



Emirates Global Sukuk Fund Limited
(the “Sub-Fund”)
a subsidiary
of
EMIRATES FUNDS LIMITED
(the “Fund”)

The Fund is an open-ended investment company incorporated in Jersey, Channel Islands

SUPPLEMENT
August 2014

This supplement relates to the following Share Classes of the Fund:

**Emirates Funds Limited Emirates Global Sukuk Fund Limited USD A Share Class
(Accumulation) “A Acc Share Class”**

**Emirates Funds Limited Emirates Global Sukuk Fund Limited EUR A Share Class
(Accumulation) “A EUR Share Class”**

**Emirates Funds Limited Emirates Global Sukuk Fund Limited USD A Share Class
(Income)
“A Inc Share Class”**

**Emirates Funds Limited Emirates Global Sukuk Fund Limited USD B Share Class
(Accumulation) “B Acc Share Class”**

**Emirates Funds Limited Emirates Global Sukuk Fund Limited USD B Share Class
(Income) “B Inc Share Class”**

**Emirates Funds Limited Emirates Global Sukuk Fund Limited USD C Share Class
(Accumulation) “C Acc Share Class” Emirates Funds Limited Emirates Global Sukuk Fund
Limited USD C Share Class
(Income) “C Inc Share Class”**

**Emirates Funds Limited Emirates Global Sukuk Fund Limited USD G Share Class
(Accumulation) “G Acc Share Class”**

**Emirates Funds Limited Emirates Global Sukuk Fund Limited USD G Share Class
(Income) “G Inc Share Class”**

**Emirates Funds Limited Emirates Global Sukuk Fund Limited USD Institutional Share
Class (Accumulation) “I Acc Share Class”**

**Emirates Funds Limited Emirates Global Sukuk Fund Limited USD Institutional Share
Class (Income) “I Inc Share Class” United Arab Emirates**

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Kingdom of Saudi Arabia

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United Kingdom

The Company is a collective investment scheme, as defined in the Financial Services and Markets Act 2000 (the “**FSMA**”). The Company will not be authorised or otherwise approved by the UK Financial Services Authority and, as an unregulated scheme, it cannot be marketed to the general public in the UK. Pursuant to the FSMA, the only categories of person in the UK to whom this Memorandum may be distributed and who may participate in the Company are “investment professionals”, as defined in Article 14 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001, who have professional experience of participating in unregulated schemes, and to whom unregulated

collective investment schemes can be marketed without contravening section 238(1) of the FSMA. Persons who do not have professional experience in participating in unregulated schemes should not rely on this Memorandum. Furthermore, the transmission of this Memorandum to any other person in the UK is unauthorised and may contravene the FSMA.

The Company and each of the Sub-Funds will be managed by the Manager, which is not authorised under the FSMA. The Company, the Manager, the Custodian are not authorised persons under the FSMA and the Company is not a recognised scheme under the FSMA. Shareholders are not protected by any statutory compensation scheme.

This document is for information purposes only. For UK purposes the Fund is an unregulated collective investment scheme (UCIS) and the promotion of a UCIS either within or from the UK is severely restricted by statute. Consequently this document is only made available to Professional Customers, Eligible Counterparties and Overseas Persons as defined by the Financial Services Authority (FSA) and to persons falling within the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions Order) 2001 and any other exemptions within the rules of the FSA

Singapore

The offer or invitation of the Participating Shares of the Sub-Fund of the Fund which is the subject of this Supplement, do not relate to collective investment schemes which are authorised under section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) or recognised under section 287 of the SFA. The Sub-Fund is not authorised or recognised by the Monetary Authority of Singapore (the “MAS”) and Participating Shares are not allowed to be offered to the retail public. Each of this Supplement and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This Supplement has not been registered as a prospectus with the MAS. Accordingly, this Supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Participating Shares may not be circulated or distributed, nor may Participating Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1) of the SFA, or any person pursuant to Section 305(2) of the SFA, and in accordance with the conditions specified in Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Participating Shares are subscribed or purchased under Section 305 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual, who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Participating Shares pursuant to an offer made under Section 305 except:

- (1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 305A(5) of the SFA; or
- (5) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

The offer of the Participating Shares is regulated by the Jersey Financial Services Commission (the “**JFSC**”) pursuant to the Collective Investment Funds (Jersey) Law 1988.

The Fund has appointed Emirates NBD Fund Managers (Jersey) Limited (the “**Manager**”) to be responsible for the overall management of the Fund’s affairs and the affairs of the Sub-Fund. The Manager is regulated by the JFSC.

State Street Custodial Services (Jersey) Limited is the Custodian and is regulated by the JFSC.

The contact details of the JFSC are as follows:

Address: PO Box 267, 14-18 Castle Street, St Helier, Jersey, JE4 8TP, Channel Islands

Telephone No.: +44 (0) 1534 822000

Facsimile No.: + 44 (0) 1534 822047

Information on the past performance of the Sub-Fund may be obtained from the Manager or the Delegate Investment Manager.

The Delegate Investment Manager may, at its discretion, enter into side letters with separate fee terms with specific investors on a case by case basis, however any fees to be paid under such terms would be paid out of the fees due to the Delegate Investment Manager and would not affect any amounts charged by the Sub-Fund to the relevant investor, as stated under this Prospectus.

This Supplement contains specific information in relation to the I Acc, I Inc, A Acc, A EUR, A Inc, B Acc, B Inc, C Acc, C Inc, G Acc and G Inc Share Classes of the Sub-Fund. The Supplement forms part of and must be read in the context of and together with the Prospectus of Emirates Funds Limited dated August 2014 (the “**Prospectus**”). Terms not otherwise defined in this Supplement shall have the meanings given to them in the Prospectus.

Prospective investors should be aware that investment in the Fund carries a significant degree of risk. Investment in the Fund is only suitable for investors who understand the risks involved in investing in the Fund and can withstand any loss there from. Prospective investors are referred to section 19 hereof and section 12.1 of the Prospectus for a summary of certain risks involved.

This Supplement must also be read in conjunction with the Prospectus of the SICAV dated 1 May 2014 (the “**SICAV Prospectus**”).

Investors should note that the price of Participating Shares may go down as well as up and that investors may not receive, on redemption of their shares, the amounts that they invested. If you are in any doubt about the contents of this Supplement or the Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. This supplement should also be read in conjunction with the latest fact sheet for the Sub-Fund, which provides the most up-to-date performance data.

For the avoidance of doubt, this Supplement replaces the previous supplement relating to the Sub-Fund dated July 2013.

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1. DEFINITIONS

Business Day	means any weekday on which banks in Jersey, Channel Islands, Ireland and Luxembourg are open for normal business. For the avoidance of doubt, if any or more of these territories are closed, the day shall not be considered a Business Day for the purposes of subscription, redemption or conversion of shares.
Fund	means Emirates Funds Limited.
Distribution	means the day on which periodic income distributions are declared by the Sub-Fund. Income distributions will be made every six months, following the launch of the Sub-Fund. For avoidance of doubt, the first distribution will be made in June 2010.
Mudarabah	means a Shari'a compliant form of business contract in which one party brings capital and the other personal effort.
Murabaha	means a Shari'a compliant contract of sale between the bank and its client for the sale of goods at a price plus an agreed profit margin for the bank.
Net Asset Value or NAV	means the NAV of the Fund, a Sub Fund or of the Participating Shares (or any class thereof) within a Sub Fund as the context may require.
Redemption Day	means such Business Days as are specified in this Supplement relating to each Share Classes or such other Business Day or Business Days as may be agreed between the Directors from time to time.
Luxembourg Sub Fund	the Emirates Global Sukuk Fund which is a sub-fund of SICAV and has its registered office at 49 avenue J.F. Kennedy, L-1855 Luxembourg.
Share Classes	means each class of Participating Shares in the Sub-Fund. Details of the individual share classes will be set out in this Supplement.
SICAV	Emirates NBD SICAV, an investment company organised as a société anonyme under the laws of the Grand Duchy of Luxembourg, which qualifies as a SICAV and is incorporated under the Law of 2010 and listed on the official list of UCITS, authorised under Part I of the Law of 2010,

with its registered office at 49 avenue J.F. Kennedy, L-1885 Luxembourg.

