



Emirates Emerging Market Equity Fund Limited
A Shari'a compliant investment
(the "Sub-Fund")
a subsidiary
of

EMIRATES FUNDS LIMITED
(the "Fund")

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

SUPPLEMENT
April 2022

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

Emirates Funds Limited Emirates Emerging Market Equity Fund USD A Share Class
"A Share Class"

Emirates Funds Limited Emirates Emerging Market Equity Fund USD B Share Class
"B Share Class"

Emirates Funds Limited Emirates Emerging Market Equity Fund USD C Share Class
"C Share Class"

Emirates Funds Limited Emirates Emerging Market Equity Fund USD G Share Class
"G Share Class"

Emirates Funds Limited Emirates Emerging Market Equity Fund USD GI Share Class
"GI Share Class"

Emirates Funds Limited Emirates Emerging Market Equity Fund USD I Share Class
"I Share Class"

United Arab Emirates

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United Kingdom

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

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

Singapore

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

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

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

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

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months

after that corporation or that trust has acquired the Participating Shares pursuant to an offer made under Section 305 except:

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

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

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

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

The contact details of the JFSC are as follows:

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

Telephone No.: +44 (0) 1534 822000

Facsimile No.: + 44 (0) 1534 822047

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

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

This Supplement contains specific information in relation to the A, B, C, G, GI and I Investor Share Classes of the Sub-Fund. The Supplement forms part of and must be read in the context of, and together with, the Prospectus of Emirates Funds Limited dated April 2022 (the “Prospectus”). Terms not otherwise defined in this Supplement shall have the meanings given to them in the Prospectus.

Prospective investors should be aware that investment in the Sub-Fund carries a significant degree of risk. Investment in the Sub-Fund is only suitable for investors who understand the

risks involved in investing in the Sub-Fund and can withstand any loss therefrom. Prospective investors are referred to section 18 hereof and section 12.1 of the Prospectus for a summary of certain risks involved.

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

For the avoidance of doubt, this Supplement replaces the previous supplement relating to the Sub-Fund dated November 2020.

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1. DEFINITIONS

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| Business Day | means any weekday on which banks in Jersey, Channel Islands and Ireland are open for normal business. In addition and where relevant for the Sub-Fund, any days in the UAE which are declared as public holidays shall not be considered as Business Days. Such days and the list of impacted Sub-Funds including whether the Sub-Fund is one such impacted Sub-Fund will be communicated to investors in due course. |
| Discretionary Investment Manager | means Emirates NBD Asset Management Limited as Discretionary Investment Manager (the "DIM") in respect of the Sub-Fund. |
| Fund | means Emirates Funds Limited. |
| Halal | an Arabic term meaning permissible. The term is used to describe anything permissible under Islamic Shari'a. |
| Investment Advisor | means Jupiter Asset Management or any such advisor appointed by the Discretionary Investment Manager from time to time. |
| Managed Account | means any account into which the Sub-Fund may invest and wherein assets are advised by the Investment Advisor |
| Net Asset Value or NAV | means the NAV of the Fund, a Sub Fund or of the Participating Shares (or any class thereof) within a Sub Fund as the context may require. |
| Redemption Day | means such Business Day(s) as specified in this Supplement relating to the Share Class or such other Business Day or Business Days as may be agreed between the Directors from time to time. |
| Subscription Day | means such Business Day(s) as specified in this Supplement relating to the Share Class or such other Business Day or Business Days as may be agreed between the Directors from time to time. |
| Share Class | means each class of Participating Shares in the Fund relating to the Sub-Fund. Details of the share class are set out in this Supplement. |
| Shari'a | means Divine Islamic 'law' as revealed in (i) the Qur'an, which is the holy book of Islam, (ii) the sunna, or binding authority of the dicta and decisions |

of the Prophet Mohammed (peace be upon him), (iii) ijma, or ‘consensus’ of the community of Islamic scholars, and (iv) the qiyas, or analogical deductions and reasoning of the Islamic scholars with respect to the foregoing (collectively, the ‘Shari’a’) and as interpreted by the Shari’a Board.

Shari’a Board

means the Internal Shari’a Supervision Committee of Emirates NBD Bank or such other Shari’a Board as the directors of the Fund may, in their total discretion, determine from time to time.

Shari’a Guidelines

The Sub-Fund intends that its policies, activities and investments will be conducted in compliance with the principles and precepts of the Shari’a and will be conducted under the supervision and guidelines established by the Shari’a Board.

Sub-Fund

means the Emirates Emerging Market Equity Fund Limited.

SPV

means a special purpose vehicle established for the purpose of holding specific assets of the Sub-Fund and ‘SPVs’ shall be construed accordingly.

Valuation Point

means 10am Jersey time on any Business Day using prices at 11.59pm Jersey time on the day preceding the Valuation Day.

Unless the context otherwise requires and except as defined herein, words and expressions in this Supplement shall have the same meaning as in the Articles of Association of the Fund.

2. SUB-FUND DIRECTORY

The Sub-Fund

Emirates Emerging Market Equity Limited
Lime Grove House,
Green Street,
St Helier,
Jersey,
JE1 2ST

Registered Office

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

Sub-Fund Board of Directors

Mark Creasey
Gary Clark
Ajit Menon
Steve Corrin
Lovesh Gheraiya

Manager

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

Administrator, Secretary and Registrar

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

Custodian

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

Discretionary Investment Manager

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

Auditor

Deloitte LLP
Gaspe House
66-72 Esplanade
St. Helier, JE2 1QT
United Kingdom

Legal Adviser as to Jersey Law

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

Shari'a Board

Internal Shari'a Supervision Committee
Emirates NBD Bank
Dr. Mohammad Ali El Gari
Dr. Mohamed Abdul Rahim Sultan Al-Olama
Dr. Salim Al Ali
Dr. Muhammad Qaseem
Dr. Amin Fateh

3. INTRODUCTION

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

Emirates Emerging Market Equity Fund Limited (the “Sub-Fund”) has the following share classes:

