



## **ADCB Global Sukuk Fund**

**(An open-ended investment fund operating in accordance with Islamic Shariah principles established pursuant to Resolution No. 164/8/94 of the Board of Directors of the UAE Central Bank, as amended from time to time, and the approval of the Securities and Commodities Authority, and amended in accordance with the provisions of the Chairman of the Authority's Board of Directors' Resolution No. (01/Chairman) of 2023 concerning the Regulation of Investment Funds)**

### **Public Subscription Prospectus**

**November 2016  
as amended in August 2024**

## IMPORTANT INFORMATION

- This Prospectus has been prepared by the Sponsor to provide prospective investors with information about the Fund. Each prospective investor should read this Prospectus thoroughly and consult with an Advisor before submitting an Application to subscribe for the Units. The Sponsor is acting on behalf of the Fund in connection with the offering of Units pursuant to this Prospectus and is not responsible to any other person for advising on the suitability of a subscription for the Units. Each prospective investor will be required to stipulate in his Application that he has not relied upon the Sponsor or any service provider to the Fund for investment to obtain legal or tax advice and that the investor has relied only on his own Advisors for investment, legal and tax advice.
- The Fund operates pursuant to the terms and conditions provided for in detail in this Prospectus. Each prospective investor declares his consent with these provisions by submitting an Application to subscribe for the Units to the Sponsor of the Fund.
- The publication of this Prospectus does not under any circumstances imply that there has been no change in the affairs of the Sponsor or the Fund since the date hereof, or that information herein is correct as of any time subsequent to the date hereof. This Prospectus will be amended or withdrawn and reissued by the Sponsor if any material change occurs to the information contained in this Prospectus or if this information becomes misleading.
- This Prospectus has been prepared without taking into account the objectives, financial situation or needs of any prospective investor. Thus, each prospective investor shall consult an Advisor to ensure that his investment in the Fund is in line with his specific investment objectives, financial situation and special needs.
- The Units are not deposits or obligations of any bank and are neither guaranteed by any bank, nor insured by any entity.
- Investment in the Fund entails risks including the risk that the amount invested may be lost entirely. Therefore, Units are suitable only for investors for whom an investment in the Fund does not constitute a complete investment program and who fully understand and are willing to assume the risks involved in the Fund's investment program.
- The value of the Units is subject to decrease and increase and there can be no assurance that the Units will appreciate in value or that losses will not be realized. The Sponsor of the fund, the Investment Manager, Administrator, Custodian or any entity or branch related to any of the aforementioned does not guarantee return of capital, repayment of income or investing the proceeds of the Fund in the Fund. Each prospective investor should carefully review the risks associated with investing in the Fund, as more fully described in Paragraph 7.1 of this Prospectus.
- A prospective investor may be subject to certain constraints upon investment in the Fund as a result of laws and regulations applicable to such prospective investor. Each prospective investor is responsible for ensuring that it complies with all relevant requirements under any such laws and regulations and for determining whether it is a Restricted Person.

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

**IMPORTANT NOTICE  
TO BE READ BY ALL INVESTORS**

- The main objective of this Prospectus is to provide prospective investors with basic information that may help them take their investment decisions as regards investing in the offered Units. Each prospective investor before subscribing should read all the information in this Prospectus thoroughly in order to decide whether it is appropriate to invest in such Units or not. Each prospective investor should also obtain required advice from his financial and legal advisors relevant to the investment in the offered Units for subscription. Any reader to this Prospectus should take into consideration that the words and phrases included herein indicate that the information in this Prospectus is merely an estimation related to the future, and the objective is to clarify that it represents unconfirmed information. Therefore, such forward-looking statements should not be relied upon entirely as they are subject to change and it is impossible to predict future circumstances with certainty which may lead to the discrepancy between the actual and estimated results.
- An investment in the offered Units may involve a significant degree of risk. Therefore, a prospective investor should not invest any money in this subscription unless he can endure loss of the investment made (see Risks section).
- This Prospectus contains information that has been provided in accordance with the Issuance and Disclosure Rules of the SCA in the UAE. The Investment Manager and the Sponsor, whose names are mentioned in the contents of this Prospectus, assume joint and several responsibility for the accuracy of the Prospectus and they confirm to the best of their knowledge and belief after exercising due care and conducting possible studies to the extent appropriate, that there are no other facts or essential information the failure to disclose of which may make any declaration stated herein misleading or affecting the investment decision of the subscribers.
- Any amendment or addition to this Prospectus must be approved by the Securities and Commodities Authority of the United Arab Emirates and notified to the public through publication in a daily newspapers according to the rules issued by the SCA.
- The offering of Units pursuant to this Prospectus has been presented to the SCA and the UAE Central Bank for the purpose of offering the Units inside the UAE. To the extent that Units are offered in any other country, the Investment Manager will be responsible for following all applicable procedures and taking all necessary measures to obtain the necessary approvals from the relevant authorities in those countries before offering the Units in them.
- The Fund and those in charge of its management undertake to comply fully and completely with all the laws, regulations and resolutions applicable in the country and with those to be issued at any time by the SCA.
- This Prospectus has been approved by the Securities and Commodities Authority of the UAE. The SCA's approval of the Prospectus is not to be considered as an endorsement of the investment proposition or as a recommendation for subscription in the Units. It merely denotes that this Prospectus has the minimum requirements in accordance with the Issuance and Disclosure Rules of applied by the SCA. The SCA is not responsible for the accuracy, completeness or adequacy of the information stated in this Prospectus, and it will not be responsible whatsoever for any damage or loss that may be suffered by any person due to reliance on this Prospectus or on any part thereof.
- This Prospectus is issued in February 2012 and amended in August 2024.

## SUMMARY OF TERMS

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

**The Fund:** ADCB Global Sukuk Fund.

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

**Fund Duration:** Unlimited.

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

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

**Sponsor:** Abu Dhabi Commercial Bank.

**Investment Manager:** Abu Dhabi Commercial Bank.

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

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

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

**Custodian:** Standard Chartered Bank.

**Administrator:** APEX Funds Services Limited, Abu Dhabi.

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

**Auditor:** KPMG.

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

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

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

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

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

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

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

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

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

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

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

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

**Redemption Fees:** None.

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

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

**Administrator Fee:** The Fund will pay the Administrator an annual fee of 10 basis points (0.1%) of the NAV with a monthly minimum amount of USD 1,250.

**Units Registrar Fee:** None

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

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

**Registration Fees and other Expenses:** None.

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

**Investor Information Rights:** Investors will receive the following reports:

- An Annual Report, including audited financial statements expressed in USD.
- An information document for the Fund provided on a monthly basis and including, amongst other things, details of the Fund NAV and Unit NAV over the previous month.
- Additional reports as may be determined by the Investment Manager from time to time.

Annual reports and other notices and information relating to the Fund may also be reviewed by Investors at the following website: [www.adcb.com](http://www.adcb.com)

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

**Rights of the Owners of the Units:** Participation in the Fund is intended for passive investment purposes only. The Fund is not incorporated under the UAE Companies Law and purchasing of Units will not grant Investors the rights given to shareholders of commercial

companies. The ownership of Units will not, therefore, confer upon Investors any ownership, voting or control rights in the Fund or the Assets, except as expressly set forth in this Prospectus.

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

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

1. Prof. Dr. Jassim Alshamsi;
2. Dr. Ibrahim Almansoori;
3. Dr. Salim Al-Ali;
4. Dr. Mohd Daud Bin Bakar; and
5. Dr. Osama Saad Bahar.

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

## **TABLE OF CONTENTS**

<b>1.</b>	<b>PRELIMINARY MATTERS.....</b>	<b>1</b>
<b>2.</b>	<b>THE FUND.....</b>	<b>5</b>
<b>3.</b>	<b>UNITS .....</b>	<b>7</b>
<b>4.</b>	<b>FUND MANAGEMENT .....</b>	<b>8</b>
<b>5.</b>	<b>INVESTMENT IN THE FUND.....</b>	<b>17</b>
<b>6.</b>	<b>FEES AND EXPENSES .....</b>	<b>22</b>
<b>7.</b>	<b>RISK FACTORS AND CONFLICTS OF INTEREST .....</b>	<b>24</b>
<b>8.</b>	<b>NOTICES AND COMMUNICATIONS.....</b>	<b>37</b>
<b>9.</b>	<b>TAXATION.....</b>	<b>37</b>
<b>10.</b>	<b>GENERAL INFORMATION .....</b>	<b>37</b>

**APPENDIX 1    APPLICATION FOR UNITS**

**APPENDIX 2    REDEMPTION NOTICE**



## 1. Preliminary Matters

### 1.1 Directory

<b>Sponsor / Fund Manager / Investment Manager / Unit Registrar</b>  Abu Dhabi Commercial Bank Abu Dhabi Commercial Bank Building Sheikh Zayed Street, P.O. Box 939 Abu Dhabi, United Arab Emirates Tel: +97128125573 Email: <a href="mailto:Wissam.M@adcb.com">Wissam.M@adcb.com</a>	
<b>Investment Adviser</b>  CIMB-Principal Islamic Asset Management Sdn Bhd Level 5, Menara Milenium 8 Jalan Damanea Bukit Damansara 50490 Kuala Lumpur, Malaysia Tel: +603 2084 2000 Fax: +603 2084 2299	<b>Administrator</b>  Apex Fund Services Limited, Abu Dhabi Office 704 Salam HQ Bldg, Al Salam Street PO Box 27925 Abu Dhabi United Arab Emirates
<b>Custodian</b>  Standard Chartered Bank, acting through its Dubai branch Level 12, Emaar Square, Down Town, P.O. Box 999, Dubai, United Arab Emirates	<b>Auditor</b>  KPMG Level 16, Al Nasr Street P.O. Box 7613, Abu Dhabi, UAE Tel: +971 (0)4 6343318 Fax: +971 (0)4 627612
<b>Legal Advisor</b>  Simmons & Simmons Middle East LLP 17th Floor, ICD Brookfield Place DIFC, Dubai United Arab Emirates	<b>Shariah Supervisory Panel</b> The Shariah Supervisory Panel will consist of the following individuals: Prof. Dr. Jassim Alshamsi; Dr. Ibrahim Almansoori; Dr. Salim Al-Ali; Dr. Mohd Daud Bin Bakar; and Dr. Osama Saad Bahar.

All inquiries regarding this Prospectus, the Fund and the offer of Units should be directed to the Sponsor.

## 1.2 Definitions

“**Abu Dhabi Commercial Bank**” means the public joint stock company incorporated under business license CN-1002016 and licensed by the Securities and Commodities Authority to act as fund manager.