Subscription Day	means such Business Days as are specified in this Supplement relating to each Share Classes or such other Business Day or Business Days as may be agreed between the Directors from time to time.
SPV	means a special purpose vehicle established for the purpose of holding specific assets of the Sub-Fund and ‘SPVs’ shall be construed accordingly.
Sub-Fund	means the Emirates Global Sukuk Fund Limited.
Sukuk	means an asset backed, Shari’a compliant investment instrument.
Valuation Point	The Valuation Point to be used will be at 10.00 am on the Valuation Day or the last available published prices will be used, whichever is later. .
Wakala	means a Shari’a compliant contract of agency in which one person appoints someone else to perform a certain task on his behalf.

Unless the context otherwise requires and except as defined herein, words and expressions in this Supplement shall have the same meaning as in the Articles of Association of the Fund. The Articles of Association of the Fund are available from Emirates NBD Asset Management Limited (“**Emirates NBD AM**”) on request and should be read in conjunction with the Fund’s Prospectus and this Supplement.

2. SUB-FUND DIRECTORY

The Sub-Fund

Emirates Global Sukuk Fund Limited
Lime Grove House,
Green Street,
St Helier,
Jersey,
JE1 2ST

Registered Office

Lime Grove House,
Green Street,
St Helier,
Jersey,
JE1 2ST

Sub-Fund Board of Directors

Mark Creasey
Gary Clark
David Marshall
Faisal Aqil

Manager

Emirates NBD Fund Managers
(Jersey) Limited
Lime Grove House,
Green Street,
St Helier,
Jersey,
JE1 2ST

Administrator, Secretary and Registrar

State Street Fund Services (Jersey) Limited
Lime Grove House,
Green Street,
St Helier,
Jersey,
JE1 2ST

Custodian

State Street Custodial Services (Jersey) Limited
Lime Grove House,
Green Street,
St Helier,
Jersey,
JE1 2ST

Discretionary Investment Manager

Emirates NBD Bank PJSC
Baniyas Road
PO Box 777
Deira
Dubai
United Arab Emirates

Delegate Investment Manager

Emirates NBD Asset Management Limited
8th Floor East Wing
DIFC – The Gate Building
PO Box 506578
Dubai
United Arab Emirates

Auditor

Ernst & Young LLP
Liberation House
Castle Street
St. Helier, Jersey JE1 1EY
Channel Islands

Legal Adviser as to Jersey Law

Voisin Advocates, Solicitors & Notaries Public
37 Esplanade
St Helier
Jersey
JE1 1AW

Shari'a Board

Fatwa and Shari'a Supervisory Board Emirates NBD
Asset Management Limited
Dr Hussein Hamid Hassan
Dr Ojeill Jassim AlNashmi
Dr Ali Al-Qurra Daghi

3. INTRODUCTION

Emirates Global Sukuk Fund Limited is a sub-fund of Emirates Funds Limited. Emirates Funds Limited (the “**Fund**”) is an open ended investment company registered with limited liability in Jersey on 9th June 2005. The Fund is governed by the Collective Investment Funds (Jersey) Law, 1988, as amended and the subordinate legislation made there under. The Fund was originally authorised by the Jersey Financial Services Commission as an expert fund in accordance with Jersey’s expert fund guidelines and has subsequently been approved as an Unclassified Fund by the Jersey Financial Services Commission under the Collective Investment Funds (Jersey) Law, 1988. The Fund has received a certificate under the Collective Investment Funds (Jersey) Law 1988 (the “**CIF Law**”) to carry out its functions under the CIF Law. The Jersey Financial Services Commission is protected by law against liability arising from its functions under the CIF Law. The Manager, Administrator and Custodian are registered by the Jersey Financial Services Commission pursuant to Article 9 of the Financial Services (Jersey) Law 1998 to carry out their respective functions. The Jersey Financial Services Commission is protected by law against liability arising from its functions under the Financial Services (Jersey) Law 1998.

The following Share Classes feed solely into the Emirates Global Sukuk Fund Limited (the “**Sub-Fund**”) which is a wholly owned subsidiary of the Fund:

- Emirates Funds Limited Emirates Global Sukuk Fund Limited USD A Share Class (Accumulation) (the “**A Acc Share Class**”);
- Emirates Funds Limited Emirates Global Sukuk Fund Limited EUR A Share Class (Accumulation) (the “**A EUR Share Class**”);
- Emirates Funds Limited Emirates Global Sukuk Fund Limited USD A Share Class (Income) (the “**A Inc Share Class**”);
- Emirates Funds Limited Emirates Global Sukuk Fund Limited USD B Share Class (Accumulation) (the “**B Acc Share Class**”);
- Emirates Funds Limited Emirates Global Sukuk Fund Limited USD B Share Class (Income) (the “**B Inc Share Class**”);
- Emirates Funds Limited Emirates Global Sukuk Fund Limited USD C Share Class (Accumulation) (the “**C Acc Share Class**”);
- Emirates Funds Limited Emirates Global Sukuk Fund Limited USD C Share Class (Income) (the “**C Inc Share Class**”);
- Emirates Funds Limited Emirates Global Sukuk Fund Limited USD G Share Class (Accumulation) (the “**G Acc Share Class**”);
Emirates Funds Limited Emirates Global Sukuk Fund Limited USD G Share Class (Income) (the “**G Inc Share Class**”);
- Emirates Funds Limited Emirates Global Sukuk Fund Limited USD Institutional Share Class (Accumulation) (the “**I Acc Share Class**”);
- Emirates Funds Limited Emirates Global Sukuk Fund Limited USD Institutional Share Class (Income) (the “**I Inc Share Class**”);

Additionally, other Share Classes of Emirates Funds Limited may invest in the Sub-Fund provided always that no Sub-Fund may invest in another Sub-Fund which already has an investment in it

and no circular investments may be made. Details of such investments are available from the Manager upon request.

The Sub-Fund (i.e. Emirates Global Sukuk Fund Limited) was incorporated in Jersey on 18th November 2005 with company number 91754 and has its registered office at Lime Grove House, Green Street, St Helier, Jersey, JE1 2ST. The Sub-Fund was previously registered as the Emirates Dynamic Liquid Fund Limited, the change in name formed part of a conversion in the Sub-Fund's investment focus made on the 21st April 2010.

Shares in the Sub-Fund can only be owned by the Fund. The records of the Fund will reflect the number of shares in the Sub-Fund which are attributable to each Share Class proportionate to the subscription monies (after taking into account any separate costs and expenses attributable to each Share Classes). For the avoidance of doubt, each of the other share classes and Sub-Funds of Emirates Funds Limited may invest in the Sub-Fund.