- Emirates Funds Limited Emirates Emerging Market Equity Fund USD A Share Class Share Class (the “A” Share Class)
- Emirates Funds Limited Emirates Emerging Market Equity Fund USD B Share Class (the “B” Share Class)
- Emirates Funds Limited Emirates Emerging Market Equity Fund USD C Share Class (the “C” Share Class)
- Emirates Funds Limited Emirates Emerging Market Equity Fund USD G Share Class (the “G” Share Class)
- Emirates Funds Limited Emirates Emerging Market Equity Fund USD GI Share Class (the “GI” Share Class)
- Emirates Funds Limited Emirates Emerging Market Equity Fund USD I Share Class (the “I” Share Class)

The Sub-Fund was incorporated in Jersey on the 31st of July 2007 with company number 98301 and has its registered office at Lime Grove House, Green Street, St Helier, Jersey, JE1 2ST

The Sub-Fund can only issue its shares to the Fund. The records of the Fund will reflect the number of shares in the Sub-Fund, which are attributable to each Share Class proportionate to the subscription monies (after taking into account any separate costs and expenses attributable to each Share Class). For the avoidance of doubt, each of the other Sub-Funds of Emirates Funds Limited may invest in the Sub-Fund. No underlying fund in which the Sub-Fund invests will be permitted to become a shareholder of the Sub-Fund.

4. REFERENCE CURRENCY

The Share Classes are all designated by reference to US Dollars.

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

5. INVESTMENT OBJECTIVES

5.1 Overview

The investment purpose of the Sub-Fund is to provide professional, institutional and high net worth investors with a professionally managed means of participating in Shari'a compliant equities listed in or operating in emerging markets globally. The Sub-Fund will invest in stocks which are, in the opinion of the Shari'a Board, compliant with Islamic Shari'a. The Sub-Fund shall be prohibited from investing in illiquid assets including, but not limited to, commodities and real estate, and will solely invest in liquid financial assets. The Sub-Fund will aim to achieve long-term capital appreciation.

The Fund has appointed the Shari'a Board to ensure that the Sub-Fund meets the strictest Shari'a compliance standards in the investment and management of its assets. The investments of the Sub-Fund will be operated through Shari'a-compliant structures approved by the Shari'a Board. The Manager will ensure that the investments meet the Shari'a Guidelines relating to securities as set out herein.

5.2 Details of Investment

The Sub-Fund will invest in Shari'a compliant emerging market equities, approved by the Shari'a Board, which seek to achieve long-term capital growth over a complete economic cycle. The Sub-Fund will deploy assets globally by allocating across Shari'a compliant stocks across emerging market stock exchanges. Access to these markets may be taken directly, indirectly (through funds or managed accounts) or a mixture of both. Under normal circumstances, the Sub-Fund will invest at least 80% of net assets in emerging market equities (equities traded mainly in emerging markets or issued by companies that are organized in emerging markets or have more than half of their business there) or related strategies. The fund considers "emerging markets" to include any country defined as an emerging or developing economy by Dow Jones, MSCI or other recognised index provider and included in the Dow Jones Islamic Emerging Market Index, MSCI Emerging Markets Islamic Index, or any other emerging market index approved by the Shari'a Board.

The Sub-Fund may invest up to 20% of net assets in equities from developed and/or frontier markets which follow the criteria as set out by the Shari'a Board. Additionally, the Sub-Fund may also invest up to 20% of net assets in cash, developed market or emerging market debt securities (sukuk or other instruments approved by the Shari'a Board from time to time) when the Manager deems appropriate for the preservation of capital or other portfolio management reasons. The Sub-Fund invests primarily in common stocks, but may also invest in preferred stocks or convertible securities provided these are approved by the Shari'a Board or meet the criteria laid out elsewhere in this Supplement.

The ability of the Sub-Fund to realise its objectives depends on the ability of the Manager, through the Discretionary Investment Manager, to select an investment advisor or advisors that are able to achieve the Sub-Fund's investment goals. Investment decisions under the supervision of the Directors of the Fund will initially be made on behalf of the Sub-Fund by the Discretionary Investment Manager and any relevant Investment Advisor, and will reflect

the medium to long term objective to maximise total return. Investment Advisors may be added from time to time at the discretion of the Manager after taking advice from the Discretionary Investment Manager. There is no limit on exposure to a single investment advisor.

Any Investment Advisor's performance will be monitored on an ongoing basis by the Discretionary Investment Manager and investment policies and philosophy will be discussed regularly by the Directors of the Fund, the Manager and the Discretionary Investment Manager along with any Investment Advisor as appropriate

Stocks that are listed in emerging and frontier markets tend to be more risky and more volatile than those in developed or mature markets. The main reasons being potentially higher political risks, lower liquidity, poorer corporate governance and transparency although this may be offset with the potential prospect of higher future growth and better investment returns.

Prospective investors are asked to consider section 18 in the Supplement entitled Risk Warnings. If in doubt, investors should seek professional advice before investing. An investment in each Share Class and ultimately in the assets or securities held by the Sub-Fund must, however, be viewed as a medium to long-term investment.

6. SHARI'A COMPLIANCE

To ensure compliance with Islamic Shari'a principles, the Sub-Fund shall invest within the guidelines and restrictions as agreed and approved by the Shari'a Board as from time to time constituted. The following individuals currently constitute the Shari'a Board:

Dr. Mohammad Ali El Gari

Dr. El Gari is a Ph.D. Economics from the University of California and is a Professor of Islamic Economics and the former Director of the Centre for Research in Islamic Economics at King Abdul Aziz University in Saudi Arabia. Dr. Elgari is the recipient of the Islamic Development Bank Prize in Islamic Banking and Finance and holds the KLIFF Islamic Finance Award for Most Outstanding Contribution to Islamic Finance (Individual).