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

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

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

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

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

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

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

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

“**Auditor**” means KPMG or such other entity appointed as auditor to the Fund, acting through the Sponsor, from time to time.

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

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

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

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

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

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

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

“**First Closing Date**” means the first Dealing Day on which Units in the Fund have been issued to Investors.

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

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

“**Investment Manager**” means the Abu Dhabi Commercial Bank in its capacity as the manager of the Assets in accordance with this Prospectus.

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

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

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

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

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

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

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

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

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

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

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

“**Prospectus**” means this prospectus relating to the issuance of Units, as it may be amended or supplemented from time to time in accordance with the terms herein and upon the approval of the SCA.

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

“**Register**” means the authoritative record of the Units held by Investors maintained by the Units Registrar in its capacity as the

Units Registrar, which will set forth details of (i) all subscriptions by Investors for Units, (ii) any Units transferred to other Investors and (iii) any redemption of Units.

**“Resolution”** means Chairman of the Securities and Commodities Authority’s Board of Directors Resolution No. (01/Chairman) of 2023 concerning the Regulation of Investment Funds, as amended.

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

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

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

**“Sponsor”** means Abu Dhabi Commercial Bank in its capacity as the establishing party and Sponsor of the Fund.

**“Subscription Amount”** means the total capital contributed to the Fund by an Investor in accordance with its subscription for Units, as set forth in its Application.

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

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

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

**“UAE”** means the United Arab Emirates.

**“UAE Companies Law”** means UAE Federal Decree-Law No. 32 of 2021 concerning commercial companies, as amended, or any successor law thereto.

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

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

**“Units Registrar”** means Abu Dhabi Commercial Bank or whomever succeeds it as the unit registrar in accordance with the terms of the Registrar Agreement, or any other entity that the Sponsor appoints as unit registrar on behalf of the Fund from time to time.

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

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

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

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

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

### 1.3 Interpretations

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

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

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

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

## **2. The Fund**

### **2.1 General**

The Fund is an open-ended investment fund established in accordance with the provisions of the Resolution and has been approved by the Authority. Units will be available for subscription and may be redeemed on a weekly basis in accordance with Paragraphs 5.3 and 5.5. The Fund can issue a number of Units at any time limited to the maximum number in the Fund as stipulated in the summary of the principle terms unless the SCA requires otherwise.

### **2.2 Fund Structure**

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

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

The ownership of Units does not confer upon Investors any voting or other

procedural rights, any individual right to receive dividends or other distributions from the Fund or from the underlying Assets or any other rights with respect to the underlying Assets, except as expressly set forth in this Prospectus. Participation in the Fund is for passive investment purposes only.

Investors collectively own the Assets and participate *pro rata* in the appreciation or depreciation of the Assets resulting from the gains, losses, income, profits, dividends, if any, and expenses attributable to the activities of the Fund based upon the number of Units they hold. Once an Investor pays the full Subscription Amount and the corresponding Subscription Fee relating to its Application for Units, such Investor will not be obliged to contribute any additional capital to the Fund in respect of such Units.

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

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

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

### **2.3 Stock Exchange Listing**

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

## 2.4 Investment Objective and Strategy

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

## 2.5 Investment Guidelines

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

- (a) There are no restrictions on the currency in which the Sukuk are denominated. However, non-USD and non-USD pegged currencies should not account for more than 50% of Fund NAV and no single non-USD currency should account for more than 20% of Fund NAV.
- (b) There is no minimum rating for individual sovereign Sukuk. However, unrated sovereign Sukuk should not account for more than 10% of Fund NAV.
- (c) If the corporate Sukuk is unrated but the issuer of the Sukuk is rated, the issuer rating can be used. No more than 10% of Fund NAV will be invested in unrated corporate Sukuk. No more than 20% of Fund NAV will be invested in below investment grade and unrated corporate Sukuk.
- (d) Convertible Sukuk should not account for more than 10% of Fund NAV.
- (e) Any Sukuk issuance at the time of investing in them should not account for more than 15% of Fund NAV and should not account for more than 15% of the issuance in which the Fund has invested. The Fund shall not invest more than 20% of Fund NAV in securities issued by the same group of corporate entities.
- (f) Sovereign and quasi-sovereign issuances should account for at least 30% of Fund NAV. The classification of an issuance as quasi-sovereign shall be determined by the Investment Manager in its sole discretion.
- (g) No more than 60% of Fund NAV should be held in Sukuk issued by entities in the UAE and, in relation to all other jurisdictions, no more than 50% of Fund NAV.
- (h) Cash investments and cash equivalent investments, such as Wakala and Murabaha contracts instruments, may be concluded by the Fund when the Investment Manager regards it as necessary for the efficient management of the Fund, provided that they are held in compliance with the provisions of Shariah.
- (i) Under normal operating conditions, up to 25% of Fund NAV may be held in the form of cash and/or other short-term investments deemed appropriate by the Investment Manager in its sole discretion. Cash will be invested in a Shariah-compliant manner. Under non-normal operating conditions, including events such as providing liquidity for client transactions or during periods of excessive market

volatility, cash and/or other short-term investments may account for up to 70% of Fund NAV.

- (j) The Fund will not utilize loans to implement its investment strategy (i.e. it will not obtain any loans for investment purposes) and will not short sell securities or buy securities on margin.
- (k) There are no counterparty limits for cash and/or other short-term investments. However, the Investment Manager will keep Assets under review and will, where possible, seek to place Assets with counterparties that are rated.
- (l) The use of Shariah-compliant currency forward contracts and cross-currency profit rate swaps may be used for hedging purposes only.

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

## **2.6 Benchmark**

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

## **3. Units**

### **3.1 Units in the Fund**

The size of the Fund on the First Closing Date is targeted to be USD 5 million as a minimum amount through the issue of (500,000 Units) five hundred thousand Units as a minimum amount each with a nominal

value of USD 10. The Sponsor has the discretion to proceed with the Fund if the value of the Assets at the First Closing Date are less than this amount provided that a prior approval from the Authority is acquired.

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

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

### **3.2 Ownership of Assets**

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

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

In accordance with the Custodian Agreement, the Custodian will open and maintain a cash account or cash accounts for custodial transactions on behalf of and in the

name of the Fund or its nominees and hold all monies received for the account of the Fund in such account or accounts with such banks or other persons on their usual terms and otherwise in such manner as the Investment Manager shall from time to time direct.

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

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

### **3.3 Income Distribution Policy**

It is intended that 100% of the periodic income received from the underlying Assets will be distributed, net of applicable fees at the end of each calendar year. Income Distributions will usually be paid within four weeks of declaration. Distributions will be made from the existing Units on the Evaluation Day stated in the declaration.

The Investment Manager may refrain from making cash distributions, at **its** sole discretion, if it believes doing so is in the best interest of the Unit holders.

## **4. Fund Management**

### **4.1 Management by the Sponsor**

Abu Dhabi Commercial Bank is the Sponsor of the Fund and assumes the duties of the Investment Manager.

Abu Dhabi Commercial Bank has an authorized capital of AED 10,000,000. . Abu Dhabi Commercial Bank's objective is providing banking, investment, commercial and service activities in compliance with Islamic Shariah.

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

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

- (a) Duties of the Sponsor:
  - (i) Informing Investors of important developments that may affect the Fund and arranging for the circulation of appropriate information.
  - (ii) Liaising with regulatory authorities, including the Authority and the UAE Central Bank.



- (iii) Coordinating the Fund's other service providers, including appointing and dismissing them. replacing or maintaining of any Assets.
  - (iv) Marketing and distributing the Units. The Sponsor may, in its sole discretion, appoint one or more distributors to assist it in marketing and distribution.
- (b) Duties of the Investment Manager:
- (i) Investing the Assets in a manner deemed appropriate by the Investment Manager in accordance with this Prospectus and in compliance with Islamic provisions and principles as construed by the Shariah Supervisory Panel.
  - (ii) Instructing the Custodian to open, maintain and close accounts on behalf of the Fund, including the custody accounts and brokerage accounts.
  - (iii) Issuing instructions and authorizations to the brokers regarding investments and relevant money market instruments.
  - (iv) Holding, transferring and disposing, and practicing all the rights, powers, privileges and other rights of ownership and possession in relation to the Assets.
  - (v) Instructing the Fund's service providers in relation to the purchasing, selling, transferring, returning,
- (c) Duties of the Units Registrar:
- (i) Maintaining the Units Register.
  - (ii) Receiving Applications and Redemption Notices.
  - (iii) Issuing information about the value and number of the Units to Investors.
- The Sponsor may authorize any employee or another agent of the Sponsor to act on behalf of the Fund in all the matters related to the aforementioned. This authorization will not prejudice the responsibility of the Sponsor for any matter, and this authorization will not result in any additional burdens to be incurred by the Fund provided that the agent satisfies the conditions for providing such service in accordance with the regulations or instructions of SCA.
- 4.2 Indemnification of the Sponsor**
- The Sponsor and its directors, members, stockholders, partners, officers and employees will not be liable, in damages or otherwise, to any Investor for:
- (a) any act or failure to perform any task by such person in connection with the operation and management of the Fund or for any losses, claims, costs, damages, or liabilities arising therefrom;
  - (b) any tax liability imposed on the Fund or any Investor; or
  - (c) any losses due to the actions of or failure to perform any task by any brokers or other agents of the Fund, except if it has been determined by a

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

#### **4.3 Advisory Board**

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

The members of the Advisory Board will not be involved in the day-to-day management of the Fund. The Advisory Board will meet at least quarterly to review

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

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

#### **4.4 Investment Committee**

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

The Investment Committee will meet on a regular basis to monitor the day-to-day operation and performance of the Fund and

the activities of the Investment Manager and to make recommendations to the Investment Manager regarding the investment program and guidelines of the Fund.

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

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

The ADCB Investment Committee will consist of the following members:

- Chief Investment Officer and Chief Economic Officer, Asset Management (Chairman of the Committee)
- Head – Investment Management, Asset Management

The following employees are accredited to the Investment Funds Management License with the Authority:

- Category Officer
- Portfolio Manager
- Compliance Officer

#### 4.5 The Shariah Supervisory Panel

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

The Shariah Supervisory Panel, which is compensated for its role by the Fund Manager, will be composed of the Fatwa and Shariah Supervisory Panel of the Sponsor, and comprises the following individuals:

1. Prof. Dr. Jassim Alshamsi;
2. Dr. Ibrahim Almansoori;
3. Dr. Salim Al-Ali;
4. Dr. Mohd Daud Bin Bakar; and
5. Dr. Osama Saad Bahar.

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

- (a) Commodities underpinning Murabaha, Ijara and other Islamic financial instruments must be permitted under

Shariah for trading purposes and will not include gold, silver and currencies.

