

OFFERING MEMORANDUM

BLME SHARIA'A UMBRELLA FUND SICAV-SIF

An open-ended Luxembourg multi-compartment investment company with variable capital
(*société d'investissement à capital variable* ("SICAV"))
organised as a specialised investment fund
(*fonds d'investissement spécialisé* ("SIF"))
in the form of a corporate partnership limited by shares
(*société en commandite par actions* ("SCA"))

March 2013

A All Shareholders

Prospective Shareholders may make an investment in one or more of the Compartments of this umbrella fund either (i) by investing directly in the Company if they qualify as Institutional, Professional Investors or Other Well Informed Investors, or (ii) by making use of BLME's nominee service if they qualify as Institutional, Professional Investors or Other Well Informed Investors, or (iii) by making use of separate nominee services if they qualify as an investment platform provider, as pre-agreed with the Company.

BLME, as nominee, will hold the Shares on behalf of Shareholders and will maintain sufficient records to identify Shareholder ownership. In order to empower the nominee to vote at any general meeting of Shareholders, a Shareholder shall provide the nominee with specific or general instructions to that effect.

Prospective Shareholders who are not investing through an investment platform provider may only make an investment in one or more of the Compartments of the Company once they have established a transmission relationship or a Bank Account with BLME containing appropriate cleared funds using the Account Opening Form available at the Company's registered office and at the offices or on the websites of the Asset Managers.

Applications for subscriptions for Shares in one or more of the Compartments of the Company can only be accepted by using an Application Form available at the Company's registered office and at the offices or on the websites of the Asset Managers unless other arrangements have been agreed by the Shareholders, the General Partner and the Administrator.

Subscriptions may only be made on the basis of this Offering Memorandum and Compartment Supplements (the "Offering Memorandum") accompanied by the latest annual report of the Company (if any). Such a report forms an integral part of this Offering Memorandum. No information other than that contained in this Offering Memorandum, in the periodic financial reports or in any other document referred to in this Offering Memorandum may be relied upon in connection with this offer. Recipients of this Offering Memorandum should note that there may have been changes in the affairs of the Company since the date of this Offering Memorandum.

Prospective Shareholders are not to construe the contents of this Offering Memorandum as legal advice. The Company has not engaged any legal or other advisers to represent Shareholders. Each prospective Shareholder should consult its own advisers as to legal, financial, tax and related matters concerning an investment in the Company.

An investment in the Company involves significant risks. Prospective Shareholders should read this Offering Memorandum in its entirety and should consider the risks described in this Offering Memorandum and the specific risks of the relevant Compartment before investing in the Company. Prospective Shareholders must rely on their own examination of the Company and the terms set out herein, including the risks involved. Prospective Shareholders should also seek independent legal, financial, tax and other advice in considering this Offering Memorandum and investment in the Company. The Shares have not been recommended by any securities commission or regulatory authority of any state or country. Furthermore, such authorities have not confirmed the accuracy or determined the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence.

No person has been authorised to give any information or to make any representations, other than those contained in this Offering Memorandum and in the documents referred to herein, and, if given or made, such information or representation must not be relied upon as authorised by the Company.

The sale and issue of Shares is restricted to prospective Shareholders who qualify as “Well-Informed Investors” as per article 2 of the SIF Law.

A Well-Informed Investor is an Institutional Investor, a Professional Investor or any Other Well Informed Investor who:

- a) has confirmed in writing that he adheres to the status of a Well Informed Investor; and
- b)
 - i) invests a minimum of EUR 125,000 (or its foreign currency equivalent) in the Company; or
 - ii) has obtained an assessment made by:
 - A) a credit institution within the meaning of Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions;
 - B) an investment firm within the meaning of Directive 2004/39/EC on markets in financial instruments; or
 - C) a management company within the meaning of Directive 2001/107/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities with a view to regulatory management companies and simplified prospectuses (the “UCITS Directive”);
 - iii) certifying his expertise, his experience and his knowledge in adequately appraising an investment in a specialised investment fund.

The conditions set forth in article 2 of the SIF Law are not applicable to the directors and other persons who intervene in the management of the Company.

The General Partner may: (i) refuse the issue or transfer of Shares at its absolute discretion to Non-Qualified Persons; (ii) repurchase, at any time, Shares held by Non-Qualified Persons and return the proceeds to such prospective Shareholders (as referred to in this Offering Memorandum). The General Partner must do so if insufficient evidence is provided qualifying that the concerned person is a Well-Informed Investor.

Well Informed Investors subscribing in their own name, but on behalf of a third party, must certify that such subscriptions are made on behalf of a Well Informed Investor and the General Partner in its absolute discretion may require evidence that the beneficial owner of the Shares is a Well Informed Investor.

B Restrictions in Respect of the Shares

The distribution of this Offering Memorandum and the offering or purchase of the Shares may be restricted in certain jurisdictions, including some jurisdictions not listed below. Accordingly, this Offering Memorandum does not constitute an offer or invitation to the public or to anyone in any jurisdiction in which such offer or invitation is not lawful or in which the person making such offer or invitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or invitation. It is the responsibility of any person in possession of this Offering Memorandum to inform himself of, and to observe, all applicable laws and regulations of any relevant jurisdiction.

The General Partner accepts responsibility for the information contained in this Offering Memorandum. To the best knowledge and belief of the General Partner (which has taken all reasonable care to ensure that such is the case) the information in this Offering Memorandum does not omit anything likely to affect the accuracy of that information.

C Special Note for All Sharia'a Compliant Persons

Prospective Shareholders should note that the Sharia'a Supervisory Board will make recommendations on purification, but the Company will not purify its profits. Purification of profits, if any, should be carried out by the relevant Shareholder on a voluntary and discretionary basis.

D Special Note for UK Persons and Promotion of the Company in the UK

Within the UK, the Company is regarded for regulatory purposes as an unregulated collective investment scheme under the FSMA, and its promotion in the United Kingdom is accordingly restricted by law. In the UK this Offering Memorandum is distributed by the Asset Managers only to:

- a) Investment professionals within the meaning of article 14 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes (Exemptions) Order 2001 (the "PCISO") being persons having professional experience of participating in unregulated schemes; or
- b) High net worth companies or unincorporated associations within the meaning of article 22 of the PCISO;

or other persons to whom the Offering Memorandum may be lawfully distributed by virtue of the exemptions contained either in the PCISO or Chapter 4.12.1 of the Conduct of Business Rules published by the Financial Services Authority of the United Kingdom ("Relevant Persons"). Any person who is not so exempt may not purchase Shares and should not rely on or act on the contents of this Offering Memorandum.

E Special Note Prohibiting US Persons

The Shares of the Company are not registered under the United States Securities Act of 1933 (the "US Securities Act") or the Investment Fund Act of 1940 (the "US Investment Fund Act") or any other applicable legislation in the United States. Accordingly Shares of the Company may not be offered, sold, resold, transferred or delivered directly or indirectly, in the United States or to, or

for the account of, or benefit of any citizen or resident of the United States, any corporation or partnership or any other entity created in or under the laws of the United States or any person falling within the definition of “United States Person” as defined under the US Securities Act (a “US Person”).

Shareholders are required to notify the General Partner immediately on either (i) becoming aware of any circumstances which might cause them to be deemed to be a US Person or (ii) on becoming a US Person. Prospective Shareholders are advised to seek their own independent legal advice before investing in Shares of the Company in order to confirm that they are not a US Person.

The General Partner will refuse to issue Shares to any US Persons or any Shareholder who becomes a US Person or to register any transfer of Shares to any US Person. In addition, the General Partner may at any time compulsorily redeem any Shares held by a US Person.

F Special Note Regarding the Marketing of the Shares

Only the Asset Managers, personnel of BLME and other persons who are specifically authorised to do so by the General Partner may provide any information or assistance in connection with the offer contained in this Offering Memorandum.

The General Partner gave exclusive authorisation to issue copies of this Offering Memorandum to the Asset Managers. Enquiries regarding the content of this Offering Memorandum or the offer of Shares may be addressed to BLME at Sherborne House, 119 Cannon Street, London EC4N 5AT, England.

If you are in any doubt about the contents of this Offering Memorandum or any information provided to you regarding the Company, you should consult your stockbroker, bank manager, lawyer, accountant, tax adviser or other financial or legal adviser as you deem necessary.

G Cautionary Note Regarding Forward-looking Statements

This Offering Memorandum contains forward-looking statements, which provide current expectations or forecasts of future events. Words such as “may,” “believes,” “expects,” “plans,” “future” and “intends,” and similar expressions, may identify forward-looking statements, but the absence of these words does not mean that the statement is not forward-looking. Forward-looking statements include statements about the Company’s plans, objectives, expectations and intentions and other statements that are not historical facts. Forward-looking statements are subject to known and unknown risks and uncertainties and inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Prospective Shareholders should not rely on such statements when making an investment decision.

H Data Protection Policy

The Company may collect information from a Shareholder or prospective Shareholder from time to time in order to develop and administer the business relationship between the Shareholder or prospective Shareholder and the Company and for other related activities. If a prospective Shareholder fails to provide such information in a form which is satisfactory to the Company, the General Partner may restrict or prevent the ownership of Shares and the Company, the Custodian

and the Administrator shall be held harmless and indemnified against any actual loss arising as a result of the restriction or prevention of the ownership of Shares.

By completing and returning an Application Form, a Shareholder will consent to the use of personal data by the General Partner and the Company. The General Partner (acting for and on behalf of the Company) may disclose personal data to its agents, service providers or if required to do so by law or any regulatory authority. Shareholders will be given, upon written request to the General Partner, access to their own personal data provided to the Company. Shareholders may request in writing the rectification of, and the General Partner will, upon written request, rectify personal data. All personal data shall not be held by the General Partner for longer than necessary with regard to the purpose of the data processing.

The General Partner may need to disclose personal data to entities located in jurisdictions outside of the European Union, which may not have equivalent data protection legislation to that applicable in Luxembourg. In case of a transfer of data outside of the European Union, the General Partner (acting for and on behalf of the Company) will contractually ensure that the personal data relating to Shareholders is protected in a manner which is equivalent to the protection offered pursuant to Luxembourg data protection law.

Personal data is not intended to be used for marketing purposes.

I Anti-money Laundering Regulations

Pursuant to the Luxembourg law of 12 November 2004 (as amended) in relation to the fight against money laundering and against the financing of terrorism and to circulars 08/387 dated 19 December 2008, 10/476 dated 29 July 2010, 11/528 dated December 15, 2011, 11/529 dated 22 December 2011, 13/556 dated 16 January 2013 of the CSSF, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investments for money laundering purposes.

BLME or the Administrator, as the case may be, must verify the identity of the applicant by performing a customer due diligence process.

Except for prospective Shareholders applying through companies which are regulated credit or financial institutions, bound in their own country by legal provisions on the prevention of money laundering equivalent to those applicable in Luxembourg, any prospective Shareholders is obliged to submit to BLME or the Administrator all necessary information BLME or the Administrator may reasonably require to perform the customary due diligence.

Prospective Shareholders must indicate whether they invest on their own account or on behalf of a third party.

In the case of a prospective Shareholder who wishes to invest on behalf of a third party, BLME or the Administrator must also verify the identity of the beneficial owner(s). In such context, any such prospective Shareholder undertakes that it will notify BLME or the Administrator prior to the occurrence of any change in the identity of any such beneficial owner.

In the case of dealing via an investment platform provider, the Administrator will ensure that the platform provider applies the appropriate due diligence process for the verification of the beneficial owners.

Any prospective Shareholder that qualifies as Other Well Informed Investor wishing to make an investment in the Company must first establish a Bank Account with BLME. As part of the process of establishing the Bank Account, such prospective Shareholder will be required to provide proof of identity documentation in accordance with BLME's standard internal anti-money laundering procedures; failure to do so may result in the Company refusing to accept the subscription for Shares in the Company.

Further information on anti-money laundering practices and recommendations may be found on the website of the Association of the Luxembourg Fund Industry's website at www.alfi.lu (Practices and recommendations aimed at reducing the risk of money laundering and terrorist financing in the Luxembourg Fund Industry, December 2006).

Any information provided in this context is collected for anti-money laundering compliance purposes only.

DIRECTORY

COMPANY	BLME Sharia'a Umbrella Fund SICAV-SIF 2, place de Metz L-1930 Luxembourg
GENERAL PARTNER	BLME Umbrella Fund Management S.à r.l. 2, place de Metz L-1930 Luxembourg
GENERAL PARTNER BOARD	Charles Peter Peal (Chairman), (UK) Fuad Abdul Aziz Fahed Al Khamis (Kuwait) Nigel Brodie Denison (UK) Claude Kremer (Luxembourg)
SHARIA'A SUPERVISORY BOARD	Sheikh Dr. Abdulaziz Al-Qassar (Chairman) Sheikh Dr. Esam Khalaf Al-Enezi
ASSET MANAGERS	Bank of London and The Middle East PLC Sherborne House 119 Cannon Street London EC4N 5AT United Kingdom Website: www.blme.com
CUSTODIAN, DOMICILIARY AGENT AND PAYING AGENT	Banque et Caisse d'Epargne de l'Etat, Luxembourg 1, place de Metz L-2954 Luxembourg
ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT	European Fund Administration S.A. 2, rue d'Alsace L-1017 Luxembourg
AUDITORS	PricewaterhouseCoopers S.à r.l. 400 Route d'Esch B.P. 1443 L-1014 Luxembourg
LEGAL ADVISER IN ENGLAND	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT United Kingdom
LEGAL ADVISER IN LUXEMBOURG	Arendt & Medernach 14, rue Erasme L-2082 Luxembourg

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PART I : SUMMARY

The Company was established on 7 October 2008, is incorporated in Luxembourg and has qualified as a specialised investment fund (*fonds d'investissement spécialisé* or “SIF”).