4. ISLAMIC FINANCE

Islamic finance involves the application of Shari'a law and principles within the context of modern finance and the financial system. Islamic finance has been developed as areas of the conventional system do not conform to the beliefs and teachings of the religion of Islam.

Islamic finance is based on principles revealed in the holy Quran and explained in the traditions of the Prophet Muhammad S.A.W. Among the key principles of Islamic Finance, the following are relevant to any discussion of investments funds:

- Prohibition of interest (Riba) or usury.
- Avoidance of contractual uncertainty (Gharar) and ambiguity (Jahala).
- Payment of Zakah, which is a religious obligation on Muslims to pay a prescribed percentage of their wealth to specific categories in their society, when their wealth exceeds a certain limit. The objective is to assist in the distribution of wealth between the affluent and the poor.
- Purification of income, where any portion of income derived from non-Shari'a compliant activities is donated to charity.

Islamic principles further prohibit activities that are harmful and may cause disputes in society. Amongst the prohibitions that have been singled out are alcohol, pork and pork related products, games of chance, entertainment businesses, pornography and obscenities in any form, weapons, tobacco and tobacco related products. Shari'a law states that the entire value chain of activities related to these prohibited activities are equally prohibited. This includes production, storage, transportation, marketing and advertising of such products and services.

Supported by a Muslim population of 1.8 billion people, Islamic finance is arguably the fastest growing segment within the financial sector. Its growth is estimated to be between 10% and 20% per annum. Following exponential growth in traditional financial centres such as London, New York and Singapore, the sum of Islamic assets is estimated to have reached USD900 billion in

2007¹. While its growth can in the main be attributed to the Muslim population, Islamic finance products are also gaining support from non-Muslims who believe in its inherent principles or those who are looking at alternatives to ethical investment products.

4.1 Islamic Sukuk Market

Sukuks were extensively used by Muslims in the middle ages as papers representing financial obligations originating from trade and other commercial activities. However, the present structure of Sukuk is different from that originally used and is akin to the conventional concept of debt securitization, a process in which ownership of the underlying assets is transferred to a large number of investors through certificates of ownership representing the investor's proportionate share value of the relevant asset.

Sukuk returns must be linked to the returns and cash flows generated by the asset purchased, which is usually held in a trust or through a Special Purpose Vehicle (SPV). In a typical structure, the SPV would issue Sukuk certificates, which represents the ownership of an asset, entitlement (right/claim) to a debt or to rental income or even the accumulation of returns from a Sukuk. The return provided to Sukuk holders therefore comes in the form of profit from a sale, rental or a combination of both. This deviates from conventional bonds in which the returns generated are generally solely interest based as the payment and receipt of interest, which is prohibited under Shari'a law. As such, financing must only be raised for identifiable assets.

Over the years, developments in the Sukuk space have resulted in more sophisticated and specialised structures. Sukuks have been structured using different underlying contracts, the most popular of which has been an Ijarah contract. Ijarah based Sukuks involve a process in which ownership of the underlying assets is transferred to a large number of investors through certificates of ownership representing the investor's proportionate share value of the relevant asset.

The use of Sukuk has become increasingly popular in the last few years, both as a means of raising government finance through sovereign issues, and as a way for companies to obtain funding through the offer of corporate Sukuk. In 2001, there were only four Sukuk issued out of Malaysia and Bahrain. By 2013 there were over 100 Sukuks issued across over ten countries. More importantly, the universe has widened significantly to include issues from non-government or government-related issuers, which may offer investors an attractive investment opportunity set across the maturity and credit quality spectrum.

The first issues date back to 1996 and the growth and evolution of the Sukuk market, particularly in the Gulf region, is among the most significant developments in Islamic finance over recent years. Sukuk issuance increased manifold to exceed \$53 billion in 2012. Although 2013 saw a slowdown in issuance to \$43 billion, the decline was mostly due to volatile global market conditions, which discouraged several issuers from coming to the market. The Middle East and North Africa ("MENA") region has been a strong supporter of the Sukuk market and has contributed a significant share of global Sukuk issues. A recent example of this was the launch of

¹ Source: Ernst & Young

Saudi Electricity Company's \$2.5 billion multi-tranche Sukuk in April 2014 that was very well subscribed.

Although the development of the Sukuk market is still in its nascent stages, there are a number of issues available to investors. Investors should however note that the Sukuk market is a relatively new market and may at times display illiquidity, involve higher trading costs and have other limitations as stated in the section 19, entitled "*Risk Warnings*".

5. REFERENCE CURRENCY

The A Acc, A Inc, B Acc, B Inc, C Acc, C Inc, G Acc, G Inc, I Acc and I Inc Share Classes are designated by reference to US Dollars.

The A EUR Share Class will be designated by reference to Euros. Shari'a compliant contracts may be used to hedge currency risk within the A EUR Share Class. However, investors should note that a perfect hedge will not normally be applied. Any contracts used for this purpose will be done solely after the express approval of the Shari'a Board. For further information on the risks related to this please refer to section 19 of this Supplement headed "*Risk Warnings*".

Any other Share Classes created by the Directors shall be designated by reference to such currency as the Directors may consider appropriate at the time of creation of such Class of Share.

6. INVESTMENT OBJECTIVES

The investment purpose of the Sub-Fund is to provide investors with a professionally managed means of participating primarily in a range of Sukuk opportunities globally. The Sub-Fund will seek where possible to achieve a high income from the portfolio of Sukuk and some capital growth.

The Sub-Fund will operate on a feeder fund basis feeding into the Luxembourg Sub Fund, which is a sub fund of the SICAV.

The SICAV is an investment company organised as a société anonyme under the laws of the Grand Duchy of Luxembourg and qualifies as a SICAV, incorporated under the Law of 2010 and listed on the official list of UCITS, authorised under Part I of the Law of 2010. The SICAV was incorporated in Luxembourg on 6 September 2013 for an unlimited period. The Articles of Incorporation of the SICAV were published in the Mémorial, Recueil des Sociétés et Associations (the "**Mémorial**") on 18 October 2013.

The SICAV's registered office is at 49 avenue J.F. Kennedy, L-1855 Luxembourg. The SICAV is registered with the *Registre de Commerce et des Sociétés*, Luxembourg, under number B180066. The Articles of Incorporation are on file with the Chancery of the District Court of Luxembourg (Greffé du Tribunal d'Arrondissement).

A copy of the Prospectus in relation to the SICAV will be provided upon request with this Supplement and should be read in conjunction with this Supplement. The documents are also available on www.emiratesnbd.com/assetmanagement

The Luxembourg Sub Fund will seek to acquire a diversified portfolio of Sukuk. Investment decisions under the supervision of the Directors of the Luxembourg Sub Fund will be made on behalf of the Luxembourg Sub Fund by Emirates NBD Asset Management in its capacity as Investment Manager to the SICAV or its appointed advisors.

Certain permissible assets of the Luxembourg Sub Fund may be held via a sub-custody arrangement where access by the Luxembourg Sub Fund to a particular market or asset merits such an approach.

All investments of the Luxembourg Sub Fund will take place according to Shari'a guidelines, as defined by the Shari'a Board of the Sub-Fund. The Shari'a Board will also periodically review that all implemented investment decisions of the Manager remain within Shari'a guidelines.

Other than for the purposes of meeting redemptions as stipulated in 5.1 below, the Sub-Fund does not currently intend to seek finance. Periodic distributions of capital and coupons will be met at all times from distributions from the Luxembourg Sub Fund and not through borrowings.