He is a member on the editorial board of several academic publications in the field of Islamic Finance and Jurisprudence, among them Journal of the Jurisprudence Academy (of the IWL), Journal of Islamic Economic Studies (IDB), Journal of Islamic Economic (IAIE, London), and the advisory board of Harvard Series in Islamic Law, Harvard Law School.

Dr. El Gari is also an advisor to numerous Islamic financial institutions throughout the world and is notably on the Shariah board of the Dow Jones Islamic index as well as a member of the Islamic Fiqh Academy and the Islamic Accounting & Auditing Organisation for Islamic Financial Institution (AAIOFI).

Dr. Mohamed Abdul Rahim Sultan Al-Olama

Dr. Al-Olama holds various Shari'a Board memberships, including; National Bonds Corp. PJSC, Grand Islamic Scholars Body, Dubai Islamic Bank PJSC, Emirates Islamic Bank PJSC. He also is appointed Chairman of the Shari'a Board at Alizz Islamic Bank SAOG and Dar Al Takaful PJSC in addition to Head of the Fatwa Committee at Zakat Fund (Abu Dhabi). He is also a Professor at United Arab Emirates University.

He received his doctorate degree from Umm Al Qura University.

Dr. Salim Al Ali

Dr. Ali is an Assistant Professor at the Department of Shari'a and Islamic Studies – College of Law at the UAE University. He is a specialist in Islamic financial law and legal and regulatory aspects of developing Islamic financial markets. He has participated in various national and international conferences to address sharia, legal and regulatory issues related to the Islamic banks, Islamic capital markets and takaful.

He is a member of the Shari'a Supervision Committee of First Abu Dhabi Bank, Ajman Bank, Abu Dhabi Commercial Bank and Al Hilal Group.

Dr. Ali received his doctorate degree in Islamic Financial law from the University of London.

Dr. Muhammad Qaseem

Dr. Muhammad Qaseem is a well-known Shari'a scholar and Islamic banking expert. He is the Chairman of the Shari'a Board of Deutsche Bank Malaysia and Emaan Islamic Banking of Silk Bank Ltd. He is also a member of the ISSC of Dubai Islamic Bank, ENBD and some other institutions. Dr. Qaseem has also served as Shari'a Board member of Central Bank of Pakistan, DFM, ADCB and many other Islamic banks.

Dr. Qaseem has taught in International Islamic University of Islamabad for more than 2 decades. He has contributed immensely to the growth and regulation of the Islamic banking industry in various capacities. He has also made valuable efforts for dissemination of Islamic banking knowledge through lectures, trainings, seminars, conferences and workshops. He has written numerous articles on Islamic banking issues and developed policies and manuals for Islamic banks.

Dr. Amin Fateh

Dr. Amin Fateh holds a bachelor's and Master's in honorable Hadith, and a PhD in Islamic studies. He has been part of the Islamic Banking industry ever since its early stages in 1988, initially contributing to the Shari'a compliance function of Kuwait Finance House. Across the years he has work with many of the most prominent Shari'a scholars in the field. For more than a decade he has led Islamic Shari'a advisory Minhaj. He is currently a member of a number of Shari'a Boards and committees in UAE and across the world, including ENBD-Islamic, EIB and the AAOIFI Shari'a Committee in UAE. He lectured in many universities and is a profound bilingual Islamic Finance trainer who has provided many Islamic Finance training courses across the world.

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

The Shari'a Board has reviewed and approved the Fund's Prospectus and this Supplement and the investment objectives and policies contained therein. The Shari'a Board will continue to give both general and specific ongoing advice to the Sub-Fund and the Manager regarding compliance with Islamic Shari'a.

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

7. INVESTMENT RESTRICTIONS AND GUIDELINES

7.1 Shari'a Investment Restrictions and Guidelines

The Sub-Fund will operate within the requirements of Shari'a as interpreted by the Shari'a Board. The Sub-Fund will be subject to the Shari'a guidelines approved by the Shari'a Board. In rare cases changes in the interpretation of Islamic law may necessitate changes to the Shari'a guidelines.

Shari'a-compliant securities or instruments are determined through the use of a Shari'a compliance screening system. In this regard the Shari'a Board has approved the following sectoral and financial screens for all investments made by the Sub-Fund. These include, but are not limited to, the following:

1. The Sub-Fund will not be permitted to invest in interest bearing instruments, securities issued by companies whose income is derived from the production or distribution of pornographic materials, gaming, gambling, alcohol, the manufacture or distribution of alcohol or tobacco products, the manufacture or distribution of weapons and defence-related products, processing, packaging or any other business activity relating to pork or pork products and other non-Halal meats and poultry, conventional banking, insurance or any other interest related financial services activity, or any other activity that is not permitted by the Shari'a Board.
2. After removing companies with unacceptable primary business activities, the remaining stocks are evaluated according to several quantitative financial criteria employing verified financial positions of the corporations as determined by the Shari'a Board from time to time. The Shari'a Board has determined that the Sub-Fund will adhere to the filters set out in either the Dow Jones Islamic Market or the MSCI Islamic Market criteria, as amended and updated from time to time. The filters are set up to remove companies with unacceptable levels of debts or impure interest income.
3. 'Conventional' derivative instruments such as forwards, options, futures and swaps, bonds and speculative currency positions are not allowed as such instruments are not Shari'a-compliant. Interest bearing cash accounts and investments are also not allowed. The Manager will work to identify other Shari'a-compliant investments or instruments in which the Sub-Fund may elect to invest in future. Any such investment or instrument will only be used within the Sub-Fund on the express approval of the Shari'a Board.
4. The Sub-Fund shall not be leveraged using conventional bank or counterparty borrowing facilities in a manner which requires the payment by the Sub-Fund of interest.

Certain securities and transactions, in which the Sub-Fund will have invested, may be later deemed by the Shari'a Board not to comply with Shari'a for various reasons, such as human error, corporate actions such as mergers or acquisitions or changes in financials which result in ratios that violate Sharia compliance criteria. In such circumstances, the Sub-Fund will have a reasonable amount of time to unwind such positions. Under the Shari'a Guidelines set for the Sub-Fund, the dividends from shares that the Sub-Fund owns in companies, including those, which become non-Shari'a compliant, will be 'cleansed', within a reasonable time, so as to remove, in effect, that proportion deriving from prohibited income.