The Company and its Compartments operate in accordance with Islamic principles. The Company has appointed a Sharia’a Supervisory Board to ensure Sharia’a compliance.

The Company was initially formed with the following Compartment:

- \$ Income Fund.

The Company is structured so that further Compartments can be introduced to satisfy Shareholder demand for other investment styles. Since the Company’s formation, the following Compartments have been launched:

- Light Industrial Building Fund; and
- Global Sukuk Fund (previously the \$ High Yield Fund).

The Board comprises individuals experienced in both traditional investment management and Islamic investments. The General Partner will be responsible for determining the investment objectives of the Company and each Compartment and for delegating certain tasks to experienced outsourcers.

The General Partner and the Asset Managers are jointly responsible for marketing and distribution of this Offering Memorandum. Banque et Caisse d’Epargne de l’Etat, Luxembourg is the Custodian and European Fund Administration is the Administrator of the Company.

PART II : THE COMPANY

1. Company Structure

The Company is an umbrella fund, structured as a Luxembourg open-ended investment company with multiple compartments and with variable capital (*société d'investissement à capital variable* or “SICAV”) organised as a SIF in the form of a corporate partnership limited by shares (*société en commandite par actions* or “SCA”), in accordance with the provisions of the SIF Law and the Luxembourg Commercial Companies Law.

The Company was incorporated in Luxembourg on 7 October 2008 for an unlimited duration with an initial founder contribution of US\$50,000 represented by fifty Shares of no par value, one of which is an unlimited management share held by the General Partner. The Company is registered with the Luxembourg Register under number B 143.188. The Articles have been published in the *Mémorial C* N° 2951 dated 12 December 2008 and copies thereof may be obtained at the registered office of the Company. The Company's Articles were amended on 11 May 2011, and have been published in the *Mémorial C* N° 1729_ dated July 29 2011.

The share capital of the Company shall at all times be equal to the Net Asset Value of the Company and shall be expressed in US Dollars. Variations in the capital shall be effected *ipso jure* and there are no provisions requesting publications and entry of such variations in the Luxembourg Register.

Pursuant to the SIF Law, a minimum share capital of EUR 1,250,000 (or its foreign currency equivalent) was achieved within twelve months from the date on which the Company was authorised as a SIF.

Upon incorporation, the General Partner has subscribed for the Management Share in the Company.

The Company is an investment company consisting of different Compartments. Each Compartment is legally segregated and has, *inter alia*, its own subscription, investment and profit allocation policies.

As between the Shareholders and the Company's creditors, each Compartment will be deemed to constitute a separate legal entity.

The General Partner, in its sole discretion, shall determine the terms and conditions pursuant to which a new Compartment may be established. In this case, this Offering Memorandum shall be updated and Shareholders will be informed accordingly.

The General Partner shall maintain a separate portfolio of assets for each Compartment. As between Shareholders, each portfolio of assets shall be for the exclusive benefit of the relevant Compartment.

The assets and liabilities of each Compartment shall be segregated from the assets and liabilities of the General Partner and of those of the other Compartments. The

Company's creditors of a Compartment will have recourse to the assets of the said Compartment only. The General Partner is personally, jointly and severally liable with the Company for all liabilities which cannot be met out of the assets of the Company.

The different Classes in issue or to be issued in each Compartment of the Company may differ, *inter alia*, in their fee structure, distribution policy, currency or any other criteria as determined by the General Partner. However, Shares of any Class in any Compartment will enjoy the same economic rights but may be subject to different fee structures and different methods of distribution.

The proceeds of the issue of Shares in respect of each Compartment will be invested for the exclusive benefit of the relevant Compartment in securities and other permitted assets in accordance with the investment policy, in respect of the relevant Compartment, as determined by the General Partner from time to time, in accordance with advice from the Sharia'a Supervisory Board. All Shares of the same Class in a particular Compartment shall have equal rights.

2. Management and Administration

2.1 The General Partner

The General Partner is a wholly-owned subsidiary of BLME. The General Partner is a Luxembourg private limited company (*société à responsabilité limitée* or "S.à r.l."), having its registered office at 2, place de Metz, L-1930 Luxembourg and a share capital of US\$25,000, and being registered with the Luxembourg Register under number B 142.285. The articles of incorporation of the General Partner have been published in Mémorial C N° 2672 dated 3 November 2008.

The General Partner, acting through the Board, is vested with the broadest powers to perform all acts of administration and disposition in the Company interest which are not expressly reserved by the law or by the Articles to the general meeting of Shareholders, in compliance with the investment objectives and strategy of the Company.

The General Partner can delegate under its responsibility, on a contractual basis, part or the whole management of assets of a Compartment of the Company to a third party, as detailed in the Compartment Supplements.

The Board shall comprise a minimum of three and a maximum of five members. The current members, who together combine a considerable track record of finance and investment expertise, are as follows:

a.) **Charles Peter Peal (Chairman), (UK)**

Charles Peal has a long history in investment management and private equity and has served as a director of a large number of listed and unlisted companies.

After graduating in 1977 from St Catherine's College, Oxford, he was employed from 1977-1988 by 3i Group plc, a leading UK quoted private equity company.

From 1988 to 2000 he was chief executive of Legal & General Ventures Limited and a director of Legal & General Investment Management Limited. From 1997 to 2000 he was a director of Legal and General Assurance Society Limited.

From 1999-2004 he was chairman of Arista Tubes Limited. He is currently a director of Lok'n Store plc and Warnborough Asset Management Limited, a company owned by him, which he founded in 2000 and which is one of the two Asset Managers.

b.) Fuad Abdul Aziz Fahed Al Khamis (Kuwait)

Fuad Al Khamis started his career at the National Bank of Kuwait , where he worked from 1982 to 1989. Initially he was based in Kuwait where he was employed across a range of investment and capital markets activities, before moving to London to take charge of the Trading Room.

In 1989 he was recruited by the National Investments Company of Kuwait (NIC). He spent 5 years establishing and managing NIC's Capital Markets Division before taking responsibility for all NIC's Direct Investments in International Real Estate , Private Equity and Investment Funds. From 2001 until his retirement from NIC in 2012 he was responsible for all NIC's Real Estate investments , both locally and internationally.

Mr Al Khamis holds a Degree in Business Management from Sonoma State University , California.

c.) Nigel Brodie Denison (UK)

After reading modern and medieval languages at St Catharine's College, Cambridge from 1977-1980, Nigel Denison worked for Barclays Bank Group from 1981 to 1996, becoming Managing Director in New York of Barclays Global Derivatives and Head of Trading.

From 1996 to 2006 he worked for WestLB AG in London, serving as Head of Treasury Sales (non-Germany Europe), Head of Global Financial Markets Sales (non-Germany Europe) and Head of Financial Institutions Group (UK and Ireland).

Nigel joined BLME in 2007 as an Executive Director and Head of Markets and Asset Management. Members of his team are responsible for the management of the Company's Income Compartment(s).

Nigel has served as member of the Fixed Income Committee of the London Investment Banking Association.

d.) Claude Kremer (Luxembourg)

Claude Kremer is a founding partner of Arendt & Medernach law firm and is also a member of the firm's council. He serves as head of the firm's Investment Management industry group. He has devoted his whole professional career to the global fund and asset management industry advising on the corporate, regulatory and tax aspects of creating, structuring and marketing investment and pension funds.

He has been a member of the Luxembourg Bar since 1982. In 2005, he was a member of the EU Commission expert group on market efficiency.

Claude was the chairman of the board of directors of the Association of the Luxembourg Fund Industry (ALFI) from May 2007 until June 2011. In June 2011, Claude was elected president of the European Fund and Asset Management Association (EFAMA).

Claude holds Master's degrees in law and in history from the *Université Pierre Mendès France* de Grenoble (France) and a Master's degree in accounting and finance from the London School of Economics and Political Science (U.K.).

2.2 Sharia'a Supervisory Board

The Shareholders at their first extraordinary general meeting appointed two suitably qualified persons to sit on the Sharia'a Supervisory Board, which may comprise more members. The purpose of the Sharia'a Supervisory Board shall be to ensure:

- a.) that the Company is run in a manner that is Sharia'a compliant;
- b.) the Sharia'a compliance of the investments made by the Company through each Compartment; and
- c.) recommendations on purification taking into account the AAOIFI principles.

Although the Sharia'a Supervisory Board will make recommendations on purification, the Company will not purify its profits. Purification of profits, if any, should be carried out by the relevant Shareholder on a voluntary and discretionary basis.

The initial members of the Sharia'a Supervisory Board are set out below:

d.) Sheikh Dr. Abdulaziz Al-Qassar (Chairman)

Professor Al-Qassar holds a PhD in Comparative Jurisprudence 1997, Sharia'a College, Al-Azhar University, Cairo. He was assistant Dean in the Faculty of Sharia'a of Kuwait University from 2003 until 2006 and he is currently the Professor of Islamic Studies in the Faculty of Sharia'a. He is a member of various Sharia'a advisory committees in the Middle East and the UK and was in charge of

the conversion of Kuwait Real Estate Bank (KREB) to an Islamic banking institution.

Professor Al-Qassar is also chairman of BLME's Sharia'a supervisory board.

e.) Sheikh Dr. Esam Khalaf Al-Enezi

Dr. Al-Enezi holds a Masters Degree from the Fiqh Programme of the Faculty of Higher Studies of Kuwait University and a PhD in Fiqh from the Jordanian University. Currently Dr Al-Enezi is the Sharia'a Control Unit Manager at Investment Dar and an associate professor at Kuwait University, Faculty of Sharia'a and Islamic Studies.

Dr. Al-Enezi is also a member of BLME's Sharia'a supervisory board.

2.3 The Valuation and Impairment Committee

The Valuation and Impairment Committee is composed of at least two members who are the class B managers of the General Partner. The current members of the Valuation and Impairment Committee are Charles Peter Peal and Nigel Brodie Denison.

Any modification of the persons appointed as class B managers of the General Partner will automatically carry a change in the composition of the members of the Valuation and Impairment Committee.

The Valuation and Impairment Committee will meet as often as necessary and issue recommendations to the General Partner on matters submitted to it. It shall also maintain a list of illiquid Sukuk (the "List") and circulate any changes thereto (that form Recommendations) to the Board, the Custodian and the Administrator for inclusion in the next NAV calculation. Illiquid assets will be valued separately from other assets.

In issuing Recommendations, the Valuation and Impairment Committee shall have regard to:

- (i) the investment objectives of the Company;
- (ii) any restrictions or policy statements for the time being contained in the Offering Memorandum and the Articles;
- (iii) the provisions of the SIF Law and any other applicable regulations, including any applicable CSSF circulars; and
- (iv) any other matter to which a prudent adviser to an investment fund should reasonably pay regard in the proper discharge of its duties.

A request for an impairment review may be made at any time by any member of the Valuation and Impairment Committee, the General Partner, and relevant executives of the Asset Managers, the Custodian, the Administrator and the Company's auditor.

Following an impairment review request, the Valuation and Impairment Committee should consider the valuation of the relevant asset within three working days. Any impaired assets will be valued separately from other assets.

2.4 The Asset Managers

The Asset Manager, namely BLME has been appointed by the General Partner to assist the General Partner in relation to the investment management of each Compartment and in distributing this Offering Memorandum. The Asset Manager is authorised and regulated by the United Kingdom Financial Services Authority.

The rights and duties of the Asset Manager will be set out in the relevant Asset Management Agreement.

The Asset Manager's remuneration shall be determined on a Compartment by Compartment basis in accordance with applicable market standards.

The Asset Manager may, with the consent of the General Partner and at the cost of the Company, appoint other specialist advisors.

The terms of the appointment of the Asset Manager provides for a three year term of service with a one year rolling fixed notice period.

2.5 The Custodian

The Custodian, Banque et Caisse d'Epargne de l'Etat Luxembourg, an autonomous public establishment (*établissement public autonome*) incorporated and having its statutory seat in Luxembourg and its office at 1, place de Metz, L-2954 Luxembourg, is wholly owned by the State of the Grand Duchy of Luxembourg. It has been on the official list of Luxembourg credit institutions since 1856. It is subject to the supervision of the CSSF.

In accordance with the SIF Law and subject to the terms of the Custodian Agreement the safekeeping of the Company's assets has been entrusted to the Custodian.

The Custodian may, in its sole discretion, appoint Sub-Custodians responsible to the Custodian.

The rights and duties of the Custodian will be set out in the Custodian Agreement.

Due to the nature of the real estate assets recorded in the Company portfolio, it should be noted that BCEE in its capacity as custodian bank of the Fund does not provide the safekeeping of these real estate assets within the meaning of the Luxembourg Civil Code and cannot therefore be considered as providing depository services under the Article 1915 and those that follow of the Luxembourg Civil Code. For this category of assets the activity of the custodian is limited to the obligation of the custodian to always know how and where the assets are invested and available. This is executed by the custodian based on information received from third parties.

The custodian gives no warranties and assumes no responsibility or liability for the accuracy or completeness of the valuations received from the independent expert appointed by the Company. Therefore, the custodian expressly disclaims liability for any loss or damage arising from the use of these valuations.