- (b) Securities of companies that operate in the following industries will not be included in the Fund's portfolio:
  - (i) alcoholic beverages;
  - (ii) arms;
  - (iii) pornography and associated industries;
  - (iv) financial companies (other than approved Islamic institutions);
  - (v) gambling;
  - (vi) leisure activities that conflict with Islamic law and traditions;
  - (vii) pork and pork products;
  - (viii) derivatives (other than approved Islamic products); and
  - (ix) tobacco.
- (c) The Fund will not invest in securities of companies that have the following properties:
  - (i) The company's total profit-bearing debt divided by the trailing 24-month average market capitalization is thirty-three percent (33%) or more.
  - (ii) The sum of a company's profit-bearing cash and securities divided by the trailing 24-month average market capitalization is thirty-three percent (33%) or more.
  - (iii) The company's accounts receivables divided by the trailing 12-month average market capitalization is thirty-three percent (33%) or more.

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

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

#### **4.6 Fund Management**

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

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

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

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

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

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

- (a) any error of judgment or loss suffered by the Fund or any investor in connection with the investment management services it provides the Fund; or
- (b) any matter or thing done or omitted to be done by the Investment Manager howsoever any such loss may have occurred,

unless such loss or disadvantage arises from negligence, fraud, willful default in the performance or non-performance by the Investment Manager or persons duly authorised by it, or any violation of applicable law by the Investment Manager.

The Fund undertakes to hold harmless and indemnify the Investment Manager against all actions, proceedings, claims, costs, and expenses but excluding tax in respect of the Investment Manager’s overall income or profits which may be brought against, suffered or incurred by the Investment

Manager by reason of the performance of his duties or functions under the terms of this Agreement, including all legal, professional and other expenses incurred (whether in taking legal action on behalf of the Fund or otherwise) except everything that shall arise from negligence, fraud or willful default in the performance or non-performance of the Investment Manager’s duties and functions.

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

#### **4.7 The Custodian**

The Sponsor has appointed Standard Chartered Bank as Custodian of the Assets, which will be held directly by the Custodian or through its agents, sub-Custodians, or delegates pursuant to the Custodian Agreement.

Standard Chartered Bank, with its subsidiaries and associated companies, is one of the largest banking and financial services organizations in the world, with well-established businesses in Europe, the Asia Pacific region, the Americas, the Middle East and Africa.

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

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

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

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

The Custodian in no way acts as trustee of the Fund. The Custodian is a service provider to the Fund. Neither the Custodian nor its employees or agents are responsible for, or accept any responsibility or liability for any losses suffered by the Fund or any investors in the Fund as a result of any failure by the Investment Manager to adhere to the investment objective and strategy, policy, investment restrictions, financing restrictions, borrowing restrictions, operating guidelines of the Fund, business affairs, organisation, sponsorship or investment management of the Fund or the

Sponsor. In addition, the Custodian is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for any information contained in this Prospectus.

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

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

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

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

circumstances arising outside of the Custodian's control.

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

#### **4.8 The Administrator**

The Sponsor has appointed HSBC Bank Middle East Limited, UAE Branch, as Administrator to provide administration services for the Fund pursuant to the Administration Agreement on behalf of and subject to the overall control of the Sponsor.

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

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

The Fund will pay the Administrator such fees for its services as the Sponsor and the Administrator may negotiate from time to time, details of which are set out in the section "Summary of Terms" at the beginning of this Prospectus and under "Administrator Fees" below. The

Administrator will also be reimbursed by the Fund for its actual out-of-pocket expenses.

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

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

The Administrator in no way acts as trustee of the Fund. The Administrator is a service provider to the Fund and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Fund. Neither the Administrator nor its employees or agents are responsible for, or accept any responsibility or liability for any losses suffered by the Fund or any investors in the Fund as a result of any failure by the Sponsor to adhere to the investment objective and strategy, policy, investment

restrictions, financing restrictions, borrowing restrictions, operating guidelines of the Fund, business affairs, organisation, sponsorship or investment management or strategy of the Fund or the Sponsor. In addition, the Administrator is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for any information contained in this Prospectus..

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

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

Notwithstanding anything to the contrary in this Prospectus, the Administrator's liability to the Fund and in relation to the Assets for any causes whatsoever and regardless of the form of the action will at all times be limited to the direct loss suffered by the Fund and/or the Investor(s) to the value of the Assets.

The Administrator shall not be liable or otherwise responsible for any loss suffered by any person by reason of (i) any act or omission of any person prior to the commencement date of the Administration Agreement, (ii) any defect, error, inaccuracy, breakdown or delay in any product or service provided to the Administrator by any third party service provider, and (iii) any inaccuracy, error or delay in information provided to the Administrator by or for the Fund or Sponsor (including any broker, market maker or intermediary). The Administrator shall not otherwise be liable for any loss to the Fund or any other person, unless direct loss is

sustained as a result of its fraud, negligence or wilful default. In any event, the Administrator's aggregate liability for Damage in any one calendar year shall be limited to the amount of fees due to the Administrator during such period, and for these purposes "Damage" shall mean the aggregate of all losses or damages and costs suffered or incurred, directly or indirectly, by the parties to the Administration Agreement, including as a result of breach of contract, breach of statutory duty, tort (including negligence), fault or other act or omission by the Administrator, but excluding any such losses, damages or costs arising from the fraud or dishonesty of the Administrator or in respect of liabilities which cannot lawfully be limited or excluded.

The Sponsor or the Administrator may terminate the Administration Agreement by giving the other party not less than 3 months' prior written notice.

#### **4.9 The Units Registrar;**

Abu Dhabi Commercial Bank was appointed to provide the service of a Units Registrar. The duties of the Units Registrar are as follows:

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

#### **4.10 The Auditor**

The Sponsor, on behalf of the Fund, has appointed KPMG as the Auditor to carry out an independent audit of the Fund on an



annual basis. The Auditor also will conduct quarterly unaudited reviews of the Fund.

## **5. Investment in the Fund**

### **5.1 Eligible Investors**

Subscription for Units will be available to any person who is not a Restricted Person and who completed the Application in accordance with Paragraph 5.3.

If a prospective investor is not at least 21 years of age or if a prospective investor is subscribing to the Fund on behalf of an individual who is not at least 21 years of age, then such prospective investor must contact the Sponsor and provide documentation sufficient to evidence legal authorization to subscribe to the Fund.

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

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

### **5.2 Subscription Amounts**

An Application for an initial subscription for Units must be for a minimum amount of

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

### **5.3 Subscription Procedures**

Each prospective investor, or Investor subscribing for additional Units, must submit an Application for a subscription of Units in the form set forth in Appendix 1 attached to this Prospectus. The Sponsor may accept a completed Application and accompanying Subscription Amount in its sole discretion on the First Closing Date or on any subsequent Dealing Day so long as such Application is received by the Sponsor after coordination with the Units Registrar at the end of the Business Day preceding the determined Dealing Day by four Business Days from the First Closing Date or such subsequent Dealing Days.

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

In the case of Applications submitted to the Sponsor prior to the First Closing Date, all Subscription Amounts and Subscription Fees collected by the Sponsor will be debited from the relevant Investor Account and deposited in a pooled, non-interest-bearing account maintained by the Sponsor until the First Closing Date.

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

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

#### **5.4 Transfer of Units**

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

- (a) the transferor provides sufficient written evidence to the Sponsor that the prospective transferee is eligible to hold Units and is not a Restricted Person;

- (b) no other Investor is likely to be adversely affected as a result of such transfer;
- (c) the transferor sends its transfer request in writing to the Units Registrar in such form as the Sponsor may require; and
- (d) the transferee provides such documentation as the Sponsor may require.

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

#### **5.5 Redemptions**

##### **(a) Optional Redemption by an Investor**

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

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

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

**(b) Compulsory Redemption by the Investment Manager**

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

- (i) The Units are held (whether directly or indirectly) by or for the benefit of:
- any Restricted Person;
  - any person, or the Investment Manager suspects they are held by any person, in breach of any law, code or regulatory requirement of any country or governmental authority or any of the policies, procedures and/or guidelines established by the Sponsor, the Investment Manager, the Administrator or any governmental authority including but not limited to those in relation to money laundering, terrorism or terrorist financing; or
  - any person whose holding or continued holding of those Units may in the determination of the Investment Manager, cause, or be likely to cause, a legal, regulatory, pecuniary, tax, compliance or material administrative disadvantage to the Fund or its Investors generally or to the Sponsor.
- (ii) The representations or declarations in the Application are incorrect or invalid.
- (iii) The Fund Manager decides in his absolute discretion, that the possession of any Unit by the Investor who owns such Unit violates any applicable laws or may result in tax consequences harmful to the Fund.

In the event of a compulsory redemption in accordance with this paragraph, the Investor

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

**(c) Postponement of Units redemptions**

If the redemption amount in one Dealing Day exceeds 10% of Fund NAV, the Investment Manager, at its discretion, may suspend the exceeded redemption at a maximum period of two Dealing Days in order to avoid those losses that may be incurred by compulsory liquidation of assets achieving fairness when dealing with all redemption requests; and

- (i) if the request for redemption of large amounts in a certain period of time makes it difficult for the Fund to acquire adequate cash to respond to the redemption requests without resorting to liquidating some assets before their time or in an inappropriate time or in unfavorable conditions; or
- (ii) the Investment Manager is unable to liquidate the assets of the Fund for reasons beyond his control; or
- (iii) there is rapid and sudden decrease in the prices of the assets in the Fund

the Investment Manager in coordination with the Sponsor may delay the fulfillment of such redemption requests for a period exceeding two

Dealing Days provided that a plan to execute all the redemption requests is put in place the situation is addressed in a manner that is equitable to each Investor requesting a redemption of Units and acquiring the approval of the SCA.

## **5.6 Net Asset Value**

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

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

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

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

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

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

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

The Administrator will use reasonable endeavours to independently verify the price of any such assets or liabilities of the Fund using its network of automated pricing services, brokers, market makers, intermediaries or other third parties.

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

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

### **5.7 Asset Valuation Guidelines**

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

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

- (a) The value of the Assets will be determined on the basis of the official closing price or, where none is available, the last known price on the relevant market. Where an Asset is traded on more than one market, the Investment Manager, in collaboration with the Administrator, may in its sole discretion select such price on the principal market on which the Asset in question is traded.
- (b) For Assets not quoted on a particular market, available valuation reports or other information will be used by the Investment Manager in collaboration with the Administrator to estimate probable realization value.
- (c) Cash and debt instruments, securities, receivables and any similar instruments will be valued at their then current market value.
- (d) Any Assets not valued in accordance with the foregoing will be valued at their attributable fair values in accordance with commonly accepted international valuation standards. The Investment Manager, in collaboration with the Administrator and after taking the opinion of the

Auditor, may determine in relation to any Asset or any part thereof to apply some more suitable method of valuation when such method of valuation is more appropriate.