An appropriate accrual based upon historic purification rates may be included by the Administrator, under the direction of the Manager, once approved by the Shari'a Board and disclosed as such. The Sub-Fund shall determine, subject to approval of Shari'a Board, which charities shall benefit (with no direct or indirect benefit accruing to the Sub-Fund or any of its affiliates) and the Sub-Fund shall make any donations to such charities in good faith within a reasonable time after such determination.

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

The Sub-Fund is, to a certain extent, restricted as to the securities in which the Sub-Fund can invest due to limitations imposed by Shari'a. To the extent that the Manager concentrates the Sub-Fund's investments in particular industries or market sectors, the Sub-Fund's investments may be more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting the particular issuer, security or market.

There are limited Shari'a-compliant cash management tools and techniques. To the extent excess cash is invested by the Sub-Fund in such cash management tools, the returns generated may not be as high as the returns generated from conventional cash management methods. Furthermore, there may be periods where excess cash is held in non-interest bearing accounts and accordingly would not generate any return.

The interpretation of Shari'a by the Shari'a Board may limit certain investment opportunities and may impose structural requirements that could increase costs and taxes. The Sub-Fund may only incur financing that is acceptable under Islamic law. However, structural difficulties and market unfamiliarity may decrease opportunities for such financings while also increasing the cost of such financing.

7.2 Other Investment Restrictions and Guidelines

The following is a summary of additional investment restrictions and guidelines applicable to the Sub-Fund:

- (i) It shall not invest more than 60% of its assets (excluding cash) in any one country;
- (ii) It shall not invest more than 10% of its net assets in transferable securities or money market instruments of a single corporate issuer (excluding cash deposits). The total value of all transferable securities and money market instruments of issuers in which it invests more than 5% of the Sub Fund's assets cannot exceed 40% of the Sub Fund's assets;
- (iii) It may invest on a cumulative basis up to 20% of its net assets in transferable securities and money market instruments issued by the same group of companies;

- (iv) It shall not invest in securities which do not conform with the Islamic screening methodology as approved by the Shari'a Board;
- (v) It shall not incur financing, other than as detailed under "Financing" below;
- (vi) It shall not directly acquire any asset that involves the assumption of any liability which is unlimited;
- (vii) It shall not take legal or management control in any of its investments;
- (viii) It shall not acquire assets that do not price on a regular basis;
- (ix) It shall not hold more than 20% of its Gross Asset Value in cash or near-cash instruments;
- (x) It shall not have more than 20% exposure to a single counterparty offering cash or near-cash investments & bank deposits;
- (xi) It shall not invest more than 10% of its assets in unlisted securities;
- (xii) The Sub-Fund's global exposure to derivative instruments, specifically approved by the Sharia Board, will be limited to 100% of its Net Asset Value as measured by the commitment approach. Under the commitment approach, a sub-fund's derivative positions are covered into the market value of the equivalent position in the underlying asset or by the notional value or price of the contracts where they are more conservative;
- (xiii) The risk exposure to a counterparty in an OTC derivative transaction, specifically approved by the Sharia Board, may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution or 5% of its net assets in other cases; and

It shall not invest more than 10% of the assets in aggregate in UCITS or other UCIs.

The Sub-Fund shall be prohibited from investing in illiquid assets including, but not limited to, commodities and real estate, and will solely invest in liquid financial assets.

The Sub-Fund may place available cash assets of the Sub-Fund in Shari'a compliant instruments including deposits, near cash and fixed income instruments as it awaits new developments or investment opportunities to be made available. Due to the perceived low risk of these types of assets, these can be held directly by the Sub-Fund or through sub-custody arrangements where required.

For the purposes of this Supplement, the Sub-Fund may invest in recognised Shari'a compliant collectives. A recognised collective is a fund or collective investment scheme which is admitted to official listing in a GCC member state or international listing and which has a publicly available published price and is traded on or under the rules of an approved market or regulatory environment.. For additional information on the risks that this might pose, please see section 18 headed "Risk warnings". Investors should note that the Manager may, at its discretion, value the assets and securities of the Sub-Fund by using estimates from the underlying manager of any collective investment scheme held by the Sub-Fund and where, in the opinion of the

Manager, it is reasonable to assume that the estimate represents fair value for those assets. Investors should note that, while this should allow the Sub-Fund price to be calculated more quickly, there may be instances where subsequent revisions to the value of any underlying collective investment scheme may mean that a different value might subsequently be applied.

The Sub-Fund has the discretion to undertake Shari'a compliant financing; however, it may do so only to meet redemptions, which would otherwise result in the premature realisation of investments. Whenever finance is raised it will be done on a temporary basis and only on a Shari'a compliant basis. Such financing will in aggregate not exceed 10% of the NAV of the Sub-Fund to meet redemption requests from each Share Class of the Sub-Fund. The Sub-Fund does not intend to raise financing for the purposes of speculation. The Sub-Fund may not grant loans or act as a guarantor for third parties.

It is not intended that the Manager will make any dividend distributions for the Share Class and will automatically re-invest any distributions received on the underlying holdings of the Sub-Fund. All profit will be reinvested in order to maximise total return for the Share Class.

Save for monies which are retained by the Sub-Fund for the purpose of funding redemptions and meeting the costs and expenses of each Share Class, all monies attributable to each Share Class will be invested in the Sub-Fund.

In addition to the restrictions above, the Manager, through the Discretionary Investment Manager, has determined that in order to meet redemption requests the Sub-Fund may, where practicable, retain in cash or other readily liquid assets such amount as the Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained. In the event that the Sub-Fund does not have sufficient cash to fund redemptions it is not normally intended that assets held by the Sub-Fund will be sold to meet redemptions unless the Manager, through the Discretionary Investment Manager, considers in its absolute discretion that it would be appropriate to do so. Where the Sub-Fund does not have sufficient cash to fund redemptions, the Manager may seek finance to enable the Sub-Fund to make such redemptions without the necessity to sell assets of the Sub-Fund. It may also be necessary to suspend or defer redemptions or effect an in specie transfer. Investors should refer to the Fund's Prospectus for more details of procedures in this instance.