The Custodian's remuneration shall be determined on a Compartment by Compartment basis in accordance with applicable market standards.

The Company and the Custodian may terminate the appointment of the Custodian at any time upon six months written notice provided, however, that such termination by the Company is subject to the condition precedent that another custodian accepts the responsibilities and function of the Custodian. Until a replacement is appointed, which must occur within two months of the termination, the Custodian must take all measures necessary to ensure that the interests of the Shareholders are preserved.

2.6 The Administrator

The Administrator is European Fund Administration S.A. It has been on the official list of Luxembourg since 1996 and as such is subject to the supervision of the CSSF.

The Administrator is responsible for, inter alia, the determination of the Net Asset Value per Share (under the supervision of the General Partner), the proper book-keeping of the Company, the maintenance of the Company's share register, the verification (with the assistance of the General Partner) of compliance by prospective Shareholders with provisions on the prevention of money laundering and all other administrative functions as required by Luxembourg law and as further described in the Administration Agreement.

BLME or its delegates will verify that prospective Shareholders qualify as Well-Informed Investors in accordance with the provisions of the SIF Law.

The Administrator's remuneration shall be determined on a Compartment by Compartment basis in accordance with applicable market standards.

The Company and the Administrator may terminate the appointment of the Administrator at any time upon six months written notice provided, however, that such termination by the Company is subject to the condition precedent that another administrator accepts the responsibilities and function of the Administrator. Until a replacement is appointed, which must occur within two months of the termination, the Administrator must take all measures necessary to ensure that the interests of the Shareholders are preserved.

2.7 The Domiciliary Agent

Banque et Caisse d'Epargne de l'Etat, Luxembourg will also act as domiciliary agent of the Company and will be responsible for all administrative functions as provided for under Luxembourg law, such as preparation for annual general meetings.

3. Investment Objectives, Policy and Restrictions

3.1 General Investment Objectives, Policy and Restrictions

The Company's investment objective is, through investment in Sharia'a compliant products, to provide Shareholders with a favourable rate of return, while controlling risk as well as to achieve long term capital growth and/or income from investment through the Compartments.

There can be no assurance that the Compartments' investment objectives will be achieved. Investment results may vary substantially over time.

As a general principle, the Company will be managed on the basis of risk spreading, in accordance with the Circular 07/309 issued by the CSSF, providing that a SIF cannot invest more than thirty per cent of its assets in subscribing for securities of the same kind issued by the same issuer. This restriction does not apply to:

- investments in securities issued or guaranteed by an OECD member state or its regional or local authorities or by EU, regional or global supranational institutions and bodies;
- investments in target UCIs that are subject to risk-spreading requirements at least comparable to those applicable to specialised investment funds. For the purpose of the application of this restriction, every sub-fund of a target umbrella UCI is to be considered as a separate issuer provided that the principle of segregation of liabilities among the various sub-funds *vis-à-vis* third parties is ensured.

Specific investment restrictions relating to each Compartment are detailed in Compartment Supplements.

3.2 Other Restrictions

The Company will not undertake any short selling, stock lending or derivative activities but this policy will be reviewed as appropriate subject to the Sharia'a Supervisory Board approval. In which case, this Offering Memorandum shall be updated and Shareholders will be informed accordingly.

Unless indicated otherwise in the relevant Compartment Supplement of this Offering Memorandum, the Company will not borrow.

The Company recognises that the principle of the payment of interest is repugnant and not Sharia'a compliant and accordingly, to the extent that any legal system would impose (whether by contract or by statute) any obligation to pay interest the Company hereby irrevocably and unconditionally expressly waives and rejects any entitlement to recover interest from any third party.

Errors which occur in practice from non-compliance with the investment rules applicable to the Company should be treated in compliance with the CSSF Circular 02/77 except for the Light Industrial Building Fund Compartment.

4. Calculation of the Net Asset Value

The Net Asset Value of each Compartment shall be calculated to two decimal places.

The Net Asset Value per Share of each Class within each Compartment shall be expressed in the currency of such Class or in the Reference Currency of such Compartment and shall be determined as of any Valuation Day by dividing the portion of the Net Asset Value of such Compartment attributable to such Class of Shares, within such Compartment, as of any such Valuation Day by the number of Shares of such Class outstanding on that Valuation Day, in accordance with the valuation rules set forth below. If since the time of determination of the Net Asset Value there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to a Compartment are dealt in or quoted, the General Partner may cancel the first valuation and carry out a second valuation for all applications received in relation to the relevant Valuation Day, in order to safeguard the interests of the Shareholders and the Company.

The value of such assets shall be determined on an asset by asset basis as follows:

- a.) The value of any cash in hand and accounts receivable, prepaid expenses, cash dividends and other such income declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- b.) The value of assets, which are listed or dealt in on any stock exchange, is based on the last available price on the stock exchange, which is normally the principal market for such assets.
- c.) The value of assets dealt in on any other Regulated Market is based on their last available price.
- d.) The liquidating value of Sharia'a compliant investment products which are not traded on exchanges or on any other Regulated Market shall be such value as the General Partner may deem fair and reasonable.
- e.) The value of Sukuk shall be determined, asset by asset, on a mark-to-market basis or other fair value method including but not limited to accrual or price linearisation. Any impaired assets will be valued separately.
- f.) Units or shares of open-ended underlying funds will be valued at their last determined and available net asset value or on the basis of the last available quoted price on the stock exchange or, if such price is not representative of the fair market value of such assets then the price shall be such value as the General Partner may deem fair and reasonable.
- g.) Investments in private equity securities will be valued at a fair value under the direction of the General Partner in accordance with appropriate professional standards, such as the Valuation Guidelines published by the European Private Equity and Venture Capital Association (EVCA), as further specified in the Offering Memorandum.

- h.) Investments in private equity real estate assets or real estate related assets shall be valued with the assistance of one or several qualified, independent, third party real estate valuer(s) designated by the General Partner, as further specified in the relevant Supplement to the Offering Memorandum.
- i.) All other assets of any kind or nature, including any instruments and techniques used for hedging purposes will be valued at fair market value, as determined by, or under the responsibility of the General Partner acting reasonably, having regard to applicable market value standards as applied from time to time, such as RICS Red Book standards guidelines for valuations. For the purpose of determining the fair market value of the assets under this provision, the General Partner may have regard to all factors that it reasonably considers relevant in relation to such assets which factors may include (when applicable) inter alia: (i) the characteristics of, and fundamental analytical data relating to the assets including the costs, size, current profit rate, period until next profit rate reset, maturity and lending rate of the assets, the terms and conditions of the assets debt structure; (ii) the nature and adequacy of the partnership rights, remedies and interests; (iii) the creditworthiness of the assets business, cash flows, capital structure and future prospects; (iv) information relating to recent relevant market transactions; (v) the reputation and financial condition of the recent reports relating to assets; (vi) general economic market conditions affecting the fair value of the assets. The accounts of companies or other entities or arrangements in which one or more Compartment holds any direct or indirect interest for the purpose of structuring the holding of an investment (SPVs), as further detailed in the relevant Supplement to the Offering Memorandum, will be consolidated with the accounts of the Company and accordingly the underlying assets and liabilities will be valued in accordance with the rules described above.

Notwithstanding the above, it is generally recognised that the net asset value calculation is not an exact science and that the result of the calculation constitutes the closest possible approximation of the market value of the assets of an undertaking for collective investment.

Errors which occur in practice from the incorrect calculation of the net asset value rules applicable to the Company should be treated in compliance with the CSSF Circular 02/77 except for the Light Industrial Building Fund Compartment.

5. Issue of Shares

An unlimited number of Shares may be issued in one or more Classes in each Compartment by the General Partner.

Within each Compartment, Shares may be issued as Accumulation Shares and/or as Income Shares. The features of the Shares (being either Accumulation Shares and/or Income Shares) available within each Compartment are set out in the relevant Compartment Supplement.

The General Partner shall maintain a separate portfolio of assets for each Compartment. As between Shareholders, each portfolio of assets shall be for the exclusive benefit of the relevant Compartment.

Shares of any Class in any Compartment may be issued in registered form only. The inscription of the Shareholder's unique reference identification number in the Company's share register evidences his or her right of ownership of such registered Shares.

All Shares are of no par value and carry no preferential or pre-emptive rights. Each Share of the Company of any Class in relation to the relevant Compartment is entitled to one vote at any general meeting of Shareholders, in compliance with the Luxembourg Commercial Companies Law and the Articles.

Prospective Shareholders may purchase fractional Shares which will be issued up to three decimal places of a Share (i.e. to the nearest thousandth of a Share). Such fractional Shares shall not be entitled to vote but shall be entitled to a participation in the net results and in the proceeds of liquidation attributable to the relevant Class in the relevant Compartment on a *pro rata* basis.

Payments for Shares must be made in the currency of the relevant Class, if any, or in the Reference Currency of the relevant Compartment or in any other currency requested by the Shareholder and agreed by BLME (in which case any currency conversion costs shall be borne by the Shareholder).

Shares will be issued to prospective Shareholders whose applications have been accepted at the relevant Offer Price on the basis of the Net Asset Value per Share determined as of the Valuation Day following receipt of the Application Form, except where the relevant Compartment Supplement provides for a different Offer Price. The Application Form must be received at the registered office of BLME or the pre-agreed trade order for investment platform providers at the Administrator by the Deadline. Subscription money must be received in the client's Bank Account with BLME by the Deadline or by money transfer on the Company's account in the case of a transmission relationship, for value on the Deadline day. If not, applications will be processed as of the next applicable Valuation Day, if accepted.

Institutional and Professional Investors investing via a nominee service not provided by BLME or via an investment platform provider need to contact the Company to pre-agree a process for executing applications.

The General Partner reserves the right to reject any Application Form in whole or in part.

No Shares of any Compartment shall be issued during any period when the calculation of the Net Asset Value per Share in such Compartment is suspended by the Company, pursuant to section 9 "Suspension of the Calculation of the Net Asset Value" of this Offering Memorandum. In such a case the application will be processed as of the first Valuation Day following the end of such suspension period.

Certain Compartments may be Commitment based i.e. each investor will be required to pay in upon receipt of a capital call notice such amount of money as needed by the Compartment within the limited of its Commitment. The Application Form shall

mention the amount committed. The relevant Supplement of the relevant Compartment shall set out the drawdown procedures.

A Shareholder will be reclassified at the end of each calendar month; i.e. its Shares in one Class within a Compartment will automatically be deemed to be exchanged for Shares in another Class in the same Compartment. Such Shareholder will be reclassified into a Class of Shares (if available) with a higher Minimum Holding threshold where the value of its investment in the Company rises above the Minimum Holding for the next Class of Shares in the relevant Compartment. Similarly, if a Shareholder's investment in a Compartment falls below the Minimum Holding for the Class of Shares currently held by that Shareholder, the Shareholder will be reclassified (at the end of the relevant calendar month) into the Class of Shares (if available) with the highest Minimum Holding which the Shareholder's investment in that Compartment exceeds.

6. Transfer of Shares

Shares are freely transferable subject to the limits set forth below in the relevant Compartment Supplement (if any), except to:

- a.) persons who do not qualify as Well-Informed Investors;
- b.) Non-Qualified Persons; or
- c.) any person whose acquisition or holding of Shares would cause the Company or the Shareholders as a whole, to suffer any tax, fiscal, legal, regulatory, pecuniary or material administrative disadvantage which it or they would not otherwise have suffered.

If, as a result of any request for transfer, the aggregate Net Asset Value of the Shares held by the transferring Shareholder in a Class of Shares/Compartment falls below the Minimum Holding specified in the relevant Compartment Supplement, the General Partner may treat such request as a request to transfer the entire shareholding of such Shareholder in such Class/Compartment.

Transfer Forms are available at the Company's registered office and at the offices or on the website of the Asset Manager.

7. Redemption and Conversion of Shares

After the minimum holding period (if any), the Shareholders may request the redemption of all or part of their Shares. Redemption Forms are available at the Company's registered office and, at the offices or on the website of the Asset Manager subject to any other provisions set out for a relevant Compartment in its Supplement.

Shares will be redeemed at the Net Asset Value per Share as determined on that Valuation Day in respect of Shares for which a Redemption Form is received at the registered office of BLME or the pre-agreed trade order for investment platform providers at the Administrator by the Deadline, subject to any other provision set out for a relevant Compartment in its Supplement.

The process for executing redemptions request received from Institutional and Professional Investors investing via a nominee service not provided by BLME or via an

investment platform provider will be pre-agreed with the Company on a case by case basis.

Payment will be made within five Business Day following the Valuation Day by wire transfer to an account at BLME or otherwise as determined by the General Partner.

Shares will be redeemed in the currency of the relevant Class. If the Shareholder wishes to receive such proceeds in any other currency it should instruct BLME accordingly. In the last case, any currency conversion costs shall be borne by the Shareholder. The price at which Shares are redeemed may be higher or lower than the price paid at the time of subscription or purchase.

Where Shareholders request to move from one currency share class to another within the same Compartment, there is no net cash movement generated. Consequently the Administrator will treat such requests as a redemption from one currency share class and a simultaneous subscription in the new currency share class. The Shareholder will maintain economic exposure to the assets within the Compartment throughout this process.

Redemption of Shares is not allowed if the calculation of the Net Asset Value in respect of such Share is suspended in accordance with section 9 “Suspension of the Calculation of the Net Asset Value” of this Offering Memorandum.