- (e) The Fund NAV and the Unit NAV will be stated in USD. Any Assets or liabilities denominated in currencies other than USD will be converted into USD at the then prevailing market rates and as approved by the Investment Manager as it may find fit.
- (f) All valuations determined by the Investment Manager in collaboration with the Administrator will be final and binding save in the case of manifest error.

### **5.8 Suspension of the Net Asset Value Calculation**

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

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

- (d) When the Sponsor has elected to terminate the Fund in accordance with this Prospectus.
- (e) When there has been a material and substantial change in the valuation of not less than 10% of the Assets.
- (f) When the business operations of the Sponsor, the Administrator or any other service provider appointed by the Sponsor are substantially interrupted or closed for any reason outside of the control of any such entity.
- (g) For any other reasons that the Investment Manager deems important and necessary; provided, however, that the Investment Manager must inform the SCA of the suspension and the reasons therefore, the suspension duration, and the ways to remedy and avoid them in the future, within a period of no more than 2 working days of the suspension date.

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

## **5.9 Reporting**

The Investment Manager, in collaboration with the Administrator, will provide Investors with an Annual Report. The Annual Report will include the audited financial statements of the Fund prepared in

accordance with IFRS with a supporting audit report. The Annual Report will be made available to Investors within 3 months at the end of the Financial Year to which it relates.

The Sponsor will provide a fact sheet for the Fund on a monthly basis. The Fund fact sheet will be available on the Sponsor's website. The Fund fact sheet will include, among other things, details of the Fund NAV and Unit NAV.

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

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

## **5.10 Termination and Liquidation**

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

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

## **6. Fees and Expenses**

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

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

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

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

#### **6.1 Costs Incurred Prior to First Closing Date**

The Investors will bear on a *pro rata* basis all the expenses related to the formation of the Fund and its preliminary marketing, including the costs of audit and legal and other costs relating to the formation, promotion and initial marketing of the Fund. Such costs may be amortized in consultation with the Auditor and as allowed by law. The Sponsor will have paid these costs in advance, and the Fund will reimburse the Sponsor for these costs. The Sponsor

expects that these costs will not exceed USD 150,000.

#### **6.2 Subscription Fee**

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

#### **6.3 Management Fees**

- (a) Fixed Fees

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

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

#### **6.4 Custodian Fees**

In accordance with the Custodian Agreement, the Fund will pay the Custodian an annual fee of 4.5 basis points (0.045%) of the Fund NAV (the Fund NAV will be calculated without deducting the fee amount from it), and the total amount of the Custodians fee will be calculated by applying the percentage above on each Dealing Day (before valuing the Unit NAV) and this amount is accrued every quarter of

the Fund's Financial Year. The minimum fee payable will be USD 1,250 per month.

### **6.5 Administrator Fees**

In accordance with the Administration Agreement, the Fund will pay the Administrator an annual fee of 10 basis points (0.1%) of the Fund NAV (the Fund NAV will be calculated without deducting the fees amount) and the net amount of the Administrator's fee will be calculated by applying the above percent on each Dealing Day (determined prior to evaluation of the Unit NAV). That amount is accumulated at the end of each quarter of the Fund's Financial Year. (The minimum fee payable will be USD 1,250 per month.

### **6.6 Units Registrar Fees**

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

### **6.7 Shariah Supervisory Panel Fees**

The Fund Manager will pay the Shariah Supervisory Panel an annual fee which will accrue on a weekly basis and be paid quarterly.

### **6.8 Transfer Fee**

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

### **6.9 Other Operation Expenses**

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

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

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

## **7. Risk Factors and Conflicts of Interest**

### **7.1 Risk Factors**

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

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

Such risks include, but are not limited to:



- (a) **Company-Specific and Market Risk:** The success of the Fund's activities may be affected by the success or failure of the companies in which the Fund invests and by general economic and market conditions, such as market and other trends, profit rates, availability of credit, volatility, inflation rates, economic uncertainty, changes in laws, national and international political circumstances and other factors. The Fund focuses on investing in the global Sukuk market, which may be deemed immature and emerging and thus could display higher volatility characteristics than wider international fixed income markets. The Fund is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearing-houses.
- (b) **Difficult Market Conditions:** Assets may not be readily realizable and no market may formally exist. While the Sukuk market has grown significantly in recent years, Investors should note that there may be times when the market is illiquid and it is difficult to sell an Asset. Furthermore, expected profits on Investments may increase on a wider basis and there may be higher trading costs than normally associated with trading conventional debt instruments.
- (c) **Non-Diversification:** The Fund's portfolio will be concentrated in terms of asset class as it will only invest in certain Sukuk. Accordingly, the investment portfolio of the Fund may be subject to more rapid changes in value than would be the case if the Fund were required to maintain a wider diversification among types of investments, issuers and geographic areas.
- (d) **Debt Securities Generally:** The Fund expects to invest in private and sovereign debt instruments. The Fund may invest in debt instruments that are unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face ongoing periods of uncertainty and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of profit amounts and principal. Such instruments are regarded as speculative instruments with respect to the issuer's capacity to pay profit amounts and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.
- (e) **Distressed Securities:** The Fund may invest in "below investment grade" securities of issuers in weak financial conditions, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments, although they may also offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating

to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such securities may be considered for trading purposes, and the ability of such companies to pay their debts on schedule could be affected by adverse profit rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies.

- (f) **High Yield Securities:** The Fund may invest in “higher yielding” (including non-investment grade) Sukuk. Such securities are generally not exchange traded and, as a result, these financial instruments trade in the over-the-counter marketplace, which is less transparent and has wider bid/ask spreads than the exchange-traded marketplace. In addition, the Fund may invest in Sukuk of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such Assets. Also, the market for credit price is often inefficient and illiquid, making it difficult to accurately calculate the discounting amount for valuing financial instruments. High profitability securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to meet timely profit amounts and make principal payments. High profitability securities are generally more volatile and may or may not be subordinated to certain other relevant securities

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

- (g) **Systemic Risk:** The Fund may be subject to risk arising from a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as “systemic risk” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and

exchanges, with which the Fund interacts on a daily basis.

- (h) **Tax Considerations Taken into Account:** The Investment Manager may take tax considerations into account in determining when the Fund's securities positions should be sold or otherwise disposed of and may assume certain market risks and incur certain expenses in this regard to achieve favorable tax treatment of a transaction.
- (i) **Convertible Sukuk:** Convertible Sukuk may be converted into or exchanged for a specified amount of stocks of the same or a different issuer within a particular period of time at a specified price or formula. A convertible Sakk entitles its holder to receive profit amounts that are generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible Sakk matures or is redeemed, converted or exchanged. Convertible Sukuk have unique investment characteristics in that they generally (i) have higher profitability than stocks, but lower profitability than comparable non-convertible Sukuk, (ii) are less subject to fluctuation in value than the stocks related to convertible Sukuk due to their fixed income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible Sakk is a function of its "investment value" (determined by its profitability in comparison with the profitability of other securities of comparable maturity and quality that do not have

a conversion right) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible Sakk is influenced by changes in profit rates, with investment value declining as profit rates increase and increasing as profit rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible Sakk's investment value. The conversion value of a convertible Sakk is determined by the market price of the regular stocks related to Sukuk. If the conversion value is low relative to the investment value, the price of the convertible Sakk is governed principally by its investment value. To the extent the market price of the stocks approaches or exceeds the conversion price, the price of the convertible Sakk will be increasingly influenced by its conversion value. A convertible Sakk generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the stocks while holding a fixed income security. Generally, the amount of the premium decreases as the convertible Sakk approaches maturity. A convertible Sakk may be subject to redemption at the option of the issuer at a price established in the convertible Sakk's governing instrument. If a convertible Sakk held by the Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the stocks or sell it to a third party. Any of these actions could have an

- adverse effect on the Fund's ability to achieve its investment objective.
- (j) **Risk Control Framework:** No risk control system is fail-safe, and no assurance can be given that any risk control framework employed by the Investment Manager will achieve its objective. Target risk limits developed by the Investment Manager may be based upon historical trading patterns for the securities and financial instruments in which the Fund invests. No assurance can be given that such historical trading patterns will accurately predict future trading patterns.
  - (k) **Credit Risk:** is inherent in the underlying Assets. The risk of failure of payment of the interim cash flow or the redemption amount is directly transferred to the Investor. The value of the Assets may be affected by credit migration, failure to meet periodic payments, failure to repay capital or other issues related to investments in securities in emerging markets. Losses in these securities may result in loss in capital.
  - (l) **Default Risk:** is associated with investments in fixed income securities. Issuers of these securities may not pay the contractual distributions or principal on the instrument in a timely manner, or at all. A default or restructuring of contractual obligations may adversely affect the value of the Fund.
  - (m) **Control Risk:** Investors in the Fund will have no:
    - (i) legal or proprietary ownership rights in or to any of the Assets; and
    - (ii) voting, control, management rights or any other rights in the administration or operation of the Fund, the Assets, the Sponsor or the Investment Manager.
  - (n) **Custodian and Broker Risks:** Assets may be held by the Custodian and its sub-custodians, on behalf of the Fund. In some circumstances, assets may be held by the Custodian or its sub-custodian in a nominee structure. The use of a Custodian, and its sub-custodian, and their nominee structure represents some potential risks:
    - (i) in terms of the legal ownership structure of the Assets; and
    - (ii) in the event that the Custodian, any sub-custodian, or nominee holding encounters financial difficulties which impair the operational capabilities or the capital position of the Fund. Care will be taken to ensure that the Assets are separately identified as being held on behalf of the Fund and its Investors and, to the extent possible, to protect those Assets in the event of the insolvency of the Sponsor or any party holding Fund Assets. Notwithstanding such care, it is possible, under the laws of the UAE, or another relevant jurisdiction, that a court may not protect the

Assets in the event that the Sponsor or a party holding Fund Assets becomes insolvent. The Custodian, sub-custodians, brokers or nominees are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Assets are subject to substantial limitations and uncertainties. Investors should assume that the insolvency of any such persons may result in the loss of all or a substantial portion of the Assets held by or through such persons.

