders

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an Exempt Investor (see above), the Company will deduct Irish tax on distributions, redemptions and transfers and, additionally, on 'eighth anniversary' events, as described below.

#### Distributions by the Company

If the Company pays a distribution to a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Shareholder who is a company;
2. 41% of the distribution, where the distributions are paid annually or more frequently to a Shareholder who is not a company; and
3. 36% of the distribution, where the distributions are paid less frequently than annually to a Shareholder who is not a company.

The Company will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Shareholder will have no further Irish tax liability in respect of the distribution. However, if the Shareholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

#### Redemptions of Shares

If the Company redeems Shares held by a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the redemption payment made to the Shareholder. The amount of Irish tax deducted will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being redeemed and will be equal to:

1. 25% of such gain, where the Shareholder is a company; and
2. 41% of the gain, where the Shareholder is not a company.

The Company will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Shareholder will have no further Irish tax liability in respect of the redemption payment. However, if the Shareholder is a company for which the redemption payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Shares will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

If Shares are not denominated in Euro, a Shareholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption of the Shares.

#### Transfers of Shares

If a non-exempt Irish resident Shareholder transfers (by sale or otherwise) an entitlement to Shares, the Company will account for Irish tax in respect of that transfer. The amount of Irish tax deducted will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being transferred and will be equal to:

1. 25% of such gain, where the Shareholder is a company; and
2. 41% of the gain, where the Shareholder is not a company.

The Company will pay this deducted tax to the Irish Revenue Commissioners. To fund this Irish tax liability, the Company may appropriate or cancel other Shares held by the Shareholder. This may result in further Irish tax becoming due.

Generally, a Shareholder will have no further liability to Irish tax in respect of any payment received in respect of the transfer of Shares. However, if the Shareholder is a company for which the payment is a trading receipt, the payment (less the cost of acquiring the Shares) will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

Additionally, if Shares are not denominated in Euro, a Shareholder may be liable (on a self-assessment basis) to Irish capital gains tax on any currency gain arising on the transfer of the Shares.

#### 'Eighth Anniversary' Events

If a non-exempt Irish resident Shareholder does not dispose of Shares within eight years of acquiring them, the Shareholder will be deemed for Irish tax purposes to have disposed of the Shares on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the Company will account for Irish tax in respect of the increase in value (if any) of those Shares over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Shareholder is a company; and
2. 41% of the increase in value, where the Shareholder is not a company.

The Company will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the Company may appropriate or cancel Shares held by the Shareholder.

However, if less than 10% of the Shares (by value) in the relevant Portfolio are held by non-exempt Irish resident Shareholders, the Company may elect not to account for Irish tax on this deemed disposal. To claim this election, the Company must:

1. confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any non-exempt Irish resident Shareholders (including the value of their Shares and their Irish tax reference numbers); and
2. notify any non-exempt Irish resident Shareholders that the Company is electing to claim this exemption.

If the exemption is claimed by the Company, any non-exempt Irish resident Shareholders must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Company on the eighth anniversary (and any subsequent eighth anniversary).

Any Irish tax paid in respect of the increase in value of Shares over the eight year period may be set off on a proportionate basis against any future Irish tax which would otherwise be payable in respect of those Shares and any excess may be recovered on an ultimate disposal of the Shares.

#### Share Exchanges

Where a Shareholder exchanges Shares on arm's length terms for other Shares in the Company or for Shares in another Portfolio of the Company and no payment is received by the Shareholder, the Company will not deduct Irish tax in respect of the exchange.

#### Stamp Duty

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares. If a Shareholder receives a distribution in specie of assets from the Company, a charge to Irish stamp duty could potentially arise.

#### Gift and Inheritance Tax

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

The Shares could be treated as Irish situate assets because they have been issued by an Irish company. However, any gift or inheritance of Shares will be exempt from Irish gift or inheritance tax once:

1. the Shares are comprised in the gift or inheritance both at the date of the gift or inheritance and at the "valuation date" (as defined for Irish capital acquisitions tax purposes);
2. the person from whom the gift or inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
3. the person taking the gift or inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

#### Reporting of Information under the EU Directive on the Taxation of Investment Savings

Ireland has transposed the EU Directive on the Taxation of Savings Income in the Form of Interest Payments (Directive 2003/48/EC) into Irish law. In certain circumstances, the Company (or an Irish paying agent) may be obliged to report information to the Irish Revenue Commissioners relating to Shareholders who are individuals resident in the EU (other than in Ireland) or in certain other territories.

A reporting obligation may also arise with respect to Shareholders established in these jurisdictions who are not legal persons, persons subject to corporate taxation or a



UCITS. Any information reported to the Irish Revenue Commissioners would be communicated to the authorities in the jurisdiction of residence (or establishment) of the relevant Shareholders. However, no reporting obligation should arise in Ireland once (broadly) the Company, or the relevant Portfolio of the Company, invests less than 15% of its total assets (directly or indirectly) in debt claims or other specified assets.