No short selling, whether or not it is considered compliant with Shari'a law, will be permissible.

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

The Sub-Fund may during its period of existence invest in other funds where the Manager, the Discretionary Investment Manager, or the Investment Advisor have a material interest but only when, in the opinion of the Manager, having taken advice from the Discretionary Investment Manager, it would be prudent to do so. Any investments into these underlying funds shall incur no additional subscription fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Manager and Discretionary Investment Manager. For further information on this and other risks please refer to section 18 headed "Risk Warnings".

For the avoidance of doubt, all the above investment restrictions shall apply at the time of the purchase of the relevant assets. The Sub-Fund shall not be required to dispose of any assets

which breach the above investment restrictions as a result merely of normal market fluctuations, as determined by the Discretionary Investment Manager during the time in which they are held

8. FUNDING REDEMPTIONS

The Manager has determined that, in order to meet redemption requests, the Sub-Fund will, where practicable, retain in daily traded cash or other daily traded liquid assets such amount as the Manager may from time to time consider appropriate, typically 10% of the Gross Asset Value of the Sub-Fund.

Investors should be aware, however, that there is no guarantee that such cash may be retained. In the event that the Sub-Fund does not have sufficient cash to fund redemptions it is not normally intended that other assets held by the Sub-Fund will be sold to meet redemptions unless the Manager considers in its absolute discretion that it would be appropriate to do so.

Where the Sub-Fund does not have sufficient cash to fund redemptions, the Manager may seek Shari'a compliant finance to enable the Sub-Fund to make such redemptions without the necessity to sell assets of the Sub-Fund. The Manager shall limit such financing to 10% of the net asset of the Sub-Fund. Such 10% of the NAV of the Sub-Fund shall be calculated at the time of the financing to meet any temporary shortages of liquid assets created by the redemption requests of shareholders for the redemption of their Shares and with respect to any timing differences in connection with the purchase and settlement of the assets of the Sub-Fund. Any financing techniques used for such financings shall not be taken into account for computing the Sub-Fund's level of financing for redemption.

It may also be necessary to suspend or defer redemptions or effect an in specie transfer. The Sub-Fund is not bound to redeem on any Redemption Day more than 10 per cent of the Participating Shares then in issue. If the number of requests received exceeds that limit, the requests may be reduced proportionately. Investors should refer to the Fund's Prospectus and section 13 in this Supplement entitled Redemption Days and Procedures for more details of procedures in this instance.

It may also be necessary to suspend or defer redemptions or effect an in-specie transfer or, at the discretion of the Fund and if requested by the Shareholder, pay the net proceeds of sale of the relevant scheme property to the Shareholder.

Investors should note that an investment in each Share Class and ultimately in the assets held by the Sub-Fund must be viewed as medium to long-term investment.

9. VALUATION DAYS

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

The Valuation Point to be used will be at 10.00 am on the Valuation Day using prices at 11.59 pm Jersey time on the day preceding the Valuation Day. For any assets valued on exchanges that are closed at 11.59 pm on the day preceding the Valuation Day, or for which published prices have not been updated, the last available published prices will be used. Estimates may be used when, in the absolute discretion of the Manager, it would be prudent to do so.

10.SUBSCRIPTION DAYS

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

11.MINIMUM SUBSCRIPTION

Unless otherwise determined by the Manager, the minimum initial subscription for I Share Class is USD 1,000,000 and USD 25,000 for every other share class.

Unless otherwise determined by the Manager, the minimum subscription for additional I Share Class is USD 250,000 and USD 10,000 for every other share class.

The Manager may lower these amounts, at its discretion, on a case by case basis.

Please see section 16.1 of this Supplement headed 'Subscription Fee' for further details.

12.DIVIDENDS

It is not the intention of the Manager to make dividend distributions on any Share Classes.

13.REDEMPTION DAYS AND PROCEDURES

The Redemption Day for all Share Classes will be every Valuation Day. Investors are required to give notice by 12.00 pm, Jersey time, on the Business Day prior to the Redemption Day, or such shorter notice period as the Manager may agree from time to time. If the Redemption Form is received after such time the Manager may defer the redemption of such shares until the next succeeding Redemption Day. A redemption request may only be withdrawn subject to the Manager's approval or dealings are suspended after such request is received by the Manager. Where Shares have been acquired on more than one date, they will be redeemed on a "first in, first out" basis. At the Manager's discretion the frequency of Redemption Days may be increased or decreased as deemed appropriate.

Redemptions may be satisfied by the Manager at its discretion by procuring the purchase of the shares to be redeemed at the Redemption Price.

If requested by the Shareholder, the Manager may determine (with the consent of the relevant Shareholder) to pay the net proceeds of sale of the relevant scheme property to the Shareholder should this, in the opinion of the Manager, not adversely impact the remaining shareholders and be practical. This would be done after it had been removed from the Sub-Fund through an in-specie redemption at the relevant Redemption Day.

At all times, the Directors of the Sub-Fund and the Manager will seek to ensure an appropriate course of action that is not detrimental to remaining shareholders in the Sub-Fund. Payment of

redemption proceeds will be made, in class currency, in accordance with instructions included on the Initial Application Form or any amended instructions received, in original, and accepted by the Manager and Administrator. Any accrued management, performance and/or Redemption Charge will be deducted from the redemption proceeds.

Unless otherwise determined by the Manager, the minimum value of shares for I Share Class, which may be the subject of a redemption request is USD 250,000 and USD 10,000 for other share classes.