### **Sub-Custodian Risks**

The Custodian does not currently have sub-custodians in all markets where the assets of the Fund may be traded. The Sponsor shall use best efforts to secure the appointment of a Custodian or a sub-custodian and shall perform reasonable due diligence on such sub-custodian prior to such appointment but investments held in any such country or area before the appointment of a sub-custodian may, at the discretion of the Sponsor, be held temporarily through brokers or agents. In such cases, the Custodian shall not be responsible for the safekeeping of assets of the Fund deposited with such brokers or agents and will not be liable for any loss occasioned by reason of the liquidation, bankruptcy or insolvency of such broker, agent or other intermediary. In such cases,

the Investment Manager shall be fully responsible for the consequences of such risks.

As mentioned earlier, investing in the Fund involves risks and it specifically involves risks related to dealing with sub-custodians and the duties of such sub-custodians. The Investment Manager and Custodian shall exercise due skill, care and diligence as may be expected of leading and reputable international institutions to mitigate the effects of such risks.

Generally, the Custodian shall not be liable in respect of any assets which are outside the exclusive control of the Custodian or a sub-custodian it has appointed in accordance with the instructions of the Investment Manager to invest in those places outside of the direct control of the Custodian. In such cases, the Investment Manager shall be fully responsible for the consequences of such risks.

- (o) **Third Party Cash Deposit Risk:** The Custodian may also on the instructions of the Investment Manager, open accounts with any bank or financial institution (including any bank or financial institution which is not a member of the HSBC Group) and place cash of the Fund in such accounts. The Custodian will not be responsible or liable to any person whatsoever, (including the Sponsor and/or the investors) in respect of any loss of the cash, securities and/or other assets comprising the Assets of the Fund held in such accounts or not deposited with or remaining in such accounts, occasioned by reason of

the liquidation, bankruptcy or insolvency of such bank, financial institutions or other persons. In such cases, the Investment Manager shall be fully responsible for the consequences of such risks.

- (p) **Trading Accounts Risk:** The Custodian may also on the instruction of the Investment Manager leave securities in trading accounts in various stock exchanges/depositories for the purchase and sale of investments in the name of the Fund where the securities are credited into the trading account. Unless as a result of the Custodian's fraud, negligence or wilful default, the Custodian will not be responsible for any loss suffered by the Fund in relation to the value of securities held in these trading accounts, as such securities are no longer under the exclusive control of the Custodian and have been placed in trading accounts accessible by third party brokers. In such cases, the Investment Manager shall be fully responsible for the consequences of such risks. In such cases, the Investment Manager shall be fully responsible for the consequences of such risks.

**Authenticity of Securities Risk:** There may be particular difficulties in establishing the authenticity of physical securities, debt instruments or participation notes settled in the regions into which the Fund may invest. Accordingly, although the Custodian (or its appropriate sub-custodians) on behalf of the Fund will endeavour to check that, on its face, any such instrument appears genuine, no responsibility can be taken for verifying the validity or

authenticity of any such instrument. In such cases, the Investment Manager shall be fully responsible for the consequences of such risks.

- (q) **Liquidity Risk:** Cash resources immediately available to meet redemption applications will be limited and may ultimately necessitate a sale of securities. In the event that Assets are sold to fund redemptions, such sale may have an adverse impact on the investors who have not redeemed as the selection of available Assets to be sold may affect the balance, spread and overall value of Assets remaining within the Fund. The purchase or sale of certain Assets (which are subject to legal or other restrictions on transfer or for which no liquid market exists, for example) may not be possible at the time the Fund wishes to deal in such Assets and/or may require the Fund to deal at unfavorable prices or sell Assets at a discount price relative to their perceived market value. There may be no active market for some of the securities and other Assets in which the Fund invests. Any changes to the composition of securities in the Index may increase such risk. An investment in the Fund is suitable only for certain sophisticated investors who do not require immediate liquidity for their investments.

- (r) **Currency Risk:** The Fund may invest in assets not denominated in USD or dominated in currencies not pegged to the USD. In such case, the movement of general foreign exchange rates could have an adverse effect on the overall fund performance. Among other factors that may affect currency rates are

trade balances, the level of short-term profit rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Fund may hedge these risks by entering into Shariah-compliant currency contracts and swaps.

- (s) **Inflation Risk:** Inflation may undermine the real return on an investment in the Fund.
- (t) **Counterparty Risk:** Some of the markets in which the Fund may effect transactions are “over-the-counter” or “inter-dealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Fund to the risk that the counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The lack of a complete and “foolproof” evaluation of the financial capabilities of the Fund’s counterparties and the absence of a regulated market to facilitate

settlement may increase the potential for losses by the Fund.

- (u) **Regulatory Risk:** Global markets are subject to ongoing and substantial regulatory supervision which might adversely affect the Assets. Future developments in the rules and regulations governing investment vehicles and investments in the global markets may adversely affect the securities markets in such jurisdictions by imposing new restrictions on trading or transferring securities. The developments may also increase (i) the exposure of the Fund, the Sponsor and the Investment Manager to potential liabilities and to legal, compliance and other related costs and (ii) the administrative burdens of the Fund, the Sponsor and the Investment Manager. In addition, it is anticipated that, in the normal course of business, the Investment Manager and the Sponsor and their respective officers will have contact with governmental authorities, for example, in relation to regulatory enquiries. Such burdens may divert the Sponsor and the Investment Manager’s time, attention and resources from portfolio management activities. It is impossible to predict when any new regulations will be announced or implemented or what effect they will have on securities markets and on investment vehicles that are domiciled in and subject to the laws of these jurisdictions. The legislative framework in certain markets where the Fund may invest is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in debt instruments. Consequently, the

courts in such markets may consider that any nominee or custodian as registered holder of securities would have full ownership thereof and that a beneficial owner may have no rights whatsoever in respect thereof.

(v) **Limited Operating History:** The Fund has no operating history and the Sponsor only has a limited operating history in respect of the same type of fund on which prospective investors can evaluate the likely performance of the Fund. The past investment performance of the Sponsor or the Investment Manager should not be construed as an indication of the future results of an investment in the Fund. The Fund's investment program should be evaluated on the basis that there can be no assurance that the Sponsor's or Investment Manager's assessments of the prospects of investment will prove accurate or that the Fund will achieve its investment objectives.

(w) **Investment Restrictions:** Shariah restrictions placed on Assets may result in the Fund not performing as well as mutual funds with similar objectives but not subject to such restrictions. The Fund's Shariah investment guidelines which disallow investments in certain sectors and securities and subject companies to several religious and financial filters generally provide a narrow choice of companies in which investments could be made and therefore a less diversified portfolio. Shariah precepts also disallow engaging in certain categories of financial transactions and assets and, consequently, the Fund is not permitted to use profit-

paying debt instruments that maximize current income on excess cash, hedge currencies and undertake certain types of risks. In addition, operating within the restrictions of Shariah may impose structural requirements that could increase costs and taxes. Such restrictions may result in higher volatility and lower returns, primarily due to higher costs.

(x) **Shariah Compliance:** The Fund will operate within the requirements of Shariah as interpreted by the Shariah Supervisory Panel, which may limit certain investment opportunities. The restricted investment universe may result in lower returns. Furthermore, there may be periods when excess cash is held in non-interest-bearing accounts as per Shariah guidelines. Certain investments and structures in which the Fund may invest may be later deemed by the Shariah Supervisory Panel to no longer comply with Shariah for various reasons, such as human error, corporate actions such as mergers or acquisitions, or accounting ratio issues. In such circumstances, the Fund will be required to liquidate such positions on short notice or within a set period under market conditions, including pricing, which may not necessarily be favorable to the Fund or which may have an adverse effect on the financial performance of the Fund as a whole. Members of the Shariah Supervisory Panel of Abu Dhabi Commercial Bank have issued a fatwa in respect of the Fund and its compliance with Shariah principles. However, a fatwa is only an expression of the view of the relevant Shariah Supervisory Panel based on its experience in the



subject and is not a binding opinion. There can be no assurance as to Shariah permissibility of the Fund and the Sponsor and the Investment Manager do not make any representations as to the same. Investors are reminded that, as with any Shariah views, differences in opinion are possible. Investors are advised to obtain their own independent Shariah advice as to whether the Fund meets their individual standards of compliance and make their own determination as to the future tradability of the Units on any secondary market. Questions as to the Shariah permissibility of the Fund and the trading of the Units may limit the liquidity and adversely affect the market value of the Units.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties in the transaction would be, if in dispute, the subject of court proceedings under the laws of Abu Dhabi and the federal laws of the UAE. In such circumstances, the judge may first apply the relevant law rather than Shariah principles in determining the obligations of the parties.

- (y) **Legal Risk:** Any company within the Fund's permissible investment universe is exposed to possible legal action by government regulatory authorities, private investors and individuals. The impact of any lawsuit or ensuing litigation could have an adverse effect on the future financial health of the company and its ability to honor its contractual debt obligations and hence the value of its securities may decline and that

may affect the value of the Fund's investment in that company.

- (z) **Reliance on Key Personnel:** The Fund's future profitability will in large part depend upon the business and investment acumen of key personnel of the Sponsor and the Investment Manager. Any of the members of the investment team may leave or acquire responsibilities unrelated to the operation and management of the Fund, the Sponsor or the Investment Manager. Such departures or changes in responsibilities could have an adverse impact on the performance of the Fund.

- (aa) **Emerging Market:** Investments in emerging financial markets may provide less detailed financial information and/or reporting in respect of the companies in such markets, and disclosure regarding such companies may be infrequent or insufficient, which may complicate accurate valuation of certain Assets. The securities markets in emerging markets generally pose certain risks and considerations not typically associated with investments in established markets, including:

- (i) the risk of nationalization, the expropriation of assets or confiscatory taxation or other forms of taxes;
- (ii) social, economic and political uncertainty caused by or including war. Issuers may be located in the Middle East and North Africa region, where there have been ongoing political and security concerns. Some Middle

Eastern and North African countries have experienced in the recent past or are currently experiencing political, social and economic instability, extremism, terrorism, armed conflicts and war. The continuation of such events or the outbreak of new problems in the region could negatively affect the repayment abilities of an issuer in respect of securities in which the Fund invests;

- (iii) dependence on certain exports or imports and the corresponding importance of international trade;
  - (iv) governmental involvement in and influence or control over sectors of the economy;
  - (v) potential fluctuations in currency exchange rates;
  - (vi) less developed or non-existent private property, capital markets and corporate laws and regulations regarding the protection of investors and the fiduciary duties of officers, directors and employees of companies;
  - (vii) a less developed judiciary and difficulties with judicial enforcement; and
  - (viii) less securities regulation and less predictability regarding existing securities regulation.
- (bb) **No Secondary Market:** It is unlikely that a secondary market will develop in respect of the Units.