If, as a result of any request for redemption the aggregate Net Asset Value of the Shares held by any Shareholder in a Class would fall below the Minimum Holding for that Class, the Company may treat such request as a request to redeem the entire shareholding of such Shareholder in such Class. In such cases, the General Partner, acting at its discretion, may transfer all or part of the relevant holding of any existing Shareholder who falls below the Minimum Holding for one Class of Shares into another appropriate Class of Shares without charge.

The General Partner shall not be bound to redeem on one single Valuation Day more than five per cent of the Shares in issue or deemed to be in issue. In rare cases where the General Partner deems it to be in the interests of the Shareholders, any Redemption Forms delivered in respect of Shares in excess of this five per cent limit shall be held over to the next available Valuation Day on which such limit is not breached, with redemption requests being satisfied *pro rata* to the Shares held by Shareholders making the redemption requests. In the event that the redemption requests are deferred for more than one Valuation Day under the provisions of this section, such redemption requests will be satisfied in the order in which they were received with respect to the Valuation Day in relation to which each redemption request was received and *pro rata* in relation to any Shareholders making redemption requests on a single Valuation Day. In such cases, the General Partner shall forthwith notify such decision to each Shareholder whose redemption request cannot be fully satisfied on the applicable Valuation Day.

The nature of Sharia’a contracts may result in the liquidity of certain Compartments being restricted. However, in the event that more than five per cent of the Shares in issue or deemed to be in issue are carried over from one Valuation Day to the next, the Net Asset Value (as calculated pursuant to section 4 above) shall be calculated on a bid

basis with respect of sections 4 b.) and c.) of this Offering Memorandum. If such bid basis proves inappropriate in extreme cases, the General Partner reserves the right to apply a fair value to the NAV designed to protect existing Shareholders (e.g. swing pricing). In such cases, the General Partner shall forthwith notify such decision to Shareholders.

The Company may compulsorily redeem Shares held by Non-Qualified Persons and must do so in respect of Shares held by non-Well Informed Investors.

No distribution for redemption (as described above) may be made which would cause the capital of the Company to fall below the minimum capital amount required under the SIF Law.

8. Co-Management and Pooling

To ensure effective management, the General Partner may decide to authorise the Asset Managers to manage all or part of the assets of one or more Compartments with other Compartments in the Company (the technique of pooling) or to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more Compartments of the Company with assets of other Luxembourg undertakings for collective investment or of one or more sub-funds of other Luxembourg undertakings for collective investment (the “Party(ies) to co-managed assets”) for which the Custodian was appointed the custodian bank. These assets will be managed in accordance with the respective investment policy of the Parties to co-managed assets, each of which pursuing identical or comparable objectives. Parties to co-managed assets will only participate in co-managed assets as stipulated in their respective prospectus and in accordance with their respective investment restrictions.

Each Party to co-managed assets will participate in co-managed assets in proportion to the assets contributed thereto by it. Assets will be allocated to each Party to co-managed assets in proportion to its contribution to co-managed assets. The entitlements of each Party to co-managed assets apply to each line of investment in such co-managed assets.

Such co-managed assets will be formed by the transfer of cash or, if necessary, other assets from each Party to co-managed assets. Thereafter, the General Partner may regularly make subsequent transfers to co-managed assets. The assets can also be transferred back to a Party to co-managed assets for an amount not exceeding the participation of that Party to co-managed assets.

Any distributions deriving from co-managed assets will accrue to the Parties to co-managed assets in proportion to their respective investments. Such distributions may be kept by the Party to co-managed assets or reinvested in the co-manage assets.

All charges and expenses incurred in respect of co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to co-managed assets in proportion to its respective entitlement in the co-managed assets.

If the investment restrictions of a Compartment are infringed, when such a Compartment participates in co-management despite the manager having complied with

the investment restrictions applicable to the co-managed assets in question, the General Partner shall require the relevant Asset Manager to reduce the asset in question proportionally to the participation of the relevant Compartment in the co-managed assets or, if necessary, to reduce its participation in the co-managed assets so that the investment restrictions of that Compartment are observed.

On the liquidation of the Company or when the General Partner decides, without prior notice to withdraw the participation of the Company or a Compartment from co-managed assets, the relevant co-managed assets will be allocated to the other Parties to such co-management proportionally to the value of their respective participation in such co-management. Prospective Shareholders should note that such co-managed assets are employed solely to ensure effective management and on the basis that all Parties to such co-management engage the same custodian bank. Co-managed assets are not distinct legal entities and are not directly accessible to prospective Shareholders. However, the assets and liabilities of each Compartment will be constantly separated and identifiable.

9. Suspension of the Calculation of the Net Asset Value

The General Partner may temporarily suspend the determination of the calculation of the Net Asset Value of any Compartment and the issue and redemption of Shares:

- a.) during any period of turbulence when any of the principal stock exchanges or other markets on which a portion of the investments of the Company attributable to such Compartment is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended or when there is otherwise insufficient liquidity in the markets; or
- b.) during the existence of any state of affairs which constitutes an emergency in the opinion of the General Partner as a result of which the disposal or valuation of assets owned by the Company attributable to such Compartment would be impracticable; or
- c.) during any breakdown in the means of communication normally employed in determining the price or value of any of the investments of such Compartment or the current price or values on any stock exchange or other market in respect of the assets attributable to such Compartment; or
- d.) when for any other reason the prices of any investments owned by the Company attributable to any Compartment cannot promptly or accurately be ascertained (including the suspension of the calculation of the net asset value of an underlying undertaking for collective investment); or
- e.) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of the Shares of such Compartment or during which any transfer of funds involved in the realisation or acquisition, of investments or payments due on redemption of Shares cannot in the opinion of the General Partner be effected at normal rates of exchange; or

- f.) upon the publication of a notice convening a general meeting of Shareholders for the purpose of resolving the winding up of the Company.

Any such suspension shall be notified to all Shareholders.

The suspension of the determination of the calculation of the Net Asset Value of any Compartment shall have no effect on the calculation of the Net Asset Value per Share, the issue and redemption of Shares of any other Compartment, unless said other Compartment is also affected by any event listed above.

Any accepted request for subscription or redemption shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value, in which case Shareholders may give notice that they wish to withdraw their application. If no such notice is received by the Company, such application will be dealt with as of the first Valuation Day, as determined for each relevant Compartment, following the end of the period of suspension.

If required by law, a notice of the beginning and of the end of any period of suspension will be sent to the Shareholder or published in a newspaper.

10. Income Distribution Policy

The income distribution policy of each Compartment/Class is set out in the relevant Compartment Supplement. Any distribution to any Shareholder of less than US\$1,000 will be reinvested.

In any event, no distribution may be made if, as a result, the Net Asset Value of the Company would fall below the foreign currency equivalent of EUR 1,250,000.

11. Costs and Expenses

Unless otherwise provided for in the Compartment Supplement, any costs and expenses incurred during the launch, operation or liquidation of the Company and any Compartments respectively, shall be allocated in accordance with this section 11.

11.1 Costs Borne by the Company and its Compartments

The Company will pay out of the assets of the Compartments:

- a.) the Management Fee;
- b.) the fees of the Custodian;
- c.) the fees of the Administrator;
- d.) any fees or expenses reasonably incurred by the Board;
- e.) any disbursements or out-of-pocket expenses reasonably incurred by the Sharia'a Supervisory Board;

- f.) any fees or expenses and any disbursements or out-of-pocket expenses reasonably incurred by the Valuation and Impairment Committee; and
- g.) all other fees and expenses including but not limited to:
 - i) fees payable to its asset managers or investment advisors (if any), including performance related fees, fees, expenses, disbursements and out-of-pocket expenses payable to its accountants, domiciliary, corporate, registrar and transfer agents, any paying agent, any distributors and permanent representatives in places of registration, as well as any other agent employed by the Company, any fees and expenses involved in registering and maintaining the registration of the Company with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, licensing fees for the use of the various indexes, reporting and publishing expenses, including, periodical reports or registration statements, the costs of publishing the Net Asset Value and any information relating to the estimated value of the Company, the cost of printing certificates, if any, and the costs of any reports to Shareholders, the cost of convening and holding Shareholders' meetings, Board meetings, Valuation and Impairment Committee meetings, and all other operating expenses, including the cost of publishing the issue and redemption prices, bank charges and brokerage, postage, insurance, telephone and telex;
 - ii) marketing, publicity and representation expenses, including the cost of preparing, translating, printing, advertising and distributing the Offering Memorandum, further explanatory sales documents;
 - iii) transaction costs and expenses directly related to investments, provided, however, that the Company will seek to require the payment by a prospective target of a transaction fee whenever appropriate and possible, which would be applied against these potential expenses;
 - iv) accounting expenses, auditing fees, bank charges, legal fees and other direct out-of-pocket costs;
 - v) fees and expenses charged to the Company by lawyers, auditors, accountants, brokers, finders and other professional advisers;
 - vi) taxes payable by the Company, if any; and
 - vii) the costs incurred in connection with any litigation, arbitration or other proceedings in relation to the Company or the Compartments.

Each Compartment shall pay for the costs and expenses directly attributable to it including any value added taxes. Costs and expenses which cannot be allotted to one specific Compartment will be charged to the different Compartments in equal parts or, as far as it is justified by the amounts concerned and at the General Partner's discretion, proportional to their respective Net Asset Value.

11.2 New Compartments

Charges relating to the creation of a new Compartment shall be written off on a straight line over a period not exceeding five years against the assets of that Compartment. A newly created Compartment shall, if established within five years of the establishment of the Company, bear a prorated share of the costs and expenses incurred in connection with the formation of the Company and the first three Compartments, which have not already been written off at the time of the creation of the new Compartment. For the avoidance of doubt, any such period applicable to new Compartments will only extend within the first five years following the launch of the Company.

11.3 Formation Costs

The Company shall bear its incorporation expenses, notary fees, the filing costs with administrative authorities and any other costs pertaining to the setting up and launching of the Company, including the drafting and printing of this Offering Memorandum.

These expenses, estimated at approximately US\$400,000, shall be borne proportionately by the Compartments created within the first five years of the formation of the Company. These expenses will be amortised on a straight line basis over five years from the date on which the respective Compartment commences business. The General Partner may, in its absolute discretion, shorten the period over which such costs and expenses are amortised and shall notify Shareholders accordingly.

The expenses incurred by the Company in relation to the launch of each additional Compartment will be borne by and payable out of the assets of such Compartment and will be amortised on a straight line basis over five years from the launch date of the relevant Compartment, unless the General Partner shortens this period.

11.4 Arrangement Fees

Arrangement fees, if any, received in connection with the operation of a Compartment will be paid to the relevant Compartment after reimbursement of any related operating expenses incurred by any of the Compartment's agents.

12. Tax Status

The following information is of a general nature only and is based on the Company's understanding of certain aspects of the laws and practice in force in Luxembourg as of the date of this Offering Memorandum. It does not purport to be a comprehensive description of all of the tax considerations that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the Shares and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to Shareholders. This summary is based on the laws in force in Luxembourg law on the date of this Offering Memorandum and is subject to any change in law that may take effect after such date. Prospective Shareholders should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*). Corporate Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, as well as the solidarity surcharge invariably apply to most corporate taxpayers who are residents of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and to the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

12.1 **Luxembourg tax residency of the Shareholders**

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg, by reason only of the holding of the Shares, or the execution, performance, delivery and/or enforcement of the Shares.

12.2 **Luxembourg taxation of the Company**

In accordance with current legislation in Luxembourg, the Company is exempt from Luxembourg income and net wealth tax, and dividends paid by the Company (if any) are exempt from dividend withholding tax.

The Company is subject to an annual subscription tax (*taxe d'abonnement*) generally levied at the rate of 0.01% p.a. on the Company's Net Asset Value calculated on the last Valuation Day of each quarter and is payable in quarterly instalments. The following are exempt from the subscription tax:

- a.) the value of the assets represented by units held in other undertakings for collective investment, to the extent such units have already been subject to the subscription tax provided by Article 68 of the SIF Law or by Article 172 of the law dated December 17, 2010 on undertakings for collective investment (the “**2010 Law**”);
- b.) investment funds as well as individual compartments of specialised investment funds with multiple compartments:
 - (i) the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions;
 - (ii) the weighted residual portfolio maturity of which does not exceed ninety (90) days; and
 - (iii) that have obtained the highest possible rating from a recognised rating agency;
- c.) specialised investment funds the securities of which are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, set-up on one or several employers' initiative for the benefit of their employees

and (ii) companies of one or several employers investing the funds they own, in order to provide their employees with retirement benefits;

- d.) specialized investment funds the investment policy of which provides for an investment of at least 50% of their assets into microfinance institutions or which have been granted the LuxFLAG label.

Under current Luxembourg tax law, there is no withholding tax on any distribution, redemption or payment made by the Company to its Shareholders under the Shares. There is also no withholding tax on the distribution of liquidation proceeds to the Shareholders.