A redemption request will not be accepted if as a result the number of shares held by the redeeming Shareholder in any Share Class of the Sub-Fund would fall below the minimum holding value for the I Share Class of USD 1,000,000 and USD 25,000 for other Share Classes. These limits are subject to the Manager's discretion at all times.

If requested by the Shareholder, the Fund may determine (with the consent of the relevant Shareholder) to pay the net proceeds of sale of the relevant scheme property to the Shareholder should this, in the opinion of the Manager, not adversely impact the remaining shareholders and be practical. This would be done after it had been removed from the Sub-Fund through an in-specie redemption at the relevant Redemption Day.

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

14. CONVERSION BETWEEN SHARE CLASSES

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

Conversion takes place in accordance with the following formula:

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

where

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

For the avoidance of doubt, there shall be no conversion fee payable on conversion between Share Classes within the same Sub-Fund. Where such conversion would cause the minimum holding to be breached in respect of a holding in the Original Share Class or New Share Class, conversion of Participating Shares will be subject to the prior consent of the Manager. Fractions

of shares may be allotted on conversions where monies are less than the Subscription Price of one share of the New Share Class.

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

Please see section 16.7 of this Supplement headed 'Conversion Charge' for further details.

15.FUND SERVICE PROVIDERS

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

15.1 Discretionary Investment Manager

With the approval of the Sub-Fund, the Manager has appointed Emirates NBD Asset Management as Discretionary Investment Manager (the "**DIM**") in respect of the Sub-Fund. The DIM will keep the Sub-Fund's investments under regular review and will provide full investment advice to the Manager in relation to the investments of the Share Class and the Sub-Fund.

The DIM may appoint, with the approval of the Fund and the Manager, other such professional parties and investment advisors deemed necessary in order to carry out its investment activities. In this respect the DIM has discretion to appoint an investment advisor to the Sub-Fund. The Sub-Fund will be liable for any fees charged by an appointed investment advisor.

The DIM's registered office is PO Box 506578, DIFC, The Gate Building, East Wing, Level 8, Dubai, UAE. Its issued and paid up share capital is USD 10,000,000 as at the last accounting date on 31st December 2019.

The Discretionary Investment Management Agreement dated 8 January 2018 contains certain indemnities in favour of the Discretionary Investment Manager and is terminable by the Manager on six months' notice or on shorter notice in certain circumstances including material breach.

15.2 Corporate Services Provider

State Street Fund Services (Jersey) Limited, or any other corporate services provider appointed by the directors of the Fund in their absolute discretion, will provide corporate administration services to the Sub-Fund and any SPVs of the Sub-Fund (including the provision of directors and secretary).

Disbursements relating to exempt company fees, audit fees, filing fees, applicable investment advisor fees and other extraordinary costs will be additional costs. These fees and costs will be payable by the Sub-Fund.

16.FEES AND EXPENSES

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

16.1 Subscription Fee

On subscription for the A, G and GI share class, the Directors have determined that the Manager may make a subscription charge not exceeding 5% of the Subscription Price (or such higher percentage as may from time to time be determined by the Directors) to be retained for its absolute use and benefit. Any sum received as a subscription charge in excess of this amount shall be retained for the account of the Participating Shares to which the subscription relates.

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

In respect of the C Share Class, there is no initial subscription charge and investors will receive an initial allotment of Participating Shares equivalent to 100% of their subscription amount. A deferred subscription fee, amounting to 1.00% per annum for the first five years of the value of any subscription will however be payable by the Sub-Fund to the Manager for its absolute use and benefit in full following the subscription confirmation and amortised back to the Sub-Fund on each Valuation Day for the first five years since subscription. The deferred subscription fee will therefore be reflected in the NAV of the Share Class. The deferred subscription fee shall apply to all initial subscriptions and any subsequent subscriptions.

There is no Subscription Fee payable on the I share class.

Investors' attention is drawn to the exit fees payable in respect of the B and C Share Classes.

16.2 Management Fee

The Directors of the Sub-Fund have determined that different share classes will have different fee structures.

The Manager shall be entitled to receive an annual management fee of 1.25% per cent per annum of the Net Asset Value of the I Share Class.

The Manager shall be entitled to receive an annual management fee of 1.50% per cent of the Net Asset Value of the A, B, C and G Share Class. In addition to the management fee, the B, C, G and GI Share Classes will pay an additional 0.5% per annum distributor's fee from the Net Asset Value of the Share Class.

In respect of the GI Share Class, the Manager shall be entitled to receive an annual management fee of 1.55% of the Net Asset Value of the Share Class.

The Management Fee shall accrue at the Valuation Point preceding each Subscription Day and shall be payable monthly in arrears from the assets of each Share Class within fifteen days of the relevant month's end.

In addition to the Management Fee, the Sub-Fund shall reimburse to the Manager all reasonable expenses, costs, charges and fees incurred or to be incurred by the Manager including all reasonable expenses, costs, charges and fees in the relevant categories incurred or to be incurred by any person to whom the Manager shall have delegated any of its powers and duties in accordance with the Management Agreement and who is entitled to be reimbursed in respect of such expenses, costs, charges and fees by the Manager.

The Manager shall be responsible for paying the fees of the DIM who shall in turn be responsible for paying any of its delegates, advisers or sub appointed parties other than fees on managed accounts which will be treated as underlying fund fees for this purpose.

16.3 Exit Fees

Directors of the Sub-Fund have determined that different Share Classes shall carry different exit fees.

In respect of the A, G, G1 and I Share Classes, there shall be no exit fees payable.

In respect of the B Share Class, an exit fee of 1.20% shall be deducted from proceeds payable on redemption of Participating Shares for the first 12 months since subscription.

In respect of the C Share Class, the following exit fees shall be deducted from redemption proceeds on redemptions of Participating Shares made in the respective periods set out below.

| <u>Period of Holding following Registration of Share</u> | <u>Exit Fee:</u> |
|--|------------------|
| Up to 12 months | 5% |
| 12 months to 24 months | 4% |
| 24 months to 36 months | 3% |
| 36 months to 48 months | 2% |
| 48 months to 60 months | 1% |
| More than 60 months | 0% |

In all cases, in respect of the B and C Share classes, the relevant period shall be from the date on which such Participating Shares were registered in the redeeming shareholder's name on a first in, first out basis. Exit fees shall be retained for the account of the Sub-Fund.