## Meaning of Terms

### Meaning of "Residence" for Companies

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is tax resident in Ireland except where:

1. the company (or a related company) carries on a trade in Ireland and either the company is ultimately controlled by persons resident in EU Member States or countries with which Ireland has a double tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or
2. the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

### Meaning of "Residence" for Individuals

An individual will be regarded as being tax resident in Ireland for a calendar year if the individual:

1. is present for 183 days or more in Ireland in that calendar year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this "two year" test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

### Meaning of "Ordinary Residence" for Individuals

The term "ordinary residence" (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who was resident and ordinarily resident in Ireland in 2007 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2010.

### Meaning of 'Intermediary'

An 'intermediary' means a person who:

1. carries on a business which consists of, or includes, the receipt of payments from a regulated investment undertaking resident in Ireland on behalf of other persons; or
2. holds units in such an investment undertaking on behalf of other persons.

## FEES AND EXPENSES

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### INVESTMENT MANAGEMENT FEES

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The Company shall pay the Investment Manager such fees and expenses relating to each Portfolio as will be specified in this Prospectus.

### MASHREQ AL-ISLAMI ARAB TIGERS FUND

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The Investment Manager will be entitled to receive an annual Investment Management Fee which will accrue on a daily basis and which is payable quarterly in arrears out of the assets of the Portfolio. The annual Investment Management Fee is 1.5% per annum of the Net Asset Value of the Company.

The Investment Manager will also be entitled to be reimbursed by the Company out of the assets of the Company for all reasonable and vouched out-of-pocket expenses incurred by it for the benefit of the Company in the performance of its duties to the Portfolio.

### SHARIAH SUPERVISORY BOARD FEES

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The Shariah Supervisory Board will be entitled to receive an annual fee of \$10,000 per member. In addition, each member will be compensated for all travel and lodging expenses incurred. All such fees and expenses shall be payable by the Company.

### CUSTODIAN FEES

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The Custodian shall be entitled to receive out of the net assets of the Company an annual trustee fee, accrued and calculated on each Dealing Day and payable monthly in arrears, at an annual rate of up to 0.02% of the net assets of the Company (plus VAT thereon, if any) subject to an annual minimum of US\$15,000 per Portfolio.

The Custodian is also entitled to safekeeping fees, including sub-custodian's fees (which will be charged at normal commercial rates) as well as agreed upon transaction charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Company (plus VAT thereon, if any).

### ADMINISTRATION FEES

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The Administrator shall be entitled to receive out of the net assets of the Company an annual fee, accrued and calculated on each Dealing Day and payable monthly in arrears at an annual rate of up to 0.7% of the net assets of the Company (plus VAT, if any) subject to an annual minimum fee of US\$60,000 for the Company. The Administrator is entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Company (plus VAT thereon, if any).

### SALES CHARGES

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Shares in the Company may be subject to an upfront sales charge of up to 5% of the subscription amount for such Shares. These sales charges may be retained by the Company or may be used to remunerate the Distributor or any sub-distributor or any other distributor.

### REDEMPTION CHARGES

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Any redemption of Shares in the Company will be subject to a redemption fee payable to the Company and, unless waived by the Directors or, if such power is delegated to the Distributor, by the Distributor (in which case, the Distributor will notify the Administrator, in advance of the relevant redemption, that the redemption fee is to be waived), the redemption fee will be 3% of the Net Asset Value per Share of Shares redeemed. For the avoidance of doubt any redemption charge payable shall not exceed the Duties and Charges relating to the relevant redemptions.

## GENERAL

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The Company will pay certain costs, charges, fees and expenses incurred in its operation, including, without limitation, fees and expenses incurred in relation to banking and brokerage in respect of the purchase and sale of portfolio securities, taxes, insurance, the costs and expenses of preparing, printing, publishing and distributing prospectuses, supplements, annual and semi-annual reports and other documents to current and prospective Shareholders, the costs and expenses of obtaining authorisations or registrations of the Company or of any Shares with the regulatory authorities in various jurisdictions, the cost of listing and maintaining a listing of Shares on any stock exchange, the cost of convening and holding Directors' and Shareholders' meetings and professional fees and expenses for legal, auditing and other consulting services and such other costs and expenses (including non-recurring and extraordinary costs and expenses) as may arise from time to time and which have been approved by the Directors as necessary or appropriate for the continued operation of the Company or of any Portfolio.

The Company will pay a fee of €7,500 per annum to the Secretary in respect of corporate secretarial services for the Company. The fee will accrue daily but be payable monthly in arrears.