Non-resident Shareholders should note however that under the Council Directive 2003/48/EC, as replaced by European Council Directive 2006/98/EC of 20 November 2006, on taxation of savings income in the form of interest payments (“**EU Savings Directive**”), interest payments made by the Company or its Luxembourg paying agent to individuals and residual entities (*i.e.* entities (i) without legal personality (except for a Finnish *avoin yhtiö* and *kommandiittiyhtiö* / *öppet bolag* and *kommanditbolag* and a Swedish *handelsbolag* and *kommanditbolag*), or (ii) whose profits are not taxed under the general arrangements for the business taxation, or (iii) that are not, or have not opted to be considered as, UCITS recognized in accordance with Council Directive 85/611/EEC, as replaced by Directive 2009/65/EC of 13 July 2009, – a “**Residual Entity**”) resident or established in another EU Member State as Luxembourg or individuals or Residual Entities resident or established in certain associated territories of the European Union (*i.e.* Aruba, British Virgin Islands, Guernsey, Isle of Man, Jersey, Montserrat as well as the former Netherlands Antilles, *i.e.* Bonaire, Curaçao, Saba, Sint Eustatius and Sint Maarten – collectively the “**Associated Territories**”), are subject to a withholding tax in Luxembourg unless the beneficiary elects for an exchange of information whereby the tax authorities of the state of residence are informed of the payment thereof. The withholding tax rate is 35%.

Under the current revision drafts of the EU Savings Directive, “interest” may include in the future (i) distributions of profits by the Company derived from interest payments (unless the Company’s investment in debt claims does not exceed 15%) and (ii) income realised upon the sale, refund or redemption of the Shares if the Company invests directly or indirectly more than 25% of its net assets in debt claims and to the extent such income corresponds to gains directly or indirectly derived from interest payments. The current revision draft also extends the provisions of the EU Savings Directive to interest payments made under certain innovative financial products. Shareholders should inform themselves of, and where appropriate take advice on, the impact of the EU Savings Directive, once amended, on their investment.

The Company may be subject to withholding tax on dividends and coupons payments and to tax on capital gains in the country of origin of its investments. As the Company itself is exempt from income tax, withholding tax levied at source, if any, would normally not be refundable and it is not certain whether the Company itself would be able to benefit from Luxembourg's double tax treaties network. Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. Indeed, as the Company is structured as an investment Company (as

opposed to a mere co-ownership of assets), certain double tax treaties signed by Luxembourg may directly be applicable to the Company.

The establishment of the Company and the amendments to articles of incorporation are subject to a fixed registration duty of €75.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the Company.

12.3 **Taxation of the Shareholders generally**

It is expected that Shareholders in the Company will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Offering Memorandum to summarize the taxation consequences for each investor subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares of the Company. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

Investors should consult their professional advisors on the possible tax or other consequences of buying, holding, transferring or selling the Company's Shares under the laws of their countries of citizenship, residence or domicile

a.) *Taxation of Luxembourg resident Shareholders*

(i) Luxembourg resident individuals

Any dividends received and other payments derived from the Shares received by resident individuals, who act in the course of either their private wealth or their professional / business activity, are subject to income tax at the ordinary progressive rates.

A gain realised upon the sale, disposal or redemption of Shares by Luxembourg resident individual Shareholders, acting in the course of the management of their private wealth is not subject to Luxembourg income tax, provided this sale, disposal or redemption took place more than 6 months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as substantial shareholding in limited cases, in particular if (a) the Shareholder has held, either alone or together with his spouse or partner and/or his minor children, either directly or indirectly, at any time within the 5 years preceding the realization of the gain, more than 10% of the share capital of the Company or (b) the taxpayer acquired free of charge, within the 5 years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same 5-year period). Capital gains realised on a substantial participation more than 6 months after the acquisition thereof are subject to income tax according to the half-global rate method, (i.e. the average rate applicable

to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

(ii) Luxembourg resident companies

Luxembourg resident company (*sociétés de capitaux*) must include any profits derived, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. The same inclusion applies to individual Shareholders acting in the course of the management of a professional or business undertaking, who are Luxembourg residents for tax purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

(iii) Luxembourg resident companies benefiting from a special tax regime

Shareholders who are Luxembourg resident companies benefiting from a special tax regime, such as (a) undertakings for collective investment subject to the 2010 Law, (b) specialized investment funds subject to the SIF Law and, (c) family wealth management companies governed by the law of 11 May 2007, as amended, are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg income tax.

b.) *Taxation of Luxembourg non-residents Shareholders*

Shareholders, who are non-residents of Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are not liable to any Luxembourg income tax on income received and capital gains realised upon the sale, disposal or redemption of the Shares. Non-resident corporate Shareholders which have a permanent establishment or a permanent representative in Luxembourg, to which the Shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg, to which the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

12.4 Net wealth tax

Luxembourg resident Shareholders and non-resident Shareholders who have a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, except if the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the 2010 Law, (iii) a securitization

undertaking governed by the law of 22 March 2004 on securitization, as amended, (iv) a company governed by the law of 15 June 2004 on venture capital vehicles, as amended, (vi) a specialized investment fund governed by the SIF Law, or, (vii) a family wealth management company governed by the law of 11 May 2007, as amended.

12.5 Value added tax

The Company is regarded as a taxable person for VAT purposes without input VAT deduction right with regards to its fund management activities. According to current Luxembourg legislation, a SICAV-SIF benefits from a VAT exemption for the services received which qualify as fund management services. Other services supplied to the Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg with the result that the Company would self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability in principle arises in Luxembourg in respect of any payments by the Company to its Shareholders to the extent such payments are in respect of subscription to the Company's Shares and therefore do not constitute consideration received for any taxable services supplied.

12.6 Other taxes

No estate or inheritance tax is levied on the transfer of the Shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

Luxembourg gift tax may be levied on a gift or donation of the Shares if embodied in a Luxembourg notary deed or otherwise registered in Luxembourg.

13. Indemnification

The Company shall indemnify any member of the Board as well as any officer of the Company or BLME, or committee member and their heirs, executors and administrators (each an "Indemnified Person") against expenses reasonably incurred by them in connection with any action, suit proceeding to which they may be made a party by reason of them being or having been a member of the Board, officer or committee member of the Company or, at its request, of any other entity of which the Company or a Compartment is a Shareholder or creditor and from which they are not entitled to be indemnified (except in relation to matters in respect of which they may be finally declared to be liable for wilful misconduct, bad faith or gross negligence).

In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement in respect of which the Company is advised by counsel that the Indemnified Person did not commit such a breach of duty. The foregoing right of indemnification shall not exclude other rights to which the Indemnified Person may be entitled.

14. Shareholder Matters

14.1 Meetings and Reports

Any regularly constituted meeting of Shareholders of the Company shall represent the entire body of Shareholders of the Company. The general meeting of the Shareholders shall deliberate only on the matters which are not reserved to the General Partner by the Articles or by the law.

The Shareholders of any Compartment may hold, at any time, general meetings of Shareholders of the relevant Compartment to decide on any matter, which relate exclusively to such Compartment.

The annual meeting of Shareholders shall take place at the registered office of the Company, or at any place specified in the notice of meeting on the second Thursday of June (unless such date falls on a legal bank holiday, in which case the meeting will take place on the next Business Day) at 11.00 a.m.

General Shareholders' meetings shall be called by the General Partner or by Shareholders holding a minimum of ten per cent of the Company's share capital.

Notice of any general meeting of the Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Compartment) shall be mailed by the Administrator to each registered Shareholder at least eight Business Days prior to that meeting. Such notice will indicate the time and place of such meeting and the conditions of admission thereto, will contain the agenda and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities at such meeting. To the extent required by Luxembourg law, further notices will be published in *Mémorial C* and in any Luxembourg and other newspaper(s) that the General Partner may determine.

If the Articles are amended, such amendments shall be filed with the Luxembourg Register and published in *Mémorial C*.

The Company publishes annually a detailed audited report on its activities and on the management of its assets; such report shall include, inter alia, the combined accounts relating to all of the Compartments, a detailed description of the assets of each Compartment (including the balance sheet and profit and loss account or a statement of assets and liabilities and an activity report) and a report from the Auditor.

To the extent required by Luxembourg law, the annual reports will be sent to registered Shareholders within six months although they may be obtained free of charge by any Shareholder at the registered office of the Company, the Administrator and BLME.

The Company may publish further quarterly reports in respect of a given Compartment if the General Partner so decides.

The accounting year of the Company shall commence on 1 January of each year and shall terminate on 31 December of the same year..

The combined accounts of the Company shall be maintained in US\$, which is the currency of the share capital of the Company. The financial statements relating to the various Compartments shall also be expressed in the Reference Currency of the relevant Compartment.

The General Partner is authorised to decide, in its sole discretion, to publish the Net Asset Value of the Compartments in any newspaper or other media including the internet, provided that such publication will not be considered to be an offer to the public.

14.2 **Term and Liquidation of the Company and of the Compartments**

All Compartments are created for an unlimited period unless otherwise provided for in the relevant Compartment Supplement.

The General Partner may decide to liquidate a Compartment if the net assets of such Compartment have decreased to, or have not reached an amount determined by the General Partner to be the minimum level for such Compartment to be operated in an economically efficient manner or if a change in the economic or political situation relating to the Compartment concerned would justify such liquidation. Any Shareholder will be notified by the Company of any decision to liquidate the relevant Compartment prior to the effective date of the liquidation and the notice will indicate the reasons for, and the procedures of, the liquidation operations.

Compartments which are being liquidated are not subject to a redemption charge. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Compartment concerned will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

The General Partner may decide to terminate one Compartment and contribute its assets into another Compartment or into another collective investment scheme. The General Partner may resolve to amalgamate two or more Compartments if it believes that such a course of action is in the best interests of the Shareholders of the relevant Compartments. Affected Shareholders will be notified any such decision and relevant information in relation to the new Compartment. Notice will be provided to Shareholders at least one month before the date on which the amalgamation becomes effective in order to enable them to request that their Shares be redeemed free of charges before the amalgamation is completed.

Where assets are to be contributed to another collective investment undertaking, the amalgamation will be binding only on Shareholders in the relevant Compartment who will expressly consent to the amalgamation. Where the General Partner does not have the authority to do so or where the General Partner determines that the decision should be put to the Shareholders for their approval, the decision to liquidate or to merge a Compartment may instead be taken at a meeting of Shareholders of the relevant Compartment. At the relevant meeting of Shareholders in the Compartment, no quorum will be required and any decision to liquidate or merge must be approved by Shareholders holding at least a simple majority of the Shares present or represented. Shareholders will be notified by the Company of any resolution to proceed with

liquidation or amalgamation at least one month before the effective date of the liquidation or amalgamation of the Compartment in order to enable Shareholders to request redemption of their Shares before the liquidation or amalgamation of the Compartment takes place.

In addition to the above, should the capital of the Company fall below two thirds of the minimum capital, an extraordinary general meeting of Shareholders must be convened to consider the dissolution of the Company. Any decision to liquidate the Company must be taken by a majority of the Shareholders present or represented at the meeting.

Where the capital falls below one quarter of the minimum capital, the General Partner must convene an extraordinary general meeting of Shareholders to decide upon the liquidation of the Company. At that meeting, the decision to liquidate the Company may be taken by Shareholders holding together one quarter of the Shares present or represented.

As soon as the decision to wind up the Company is taken, the issue of Shares in all Compartments is prohibited and shall be deemed void.

Any liquidation proceeds that cannot be distributed to their beneficiaries upon the implementation of the liquidation will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

14.3 Death of a Shareholder

In the event of the death of a Shareholder, the General Partner shall use all reasonable efforts to identify the administrator (or equivalent) of the Shareholder's estate. However, in the event that the General Partner is not able to do so and no person presents a valid claim to the Shares registered in the name of the deceased Shareholder within a period of five years beginning on the death of that Shareholder, the General Partner may redeem such Shares and donate the proceeds of such redemption to a suitable charity of its choice.

15. Information Available

Copies of the Articles, this Offering Memorandum and the latest financial reports, if any, may be obtained free of charge during office hours at the registered office of each of the Company, the Administrator and BLME.

A list of material contracts that the Company has entered into is available for inspection during business hours at the registered office of each of the Company, the Administrator and BLME.

The Net Asset Value per Share of each Compartment will be available on each Valuation Day in the FT or on the Asset Managers' websites or at the registered office of BLME.

Claims of Shareholders against the Company will lapse five years after the date of the event giving rise to the rights invoked.

16. General Investment Restrictions and Risk Factors

The General Partner will manage the Company and each Compartment applying the principle of risk diversification.

Any investment restrictions aimed at achieving a sufficient level of risk diversification in respect of each Compartment are more fully disclosed in the relevant Compartment Supplement.

The following is a brief description of certain factors, which should be considered along with other matters discussed elsewhere in this Offering Memorandum. The description below is not intended to be a comprehensive summary of all the risks associated with an investment in the Shares, the Company or a Compartment generally.

16.1 Liquidity

The ability of the Company to sell particular investments may be seriously impeded by their nature, under Sharia'a law or as a result of other legal restrictions, low market capacity or the size of position(s) taken by the relevant Compartment(s). As a result, the disposal of any such asset(s) may be difficult to effect and may, under certain circumstances, only be possible upon the expiry of the relevant contract or at a discount to market value.

16.2 General Business Risks

An investment in the Company carries a degree of risk including, but not limited to, any specific Compartment risks referred to in the relevant Compartment Supplement. No assurance can be given that Shareholders will realise a profit on their investment. Moreover, Shareholders may lose some or all of their investment. The risks referred to below are neither specific nor exhaustive and a financial adviser or other appropriate professional should be consulted for additional advice.

16.3 Insolvency of General Partner

The General Partner is the unlimited managing general partner of the Company and each Compartment, meaning that it may be accountable for any debts or liabilities of the Company and its Compartments, which may not be satisfied out of the assets of the Company and of the relevant Compartment respectively.