6.1 Investment Restrictions and Guidelines

Through feeding into the Luxembourg Sub-Funds, the Sub-Fund will observe the following Investment Restrictions and guidelines:

The Luxembourg Sub-Fund may, subject to the general investment restrictions applicable to UCITs:

- Only invest in Sukuk pre-approved by the Shari'a Board.
- Only hold cash (if any) in either a non-interest bearing account or with an Islamic Finance Institution.
- Not invest or transact in any derivatives, including but not limited to options, futures, forwards and swaps, unless the same has been re-structured in a Shari'a compliant manner acceptable to the Shari'a Board.
- Oblige its service providers to carry out all activities specifically related to the management of the Sub-Fund in a Shari'a compliant manner.
- Hold up to 100% of the assets of the Sub-Fund in Transferable Securities including asset-based Sukuk. Under normal circumstances, cash equivalent investments or ancillary liquid instruments, such as Wakala and Murabaha instruments, may also be held when the Investment Manager regards it as necessary for the efficient management of the Sub-Fund, or where the profit rate is higher from these deposits than capital otherwise employed in the Sukuk market. Investors should be aware that, notwithstanding the investment restrictions stated herein, the Sub-Fund may concentrate its assets in a limited number of Sukuk (along with Murabaha and Wakala instruments).
- Manage Sukuk portfolio in a manner that no single Sukuk shall represent more than 10% of the value of the Sub-Fund.
- Invest in Shari'a compliant collective investment schemes.

No underlying entity in which the Luxembourg Sub-Fund invests will be permitted to become a shareholder of the Sub-Fund.

7. FINANCING

The Sub-Fund does not currently have the intention to seek finance, other than for purposes of meeting redemptions as stipulated below or in section 6 of this Supplement entitled “*Investment Objectives*”.

7.1 Funding Redemptions

The Manager has determined that in order to meet redemption requests each Share Class may where practicable retain in daily traded cash or other daily traded liquid assets such amount as the Manager may from time to time consider appropriate, typically 5% of the NAV of each Share Class.

Investors should be aware, however, that there is no guarantee that such cash may be retained. Where a particular Share Class does not have sufficient cash to fund redemptions, the Manager may seek to sell shares in the Luxembourg Sub-Fund or seek finance on behalf of the Sub-Fund to enable it to make such redemptions without the necessity to sell assets (being shares in the Luxembourg Sub-Fund) of that particular Share Class, should the Manager be of the opinion that it is not in the best interests of the Sub-Fund to do so. The Manager may seek finance in a manner in keeping with the Islamic Shari’a to fund such redemptions. The Manager shall limit such financing to 10% of the NAV of the relevant Share Class. Such 10% of the NAV of the relevant Share Class shall be calculated at the time of the financing. Any financing technique used for such financings shall not be taken into account for computing the Fund’s level of financing for redemption.

An investment in each Share Class and ultimately in the assets held by the Luxembourg Sub Fund must, however, be viewed as a medium term investment.

8. SHARI’A COMPLIANCE

To ensure compliance with Islamic Shari’a principles, the Sub-Funds shall invest within the guidelines and restrictions as agreed and approved by the Emirates NBD AM Limited Fatwa and Shari’a Supervisory Board as from time to time constituted (the “**Shari’a Board**”). Emirates NBD AM is regulated by the Dubai Financial Services Authority and has a category two licence and a licence to operate as an Islamic window. The following individuals currently constitute the Shari’a Board but its constitution may change from time to time:

Dr Hussein Hamid Hassan
Chairman Emirates NBD AM Shari’a Board

Dr Hussein Hamid received his PhD in the Faculty of Shari’a at Al Azhar University in Cairo, Egypt in 1965. He also holds two law degrees from the International Institute of Comparative Law, University of New York and two additional degrees in Law and Economics from Cairo University. He served as Assistant Professor, Associate Professor and Professor of Shari’a in the

Faculty of Law and Economics at Cairo University between 1960 and 2002. During his tenure at Cairo University, he was seconded to many academic and advisory missions to a number of educational institutions and heads of State throughout the Arabic and Muslim World, including Saudi Arabia, Pakistan, Kyrgyzstan, and Kazakhstan. Currently, he chairs or is member of the Shari'a boards of numerous Islamic financial institutions including Emirates NBD AM, Emirates Islamic Bank PJSC, Dubai Islamic Bank PJSC, Sharjah Islamic Bank PJSC, Islamic Development Bank, Dubai Islamic Insurance and Re-Insurance (Aman), Tamweel, AMLAK, the Liquidity Management Center and AAOIFI in Bahrain. He is the author of more than 21 books on Islamic law, Islamic finance, Islamic economics, social studies and art, in addition to more than 400 research articles on these subjects.

Dr Ojeil Jassim AlNashmi

Currently a professor of Shari'a and Islamic Studies at Kuwait University

Dr Ojeil AlNashmi received his PhD on "Principles of Islamic Jurisprudence" from Al-Azhar University in Cairo, Egypt in 1977. He is a member and the representative of Kuwait at the International Islamic Jurisprudence Assembly and serves on the Shari'a boards of a number of Islamic financial institutions in the GCC including Kuwait Finance House, Emirates Islamic Bank PJSC, Dubai Islamic Bank PJSC, Sharjah Islamic Bank PJSC, AAOIFI and the Liquidity Management Center in Bahrain. He has published many scholarly articles and studies in prominent periodicals on contemporary issues in Islamic finance and jurisprudence. He has also authored many books on the Principles of Islamic Jurisprudence and on Islamic education.

Dr Ali Al-Qurra Daghi

Currently a Professor of Shari'a and Head of the Department of Principles of Islamic jurisprudence in the School of Shari'a and Law at Qatar University.

Dr Ali Al-Qurra Daghi received his PhD in the area of contracts and financial transactions from Al Azhar University in Cairo, Egypt in 1985. He presently serves on the Shari'a Boards of many Islamic financial institutions in and outside Qatar including Qatar International Islamic Bank (QIIB), Emirates Islamic Bank PJSC and Dubai Islamic Bank PJSC in the UAE. In addition, he is a founding member of many charitable organizations and international Islamic Jurisprudence bodies. He is the author of many research articles in contemporary issues in Islamic finance and banking. He has more than eight books published and six new books in various publication stages on various topics on Islamic Jurisprudence and Islamic Thought, with emphasis on contemporary issues.

The Shari'a Board is learned in the Shari'a and has both the capability and expertise necessary to evaluate categories of investments for conformity with Shari'a principles. The Luxembourg Sub Fund shall at all times invest in accordance with the rulings issued from time to time by the Shari'a Board. All rulings and decisions of the Shari'a Board shall be binding.

In particular, the Shari'a Board shall study the Fund's Prospectus and this Supplement and the investment objectives and policies contained therein; give general advice to the Fund and the Manager regarding compliance with Islamic Shari'a and confirm that the investment activities of the SICAV comply with the principles and rules of Islamic Shari'a in all respects.

The Shari'a Board shall review the Luxembourg Sub Fund's activities on a periodic basis to ensure that the Manager, the Fund and the SICAV continue to conform to the Shari's guidelines as set out from time to time. Any minor amounts of income received by way of indirect investment activity shall be declared by the Manager and shall be purified on guidance from the Shari'a Board in a manner in keeping with the Islamic Shari'a.