Investors generally will only be able to dispose of their Units by means of redemptions, which are subject to restrictions. The value of the Assets will be determined on the basis of the official closing price. Where none is available, the Assets may be priced from off-market quotations that are, in the sole opinion of the Investment Manager, reliable. Therefore, in the event of a substantial redemption, the value of these securities might fall, there may be market to market loss in the value of these Assets or the prices previously indicated may not be able to be realized.

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

- (dd) **Cash Concentration:** A portion of the Assets may be in cash or cash equivalents as described in Paragraph 2.5. There can be no assurance that attempts to mitigate downside risk and preserve capital by investing in cash or cash

equivalents will be successful. Investments in cash or cash equivalents do not have the same potential for appreciation in value as other investment opportunities. Therefore, the Fund may be prevented from achieving its objective during any period in which its Assets are not substantially invested in accordance with its principal investment strategies. Moreover, investments in cash or cash equivalents, although generally safer than investments in equity securities, may still lose value.

(ee) **Possible Effects of Substantial Redemption; Limitations on Redemption:**

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

(ff) **Potential Conflicts of Interest:** Each of the Sponsor and the Investment Manager is either individually or through affiliates engaged in many businesses (including brokerage) with interests in the global fixed income, currency, commodity, equity and other markets, in addition to those related to the Fund. Such additional

businesses and interests may give rise to potential conflicts of interest. A description of some of such potential conflicts of interest is set forth under Paragraph 7.2 below.

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

In addition, the Sponsor and certain employees of the Sponsor may have substantial personal investments in the Fund. The amount of the Sponsor's or employees personal investment in the Fund (if any) may change over time. Investors will not be provided with notice of the Sponsor's or its employees' investment in, or redemption from, their respective investments in the Fund.

(hh) **Frequent Trading and Turnover:**

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

(ii) **Suspension of Trade:** Trading in the Fund may be suspended in extreme market conditions, such as abnormally low levels of liquidity in the Sukuk markets. The Investment Manager will make reasonable efforts to bring such period of suspension or deferral to an end as soon as practical. Investors should, however, be aware that such

suspension will limit their access to the Fund pending resumption of trade.

- (jj) **No Separate Counsel; No Independent Verification:** The Legal Advisor represents the Sponsor and the Fund. The Legal Advisor does not represent Investors in the Fund and no independent counsel has been retained to act on behalf of Investors. The Legal Advisor is not responsible for any acts or omissions of the Sponsor, the Investment Manager or the Investment (including their compliance with any guidelines, policies, restrictions or applicable law, or the selection, suitability or advisability of their investment activities) or any Administrator, accountant, custodian/prime broker or other service provider to them. This Prospectus was prepared based on information furnished by the Sponsor; the Legal Advisor has not independently verified such information.

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

## 7.2 Potential Conflicts of Interest

Abu Dhabi Commercial Bank and its affiliates engage in a broad spectrum of activities involving banking, financial investments and advisory services. Instances may arise in which the interests of the Sponsor, the Investment Manager or their respective affiliates conflict with the interests of the Fund.

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

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

The Sponsor and the Investment Manager may combine purchase or sale orders on behalf of the Fund with orders for other

accounts for which the Sponsor or the Investment Manager or any of their respective affiliates provides investment services, including accounts in which the Sponsor or the Investment Manager or any of their respective affiliates may have beneficial interests.

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

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

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

## **8. Notices and Communications**

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

Annual Reports and other notices and information relating to the Fund may be reviewed by Investors at the following website: [www.adcb.com](http://www.adcb.com)

## **9. Taxation**

### **9.1 General**

This Prospectus does not summarize the possible tax consequences of the acquisition, holding or disposal of Units in each of the jurisdictions in which prospective investors

reside. Each prospective investor should consult its own professional advisors about the potential tax, exchange control or other consequences of subscribing for, holding and disposing of Units under the laws of its country of citizenship, domicile or residence.

### **9.2 UAE**

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

The Fund Manager will apply to the UAE Federal Tax Authority (the “FTA”) to ensure the Fund receive status of Qualifying Investment Fund (“QIF”). If the Fund does not meet the QIF conditions, the Fund investment earnings will be taxed at a rate of 9%. If this occurs, this tax will detrimentally impact the Net Asset Value and applicable redemption price of the Units held by Investors. If the Fund meets the QIF conditions, Investors who are taxable persons are required to include their proportionate share of the “net income available for distribution”.

Investors may incur corporate tax obligations as a result of their investment in the Fund, taking into account the specific conditions of each investor. Since implementing the corporate tax law in the UAE is a complex process, we urge potential investors to obtain independent tax advice to determine their tax obligations before investing in the Fund.

## **10. General Information**

### **10.1 Confidential Information**

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

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

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

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

## **10.2 Amendment**

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

## **10.3 Governing Law**

This Prospectus and the terms and conditions contained herein, including all Appendices shall be governed by, and construed in accordance with, the laws of the UAE to the extent that such laws do not

contradict the Islamic principles as interpreted by the Shariah Supervisory Panel, in which case the latter will apply. As set forth in the Application, each Investor irrevocably submits to the non-exclusive jurisdiction of the courts of Abu Dhabi in respect of these matters, which does not prevent an action being taken against an Investor in any other jurisdiction.

## **10.4 Anti-Money Laundering**

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

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

In the event of delay or failure on the part of the applicant or proposed transferee of Units in producing any information required for verification purposes, the Sponsor may refuse to accept the Application or transfer, as the case may be, and in the former case any funds received will be returned without profit to the account from which they were originally debited. In addition, the Sponsor reserves the absolute right to return the Subscription Amount (and the corresponding Subscription Fees) to a prospective investor in the event that that or another third party refuses to accept such

funds for anti-money laundering purposes or any other reason.

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

## Appendix 1

### APPLICATION FOR UNITS -- ADCB GLOBAL SUKUK FUND

#### INSTRUCTIONS

Signed Applications, together with any additional required documentation, should be delivered to the Sponsor at the following address:

**Abu Dhabi Commercial Bank**

**Abu Dhabi Commercial Bank Building**

**Sheikh Zayed Street, P.O. Box 939**

**Abu Dhabi, United Arab Emirates**

**Tel: +97128125573**

Failure to provide the original Application along with the documentation required for anti-money laundering purposes may result in a delay in the acceptance of the Application.

An authorized signatory list must be provided at the time of account opening for the investing entity in whose name the account is being opened.

Any changes to the original account details must be received in original format and signed by no fewer than two authorized signatories, in the case of a company, on corporate letterhead, and in the case of an individual, unless otherwise specified below, all account signatories must authorize every instruction.

#### DECLARATIONS

I/We, having received and considered a copy of the Prospectus, hereby confirm that this Application is based solely on the current Prospectus and agree to be bound by the terms of the Prospectus and this Application.

I/We apply for the Units issued in relation to this Application to be entered in the Register in my/our name(s) as principal, solely for

investment, and confirm that they are not, without the written approval of the Sponsor, being purchased for subdivision, resale or distribution, or for the direct or indirect account or benefit of any other person, entity, nominee or agent, and agree that my/our subscription shall become effective only upon its acceptance, in whole or in part, by the Fund.

#### INTERPRETATION

Defined terms used in the Application (including the attached forms) which are not defined herein will have the meanings set out in the Prospectus.

#### APPLICATION FOR UNITS

I/We declare my/our understanding that this Application represents an irrevocable offer on my/our side to subscribe for the Units specified herein. I/We understand and agree that the Sponsor reserves the right, in its absolute discretion, to accept or reject this offer to subscribe for Units, without being under any obligation to give any reasons, as a whole or in part, before or after the receipt of the Subscription Amount and fees.

In connection with the purchase of Units, I/we meet all suitability standards described in the Prospectus or as otherwise imposed on me/us by applicable law.

I/We have been furnished with, and have carefully read and fully understand, the Prospectus, and acknowledge that the information contained in the Prospectus is not intended to provide investment, tax, legal or accounting advice.

Any capital used by me/us to purchase Units will not directly or indirectly be derived from activities that may contravene applicable laws



and regulations, including anti-money laundering laws and regulations.

I/We confirm that I am/we are in agreement with the distribution policy as outlined in the Prospectus. I/We understand that the investment cannot be withdrawn from the Fund except by way of redemption of the Units in accordance with the terms outlined in the Prospectus and I/we have no right to demand distribution from the Fund prior to the Fund's termination other than by redemption of Units. I/We understand and agree that the Units may be subject to compulsory redemption in accordance with the terms of the Prospectus.

I/We understand that, if this Application is accepted, I/we will receive a confirmation stating the number of Units purchased and the price per Unit paid. Such confirmation will serve as documentary evidence of the purchase of Units and will be issued to me/us within 30 days of the Dealing Day upon which my/our Application is accepted.

#### **INFORMATION TO INVESTORS**

I/We have been given the opportunity to:

(a) ask questions of, and receive answers from, the Sponsor concerning the terms and conditions of the offering of Units and other matters pertaining to an investment in the Fund; and

(b) obtain any additional information necessary to evaluate the merits and risks of an investment in the Fund that the Sponsor can acquire without unreasonable effort or expense. In considering a subscription for Units, I/we have evaluated the risks and merits of such investment, including the risks set forth in Paragraph 7.1 of the Prospectus, and am/are able to bear the economic risk of such investment, including a complete loss of capital, and, in addition, have not relied upon any representations made by, or other information (whether oral or written) furnished by, or on behalf of, the Sponsor, any service provider to the Fund, or any director, officer, employee, agent or affiliate of the Sponsor or any such service provider, other than as set forth in the Prospectus and this

Application. I/We have carefully considered and have, to the extent I/we believe necessary, discussed with my/our own legal, tax, accounting and financial Advisors the suitability of an investment in the Fund in light of my/our particular tax and financial situation, and have determined that the Units being purchased hereunder are a suitable investment for me/us.

#### **INDEPENDENT ADVICE**

With regard to the tax, legal, currency and other economic considerations related to my/our investment in the Fund, I/we have only relied on the advice of, or have only consulted with, my/our own professional Advisors, including my/our own tax Advisor, concerning the tax consequences to me/us of an investment in the Fund and I/we have neither received nor relied upon any advice in relation to the tax, legal, currency and other economic considerations related to my/our investment in the Fund from the Sponsor, the Investment Manager, the Administrator and any other service provider to the Fund.

To the extent applicable, execution and performance by me/us of this Application will not conflict with or result in any breach of or default under our memorandum and articles of association or other constitutional document or instrument or any other agreement, document or instrument to which I/we are a party or by which I/we or any of my/our assets are bound and is not prohibited by any applicable statute, regulation, rule, directive, case law, judicial, executive or administrative order or decree; in each case under the laws and regulations of my/our country of residence and/or establishment, nor is any governmental consent or filing required of me/us for the execution, delivery or performance by me/us of this Application.