16.4 Global Investments

The Company will invest in worldwide securities or other assets, whereby any fluctuation in currency exchange rates may affect the value of these investments, and any restriction imposed to prevent capital flight may make it difficult or impossible to exchange or repatriate foreign currency.

The US\$, £ Sterling and Euro Classes of Shares will allow for Sharia'a compliant Hedging to be applied if it is believed to be in the interests of the Shareholders, at the

Asset Manager's discretion. Currently US\$, £ Sterling and Euro Classes of Shares have been created within the \$ Income Fund Compartment only.

16.5 Emerging Markets

Investments in the emerging markets are inherently more volatile than investments in more mature markets. This results from lower degrees of liquidity, lower market capitalisations, or taxation, foreign exchange control, nationalisation, or political risks. In addition, environmental factors, such as political instability, the possible imposition of exchange controls or other restrictions on investments, have more impact on security price in emerging markets than in mature markets.

16.6 Political Risks

The Custodian commits itself to choose, designate and supervise local agents cautiously. The Custodian will undertake everything to fulfil its obligation and to safeguard the investors' interests to the best of its abilities.

The markets of some countries where investments are made can show varying levels of financial liquidity and stability. Investments in these markets involve important risks and special considerations which are not usually associated with investments in securities with an issuing banker in the European Union and the United States. They are added to the normal risks inherent to any investment and include political, economic, legal risks as well as those linked to foreign exchange, inflation, and fiscal regimes. Furthermore, subsequent legal modifications or foreign exchange surveillance measures with regards to an investment can render the repatriation of funds challenging. Loss risks due to the absence of adequate transfer, price calculation, accounting and custody of securities systems can also occur. Risks linked to corruption and organised crime are also not to be underestimated.

16.7 Counterparty Risk

The Company will be subject to the risk of the inability of any counterparty with whom it enters into a transaction to perform, with respect to that transaction, whether due to insolvency, bankruptcy or other causes.

16.8 Credit Risk

By investing in Sharia'a compliant financing products, the Company will be exposed to the creditworthiness of the underlying issuers of such instruments.

16.9 Currency Risk

Where Shares of a Compartment are available in a Class which is not the Reference Currency, the Compartment may be affected favourably or unfavourably by changes in the exchange rates or exchange control regulations between the Reference Currency and such Shares.

Changes in currency exchange rates may influence the value of a Compartment's Shares, and also may affect the value of dividends earned by a Compartment and gains and losses realised by a Compartment.

Shares Classes of a Compartment not in the Reference Currency will use Sharia'a compliant techniques or instruments to hedge or to protect against currency exchange risk. There is no guarantee that Hedging or protection will be achieved.

The cost of Hedging will be reflected in the Net Asset Value of that Class of Shares.

17. Definitions

Unless defined elsewhere in this Offering Memorandum or unless the context indicates otherwise, capitalised words and expressions in this Offering Memorandum have the meaning as described under the section definition in either Part I, Part II and/or the Compartment Supplements of this Offering Memorandum.

AAOIFI: means the Accounting and Auditing Organization for Islamic Financial Institutions or any successor organisation;

Account Opening Form: means the account opening form to be used by prospective Shareholders to open a Bank Account with BLME in a form acceptable to the General Partner;

Accumulation Shares: means Shares in respect of which income is credited periodically to capital and which are not entitled to any distributions;

Administration Agreement: means the agreement made between the Company and the Administrator pursuant to which the Administrator is appointed as administrator of the Company;

Administrator: means European Fund Administration S.A., (EFA) incorporated and having its statutory seat in Luxembourg and its office at 2, rue d'Alsace, L-1017, Luxembourg, acting as central administrator and registrar and transfer agent;

Application Form: means the form to be submitted by a prospective Shareholder wishing to subscribe for Shares, as determined by the General Partner;

Articles: means the articles of incorporation of the Company, as amended from time to time;

Asset Management Agreement: means an asset management agreement to be entered into between the Company and an Asset Manager pursuant to which an Asset Manager is appointed as an asset manager of the Company;

Asset Manager: means the asset manager as defined in each Compartment Supplement;

Auditors: mean the auditors of the Company being PricewaterhouseCoopers S.à r.l. and their successors from time to time;

Bank Account: means the individual bank account that any prospective Shareholder wishing to make an investment in the Company must establish and hold with BLME;

Benchmark: means any independent measure adopted by the General Partner in respect of any Compartment for performance measurement purposes;

BLME or the Initiator: means Bank of London and The Middle East PLC of Sherborne House, 119 Cannon Street, London EC4N 5AT;

Board: means the board of managers of the General Partner;

British Pounds or £ Sterling or GBP: means the currency of the United Kingdom from time to time;

Business Day: means a day, other than a Saturday or a Sunday, on which banks are open for business in Luxembourg and England;

Caisse de Consignation: means the caisse de consignation provided for under the Luxembourg law of 29 April 1999 on state-administered consignations, as amended;

Class or Classes: means each class of Shares in issue or to be issued in each Compartment of the Company;

Commitment: means, for each prospective Shareholder, the maximum amount agreed to be contributed by such prospective Shareholder by way of subscription for Shares of any Class and any Compartment being commitment based pursuant to the terms and conditions set out in the Articles and this Offering Memorandum;

Company: means BLME Sharia'a Umbrella Fund SICAV-SIF;

Compartment(s): means (i) the \$ Income Fund, (ii) the Light Industrial Building Fund, (iii) the Global Sukuk Fund and (iv) any other compartment as created by the General Partner from time to time in the Company;

Compartment Supplement: means the terms and conditions applying to a given Compartment in existence in the Company, as set out in the relevant Compartment Supplement and as may be amended from time to time;

CSSF: means the Commission de Surveillance du Secteur Financier, the financial supervisory authority in Luxembourg;

Custodian: means Banque et Caisse d'Épargne de l'État, Luxembourg, an autonomous public establishment (*établissement public autonome*) incorporated and having its statutory seat in Luxembourg and its office at 1, place de Metz, L-2954 Luxembourg, acting as custodian, domiciliary agent and paying agent of the Company;

Custodian Agreement: means the custodian bank and services agreement to be entered into between the Custodian and the Company;

Deadline: means 3.00 p.m. in Luxembourg on the Business Day preceding the Valuation Day;

Euro, EUR or € means the legal currency of the countries participating in the European Economic and Monetary Union;

Foreign Exchange or FX: means a system of trading in and converting the currency of one country into that of another;

FSMA: means the United Kingdom Financial Services and Markets Act 2000;

FT: means the Financial Times;

General Partner: means BLME Umbrella Fund Management S.à r.l., having its registered office at 2, place de Metz, L-1930 Luxembourg;

Global Sukuk Fund: means the BLME Sharia'a Umbrella Fund SICAV-SIF - Global Sukuk Fund;

Hedging: means an investment made in order to reduce the risk of adverse price movement in a Sharia'a compliant security, by taking an offsetting position in a related Sharia'a compliant security;

Ijara: means the leasing of assets in return for the payment of rent by the party that has use of that asset, the latter usually referred to as a lessee. Ijara financing is commonly used for funding asset acquisitions, Sukuk issues and project finance. Underlying assets include e.g. real estate, general equipment, machinery, vehicles, vessels and aircraft;

Income Compartment(s): means the \$ Income Fund, Global Sukuk Fund and any other compartment as created by the General Partner from time to time in the Company relating to income funds or money market assets;

Income Shares: means Shares in respect of which income is distributed periodically to Shareholders;

Indemnified Person: has the meaning ascribed to it in section 13;

Initial Offer Price: means such fixed price per Share as set out in the relevant Compartment Supplement in respect of the relevant Class of each Compartment;

Institutional Investors: the institutional investors, as defined by guidelines or recommendations issued by the CSSF from time to time;

LIBOR: means the three (3) month London Interbank Offering Rate (LIBOR) for any given currency, payable on the first Business Day of every month;

Light Industrial Building Fund: means the BLME Sharia'a Umbrella Fund SICAV-SIF - Light Industrial Building Fund;

List: means the list of illiquid Sukuk established and maintained by the Valuation and Impairment Committee;

Luxembourg Commercial Companies Law: means the Luxembourg law dated 10 August 1915 on commercial companies, as amended;

Luxembourg Register: means the Luxembourg Register of Trade and Companies;

Management Fee: means the annual fee (based on NAV) which shall be accrued weekly and paid quarterly in arrears to the General Partner as set out in the relevant Compartment Supplement. In case the investments made by a particular investor in several classes of a particular Compartment are exceeding a specific threshold as per the relevant Compartment Supplement and that no redemptions are expected immediately, these investments will be subject to the lower management fee amongst the classes invested by the particular investor as appropriate, and in consideration of equal

treatment of shareholders. This process will be ratified by the General Partner and can be reversed should redemptions affect the thresholds.

Management Share: means the sole unlimited share in the Company, to be offered exclusively to the General Partner and having the characteristics and carrying the rights and obligations as set out in the Articles;

Maximum Fund Size: means the maximum size of any individual Compartment, if any;

Mémorial C: means the Luxembourg gazette or Mémorial C Recueil des Sociétés et Associations;

Minimum Holding: means the minimum investment permitted to be made in any given Class of any Compartment at any given time, the value of which, in respect of each Class, is outlined in the relevant Compartment Supplement;

Murabaha or Commodity Murabaha: means a contract for the sale of assets with an agreed profit mark-up on the cost and a deferred payment;

NAV or Net Asset Value: means the net asset value per Share of the relevant Class of each Compartment as determined on the relevant Valuation Day;

Non-Qualified Person: means any person, firm or corporate body in breach of any law or requirement of any country (including any anti-money laundering provisions) or governmental authority and any person which is not qualified to hold Shares by virtue of such law or requirement or if in the opinion of the General Partner acting for and on behalf of the Company such holding may be detrimental to the Company;

Offer Price: means the price at which each Share of the relevant Class within the relevant Compartment is issued, being (i) during the period preceding the first NAV calculation of a specific Compartment, the Initial Offer Price, and (ii) as from the first NAV calculation, the applicable NAV per Share;

Offering Memorandum: means this offering memorandum of the Company, as amended from time to time;

Other Well Informed Investor: means any investor who:

has confirmed in writing that he adheres to the status of a Well Informed Investor; and

- i) invests a minimum of EUR 125,000 (or its foreign currency equivalent) in the Company; or
- ii) has obtained an assessment made by:
 - A) a credit institution within the meaning of Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions;
 - B) an investment firm within the meaning of Directive 2004/39/EC on markets in financial instruments; or
 - C) a management company within the meaning of the UCITS Directive;

certifying his expertise, his experience and his knowledge in adequately appraising an investment in a SIF;

Party(ies) to co-managed assets: has the meaning ascribed to it in section 8;

Performance Fee: means the performance fee which shall be calculated and paid in arrears to the General Partner, as set out in the relevant Compartment Supplement;

Professional Investor: means investors who qualify as professional investors under Annex II of Directive 2004/39/EC on investment services and regulated markets as amended;

Recommendations: means the recommendations issued by the Valuation and Impairment Committee as described in section 2.3 of this Offering Memorandum;

Redemption Form: means the form to be submitted by a Shareholder on redemption of Shares, as determined by the General Partner;

Reference Currency: means the currency in which a Compartment is denominated;

Regulated Market: means a regulated market according to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EC (“MiFID Directive”). A list of regulated markets according to MiFID Directive is regularly updated and published by the European Commission;

Relevant Persons: means persons who are of a kind to whom the Company may lawfully be promoted under the FSMA (Promotion of Collective Investment Schemes (Exemptions)) Order 2001 or Chapter 4.12.1 of the Conduct of Business Rules published by the Financial Services Authority of the United Kingdom;

S. A.: means a société anonyme or a Luxembourg public limited liability company;

S. à r. l.: means a société à responsabilité limitée, or a Luxembourg private limited liability company;

Share(s): means the existing fully paid-up Shares without par value of any Class and any Compartment as well as any future Shares of any Class to be created, if any, within any Compartment, unless the context requires otherwise and shall, for the avoidance of doubt, include any fractions of Shares issued to three (3) decimal places as set out in section 5 above;

Shareholder: means a holder of Shares in a Compartment who is recorded as such in the Company’s share register;

Sharia’a: means the principles and parameters of Islamic law as interpreted by the Company’s Sharia’a Supervisory Board;

Sharia’a Supervisory Board: means the Sharia’a supervisory board created and appointed by the General Partner and responsible for compliance by the Company with Sharia’a law;

SIF: means a specialised investment fund submitted to the SIF Law;

SIF Law: means the Luxembourg law dated 13 February 2007 relating to specialised investment funds as amended;

Sub-Custodian(s): means any sub-custodian appointed at the sole discretion of the Custodian to whom the Company's assets may be entrusted;

Sukuk: means certificates (usually referred to as Islamic bonds) that reflect participation rights in an underlying asset. Sukuk are asset based securities. Their profit is calculated according to the performance of the underlying assets or projects. Their structure is designed around a special purpose vehicle, set up to acquire assets and to issue financial claims on such assets. These financial claims represent a proportionate beneficial ownership for a defined period when the risk and the return associated with cash-flows generated by an underlying asset is passed to a Sukuk holder. Sukuk are a very popular funding and investment tool;