8.1 Shari'a Guidelines for Investment

The Luxembourg Sub Fund will only use Shari'a compliant contracts and agreements. It shall avoid non Shari'a contracts such as options, derivatives, futures and forwards. The SICAV must particularly avoid generating or receiving riba or interest under any circumstances. Any minor amounts of derived riba or interest received by way of indirect investment activity shall be declared by the Manager and shall be purified on guidance from the Shari'a Board in a manner in keeping with the Islamic Shari'a.

The Luxembourg Sub Fund must particularly avoid holding assets where parties are involved in the following particular non-Shari'a compliant activities:

1. Production, selling, distilling or distribution of alcoholic beverages and products.
2. Production, selling, distribution or slaughter of pork and pork related products.
3. Gambling, casinos, lotteries and related games.
4. Principal activities within the entertainment businesses (i.e. companies whose principal activity is in films, videos, theatres, cinemas etc).
5. Pornography and obscenities in any form.
6. Production of weapons.
7. Production of tobacco and tobacco related products.
8. Conventional (non Islamic) banks, financial institutions and insurance companies.

Investments made by the Luxembourg Sub Fund will be in line with the widely approved Shari'a products generally available in the market place.

Investments made by the Luxembourg Sub Fund will only be from those assets selected from an approved list as pre-agreed with the Shari'a Board and updated from time to time.

The Shari'a Board will periodically review all assets within the Luxembourg Sub Fund with regards to on-going Shari'a compliance and advise the Manager and the Fund accordingly.

9. VALUATION DAY

The valuation frequency of the Sub-Fund shall be daily on every Business Day.

The Valuation Point to be used will be at 10.00 am on the Valuation Day or the last available published prices will be used whichever is later. Estimates may be used when, in the absolute discretion of the Manager, it would be prudent to do so.

10. SUBSCRIPTION DAY

The Subscription Day for all Share Classes will be every Business Day. Notice must be received by 12.00 pm Jersey time, on the Business Day prior to the Subscription Day (the "**Subscription Cut-Off**"); unless such other notice period is agreed by the Manager from time to time. If a shorter notice is given, or the Subscription Cut-Off is missed, the next available Subscription Day will be used.

11. SUBSCRIPTION POLICY

The minimum subscription for the A Acc, A EUR, A Inc, B Acc, B Inc, C Acc C Inc, G Acc and G Inc Share Classes will be USD 10,000 or EUR 7,000. Further subscriptions from the same investor should be a minimum of USD 5,000, EUR 4,000 or such other amount as the Manager may on a case by case basis determine. The above limits are subject to the Manager's discretion.

The minimum subscription for I Acc and I Inc Share Classes will be USD 1,000,000 or such other amount as the Manager may on a case by case basis determine. Further subscriptions from the same investor should be a minimum of USD 250,000 or such other amount as the Manager may on a case by case basis determine.

Subscription payments must be received and accepted by the Administrator within 3 Business Days following the Subscription Day unless otherwise agreed by the Directors.

12. REDEMPTION DAY AND PROCEDURE

The Redemption Day for all Share Classes will be the relevant Classes' Valuation Day. One Business Days' notice, at 12.00 pm Jersey time, preceding the Valuation Day of such redemption shall be required from investors.

On redemption, for all Share Classes, all monies will normally be paid, in class currency, within five Business Days of the relevant Redemption Day on which the redemption is made.

Redemption payments may be made in cash, in-specie, or partly in cash and partly in kind. In practice, the redemption payment policy will work with the aim of treating shareholders equitably. The Sub-Fund would only operate this procedure in circumstances where it may not be in the remaining shareholders' interests to realise cash for redeeming investors. In these circumstances, if requested by the Shareholder, the Manager may determine (with the consent of the relevant Shareholder) to pay the net proceeds of sale of the relevant scheme property to the Shareholder should this, in the opinion of the Manager, not adversely impact the remaining shareholders and be practical. This would be done after it had been removed from the Sub-Fund through an in-specie redemption at the relevant Redemption Day. This provision will seek to ensure that, where existing shareholders may have otherwise been disadvantaged, the remaining assets of the Sub-Fund are not disturbed. In practice, the Sub-Fund may choose not to take advantage of this discretion. At all times, the Directors of the Sub-Fund and the Manager will seek to ensure an appropriate course of action that is not detrimental to remaining shareholders in the Sub-Fund. Payment of redemption proceeds will be made in accordance with instructions included on the Redemption Form or any amended instructions received and accepted by the

Manager. Any accrued management, performance and/or Redemption Charge will be deducted from the redemption proceeds.

Unless otherwise determined by the Manager, the minimum value of shares for I Class, which may be the subject of a redemption request is USD 250,000 and either USD 10,000 for all other USD denominated Share Classes or EUR 4,000 for all other EUR denominated Share Classes.

A redemption request will not be accepted if as a result the number of shares held by the redeeming Shareholder in any Share Class of the Sub-Fund would fall below the Minimum Holding Value for the I Share Class of USD 1,000,000 or USD 10,000 for the A, B C and G USD denominated Share Classes or EUR 7,000 for the EUR denominated A Share Class. These limits are subject to the Manager's discretion at all times.

13. CONVERSION BETWEEN SHARE CLASSES

Shareholders in the Sub-Fund may on any Redemption Day convert all or, subject to any applicable rules, part of their holding of Participating Shares of any Share Class of the Sub-Fund (the "**Original Share Class**") into Participating Shares of another Share Class of the Sub-Fund (the "**New Share Class**") by giving notice to the Administrator prior to 12.00 pm, Jersey time, one Business Days preceding the Redemption Day on which the conversion is to take place (unless the Manager has indicated that a shorter delivery period will be accepted in respect of any Share Class).

Conversion takes place in accordance with the following formula:

$$NSH = \frac{OSH \times (RP - CF) \times CCR}{SP}$$

where	NSH	is the number of Participating Shares of the New Share Class
	OSH	is the number of Participating Shares of the Original Share Class in the conversion notice
	RP	is the Redemption Price of Participating Shares of the Original Share Class
	CCR	is the currency conversion rate between the currencies of denomination of the Original Share Class and the New Share Class (if applicable)
	SP	is the Subscription Price of Participating Shares of the New Share Class.
	CF	is the conversion fee (if applicable)

For the avoidance of doubt, there shall be no conversion fee payable on conversion between Share Classes within the same Sub-Fund.

Where such conversion would cause the minimum holding to be breached in respect of a holding in the Original Share Class or New Share Class, conversion of Participating Shares will be subject to the prior consent of the Directors.

Fractions of shares (to 3 decimal places) may be allotted on conversions where monies are less than the Subscription Price of one share of the New Share Class.

Except as specified herein a holder who exchanges Participating Shares in one Share Class for Participating Shares in another Share Class will not be given a right by law to reverse the transaction except as a new transaction. Conversion from one Share Class to another may be regarded as a disposal and acquisition of shares for capital gains tax purposes in certain jurisdictions.

14. DISTRIBUTION POLICY

In regards to I Inc, A Inc, B Inc C Inc and G Inc Share Classes, it is intended that periodic income and proceeds received from the Luxembourg Sub-Fund be distributed on a semi-annual basis commensurate with the market and in keeping with the distributions that can be made by the Share Class in accordance with the Companies (Jersey) Law, 1991. Distributions will usually be paid within the six weeks of declaration.. Distributions may also be made from capital and certain income receivable by the Sub-Fund may be retained within the Sub-Fund at the discretion of the Directors.