The Articles provide that the Directors shall be entitled to a fee as remuneration for their services at a rate to be determined from time to time by the Directors provided that the aggregate amount of remuneration payable to any Director in any one year shall not exceed US\$25,000. The Directors, and any alternate Directors, shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in attending Directors or Shareholders meetings or any other meetings in connection with the business of the Company. None of the Directors have entered into a service contract with the Company nor is any such contract proposed and none of the Directors is an executive of the Company.

In the event that there is more than one Portfolio, each Portfolio shall bear a proportionate amount of these costs.

## CONFLICTS OF INTEREST

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The Custodian, the Administrator, the Investment Manager and the Shariah Supervisory Board may from time to time act as manager, registrar, transfer agent, administrator, trustee, custodian, investment manager, adviser or distributor in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the Company. It is, therefore, possible that any of them may, in the due course of their business, have potential conflicts of interests with the Company. Each will at all times have regard in such event to its obligations under the Memorandum and Articles of Association of the Company and/or any agreements to which it is party or by which it is bound in relation to the Company and, in particular, but without limitation to its obligations to act in the best interests of the Shareholders when undertaking any investments where conflicts of interest may arise and will endeavour to ensure that such conflicts are resolved fairly and, in particular, the Company will procure that the Investment Manager agrees to act in a manner which the Investment Manager in good faith considers fair and equitable in allocating investment opportunities to the Company.

There is no prohibition on dealing in assets of the Company by the Custodian, Investment Manager, Shariah Supervisory Board or by any entities related to such parties, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arms' length and are in the best interests of Shareholders. Permitted transactions between the Company and such parties are subject to (i) a certified valuation by a person approved by the Custodian (or the Directors in the case of a transaction involving the Custodian) as independent and competent; or (ii) execution on best terms on organised investment exchanges under their rules; or (iii) where (i) and (ii) are not practical, execution on terms the Custodian (or the Directors in the case of a transaction involving the Custodian) is satisfied conform to the principles set out above. The Custodian may hold funds for the Company subject to the provisions of the Central Bank Acts 1942 to 1998 as amended by the Central Bank and Financial Services Authority of Ireland Act, 2003. The Company may also place monies on deposit with Mashreqbank psc, which is the Distributor.

There is no prohibition on the Custodian, the Administrator, the Investment Manager or any other party related to the Company acting as a "competent professional person" for the purposes of determining the probable realisation value of an asset of a Portfolio in accordance with the valuation provisions outlined in the "Determination of Net Asset Value" section above. Investors should note however, that in circumstances where fees payable by the Company to such parties are calculated based on the Net Asset Value, a conflict of interest may arise as such fees will increase if the Net Asset Value increases. Any such party will endeavour to ensure that such conflicts are resolved fairly and in the best interests of the Shareholders.

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is interested, provided that he has disclosed to the Directors prior to the conclusion of any such transaction or arrangement the nature and extent of any material interest of his therein. Unless the Directors determine otherwise, a Director may vote in respect of any contract or arrangement or any proposal whatsoever in which he has a material interest, having first disclosed such interest. At the date of this Prospectus other than as disclosed under the "Directors and Secretary" section of this Prospectus, no Director or connected person of any Director has any interest, beneficial or non-beneficial, in the share capital of the Company or any material interest in the Company or in any agreement or arrangement with the Company except that one or more of the Directors may hold Subscriber Shares. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

In selecting brokers to make purchases and sales for the Company, the Company will require the Investment Manager to choose those brokers who provide best execution to the Company. In determining what constitutes best execution, the Investment Manager will be required to consider the over-all economic result of the Company, (price of commission plus other costs), the efficiency of the transaction, the broker's ability to effect the transaction if a large block is involved, availability of the broker for difficult transactions in the future, other services provided by the broker such as research and the provision of statistical and other information and the financial strength and stability of the broker. In managing the assets of the Company, the Investment Manager may receive certain research and statistical and other information and assistance from brokers. The Investment Manager may allocate brokerage business to brokers who have provided such research and assistance to the Company and/or other accounts for which the Investment Manager exercises investment discretion. The benefits provided under any soft commission arrangements must assist in the provision of investment services to the Company and any such soft commission arrangements must be disclosed in the periodic reports of the Company.

## MEETINGS

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At least one general meeting of the Company shall be held in each year as the Company's annual general meeting. At least twenty one (21) days' notice (inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) shall be given to Shareholders. The notice shall specify the place, day and hour of the meeting and the terms of the resolutions to be proposed. A proxy may attend on behalf of any Shareholder. The voting rights attached to the Shares are set out under the heading "Voting Rights" in this Prospectus.