Trade Receivables: means amounts owing for goods or services supplied to a customer, for which the customer has a contractual obligation to pay. These obligations are evidenced by invoices, bills of exchange, letters of credit, and other such documents used for formalising such obligations. The supplier is financed by means of an agency contract between the Company on behalf of the Compartment and BLME. Agency fees will be payable to BLME. The relevant counterparties or their guarantor will either (i) be investment grade (being rated a minimum of BBB- by S&P or Fitch, or Baa3 by Moody's) or (ii) the underlying trades will benefit from trade insurance from an investment grade insurance company;

Transfer Form: means the form to be submitted by a Shareholder on a transfer of Shares, as determined by the General Partner;

UCITS Directive: means the directive of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);

United Arab Emirates or UAE: means the United Arab Emirates, comprising the seven (7) emirates of Abu Dhabi, Ajman, Dubai, Fujairah, Ras al-Khaimah, Sharjah and Umm al-Quwain;

United Kingdom or UK: means the United Kingdom of Great Britain and Northern Ireland;

United States or US: means the United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;

US Dollars or US\$ or \$: means the currency of the United States from time to time;

\$ Income Fund: means the BLME Sharia'a Umbrella Fund SICAV-SIF - \$ Income Fund;

US Investment Fund Act: means the United States Investment Fund Act of 1940;

US Person: means a citizen or resident of the United States, a corporation, partnership or any other entity created in or under the laws of the United States or any person falling within the definition of the term "United States Person" under the US Securities Act;

US Securities Act: means the United States Securities Act of 1933;

Valuation and Impairment Committee: means the valuation and impairment committee as described in section 2.3 of this Offering Memorandum;

Valuation Day: means a day as of which the Net Asset Value per Share of any Class of any Compartment is calculated, as more fully described under each supplement except during periods of suspension of the calculation of the NAV pursuant to section 9;

Wa'ad: means a promise or a unilateral undertaking. It is adopted in Sharia'a compliant financial products to achieve different purposes. It is commonly used in Hedging, Murabaha and the exposure of assets denominated in a different currency to the Reference Currency;

Wakala: means an agency contract, which usually includes in its terms a fee for the expertise of the agent. When used in the context of deposit accounts, a shareholder pays a fee in return for the expert management of its capital;

Well Informed Investor: means

- (i) an Institutional Investor;
 - (ii) a professional Investor; or
 - (iii) any other investor who has confirmed in writing that he adheres to the status of a Well Informed Investor; and
- i) invests a minimum of EUR 125,000 (or its foreign currency equivalent) in the Company; or
 - ii) has obtained an assessment made by:
 - A) a credit institution within the meaning of Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions;
 - B) an investment firm within the meaning of Directive 2004/39/EC on markets in financial instruments; or
 - C) a management company within the meaning of the UCITS Directive; certifying his expertise, his experience and his knowledge in adequately appraising an investment in a SIF.

The conditions set forth in article 2 of the SIF Law are not applicable to the directors and other persons who intervene in the management of the Company.

18. Governing Law

This Offering Memorandum shall be governed by the laws of Luxembourg.

The governing language of this Offering Memorandum shall be English.

SUPPLEMENTS

Compartment 1: \$ Income Fund

This Supplement must be read in conjunction with the Company's Offering Memorandum.

1. Investment Objectives:

The objective of this Compartment is to provide more cautious Shareholders with an optimum mix of return, liquidity and security.

2. Investment Policy:

- a. Benchmark: 3 Month \$ LIBOR.
- b. Target Return: A net return of Benchmark + 1 per cent per annum.
- c. Investments: Murabaha; Murabaha via Trade Receivables;
Wakala;
Sukuk;
Ijara;
Other Sharia'a compliant funds;
Other Sharia'a compliant instruments.
- d. Hedging: Wa'ad;
Other Sharia'a compliant instruments.

3. Additional Investment Restrictions:

- a. The Compartment shall not borrow;
- b. Trade Receivables shall not be more than 20 % of the Compartment's net assets; and
- c. The credit risk to any one counterparty shall not be more than 30% of the Compartment's net assets, unless relating to cash (in exceptional circumstances).

4. Risk Profile:

This Compartment is judged to have Low Risk.

Investors should refer to the Risk Factors set out in the Company's Offering Memorandum.

5. Profile of a Typical Investor:

The Compartment is suitable for money market and fixed income investors.

6. General Information:

- a. Offer Price: 1,000 (stated in the same currency as the relevant class) on the launch date and thereafter the NAV.
- b. Launch Date: 17 March 2009.
- c. Reference Currency: US \$ ("\$").
- d. Term: Unlimited.
- e. Asset Manager: Bank of London and The Middle East PLC.
- f. Valuation Days: Each Business Day.

- g. Subscriptions: Daily; Application Forms required by the Deadline.
- h. Redemptions: Daily; Redemption Forms required by the Deadline.
The General Partner shall not be bound to redeem on a single Valuation Day more than five per cent of the Shares in issue. In rare cases where the General Partner deems it to be in the interests of the Shareholders, any Redemption Forms delivered in respect of Shares in excess of this five per cent limit may be held over to the next available Valuation Day on which such limit is not breached.
- i. Deadline: 3:00 p.m. in Luxembourg on the Business Day preceding the Valuation Day.

7. Share Classes (minimum and maximum sizes):

- | | | |
|----------------------|----------|-----------------------|
| a. \$ Accumulation: | Class A: | up to \$9,999,999 |
| | Class B: | over \$10,000,000 |
| | Class C: | no minimum or maximum |
| b. \$ Income: | Class D: | up to \$9,999,999 |
| | Class E: | over \$10,000,000 |
| | Class F: | no minimum or maximum |
| c. £ Accumulation: | Class G: | up to £9,999,999 |
| | Class H: | over £10,000,000 |
| | Class I: | no minimum or maximum |
| d. £ Income: | Class J: | up to £9,999,999 |
| | Class K: | over £10,000,000 |
| | Class L: | no minimum or maximum |
| e. € Accumulation: | Class M: | up to €9,999,999 |
| | Class N: | over €10,000,000 |
| | Class O: | no minimum or maximum |
| f. € Income: | Class P: | up to €9,999,999 |
| | Class Q: | over €10,000,000 |
| | Class R: | no minimum or maximum |
| g. AUD Accumulation: | Class S: | up to AUD9,999,999 |
| | Class T: | over AUD10,000,000 |
| | Class U: | no minimum or maximum |
| h. AUD Income: | Class V: | up to AUD9,999,999 |
| | Class W: | over AUD10,000,000 |
| | Class X: | no minimum or maximum |

The minimum SIF requirements for Well-Informed Investors are applicable.

8. Management Fees (per annum):

- | | | |
|---------------------|----------|------------------|
| a. \$ Accumulation: | Class A: | 0.5% (50 bp) |
| | Class B: | 0.375% (37.5 bp) |
| | Class C: | 0.75% (75 bp) |
| b. \$ Income: | Class D: | 0.5% (50 bp) |
| | Class E: | 0.375% (37.5 bp) |
| | Class F: | 0.75% (75 bp) |
| c. £ Accumulation: | Class G: | 0.5% (50 bp) |
| | Class H: | 0.375% (37.5 bp) |
| | Class I: | 0.75% (75 bp) |

d. £ Income:	Class J:	0.5% (50 bp)
	Class K:	0.375% (37.5 bp)
	Class L:	0.75% (75 bp)
e. €Accumulation:	Class M:	0.5% (50 bp)
	Class N:	0.375% (37.5 bp)
	Class O:	0.75% (75 bp)
f. €Income:	Class P:	0.5% (50 bp)
	Class Q:	0.375% (37.5 bp)
	Class R:	0.75% (75 bp)
a. AUD Accumulation:	Class S:	0.5% (50 bp)
	Class T:	0.375% (37.5 bp)
	Class U:	0.75% (75 bp)
b. AUD Income:	Class V:	0.5% (50 bp)
	Class W:	0.375% (37.5 bp)
	Class X:	0.75% (75 bp)

In case the investments made by a particular investor in several classes of a particular Compartment are exceeding a specific threshold as per the relevant Compartment Supplement and that no redemptions are expected immediately, these investments will be subject to the lower management fee amongst the classes invested by the particular investor as appropriate, and in consideration of equal treatment of shareholders. This process will be ratified by the General Partner and can be reversed should redemptions affect the thresholds.

9. Performance Fees:

None.

10. Subscription Fees:

None.

11. Other Fees:

The fees and charges of the Domiciliary Agent, Custodian, Paying Agent, Administrative Agent, Registrar and Transfer Agent are paid out monthly on the basis of the net assets of the Compartment and will conform to current market practice from time to time.

Compartment 2: Light Industrial Building Fund

This Supplement must be read in conjunction with the Company's Offering Memorandum.

1. Compartment:

The Compartment exists under the denomination: "Light Industrial Building Fund".

2. Profile of a Typical Investor:

The Compartment is intended for investors seeking exposure to the UK property market and in particular the light industrial buildings sector over the next five years. All investors must qualify as "Well Informed Investors" as per article 2 of the SIF Law.

3. Investment Objectives:

To achieve a cash-on-cash yield of 8% per annum and a target IRR of between 10% and 15% by acquiring high yielding portfolios of UK light industrial buildings. The intention is to create a portfolio of investment properties to be held via wholly owned and controlled special purpose entities.

4. Sector Overview:

The light industrial buildings sector is a £30 billion sector in the UK and is characterised by small and medium sized companies renting industrial units for warehousing, storage, light assembly, printing and distribution activities. The UK's smaller manufacturers have recently performed well, according to the CBI SME Survey in July 2010, and often such businesses play an important part in helping economies to emerge from recession.

The sector has achieved high historical returns. From December 1986 to December 2009, the IPD Monthly Index shows the total return of the industrial sector at 10.8% per annum compared with 8.5% for the retail sector and 7.8% for offices. Moreover, the industrial sector performed best in the recent downturn and in the 1990's downturn, with lower volatility than retail and offices.

The superior returns can be attributed in part to the higher income characteristics of the sector. At the end of June 2010, the IPD Industrial Sector Index had an initial yield of 7.21% compared with 6.15% in the retail sector and 6.65% in the office sector.

Light industrial buildings have a low obsolescence risk and have not changed materially in design for 20-30 years. There is little fitting out required to attract new tenants. In addition, many buildings are located at edge of town sites where alternative use opportunities can be explored.

The Asset Manager is also of the opinion that the industrial sector also offers other important investment benefits. The average lot size is less than in other sectors, offering greater scope for diversification of tenant risk and reducing the capital required to create a well balanced portfolio. Industrial assets are also well suited to the application of asset management techniques. The occupational requirements of a diverse set of tenants changes regularly, providing the landlord with opportunities to improve the tenant mix or increase space utilisation. Additionally, industrial estates sometimes have change of use potential, whereby rent levels can be increased and occasionally (particularly on edge of town locations) residential development is possible, which can generate windfall gains.

Current pricing in this sector is considered attractive with high yields available on many types of industrial assets. There remains the risk of tenant default, but good stock selection, careful diversification and proactive management mitigate these risks.

Light industrial property values are lower than they were 2-3 years ago, and such buildings can now often be acquired at less than replacement value. Yields are therefore currently attractive and represent a good investment opportunity in the current environment. Accordingly, such investments are considered under priced relative to their long term value, largely because investor demand has been narrowly focussed on prime assets. Furthermore, the reduction in levels of development in the sector along with recent UK economic growth data gives some support to the prospects for rental growth in future. Some market commentators therefore consider that these market conditions create the opportunity to acquire industrial assets which could generate good returns for investors.

5. Investment Policy:

The Compartment will invest in light industrial buildings and distribution warehouses located in Great Britain.

The Compartment will provide direct equity and Sharia'a compliant leverage to intermediate special purpose acquisition and financing vehicles (**SPVs**) which will acquire light industrial buildings and distribution warehouses.

The Compartment will generally target buildings with tenants that are small or medium sized companies that lease space in these units for periods typically of between 5 and 10 years, although some tenants can be of a more substantial nature, or be within a larger corporate group. £100 million of assets might comprise property let to up to 200 tenants, thereby providing strong tenant diversification.

Dividends will be paid quarterly on the Class A Shares, subject to the availability of freely distributable cash proceeds. Dividends will not be paid to investors during the Offer Period (as defined below).

6. Investment Restrictions:

The Compartment, directly and/or indirectly at SPVs level, as applicable shall not:

- have an external gearing level in excess of 60% of the gross value of the assets owned by the SPV;
- when fully invested, have an exposure to any single property or counterparty exceeding 30% of gross assets;
- acquire any properties used for activities that are repugnant to Sharia'a;
- benefit from any entitlement to recover interest from any third party; and
- borrow at interest from a third party, though the SPV may enter into Sharia'a compliant leverage arrangements with third parties and connected parties.

The Compartment expects to be fully invested within 2 years from its launch.

7. Property Advisor:

The Asset Manager will appoint COBA Asset Management Limited as property advisor to the Compartment. COBA Asset Management Limited is an established property asset manager and advisor. It has a highly experienced investment management team who have acquired and managed a wide range of commercial assets including portfolios of light industrial estates and distribution warehouses.

The Asset Manager will work closely with COBA Asset Management Limited to identify, assess and recommend to the General Partner assets in the light industrial building sector. COBA Asset Management Limited is able to manage the Compartment's investment portfolio efficiently and will provide value-added services by, for example, lease renegotiation, extension and tenant replacement.