15. FUND SERVICE PROVIDERS

In addition to the fund service providers of the Fund set out in section 4 of the Prospectus, the following fund service providers will be appointed in respect of the Sub-Fund:

15.1 Discretionary Investment Manager

With the approval of the Fund, the Manager has appointed Emirates NBD Bank PJSC as Discretionary Investment Manager (the "**DIM**") in respect of the Sub-Fund.

The DIM was incorporated on 16th July 2007 with limited liability. Its registered office is PO Box 777, Baniyas Road, Deira, Dubai, UAE. Its issued and paid up share capital is AED 5,557,774,724 as at the last accounting date on 31st December 2013.

The Amended and Restated Discretionary Investment Management Agreement dated 12th October 2012 contains certain indemnities in favour of the Discretionary Investment Manager and is terminable by the Manager on six months' notice or on shorter notice in certain circumstances including material breach.

The DIM may appoint, with the approval of the Manager, other such professional parties and investment advisors deemed necessary in order to carry out its investment activities. For the purposes of this Sub-Fund, with the consent of the Manager, and pursuant to a Delegate Investment Management Agreement dated 2nd April 2007 and subsequently novated with the Delegate Investment Management Agreement dated 20th April 2010, the DIM has appointed Emirates NBD AM to act as Delegate Investment Manager ("**DDIM**") to the Sub-Fund. The DDIM is a subsidiary company of the DIM and is regulated by the Dubai Financial Services Authority. The DDIM will keep all investments of the Sub-Fund under regular review and will

provide full investment advice to the DIM and the Manager in relation to the investments of each Share Class and the Sub-Fund.

15.2 Corporate Services Provider

State Street Fund Services (Jersey) Limited or any other Corporate Services Provider that may be appointed by the Manager from time to time, will provide corporate administration services to the Sub-Fund and any SPVs of the Sub-Fund (including the provision of directors and secretary).

16. FEES AND EXPENSES

The following fees and expenses will be payable in relation to the Sub-Fund:

16.1 Subscription Charge

Director of the Sub-Fund have determined that different Share Classes shall carry different subscription charges.

In respect of the A Acc, A EUR and A Inc, G Acc and G Inc Share Classes, the Directors have determined that the Manager may make a subscription charge not exceeding 4% of the Subscription Amount (or such higher or lower percentage as may from time to time be determined by the Directors) to be retained for its absolute use and benefit, subject to agreement with the investor. Any sum received as a subscription charge in excess of this amount shall be retained for the account of the Participating Shares to which the subscription relates. This will be taken as an initial charge.

In respect of the B Acc and B Inc Share Classes, there is no subscription charge and investors will receive an initial allotment of Participating Shares equivalent to 100% of their subscription amount. A deferred sales fee, amounting to 1.20% of the value of any subscription, (the "**B Deferred Sales Fee**") will be payable by the Sub-Fund to the Manager for its absolute use and benefit in full following the subscription confirmation and amortised back to the Sub-Fund on each Valuation Day for the first year since subscription. The B Deferred Sales Fee will therefore be reflected in the NAV of the Share Class. The B Deferred Sales Fee shall apply to all initial subscriptions and any subsequent subscriptions.

In respect of the C Acc and C Inc Share Classes, there is no subscription charge and investors will receive an initial allotment of Participating Shares equivalent to 100% of their subscription amount. A deferred sales fee, amounting to 4% of the value of any subscription, (the "**C Deferred Sales Fee**") will be payable by the Sub-Fund to the Manager for its absolute use and benefit in full following the subscription confirmation and amortised back to the Sub-Fund on each Valuation Day for the first five years since subscription. The C Deferred Sales Fee will therefore be reflected in the NAV of the Share Class. The C Deferred Sales Fee shall apply to all initial subscriptions and any subsequent subscriptions.

In respect of the I Acc and I Inc Share Classes, the Directors have determined that the Manager may make a subscription charge not exceeding 2% of the Subscription Amount (or such higher or lower percentage as may from time to time be determined by the Directors) to be retained for

its absolute use and benefit, subject to agreement with the investor. Any sum received as a subscription charge in excess of this amount shall be retained for the account of the Participating Shares to which the subscription relates. This will be taken as an initial charge.

Investors' attention is drawn to the exit fees payable as a result in respect of the B Acc, B Inc, C Acc and C Inc Share Classes.

16.2 Management Fee

The Manager shall be entitled to receive a management fee of 1.25% per annum of the gross asset value of the A Acc, A EUR, A Inc, B Acc, B Inc, C Acc C Inc, G Acc and G Inc Share Classes, and 1.10% per annum of the gross asset value of the I Acc and I Inc Share Classes. An additional 0.50% distribution fee applies in respect of the gross asset value of the B Acc, B Inc, C Acc, C Inc, G Acc and G Inc Share Classes.

The Management Fee including, where applicable a distribution fee, shall accrue at the Valuation Point on each Valuation Day and shall be payable monthly in arrears from the assets of each Share Class within fifteen days of the relevant month's end. In addition to the Management Fee, the Fund shall reimburse to the Manager all reasonable expenses, costs, charges and fees incurred or to be incurred by the Manager including all reasonable expenses, costs, charges and fees in the relevant categories incurred or to be incurred by any person to whom the Manager shall have delegated any of its powers and duties in accordance with the Management Agreement and who is entitled to be reimbursed in respect of such expenses, costs, charges and fees by the Manager. The Manager shall be responsible for paying the fees of the DIM who shall in turn be responsible for paying any of its delegates, advisers or sub appointed parties. The Shari'a Board Fees shall be billed on a time spent basis in accordance with appropriate rates for such services.

16.3 Exit Fee

Directors of the Fund have determined that the Share Classes shall carry different exit fees. In respect of A Acc, A EUR, A Inc, G Acc, G Inc, I Acc and I Inc Share Classes, there shall be no exit fee applicable.

In respect of B Acc and B Inc Share Classes, an exit fee of 1.20% shall be deducted on proceeds payable on redemption of the Participating Shares for the first 12 months.

In respect of the C Acc and C Inc Share Classes, the following exit fees on the proceeds payable on redemption shall be deducted from such redemption proceeds on redemptions of Participating Shares made in the respective periods set out below:

Period of Holding following Registration of Shares	<i>Exit Fee</i>
<i>Up to 12 months</i>	<i>4%</i>
<i>12 months to 24 months</i>	<i>3.2%</i>
<i>24 months to 36 months</i>	<i>2.4%</i>
<i>36 months to 48 months</i>	<i>1.6%</i>
<i>48 months to 60 months</i>	<i>0.8%</i>
<i>More than 60 months</i>	<i>0%</i>

In respect of the B Acc, B Inc, C Acc and C Inc Share Classes, the relevant period shall be determined on a first in, first out basis. Exit fees shall be retained for the account of the Sub-Fund.

16.4 Administration Fees

The Administrator, or other such administrator who may, at the discretion of the Directors, be appointed to the Sub-Fund, shall be paid an administration fee as per the schedule below.

Total Net Assets per sub-fund	Administration and Accounting Fees
First \$100 Million	0.12%
Next \$100 Million	0.09%
Next \$100 Million	0.07%
Excess	0.05%

Such fee shall accrue at each Valuation Point and shall be payable monthly in arrears to the Administrator from the assets of the Sub-Fund within fifteen days of the relevant month's end. Additional charges may arise from time to time at the discretion of the Directors.

16.5 Corporate Services

State Street Fund Services (Jersey) Limited, or any other Corporate Services Provider that may be appointed by the Manager from time to time, will also be paid a fee in respect of corporate services which it provides to the Sub-Fund at the relevant market rate and as agreed with the Manager from time to time. It is not expected that this fee will exceed \$15,000 per annum.