16.4 Administration Fees

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

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

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

16.5 Corporate Services

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

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

16.6 Custodian Fees

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

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

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

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

16.7 Conversion Charge

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

16.8 Investment Advisor Fees

The DIM has discretion to appoint an investment advisor to the Sub-Fund. Any fees levied by an investment advisor will be levied against the Sub-Fund. These fees are not expected to exceed 1.00% per annum of the assets managed by an appointed investment advisor.

16.9 Other Fees

The Sub-Fund will be responsible for all normal operating expenses including (but not limited to) advisor's fees, audit fees, registration and certificate fees, legal fees, fees of managed accounts, charges incurred on the acquisition and realisation of investments, costs of publication and distribution of prospectuses, annual and semi-annual reports, the publication of share prices and the costs and expenses of the Manager. The Sub-Fund will bear these normal operating expenses in relation to its activities where they relate to the investments of the Sub-Fund.

Structuring fees incurred in developing the Sub-Fund may be levied by concerned parties and levied against the Sub-Fund and may be amortised over an agreed period.

17.TAXATION ISSUES

It is the intention of the Directors to conduct the affairs of the Sub-Fund so that management and control are exercised in Jersey and that the Sub-Fund is not resident for tax purposes in any other jurisdiction. Investors should seek independent advice regarding personal taxation attributable to investments in the Sub-Fund relevant to their circumstances. Personal taxation matters fall outside the scope of this Supplement and outside the responsibilities of the Fund and Manager.

17.1 Jersey taxation in relation to the Sub-Fund

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

17.2 Taxation in the United Arab Emirates

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

18. RISK WARNINGS

In addition to the risk warnings set out in section 12.1 of the Prospectus, investors are also directed towards the following inherent risks relating to an investment in all Share Class and ultimately in the assets to be acquired via the Sub-Fund. Potential investors should consider the following risks before investing in the Sub-Fund.

The investment programme of the Sub-Fund may entail substantial risks. Since market risks are inherent in all securities investments to varying degrees, there can be no assurance that the investment objectives of the Sub-Fund will be achieved and certain investment practices to be employed by the Sub-Fund could, in some circumstances, substantially increase any adverse impact on such Sub-Fund's investment portfolio. An investment in the Sub-Fund involves a high degree of risk, including the risk that the entire amount invested may be lost.

The Sub-Fund will invest in and actively trade financial instruments using strategies and investment techniques with significant risk characteristics including risks arising from financing, the potential illiquidity of securities and other financial instruments and the risk of loss from counterparty defaults. No guarantee or representation is made that the investment programme will be successful. Prospective investors should consider the following additional factors in determining whether an investment in the Sub-Fund is a suitable investment.

- (a) An investment in the Sub-Fund is suitable only for certain sophisticated investors who have no need for immediate liquidity in their investment. Shares may only be redeemed on Redemption Days with due notice. No partial redemptions will be permitted if, immediately thereafter, the value of a redeeming Shareholder's holding would be less than the minimum holding, unless approved by the Manager in its sole and absolute discretion. Shares may not be redeemed when the calculation of the NAV is suspended.
- (b) The Fund is structured as an umbrella company with the assets of each Sub-Fund being invested in separate underlying entities. The assets of one entity will not generally be available to meet the liabilities of another. As among the Shareholders, the appreciation

and depreciation attributable to a Class will be allocated only to such Class. Similarly, expenses attributable solely to a particular Class will be allocated solely to that Class. However, a creditor of the Fund in respect of the Sub-Fund will generally not be bound to satisfy its claims from a particular Class. Rather, such creditor generally may seek to satisfy its claims from the assets of the Sub-Fund and the Fund as a whole. Further, if the losses attributable to a Class exceed its value, then such losses could negatively impact on the value of the Classes.

- (c) The Sub-Fund will operate within the requirements of Shari'a as interpreted by the Shari'a Board, which may limit certain investment opportunities and may impose structural requirements that could increase costs and taxes (including, without limitation, stamp duty). The restricted investment universe may result in higher volatility and lower returns. In addition, certain securities, in which the Sub-Fund will have invested, may be later deemed by the Shari'a Board to no longer comply with Shari'a for various reasons, such as human error, corporate actions such as mergers or acquisitions, changes in financial results or accounting ratio issues. In such circumstances, the Sub-Fund will have to liquidate such positions within a set period under market conditions, including pricing, which may not necessarily be favourable to the Sub-Fund. An underlying investment by the Sub-Fund may change from being compliant to non-compliant for a number of reasons, including a corporate action. This change may cause the Sub-Fund to incur additional costs that it otherwise would not have incurred. All the processes including the screening for compliant financial instruments and shares, the compliance process and the purification process for certain dividends and profits will be devised by the Manager in close consultation with the Shari'a Board. Any matters pertaining to such processes, the principles of Islamic finance as determined for the Sub-Fund or the guidance provided by the Shari'a Board is the responsibility of the Shari'a Board. The Sub-Fund may engage in financing that is acceptable under Islamic law. However, structural difficulties and market unfamiliarity may decrease significantly the availability and increase the cost of such financing.
- (d) The Sub-Fund and the Manager are restricted as to the securities in which the Sub-Fund can invest in order to be deemed Shari'a compliant. To the extent the Discretionary Investment Manager concentrate the Sub-Fund's investments in particular industries or market sectors, the Sub-Fund's investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular issuer, security or market.
- (e) Markets in Shari'a compliant products may be less efficient than for 'conventional' products which may have an impact on performance. Shari'a compliant cash management tools and techniques are limited. To the extent excess cash is invested in such a manner, the returns generated may not be as high as the returns generated from conventional cash management methods. Furthermore, there may be periods where excess cash is held in non-interest bearing accounts and accordingly would not generate any return.
- (f) The Sub-Fund's financial statements will be prepared in accordance with International Financial Reporting Standards ("IFRS"). IFRS does not permit the amortisation of organizational costs. Notwithstanding this, the Sub-Fund may, at the discretion of the Directors, amortise its organisational costs over a period of time and, if it does, the financial statements may be qualified in this regard. In such instances, the Fund may