I/We (either alone or together with any independent Advisors I/we have appointed in connection with evaluating the merits and risks of investing in the Fund) have sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of purchasing the

Units and have determined that the Units are a suitable investment for me/us. I/we are aware that an investment in the Fund involves substantial risks and I/we are able to bear the economic risk of an investment in the Fund, including a complete loss of such investment.

### **FEES**

I/We consent to the Fees described in the Prospectus.

### **INSTRUCTIONS**

I/We hereby authorize the Sponsor to accept and execute any instructions, (including, but not limited to, any instructions regarding subscriptions, switches, transfers or redemptions of Units or any payment in relation to the same or otherwise) in respect of Units to which this Application relates, given by me/us in written form, by fax, telephone or electronic means. I/We hereby agree to indemnify each of the Administrator and the Sponsor and agree to keep each of them indemnified against any loss of any nature whatsoever arising to either of them as a result of either of them acting upon instructions given in writing by me/us, *i.e.*, fax instructions confirmed by me/us in writing. The Sponsor may rely conclusively upon, and will incur no liability in respect of, any action taken upon any notice, consent, request, instruction or other instrument believed in good faith to be genuine or to be signed by properly authorized persons. I/We understand that this authority does not apply to notifications of change of name and notifications of death, transfers, and deeds of pledge and the use of powers of attorney where original documentation must be delivered in hard copy to the Sponsor.

### **CONDITIONS SPECIFIC TO JOINT REGISTERED HOLDERS**

Joint registered holders of Units shall own the Units jointly and each of them shall own equal proportions of such Units, unless it has been agreed to otherwise according to separate instructions issued and signed by the joint registered holders and delivered to the Sponsor.

Each of the joint registered holders must subscribe for Units in person, and no authorization issued by one of the joint registered holders will be accepted for subscription on behalf of joint registered holders.

Joint registered holders will be treated equally, and the applicants should abide by the conditions set forth in this Application.

Instructions regarding Units belonging to joint registered holders must be given in accordance with the following:

- (a) each of the joint registered holders must sign any instruction or they must appoint one of the joint registered holders to act on behalf of each of them by notifying the Sponsor in writing of such appointment;
- (b) each joint registered holder will be notified by the Investment Manager about any sale or purchase in the Units; and
- (c) in event of the death or disqualification of one of the joint registered holders, the other registered holder(s) must notify the Sponsor of the death or disqualification within 10 Business Days of the date of the occurrence. Upon receipt of such notification, all activities will be suspended with respect investment management of the Units or their transfer or redemption until the Sponsor receives a decree from the relevant court or a duly certified limitation of succession directing the distribution of the Units. The unaffected Investor will receive his Units, and the portion of the decedent/disqualified Investor's Units will be divided in accordance

with instructions from the relevant court.

### **SPONSOR AND APPOINTMENT OF INVESTMENT MANAGER**

I/We agree that the Sponsor shall have the powers and authority enumerated in Paragraph 4.1 of the Prospectus, including, without limitation, the authority to enter into and perform the Administration Agreement and Custodian Agreement on behalf of the Fund.

### **THE FUND**

I/We expressly and irrevocably appoint the Investment Manager to act during the life of the Fund as my/our portfolio manager and agent and empower the Investment Manager, in its capacity as my/our agent, to invest, subject to the provisions of the Prospectus, the funds subscribed by me/us hereunder, collectively, with funds subscribed by other Investors. Without prejudice to the foregoing, the Investment Manager is authorized and empowered to do and carry out the following on my/our behalf:

- (a) to represent my/our interests as an Investor in all aspects before all competent regulatory and government authorities, departments and agencies;
- (b) to acquire, hold, and register the Assets on behalf of the Investors in the name of the Investment Manager or its agent;
- (c) to deal with banks to obtain part funding for leveraging the acquisition of Assets;
- (d) to do all acts, deeds and things necessary or incidental to the funds provided by the Investors and the acquisition and/or disposition of Assets;
- (e) to appear before all courts of all categories, mediation authorities or bodies and arbitration proceedings and to appoint lawyers in connection with claims and demands arising out of or relating to any investments and Assets;

(f) to appear before the appropriate authorities and to admit and execute sale deeds and/or other conveyances and documents and papers in connection with the acquisition, sale or other disposition for value of the Assets;

(g) to take or carry out all steps, legal formalities and other procedures, to the extent reasonably possible under law, to protect any investments and the Assets; and

(h) to do all reasonable acts, deeds and things reasonably possible under law to protect the rights and interests of the Investors.

### **REPRESENTATIONS AND WARRANTIES**

I/We hereby represent and warrant to, and agree with, the Sponsor, the Administrator, the Custodian and the Fund that the following statements are true as of the date of this Application and will be true as of each date on which I/we purchase any additional Units in the Fund:

If we are a corporation, limited liability company, trust, partnership or other entity: We are duly organized, validly existing and in good standing under the laws of our jurisdiction of organization and all other jurisdictions where we are authorized to conduct business, and the execution, delivery and performance by us of this Application and the Prospectus are within our corporate or other powers, as applicable, have been duly authorized by all necessary corporate or other action on our behalf, require no action by or in respect of, or filing with, any governmental body, agency or official (except as disclosed in writing), and do not and will not result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any provision of any charter, by-laws, trust agreement, mortgage, deed of trust, credit, note or evidence of indebtedness, or any lease or other agreement, or any license, permit, franchise or certificate, regulation, law, judgment, order, writ, injunction or decree to which we are a party or by which we or any of our properties is bound. This Application has been duly executed and delivered by us and constitutes a valid and binding agreement,

enforceable against us in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law); or

If I/We am/are (a) natural person(s): The execution, delivery and performance by me/us of this Application is/are within my/our legal right, power and capacity, require no action by or in respect of, or filing with, any governmental body, agency or official (except as disclosed in writing), and do not and will not result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any provision of applicable law or regulation or of any judgment, order, writ, injunction or decree or any agreement or other instrument to which I/we am/are a party or by which I/we or any of my/our properties is bound. This Application has been duly executed and delivered by me/us and constitutes a valid and binding agreement, enforceable against me/us in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

I/We confirm that, being a person, I am/we are over 21 years of age. I/We confirm that I am/we are not a Restricted Person and am/are not acquiring Units on behalf of, or for the benefit of, a Restricted Person, nor do I/we intend to transfer any Units which I/we may purchase to any Restricted Person.

In connection with the purchase of Units, I/we have complied with all applicable laws imposed by the jurisdiction of my/our residence or organization, including having obtained in conformity with any legal requirements all necessary authorizations and licenses required in order to subscribe for Units.

I/We confirm that to the best of my/our knowledge, this subscription for and the purchase of Units by me/us will not violate any securities laws, codes, regulations or laws of similar nature and importance or any other laws of any jurisdiction to which this could be related.

I/We hereby certify and declare that I/we understand and agree that the Units have not been and may not be registered or listed in any jurisdiction in the near future.

I/We understand that if any of my/our representations, warranties, agreements or certifications contained in this Application are untrue, the Sponsor, in its sole discretion, may require a retroactive redemption of all or part of the Units.

I/We agree that the foregoing representations and warranties will be deemed to be reaffirmed by me/us at any time I/we purchase or otherwise acquire additional Units and such purchase or acquisition will be evidence of such reaffirmation, and if any of the foregoing representations or warranties cease to be true or accurate, or if they become misleading, I/we will promptly notify the Fund of the facts pertaining to such changed circumstances.

I/We declare that the information contained in the declarations completed above is true and correct.

The applicant(s) warrant(s) that, if he/they sign(s) the Application form on behalf of somebody else, he/they have/has due authority to do so on behalf of that other person, and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties, undertakings and authorities contained herein and undertakes to enclose the power of attorney or a copy thereof duly certified with this Application form.

## **INDEMNITIES**

I/We agree that the Fund shall indemnify the Sponsor from losses as more fully set forth in Paragraph 4.2 of the Prospectus and I/We

understand that such indemnity shall be paid for from the Assets.

I/We hereby agree to indemnify and keep indemnified the Fund, the Sponsor and the Sponsor's officers, advisors, agents and employees, from and against any and all costs, claims, demands, liabilities, expenses, damages or losses, including, without limitation, consequential losses and loss of profit, and all profit, penalties and legal and other professional costs and expenses due to or arising out of any breach of the representations or warranties by the applicant in or pursuant to this Application.

### **DISCLOSURES BY THE INVESTOR**

I/We acknowledge that, owing to anti-money laundering requirements operating within their respective jurisdictions, the Sponsor, its directors, the Administrator, the Custodian and any distributor which may be appointed (as the case may be) may require further identification of the applicant(s) before the Application can be processed and the Sponsor, its directors, the Administrator, the Custodian and any distributor which may be appointed will be held harmless and indemnified against any loss arising as a result of a failure to process the Application if such information has been requested by the parties referred to and has not been provided by me/us.

I/We confirm that:

(a) I/we will promptly provide to the Sponsor such information as such persons may reasonably request from time to time in order to comply with any applicable anti-money laundering legislation and regulations;

(b) to the extent applicable, we will promptly provide such other evidence as is reasonably requested by the Sponsor, including any opinions by appropriate local counsel confirming our legal status, and we understand that, if our status as a single legal person is not established to the satisfaction of the Sponsor, then our subscription may be rejected; and

(c) I/we will promptly provide the Sponsor with such information as it may reasonably request from time to time with respect to my/our citizenship, residency, ownership or control (both direct and indirect) so as to permit the Sponsor to evaluate and comply with any regulatory and tax requirements or any anti-money laundering regulations applicable to the Fund, my/our investment in the Fund or any proposed investments of the Fund.

### **ASSIGNMENT**

I/We agree that I/we may not transfer, exchange or assign any Units subscribed for except in accordance with this Application and the Prospectus, and any purported transfer or assignment in violation of this Application or the Prospectus shall be null and void.

I/We agree that this Application is not transferable or assignable by me/us without the prior written consent of the Sponsor.

### **CONFIDENTIALITY AND DATA PROTECTION**

The applicant(s) hereby consent(s) to the transmission by the Sponsor of any personal data available on the Register to the Sponsor, the Administrator, any service provider and any distributor of the Fund. The applicant(s) acknowledge(s) that the Sponsor has taken reasonable measures to ensure confidentiality of the data so transmitted. The applicant(s) hereby expressly recognize(s) that the Sponsor or any of the relevant entities will have no liability with respect to any unauthorized third party receiving knowledge of or having access to such personal data, except in the case of gross negligence or serious misconduct by the Sponsor or any of their respective employees or officers.