Disbursements relating to exempt company fees, audit fees, filing fees and other extraordinary costs will be additional costs. The above fees and costs will be payable by the Sub-Fund or associated SPV.

The Delegate Investment Manager and the board of the Fund have taken all reasonable steps to ensure that the level of additional fees are limited and that no double charging applies by companies within the Emirates NBD Group and all charges from major service providers to the Sub Fund are reduced. In line with industry norms, additional out of pocket expenses may be applicable but all fees from the underlying annual management charge of the Emirates NBD SICAV sub-fund will be rebated in full and the Administrator and Custodian have amended their charging structures to take into account the fee load for investors in the Sub Fund. The directors of the Fund and the Manager are of the opinion that the fee arrangements that have been put in place are in the best interests of all investors in the Sub Fund and that investors will be in an equitable position if the cell had invested into direct securities or underlying funds . Where there is a common director, these fees will be waived at the underlying sub-fund level or at the level that will create the most cost efficiency for the Sub-Fund.”

16.6 Custodian Fees

The Custodian, or other such custodian who may at the discretion of the Directors be appointed to the Sub-Fund, will be paid custody fees at market rates, or as agreed between the Fund, the Manager and Custodian from time to time.

The custodial fees are divided into two categories for each market of investment, namely safekeeping fees and transaction fees. The safekeeping fee is an annual fee, billable monthly, based on the value of the month end assets. Safekeeping fees are based on a “per country” basis and include the safekeeping fees charged by any sub custodians. The transaction fee is essentially a trade settlement fee and also includes any sub custodian expenses.

Custodial fees for developed markets such as the UK or US are 0.01%, rising towards 0.25% for some emerging markets, whilst some frontier markets such as those in the MENA region can be charged at 0.35%. The upper limit for safekeeping fees charged on a “per country” basis is 0.65%. Transaction fees typically fall in the range of \$10 to \$80 per trade, dependent on security type and market. These fees are detailed in full in the schedules to the Custodian Agreement dated 13th March 2012 between State Street Custodial Services (Jersey) Limited and the Fund and are available to shareholders on request.

The Custodian Fees shall accrue at the Valuation Point on each Valuation Day and shall be payable monthly in arrears from the assets of the Sub-Fund within fifteen days of the relevant month's end.

16.7 NAV USD Conversion Charge

A conversion charge may be applied to all conversions save for conversions within Share Classes of the same Sub-Fund. The conversion charge will not exceed 5% of the Subscription Amount of the new class into which Participating Shares of the original class are converted. Conversions between Share Classes will be effected in accordance with the conversion rules set out in the Prospectus and the Articles of the Fund.

16.8 Other Fees

The Fund will be responsible for all normal operating expenses including (but not limited to) audit fees, registration and certificate fees, legal fees, charges incurred on the acquisition and realisation of investments, costs of publication and distribution of prospectuses and annual reports, the publication of share prices and the costs and expenses of the Manager. Where possible such fees and charges will be allocated to the relevant Share Class to which they relate. Hence the Sub-Fund will bear these normal operating expenses in relation to its activities where they relate to the investments of the Sub-Fund.

17. TAXATION ISSUES

It is the intention of the Directors to conduct the affairs of the Sub-Fund and SPV so that management and control are exercised in Jersey and that neither the Sub-Fund nor SPV are

resident for tax purposes in any other jurisdiction. Investors should seek independent advice regarding personal taxation attributable to investments in the Sub-Fund relevant to their circumstances. Personal taxation matters fall outside the scope of this Supplement and outside the responsibilities of the Fund and Manager.

18.1 Jersey taxation in relation to the Sub-Fund and SPVs

With effect from 1 January 2009 pursuant to the Income Tax (Amendment No.28) (Jersey) Law 2007, and the Income Tax (Amendment No.29) (Jersey) Law 2008, companies incorporated in Jersey are subject to a standard rate of corporate income tax of 0% with specified financial services companies subject to a special rate of corporate income tax of 10%. The Sub-Fund and each SPV will be subject to a rate of corporate income tax of 0% as their business does not fall within the definition of a financial services company under the above laws. However, if the Sub-Fund or any SPV's business should in the future change to become a financial services company as therein defined then it may be at risk of becoming subject to the special rate of corporate income tax of 10%. As companies subject to corporate income tax at 0%, the Sub-Fund and SPVs will not be liable to pay any corporate income tax in Jersey under the current Jersey law. It should be noted that the Sub-Fund will particularly avoid generating or receiving *riba* or interest under any circumstances.

18.2 Taxation in the United Arab Emirates

The Directors believe that there will be no taxation in the UAE at the Fund or Sub-Fund level.

18. RISK WARNINGS

In addition to the risk warnings set out in section 12.1 of the Prospectus and Appendix 1 and Section 6 of the Luxembourg Sub Fund Prospectus, investors are also directed towards the following inherent risks relating to an investment in the Share Classes and ultimately in the assets to be acquired via the Luxembourg Sub Fund.

The Directors believe the risks set out below to be the most significant for potential investors. The risks listed, however, do not necessarily comprise all those associated with an investment in the Sub-Fund and are not intended to be presented in any assumed order of priority. In particular, the Luxembourg Sub Fund's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates in.

- (i) Market movement may result in fluctuation in the prices of the underlying Sukuks. Such market risks, inherent in the Sub-Fund, are borne by the investor and may cause the value of the investments in the Luxembourg Sub Fund to fall as well as rise. The Luxembourg Sub Fund focuses on investing in the global Sukuk market, which may be deemed immature and emerging and thus could display higher volatility characteristics than wider international markets. Additionally the Sukuk market may display reduced liquidity characteristics and disclosure requirements. The investments of the Luxembourg Sub Fund focus on Sukuk with appropriate characteristics that offer the potential for high income and some capital growth. The Sub-Fund cannot guarantee that these goals will be achieved and investors may

receive back an amount which is less than that originally invested. Past performance is no guarantee of future returns. The movement of assets can be influenced by many factors including, but not limited to credit, risk, market sentiment, exchange rates and the general economic and political environment.

- (ii) Assets held directly or indirectly by the Luxembourg Sub Fund may not be readily realisable and no market may formally exist. It might therefore be difficult for an investor to obtain reliable information about its value. While the Sukuk market has grown significantly in recent years, investors should note that there may be times when the market is illiquid and it is difficult to realise an investment. Furthermore, spreads on assets may be wider and there may be higher trading costs than normally associated with trading conventional debt instruments. The Sukuk universe is smaller than conventional debt markets and restrictions imposed by the Shari'a Board may further limit the investable universe of the Luxembourg Sub Fund.
- (iii) Assets held directly or indirectly by the Luxembourg Sub Fund may be priced on a straight-line basis or may be priced from off-market quotations that are, in the sole opinion of the Directors of the Luxembourg Sub Fund, reliable. Therefore, in the event of a substantial redemption (either by the Sub-Fund, the Luxembourg Sub Fund or other investors in underlying funds held by the Luxembourg Sub Fund), the value of these securities might fall, there may be a mark to market loss in the value of these assets or the prices previously indicated may not be able to be realised.
- (iv) Credit risk is inherent in the underlying assets and is assumed with a purchase of shares in the Sub-Fund. The risk of failure of payment of the interim cash flow or the redemption amount is directly passed on to the investor. The value of the assets of the Luxembourg Sub Fund may be affected by credit migration, failure to meet periodic payments, failure to repay capital or other issues related to investments in securities in emerging markets. Losses in these securities may result in loss in capital. Counterparties with whom the Luxembourg Sub Fund might enter into transactions might be below investment grade or unrated by recognised rating agencies. Any obligations entered into by the Luxembourg Sub Fund might therefore pose a significant risk to capital.
- (v) The Sub-Fund has been approved by the Shari'a Board and will operate within the requirements of Shari'a as interpreted by the Shari'a Board, which may limit certain investment opportunities. The restricted investment universe may result in lower returns. To the extent excess cash is invested in such a manner, the returns generated may not be as high as the returns generated from conventional cash management methods. Furthermore, there may be periods when excess cash is held in non-interest bearing accounts as per Shari'a guidelines.
- (vi) The value of an underlying asset may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services. If the issuer of a Sukuk is unable to meet its obligations, then the issuer may restructure the obligation. In such a scenario, the ability of the Luxembourg Sub Fund to sell the underlying asset in the market at