decide to (1) avoid the qualification by recognising the unamortised expenses or (2) make IFRS conforming changes for financial reporting purposes, but amortise expenses for purposes of calculating the Fund's NAV. There will be a divergence in the Fund's fiscal year-end NAV and in the NAV reported in the Fund's financial statements in any year where IFRS conforming changes are made only to the Fund's financial statements for financial reporting purposes. If the Sub-Fund is terminated, any unamortised expenses will be recognised. If a shareholder redeems Shares prior to the end of the period during which the Fund is amortising expenses, the Fund may, but is not required to, accelerate a proportionate share of the unamortized expenses based upon the number of Shares being redeemed and reduce redemption proceeds by the amount of such accelerated expenses.

- (g) The Sub-Fund may obtain financing, utilizing Shari'a compliant financing structures to fund redemptions only. The use of leverage exposes the Sub-Fund to additional levels of risk, including, losses on investments where the investment fails to earn a return that equals or exceeds the Sub-Fund's cost of entering into the Shari'a compliant financing arrangements. In the event that assets held by the Sub-Fund are sold to fund redemptions, such sale may have an adverse impact on the investors who have not redeemed shares as the selection of available assets to be sold will be subject to the restrictions set out above under 'Funding Redemptions' and may affect the balance, spread and overall value of assets and profit remaining within the Sub-Fund. Cash resources immediately available to meet redemption applications will be limited and may ultimately necessitate a sale of securities, including securities where profit has been amortised. Investors should be aware that the Directors may determine that securities within any categories should be sold and that this could cause a significant fall in the value of assets held by the Sub-Fund. The Sub-Fund may be required to pledge the shares in the Sub-Fund as security for the obligations of the Sub-Fund in respect of any financing arrangements. Any enforcement of such security will have an adverse effect on the Share Class.
- (h) Despite the fact that the Sub-Fund will invest in compliance with Shari'a, the prices of securities tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long portions of a position to move in directions which were not initially anticipated and over which the Sub-Fund has no control.
- (i) There can be no assurance that the exit strategies of the Sub-Fund and ultimately the Share Class may be available or practical. An investment of the type offered by the Share Class may not be suitable for all recipients of the Prospectus or this Supplement. An investment in the Share Class and ultimately in the assets held via the Sub-Fund is designed as a medium- to long-term investment and consequently may not be suitable as a short term investment. Prospective investors should seek advice from their investment adviser before making an investment in a Share Class.
- (j) Charges and expenses in connection with the Sub-Fund, the Share Class and the Sub-Fund are not made uniformly throughout the life of the Sub-Fund and it is possible that an investor may not receive back the full amount of their investment.
- (k) In the event that the shareholders of the Share Class pass a Special Resolution for the winding up of that Share Class, such winding up may necessitate a sale of assets held

by the Sub-Fund. Such sale may have an adverse impact on the remaining Share Classes (if any) investing in the Sub-Fund.

- (l) The Sub-Fund may hold assets denominated in a currency other than the currency of the current share class of USD. The Sub-Fund may therefore be exposed to currency risk now and in the future. The Sub-Fund may also hold certain assets denominated in non USD or non USD pegged currencies. Where this is the case the movement of general foreign exchange rates could have an adverse effect on overall performance of the Sub-Fund.
- (m) Investors should be aware that the Sub-Fund may invest in other assets of the Fund and other vehicles or securities in which a named counterparty to the Sub-Fund may have an interest. This may lead to a potential conflict of interests where the Manager, the Discretionary Investment Manager or Investment Advisor may benefit from such allocations. Investments into such holdings should only normally be for portfolio management purposes but there is no guarantee that this is the case. Additional fees from any underlying transactions may cause a greater reduction in yield and this may, in turn, affect the net profit of any such transaction made by the Sub-Fund.
- (n) The Sub-Fund may take on exposure to Fund of Funds or Feeder Funds. As well as additional investment risks inherent in these types of strategies, Fund of Funds and Feeder Funds may be more expensive than Funds that access their respective markets directly as a result of additional layering of fees. This may result in lower returns than might otherwise have been expected.
- (o) The Sub-Fund will access investments in emerging and, where deemed appropriate, frontier markets. Certain markets may be deemed immature and emerging and thus could display higher volatility characteristics than wider international markets, as well as display reduced liquidity characteristics and disclosure requirements. The investments of the Sub-Fund focus on assets with appropriate characteristics that aim to deliver long-term capital appreciation. The Sub-Fund cannot guarantee that these goals will be achieved and investors may receive back an amount which is less than that originally invested. Past performance is no guarantee of future returns. The movement of assets can be influenced by many factors including, but not limited to credit risk, market sentiment, exchange rates and the general economic and political environment. In these circumstances, assets of the Sub-Fund may not be readily realizable.
- (p) Not all securities may be marked to market at all times. The Sub-Fund may on occasion therefore have to limit, or suspend altogether, redemptions where it is deemed that such redemptions would be to the detriment of remaining investors in the Sub-Fund.
- (q) The situation may arise that cash generated by the Sub-Fund may be reinvested at a lower rate. Additionally, periods when the risk free rate is reduced may lead to lower dividends payable.
- (r) Due to high levels of inflation, the Sub-Fund or assets within the Sub-Fund may lose value in real terms. The risk of inflation tends to be higher within emerging and frontier markets when compared to more developed markets.

- (s) Should any asset not be directly accessible by the Cell, directors of the Cell may permit a related party to the Discretionary Investment Manager to hold on its behalf. As such, additional counterparty risks may apply from time to time.