## REPORTS AND ACCOUNTS

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The Directors shall cause to be prepared an annual report and audited annual accounts for the Company for the period ending 31 December in each year. These will be forwarded to Shareholders and the Companies Announcements Office of the Irish Stock Exchange within four months of the end of the relevant accounting period end and at least twenty one (21) days before the annual general meeting. In addition, the Directors shall cause to be prepared a half-yearly report which shall include unaudited half-yearly accounts for the Company. The semi-annual accounts will be prepared to 30 June in each year. Half-yearly accounts for the Company will be forwarded to Shareholders in the Company and the Companies Announcements Office of the Irish Stock Exchange within two months of the end of the relevant accounting period. The annual report and the half-yearly report will be sent to Shareholders by electronic mail or other electronic means of communication, although Shareholders may also, on request, receive reports by hard copy mail.

## WINDING UP

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The Articles contain provisions to the following effect:

- (a) If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors claims. The liquidator shall, in relation to the assets available for distribution among the Shareholders, make in the books of the Company such transfers thereof as may be necessary in order that the effective burden of such creditors' claims may be shared between the holder of Shares of different classes in such proportions as the liquidator in his absolute discretion may think equitable.
- (b) The assets available for distribution among the Shareholders shall then be applied in the following priority:
  - (i) First, in the payment to the holders of the Shares of each series of a sum in the currency in which that series is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such series held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the Company to enable such payment to be made. In the event that, as regards any series of Shares, there are insufficient assets available in the Company to enable such payment to be made recourse shall be had:
    - (i) the payment to the holders of each series of Shares of any balance then remaining in the Company, such payment being made in proportion to the number of Shares of that series held.
  - (ii) Secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised remaining after any recourse thereto under sub-paragraph (i) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets of the Company.
  - (iii) Thirdly, in the payment to the holders of each series of Shares of any balance then remaining in the Company, such payment being made in proportion to the number of Shares of that series held.
- (c) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Acts of Ireland, divide among the Shareholders in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. Shareholders may request that assets which are to be distributed to them in specie will be first liquidated to cash. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is liability.

## AMALGAMATION / POOLING

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No Portfolio shall in any circumstances be amalgamated with or have its assets pooled with any other Portfolio of the Company or any other collective investment scheme or sub-fund thereof.

## MATERIAL CONTRACTS

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The following contracts, which are summarised in the "Management and Administration" and "Fees and Expenses" sections in this Prospectus, have been entered into and are, or may be, material:

- (a) Investment Management Agreement dated 30 April 2008 between the Company and the Investment Manager pursuant to which the Investment Manager has been appointed as Investment Manager of the Company;
- (b) Administration Agreement dated 30 April 2008 between the Company and the Administrator pursuant to which the Administrator has been appointed to provide administration and accounting services to the Company;
- (c) Custodian Agreement dated 1 April 2008 between the Company and the Custodian pursuant to which the Custodian has been appointed as custodian of the Company's assets; and
- (d) Distribution Agreement dated 28 June 2013 between the Company and the Distributor pursuant to which the Distributor has been appointed as distributor to the Company.

## DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Administrator at Trinity Point, 10 - 11 Leinster Street South, Dublin 2, Ireland, during normal business hours on any Dealing Day:

- (a) the material contracts referred to above;
- (b) the Memorandum and Articles of Association of the Company;
- (c) the UCITS Regulations and the Central Bank regulations issued pursuant thereto; and
- (d) the most recent audited financial statements for the Company.

In addition, the Memorandum and Articles of Association of the Company and any yearly or half-yearly reports may be obtained from the Administrator free of charge or may be inspected at the registered office of the Administrator during normal business hours on any Dealing Day.

## APPENDIX I

### RECOGNISED MARKETS

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The exchanges/markets are set out below in accordance with the requirements of the Central Bank, which does not issue a list of approved markets.

With the exception of permitted investment in unlisted securities, investment will be limited to the following stock exchanges and regulated markets:

- (i) Any stock exchange or market in any EU Member State or in any of the following member countries of the OECD: Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland and the United States of America.
- (ii) Any of the following exchanges or markets:
  - Bahrain - Bahrain Stock Exchange;
  - Egypt - Cairo Stock Exchange;  
Alexandria Stock Exchange;
  - Jordan - Amman Stock Exchange;
  - Kuwait - Kuwait Stock Exchange;
  - Lebanon - Beirut Stock Exchange;
  - Morocco - Casablanca Stock Exchange;
  - Oman - Oman Stock Exchange;  
Port Harcourt Stock Exchange;
  - Qatar - Doha Stock Exchange;
  - Saudi Arabia - Riyadh Stock Exchange;
  - Tunisia - Bourse des Valeurs Mobilières de Tunis;
  - United Arab Emirates - Abu Dhabi Stock Exchange;  
Dubai Financial Market;  
Dubai International Financial Exchange.

#### Financial Derivative Instruments

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Any exchange or market, including any board of trade or similar entity, or automated quotation system, which exchanges and markets are regulated, operating regularly, recognised and open to the public in an EU Member State or a Member State of the European Economic Area.