COBA Asset Management Limited is headed up by Graham Gould and Mickola Wilson. Graham Gould has 25 years of experience in the UK commercial property sector. Mickola Wilson was formerly CEO of Teesland Plc which, when sold in 2007, had assets under management of more than £5 billion. Teesland specialised in the light industrial sector and has £700 million invested in this sector in the UK and €1.3 billion on Europe.

COBA Asset Management was founded in 2002 and now has a staff of 10 based in London. Since inception, the company has transacted over £1 billion of investments, and has assets under management of £150 million.

8. General Terms:

The before going terms and conditions are completed as follows:

Offer:	The General Partner is seeking aggregate subscription commitments from investors of approximately £100 million.
Share Classes:	The General Partner will issue one Share Class only: Class A Share. All Class A Shares will be issued as distributing shares.
Minimum subscription commitment:	The General Partner will only accept subscription commitments for Class A Shares of the Pound Sterling equivalent amount of at least EUR 125,000 provided that the General Partner may accept subscriptions for lesser amounts where the investor qualifies as Institutional Investors..
Drawdowns:	Investor subscription commitments will be drawn down at the General Partner's discretion in one or several tranches, subject to a queuing process, if any. Upon receipt of a capital call notice, investors will be required to pay the amounts requested within ten (10) business days. Shares may only be issued upon a confirmation of receipt of the subscription monies. The General Partner may organize drawdowns for investment purposes or to pay organizational expenses, operational expenses or any other fees and expenses of the Compartment, or for working capital purposes. Each Drawdown shall be equal to a percentage of the undrawn commitments of each investor, such percentage being identical for all investors.
Launch Date	18 th August 2011
Offer Period:	The Compartment will remain open for subscription commitments for six (6) months after the launch date, with the option to remain open for an extended period at the discretion of the General Partner provided that the last closing shall take place by the latest on March 31, 2013
Reference Currency:	£ Sterling ("£" or "GBP").
Initial Offer Price:	£1,000 on the initial closing date for all Class A Shares. The General Partner will issue Class A Shares within the limits of existing subscription commitments.

Further Closings:	Investors admitted after the initial closing will participate in the Compartment's investments (if any) made before the date of their admission. Such investors will pay a late entry subscription premium taking into account net rental income flows at property levels between the initial closing date and the date of their admission and drawdowns. The subscription commitment of the investors admitted after the initial closing will be reduced by an amount equal to the late entry fee premium due by such investor and as a result, the actual subscription commitment of each such investor used as a reference to ensure that all investors are drawn down pro rata will be such reduced commitment. Any subscription premium will be assessed <i>pro rata</i> to the amount of capital drawn down as well as <i>pro rata temporis</i> .
Defaulting investor:	If an investor does not honour a capital call notice within the timeframe indicated therein, such investor may, in addition to any statutory remedies available to the General Partner, have to pay, at the discretion of the General Partner, a late payment amount of 8.00% p.a. on the default amount. Such late payment amount shall be used to pay any actual costs incurred by the General Partner (not to include the cost of funding or any opportunity cost) as a result of the failure of the investor to honour a capital call notice on time. The remaining sum of the late payment amount shall be donated on behalf of the investor and in accordance with the guidelines set by the Sharia'a Supervisory Board to charity.
Term of the Compartment:	Five (5) years from the Launch Date, with an extension of up to two (2) years to facilitate an orderly liquidation of the Compartment's investments.
Asset Manager:	Bank of London and The Middle East PLC
Property Advisor:	COBA Asset Management Limited.
Redemptions:	The Compartment is closed-ended and does not redeem Class A Shares at the request of any Class A shareholders. However the General Partner may resolve to redeem and cancel Class A Shares at its discretion in order to distribute realisation proceeds.
Property Valuations:	Each property will be valued at least once per year by an independent expert of national or international reputation and particular experience in the field of valuation of real estate. The General Partner has selected the UK office of GVA Grimley Limited. Any replacement will have to comply with the foregoing requirements.
NAV Valuation Days:	March 31, June 30, September 30 and December 31 and any other date determined by the General Partner.
Valuation Standards:	All assets will be valued at fair value as determined in good faith by the General Partner reasonably having regard to the independent valuation using applicable market standards as applied from time to time such as, in respect of real estate assets, the Red Book valuation standards and principles established by the Royal Institute of Chartered Surveyors (RICS) obtained no earlier than 12 months prior to the date of such determination.

Distributions:	Dividends will be paid quarterly, subject to the availability of freely distributable cash proceeds. Dividends will not be paid to investors during the Offer Period.
Subscription fee:	Up to 2.00% of each investor's subscription commitment (excluding a late entry subscription premium, if applicable) upon admission into the Compartment and payable to the Asset Manager, in addition to each prospective investor's subscription commitment.
Management Fee:	1.25% per annum of the gross value of the properties acquired, paid quarterly in arrears to the Asset Manager, who will share these proceeds with the Property Advisor.
Other fees and costs:	The fees and costs, including those of the Domiciliary Agent, Custodian, Paying Agent, Administrative Agent, Auditor, Registrar and Transfer Agent, plus any operational expenses including the cost of acquisitions that do not proceed will be paid by the Compartment or the SPV and will conform to current market practice from time to time.
Property Acquisition fee:	1.00% on the purchase price of each property acquired, exclusive of stamp duty and land tax (SDLT) and other acquisition costs, whereby 0.5% will be payable to the Asset Manager and 0.5% will be payable to the Property Advisor.
Promote:	<p>All income and realisation proceeds will, after satisfying any expenses and liabilities of the Company and the Compartment, be distributed in the amounts and order of priority as set out below:</p> <p>a) first, 100% to each Class A shareholder until each Class A shareholder has received distributions which in aggregate equal the following (to the extent not previously distributed):</p> <p>(i) amounts drawn down from each such Class A shareholder; and</p> <p>(ii) a preferred return on amounts in (i) above calculated at the rate of 8.00% per annum compounded annually on the amount of each such shareholder's aggregate capital contributions that has been drawn down and that remain outstanding from time to time;</p> <p>b) second, 80% to all Class A shareholders and 20% to the Asset Manager.</p> <p>The amounts payable to the Asset Manager is the Promote. The Promote will only be payable at the end of the Term of the Compartment. The Promote will be shared between the Asset Manager and the Property Advisor.</p>
Reports:	The General Partner will furnish audited financial statements annually to all shareholders within 180 days of the end of the fiscal year. The annual report will be prepared in accordance with the statutory provisions of Luxembourg law relating to specialised investment funds and will include a report on the activities of the past financial year as well as a summary description of new acquisitions and dispositions, if any.

Transfers:	All Share transfers are subject to the prior consent of the General Partner, which may not be unreasonably withheld. Share transfers will be subject to the transfer of any undrawn subscription commitment, unless otherwise agreed with the General Partner. The assignment of an undrawn commitment shall be subject to a show of evidence of the creditworthiness of the potential transferee.
Information available:	<p>Copies of the Compartment documentation and the latest financial reports as well as any further documents and/or reports in respect of the Compartment may be obtained free of charge during office hours at the registered office of the General Partner, the Administrator or the Asset Manager by the Compartment's shareholders with evidence of their standing.</p> <p>The net asset value per share will be available for each Valuation Date at the registered office of the General Partner and the Custodian.</p>

9. Risk Profile:

This Compartment is judged by the Asset Manager to have medium risk. The principal risks within this Compartment are:

- General UK Real Estate Risks.** The value of real estate investments in the UK is subject to various general risk factors, including (a) the national and local economic climate and real estate conditions, such as oversupply or reduced demand for light industrial space (b) the perceptions of prospective buyers of the attractiveness of the properties (c) the ability of BLME and COBA to perform their duties (d) increases in costs associated with investment in real estate, such as financing costs, property taxes, insurance and maintenance costs (e) catastrophic losses caused by civil unrest or other natural and human disasters not fully covered by insurance and (f) material liability under UK environmental laws for known or unknown violations of such laws. The value and financial performance of the properties may also be affected by the increased development of light industrial buildings generally, competitive pressure by other participants in this market, changing business patterns and changes in confidence in the real estate market generally. There are risks that occupants may be unable to meet their obligations or that the relevant buildings would not be leased on economically favourable terms.
- Nature of the Investment.** The property investments described in this Supplement are intended for sophisticated investors who are able to bear the risks associated with a medium term real estate investment that will be illiquid until the properties have been sold. Investors will have no guarantee of any profit, cash distributions or return of capital invested. The marketability and value of the properties to be acquired is not assured and will depend on many factors beyond the control of the Compartment.
- Limited Transferability of the Shares.** There is no public market for the Shares and none is expected to develop. An investment in the Shares of the Compartment is not liquid. In addition, the transfer of Shares is subject to certain restrictions set out in this Supplement.

- **Currency Exchange Risk.** The Shares of the Compartment are denominated in £ Sterling, and all payments to be made or received in relation to the Shares will be in £ Sterling. Prospective investors whose assets and liabilities are denominated predominantly in currencies other than £ Sterling should take into account the potential risk of loss arising from fluctuations in value between the Reference Currency and other currencies.
- **Leverage.** The Compartment is subject to the risks associated with Sharia'a compliant leverage financing, including the risks that available funds will be insufficient to meet required payments. The Sharia'a compliant leverage of the Compartment and/or the relevant SPV is likely to be secured by real estate owned by such SPV or related collateral. As is the case in such secured financings, to the extent the SPV(s) is/are unable to meet required payments, pledged assets (which may be the Compartment assets generally and may not be limited to any particular asset, such as the asset representing the investment giving rise to the liability) could be transferred to the provider of the financing with a consequent loss of such assets.
- **Taxation.** The Compartment has been structured in a manner that is intended to be tax efficient. There is no guarantee, however, that any particular tax result will be achieved. A prospective investor should consult his or her own professional advisors with respect to tax consequences to the prospective investor of an investment in the Compartment.

Investors should also refer to the Risk Factors set out in the Company's Offering Memorandum.

Compartment 3: Global Sukuk Fund

This Supplement must be read in conjunction with the Company's Offering Memorandum.

1. Investment Objectives:

The objective of this Compartment is to provide Shareholders with an optimum mix of return and liquidity.

2. Investment Policy:

- a. Benchmark: 3 Month \$ LIBOR
- b. Target Return: A net return of Benchmark + 5 per cent per annum
- c. Investments: Murabaha;
Murabaha via Trade Receivables;
Wakala;
Sukuk;
Ijara;
Wa'ad;
Other Sharia'a compliant funds;
Other Sharia'a compliant instruments.
- d. Hedging: Wa'ad;
Other Sharia'a compliant instruments

3. Additional Investment Restrictions:

- a. The Compartment shall not borrow; and
- b. Trade Receivables shall not be more than 20 % of the Compartment's net assets, and
- c. The credit risk to any one counterparty shall not be more than 30% of the Compartment's net assets, unless relating to cash (in exceptional circumstances).

4. Risk Profile:

This Compartment is judged to have Medium Risk by the Asset Manager.

Investors should refer to the General Investment Restrictions and Risk Factors set out in the Company's Offering Memorandum.

5. Profile of a Typical Investor:

The Compartment is suitable for fixed income investors who are willing to accept a higher level of risk in return for a higher yield.

6. General Information:

- a. Initial Offer Price: 1,000 (stated in the same currency as the relevant class)
on the launch date and thereafter the NAV

- | | |
|------------------------|--|
| b. Launch Date: | This Compartment was launched in May 2011. |
| c. Reference Currency: | US \$ (“\$”). |
| d. Term: | Unlimited. |
| e. Asset Manager: | Bank of London and The Middle East PLC. |
| f. Valuation Days: | Each Business Day. |
| g. Subscriptions: | Daily; Application Forms required by the Deadline. |
| h. Redemptions: | Daily; Redemption Forms required by the Deadline.
The General Partner shall not be bound to redeem on a single Valuation Day more than five per cent of the Shares in issue. In rare cases where the General Partner deems it to be in the interests of the Shareholders, any Redemption Forms delivered in respect of Shares in excess of this five per cent limit may be held over to the next available Valuation Day on which such limit is not breached. |
| i. Deadline: | 3:00 p.m. in Luxembourg on the Business Day preceding the Valuation Day. |

7. Share Classes (minimum sizes):

- | | | |
|----------------------|----------|------------|
| a. \$ Accumulation: | Class A: | No minimum |
| b. £ Accumulation: | Class B: | No minimum |
| c. € Accumulation: | Class C: | No minimum |
| d. AUD Accumulation: | Class D: | No minimum |

The minimum SIF requirements for Well-Informed Investors are applicable.

8. Management Fees (per annum):

- | | | |
|---------------------|----------|-------------|
| a. \$ Accumulation: | Class A: | 1% (100 bp) |
| b. £ Accumulation: | Class B: | 1% (100 bp) |
| c. € Accumulation: | Class C: | 1% (100 bp) |
| d. AUD Accumulation | Class D: | 1% (100 bp) |

In case the investments made by a particular investor in several classes of a particular Compartment are exceeding a specific threshold as per the relevant Compartment Supplement and that no redemptions are expected immediately, these investments will be subject to the lower management fee amongst the classes invested by the particular investor as appropriate, and in consideration of equal treatment of shareholders. This process will be ratified by the General Partner and can be reversed should redemptions affect the thresholds.

9. Performance Fees:

None.

10. Subscription Fees:

None.

11. Other Fees:

The fees and charges of the Domiciliary Agent, Custodian, Paying Agent, Administrative Agent, Registrar and Transfer Agent are paid out monthly on the basis of the net assets of the Compartment and will conform to current market practice from time to time.

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