competitive price shall be affected. This risk is borne by investors and may cause the value of the investments in the Sub-Fund to fall.

- (vii) Cash resources immediately available to meet redemption applications will be limited and may ultimately necessitate a sale of securities, including fixed deposits or securities where profit has been amortised. Investors should be aware that the Directors may determine that securities within any categories should be sold and that this could cause a significant fall in the value of assets held by the Sub-Fund.
- (viii) General changes in rates may adversely affect on the price of underlying fixed and floating rate securities. The price of fixed rate securities typically shares an inverse relationship with general market rates.
- (ix) The Luxembourg Sub Fund does not prescribe investment limits in relation to the credit rating of securities. This may result in the Luxembourg Sub Fund investing in high-yield or non-investment grade Sukuks. Investment risk in these securities is typically higher than that associated with investment grade Sukuks.
- (x) Default risk is inherently associated with investments in fixed and floating rate securities. Issuers of these securities may not pay the contractual distributions or principal on the instrument in a timely manner, or at all. A default or restructuring of contractual obligations may adversely affect the Sub-Fund.
- (xi) There can be no assurance that the exit strategies of the Sub-Fund and ultimately each Share Class may be available or practical.
- (xii) An investment of the type offered by each Share Class may not be suitable for all recipients of the Prospectus or this Supplement. An investment in each Share Class and ultimately in the assets held via the Luxembourg Sub Fund is designed as a medium term investment and consequently may not be suitable as a short term investment. Prospective investors should seek advice from their investment adviser before making an investment in any Share Class.
- (xiii) Charges and expenses in connection with the Fund, the Share Classes and the Sub-Fund are not made uniformly throughout the life of the Fund and it is possible that an investor may not receive back the full amount of their investment. Set up, structuring and legal fees may be amortised.
- (xiv) In the event that the shareholders of any Share Class pass a Special Resolution for the winding up of that Share Class, such winding up may necessitate a sale of assets held by the Luxembourg Sub Fund. Such sale may have an adverse impact on the remaining Share Classes investing in the Sub-Fund.
- (xv) In the event that assets held by the Luxembourg Sub Fund are sold to fund redemptions, such sale may have an adverse impact on the investors who have not redeemed shares as the selection of available assets to be sold will be subject to the

restrictions set out above under 'Funding Redemptions' and may affect the balance, spread and overall value of assets and profit remaining within the Sub-Fund.

- (xvi) The Sub-Fund and the Luxembourg Sub Fund may invest in assets not denominated in USD, EUR or denominated in currencies not pegged to the USD. Underlying collective investment schemes may also hold certain assets denominated in non USD, non EUR or non USD pegged currencies. Whilst speculative currency investment is not a major focus of the Luxembourg Sub Fund, at times the Luxembourg Sub Fund may hold an element of assets denominated in other currencies. Where this is the case the movement of general foreign exchange rates could have an adverse effect on overall fund performance. Furthermore, should there be a review in the rate at which certain currencies are pegged to the US dollar; the Sub-Fund may become exposed to additional currency risk.
- (xvii) Other assets purchased by the Luxembourg Sub Fund including, but not limited to Shari'a compliant liquid assets may not achieve the income and growth characteristics intended to enhance the Luxembourg Sub Fund's returns on surplus cash within the Luxembourg Sub Fund.
- (xviii) Regulatory changes may have a material and adverse effect on the prospects of profitability for the Sub-Fund. Global markets are subject to on-going and substantial regulatory supervision, and it is impossible to predict what statutory or administrative restrictions may become applicable in future.
- (xix) The Fund may be required to pledge the shares in the Sub-Fund as security for the obligations of the Fund in respect of any financing arrangements. Any enforcement of such security will have an adverse effect on all Share Classes and in particular may have a disproportionate impact on those Share Classes to which the obligations giving rise to enforcement do not relate.
- (xx) Investors should be aware that the Luxembourg Sub Fund may invest in other assets in which a named counterparty (or an Associate or member of the same group) to the Fund may have an interest. This may lead to a potential conflict of interests where the Manager, Discretionary Investment Manager or Delegate Investment Manager (or other counterparty) may benefit from such allocations. Investments into such holdings should only normally be for 'efficient portfolio management' purposes but there is no guarantee that this is the case. Additional fees from any underlying transactions may cause a greater reduction in yield and this may, in turn, affect the net profit of any such transaction made by the Luxembourg Sub Fund and ultimately the Sub-Fund. In addition, investors' attention is drawn to the Prospectus for details on the fee rebate arrangements in place between the Sub-Fund and the Luxembourg Sub-Fund.
- (xxi) Trading on the Luxembourg Sub Fund may be suspended in extreme market conditions, such as abnormally low levels of liquidity in the Sukuk market. Investors are directed to the Article of Association of the Fund and Sub-Fund for further details.

- (xxii) Share classes denominated in currencies other than USD may use hedging techniques to mitigate the currency risk. The hedging technique used may not result in a perfect hedge. As a result, sharp movements in the foreign exchange rates may result in adverse effects on the performance of the Share Class.
- (xxiii) The situation may arise that cash generated by the Luxembourg Sub Fund may be reinvested at a lower profit rate. Additionally, periods when the risk free rate is reduced may lead to lower profit rates payable.
- (xxiv) Due to high levels of inflation, the Sub-Fund or assets within the Luxembourg Sub Fund may lose value in real terms. The risk of inflation tends to be higher within emerging markets when compared to more developed markets.
- (xxv) Should any asset not be directly accessible by the Luxembourg Sub Fund, directors of the Luxembourg Sub Fund may permit a related party to the DIM and/or DDIM to hold on its behalf. As such, additional counterparty risks may apply from time to time.
- (xxvi) The underlying assets of the Sub-Fund will be held in the Luxembourg Sub Fund in Luxembourg and therefore are not held under the regulatory jurisdiction of the Jersey Financial Services Commission.
- (xxvii) UCITS rules, and the restrictions of the underlying Luxembourg Sub-Fund may differ from those that currently apply in Jersey to the Sub Fund. These are as stated in Section 6 of this Supplement.

SCHEDULE 1: Sub-Funds available in Singapore

Emirates Islamic Alternative Strategies Fund Limited
Emirates Emerging Market Equity Fund Limited
Emirates Islamic Global Balanced Limited
Emirates MENA Opportunities Fund Limited
Emirates Islamic Money Market Fund Limited
Emirates Global Sukuk Fund Limited