The applicant(s) agree that all information provided in this Application form will be treated confidentially by them, the Fund and the Sponsor. However, the Fund and the Sponsor may present this Application form and the

information provided herein or in relation hereto to such third parties as deemed advisable if:

(a) called upon to establish that the offer and sale of the Units is exempt from registration under applicable law;

(b) the information is requested by any regulatory agency with jurisdiction over the Fund or the Sponsor; or

(c) the information is relevant to an issue in any action, suit or proceeding to which the Fund and/or the Sponsor or any of their respective affiliates is a party or by which they are or may be bound.

### **NOTICE**

I/We consent to any notice or other document to be sent by the Sponsor to me/us as an Investor (including any notice or other document previously sent), by electronic means, including, but not limited to, email, swift or posting such notice or other document on a website notified to me/us by post or email.

Notices may be given by hand, email, fax or registered post to either party at each of their respective addresses as set out in this Application or such other address as one party shall notify in writing to the other party and any such notice or other document shall be deemed to have been received upon sending of notice if sent by email, or upon receipt of a fax report confirming receipt of the document if sent by fax, or 72 hours after mailing by registered pre-paid post.

### **GENERAL**

I/We hereby agree that if any provision contained herein is, or turns to be illegal, invalid or unenforceable under any applicable law, the remaining provisions shall remain in full force and effect (as shall that provision under any other law).

This Application (including any Schedules):

(a) contains the entire agreement between the parties with respect to the subject matter of this Application, and there are no representations, covenants or other agreements except as stated herein;

(b) may be executed in any number of counterparts, each of which when executed and delivered shall be deemed an original, and all the counterparts together shall constitute one and the same instrument; and

(c) shall be governed by and construed in accordance with the laws of Abu Dhabi and the federal laws of the UAE.

I/We understand and agree that any dispute arising out of or in connection with the Prospectus, this Application and the offer or purchase of Units, including, without limitation, any question regarding existence, validity or termination, shall be referred to and finally and exclusively resolved by the courts of Abu Dhabi.

I/We hereby irrevocably submit to the non-exclusive jurisdiction of said courts without limiting or preventing any action from being taken against me/us in any other jurisdiction.

**Details of Investment**

**SUBSCRIPTION AMOUNT:** \_\_\_\_\_

**SUBSCRIPTION FEE:** \_\_\_\_\_

**TOTAL AMOUNT:** \_\_\_\_\_

**Notes:**

- \* Subscription Amounts and corresponding Subscription Fees must be paid in USD.
- \* Payments due hereunder shall be net of all withholdings, costs of exchange and banking charges.
- \* Subscription Amount of USD 10,000 or multiples of USD 1,000 above USD 10,000.
- \* Cash to 2 decimal places only (example: USD 20,000.00).
- \* Please separate thousands using a comma (example: USD twenty thousand = 20,000.00).
- \* Subscription Fee is 0.75% of Subscription Amount.
- \* No fractional Units will be issued.

**Bank Account for Subscription and Redemption of Units**

<b>Bank Name:</b>	Abu Dhabi Commercial Bank
<b>Bank Address:</b>	Sheikh Zayed street P. O. Box: 939, Abu Dhabi, UAE Tel: +97128125573
<b>Name on Investor Account:</b>	
<b>Investor Account Number:</b>	

--	--

The prospective investor acknowledges and agrees that, under the terms and conditions of the Prospectus, the Total Amount set out in this form must be deposited in full in the Investor Account identified above prior to or simultaneously with the submission of this Application. If the Total Amount set out above is received after this time, the Sponsor will treat this Application as an application to subscribe for Units on the following Dealing Day at a subscription price per Unit equal to the Unit NAV as of such Dealing Day. The Total Amount set out above will be debited from the Investor Account identified above immediately upon receipt of this application by Abu Dhabi Commercial Bank.

I/We have made arrangements for the Total Amount set out above to be deposited in the Investor Account identified above prior to or simultaneously with the submission of this Application. I/We hereby instruct Abu Dhabi Commercial Bank to debit this amount from such account immediately.



Investor Registration Details		
Registered Name		
Joint Registered Name(s) (if any)		
Account Designation		
Registered Address (P.O. Box or C/O will not be accepted)		
Mailing Address (if different)		
Contact Name		
Profession		
Country		
Nationality		
Date of Birth/Establishment		
Source of Funds		
Contact Details	Mobile Telephone	
	Fax	
	Email	
Joint Registered Holders:	<input type="checkbox"/>	We declare that the Sponsor is authorized to act upon instructions signed by any one of us in respect of subscriptions, redemptions or transfers.
Joint registered holders should select one of the following options. If no option is selected, the signatures of all account holders will be required.	<input type="checkbox"/>	We declare that the Sponsor is authorized to act only upon instructions signed by all of the joint register applications in respect of subscriptions, redemptions or transfers.

**Authorized Signatories**

I/We agree to be bound by the declarations, representations, consents and indemnities set out in this Application:

Signature (1)

Capacity of Authorized Signatory

Name of Authorized Signatory (1)

Date

Signature (2)

Capacity of Authorized Signatory

Name of Authorized Signatory (2)

Date

**IMPORTANT INFORMATION.** To be valid, this Application must be signed by the applicants and in the case of joint applicants, each must sign. In the case of a corporation, the Application must be signed by its duly authorized signatory.

**If the Application is signed under power of attorney, the power of attorney or a copy duly certified must be provided in support of the signature.**

## **Anti-Money Laundering – Know Your Customer Requirements**

Under applicable law and/or its policies covering anti-money laundering, the Sponsor is required to obtain the following documentation to verify the identity, permanent address and tax residency status of all new clients. Please note that the Application may not be accepted until all the relevant information has been received. Additional confirmation of identity or authority of the applicant or the source of funds may be required in certain circumstances.

In all cases, the Sponsor reserves the right to request additional information and documents.

### **Documentation which may be required for all Individual Applicants:**

A certified copy of a passport and/or official identification document with photograph, name, date and place of birth, nationality, identification number, expiration date and signature of the holder.

A certified copy of a document evidencing permanent and current residential address (e.g., a copy of a recent utility bill). P.O. Box mailing addresses are not acceptable.

Written confirmation that the prospective investor is acting on his or her own behalf and not as a nominee or on behalf of another (such confirmation is included in the Application form).

### **Documentation which may be required for Companies/Entities:**

A copy of the most recent financial report (or equivalent document).

An original or certified true copy of the articles of association/incorporation and its amendments (if any).

An original or certified true copy of a current and dated list of all authorized signatories on the company letterhead.

A certified true copy of identification documents of the authorized signatories.

An original or certified true copy of evidence of registration.

An original or certified true copy of a list of shareholders owning more than five percent (5%) of the share capital of the company or entity.

An original or certified true copy of a list of directors or board members of the company or entity.

### **Documentation which may be required for Trusts:**

A certified true copy of the initial trust deed.

A certified true copy of any subsequent deeds of amendment or variation.

A certified true copy of identification documents of the ultimate beneficiaries.

A certified true copy of the list of trustees/settlers/protectors (depending on each specific case) along with their identification documents (depending on whether they are individuals or entities).

### **Documentation which may be required for Pension Fund Accounts:**

If located in an equivalent country or territory (excluding trust structures):

Evidence of regulation/registration.

An original or certified true copy of a current and dated list of all authorized signatories on the pension fund letterhead.

If located in an equivalent country or territory (in the form of a trust):

A certified true copy of the initial/definitive trust deed and following deeds of amendment.

An original or certified true copy of a current and dated list of all authorized signatories on the letterhead.

Identification documents of the Trustee(s) (depending on their legal type).

If located in a non-equivalent country or territory, please contact the Sponsor for a specific list of required documents.

**For all other legal entities:**

Please contact the Sponsor for a specific list of required documents.

**Note 1:** Equivalent countries and territories are those classified as such by the Sponsor from time to time.

**Note 2:** Certified true copies must be effected either by authorized signatory/ies of a regulated financial institution located in an equivalent country, or by an embassy/consulate, notary, trade registry, court of competent jurisdiction or any other public authority empowered to certify documents. The stamp of the certifying institution must be clearly affixed on the true copy of the documents.

## Appendix 2

### REDEMPTION NOTICE -- ADCB GLOBAL SUKUK FUND

**Signed Redemption Notices should be delivered to the Sponsor at the following address:**

Abu Dhabi Commercial Bank  
Abu Dhabi Commercial Bank Building  
Sheikh Zayed Street, P.O. Box 939  
Abu Dhabi, United Arab Emirates  
Tel: +97128125573

All redemption proceeds will be sent to the applicable Investor Account as described in the Prospectus.

**INVESTOR NAME:**

\_\_\_\_\_

#### **DEALING INSTRUCTIONS**

Pursuant to Paragraph 5.5 of the Prospectus, I/we wish to redeem from the ADCB Global Sukuk Fund, in the cash amount or Units as indicated:

**CASH AMOUNT:** \_\_\_\_\_

#### **AUTHORIZED SIGNATORIES**

Signature (1)

Capacity of Authorized Signatory

\_\_\_\_\_  
\_\_\_\_\_

**-OR-**

**NUMBER OF UNITS:** \_\_\_\_\_

#### **Notes:**

- \* Please separate thousands using a comma (example: USD twenty thousand = 20,000.00).
- \* Cash to two decimal places only (example: USD 20,000.00).
- \* The applicable Redemption Fee and any other applicable Fees will be deducted from the proceeds of the redemption.
- \* In the case of a partial redemption, the minimum balance of the remaining Units must be at least USD 10,000 unless otherwise approved by the Sponsor.
- \* The minimum cash amount that may be redeemed is USD 1,000.
- \* Pursuant to Paragraph 3.1 of the Prospectus, if the cash amount set out above results in fractions of the Units being redeemed, the Sponsor shall redeem such number of Units as will most closely reflect the cash amount indicated by the Investor.

Name of Authorized Signatory \_\_\_\_\_  
(1)

Date \_\_\_\_\_  
\_\_\_\_\_

Signature (2)

Capacity of Authorized Signatory \_\_\_\_\_  
\_\_\_\_\_

Name of Authorized Signatory \_\_\_\_\_  
(2)

Date \_\_\_\_\_  
\_\_\_\_\_

**IMPORTANT INFORMATION.** To be valid, this Redemption Notice must be signed by the Investor, and in the case of joint Investors, unless otherwise specified in the initial Application for Units, each must sign. In the case of a corporation, this Redemption Notice must be signed by the company secretary or another authorized officer.

**If the Redemption Notice is signed under power of attorney, the power of attorney or a copy duly certified must be furnished in support of the signature.**