

# **SALAM-PAX SICAV**

**Société d'investissement à capital variable  
Luxembourg**

## **PROSPECTUS**

**Updated in 16 December 2016**

**VISA 2016/106050-5378-0-PC**  
L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2016-12-27  
Commission de Surveillance du Secteur Financier



SALAM-PAX SICAV (the "Fund") is registered under part I of the Luxembourg law of 17 December 2010 on collective investment undertakings (the "2010 Law").

The shares have not been registered under the United States Securities Act of 1933 and may not be offered directly or indirectly in the United States of America (including its territories and possessions) to nationals or residents thereof or to persons normally resident therein, or to any partnership or persons connected thereto unless pursuant to any applicable statute, rule or interpretation available under United States law.

The distribution of this document in other jurisdictions may also be restricted; persons into whose possession this document comes are required to inform themselves about and to observe any such restrictions. This document does not constitute an offer by anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer.

Any information or representation given or made by any person which is not contained herein or in any other document which may be available for inspection by the public should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of shares in the Fund shall under any circumstances constitute a representation that the information given in this Prospectus is correct as at any time subsequent to the date hereof.

The Board of Directors of the Fund accepts responsibility for the accuracy of the information contained in this prospectus on the date of publication.

All references herein to times and hours are to Luxembourg local time.

All references herein to EUR are to Euro.

This prospectus may be updated from time to time with significant amendments. Consequently, subscribers are advised to inquire with the Fund as to the publication of a more recent prospectus.

It is recommended to subscribers to seek professional advice on the laws and regulations (such as those on taxation and exchange control) applicable to the subscription, purchase, holding and selling of shares in their place of origin, residence or domicile. This is especially applicable in the case of classes and sub-funds intended to institutional investors for which investors should qualify as such. Prior to applying, subscribers are recommended to make enquiries on whether the required criteria are met and whether their subscriptions can be taken into consideration.

### **Personal Data Protection**

Shareholders of the Fund (the "Shareholders") are informed that their personal data or information given in the subscription documents or otherwise in connection with an application to subscribe for shares, as well as details of their shareholding, will be stored in digital form and processed in compliance with the provisions of the Luxembourg law of 2 August 2002 on data protection as amended (the "2002 Law").

Personal data of the Shareholders of the Fund (including, but not limited to, the name, address and invested amount of each Shareholders) may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Fund, the Board of Directors, the initiators or any of their respective officers, members, employees, representatives or agents, as well as by the Administrative, Registrar and Transfer Agent. In particular, such data may be processed for the purposes of account and distribution fee administration, anti-money laundering and counter terrorism financing identification, maintaining the register of Shareholders, processing subscription, redemption and conversion orders (if any) and payments of dividends to Shareholders and to provide client-related services. Such information shall not be passed on to any unauthorised third persons.

The Management Company or the Fund may sub-contract to another entity the processing of personal data in accordance with the 2002 Law. The Management Company and the Fund undertake not to transfer personal data to any other third parties except if required by law or on the basis of a prior written consent of the Shareholders.

Each Shareholder has a right of access to his/her/its personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

By subscribing to the Shares, each Shareholder consents to such processing of its personal data. This consent is formalised in writing in the Subscription Agreement used by the relevant intermediary.

#### **Anti Money Laundering and Counter Terrorism Financing Procedures**

Pursuant to international norms, Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 relating to the fight against money laundering and terrorism financing, as amended), obligations have been imposed on the Company to prevent money laundering and counter terrorism financing.

As a result of such provisions, the Company requires the Management Company to verify the identity of the Company's customers and perform on-going due diligence on them in accordance with Luxembourg laws and regulations. To fulfil this requirement, the Management Company may request any information and supporting documentation it deems necessary, including information about beneficial ownership, source of funds and origin of wealth. In any case, the Management Company may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

In case of delay or failure by a customer to provide the documents required, an application for subscription or, if applicable, for redemption or any other transaction may not be accepted. Neither the Company nor the Management Company have any liability for delays or failure to process deals as a result of the customer providing no or only incomplete information and/or documentation.

**SALAM-PAX SICAV**  
Société d'investissement à capital variable  
Registered office: 14 rue de Strassen  
L-2555 Luxembourg  
Grand Duchy of Luxembourg  
R.C.S. Luxembourg B 135.968

**Board of Directors**

**The following persons have been appointed as directors of the Fund**

**Valentine Baudouin**

Avocat à la Cour  
47, Avenue Hoche  
F-75008 Paris

**Quentin Rutsaert**

Avocat à la Cour  
Rutsaert Legal  
14, rue de Strassen  
L-2555 Luxembourg

**Lawrie Chandler**

Director  
Edale UK Management Ltd  
33, Kings Avenue  
Redhill RH1 6QH  
United Kingdom

**Sonia Mariji**

CEO  
Noorassur  
13A chemin du levant  
F- 01210 Ferney-Voltaire

**Management Company**

Twenty First Capital  
53 Quai d'Orsay,  
F-75007 Paris

**Management Board of the Management Company**

Board Member: Stanislas Bernard  
Board Member: Jean-Edouard Mazery

**Supervisory Board of the Management Company**

Chairman of the Supervisory Board: Henry Danguy des Déserts

Member of the Supervisory Board: Christine Le Roy

Member of the Supervisory Board: Eric Pichet

Member of the Supervisory Board: Hervé Touchais

Member of the Supervisory Board: Philippe Manet

Member of the Supervisory Board: Provestis represented by Daniel Bernard

Member of the Supervisory Board: LBO France Gestion represented by Pascal Oddo

**Conducting persons of the Management Company**

Stanislas Bernard, Chief Executive Officer

Jean-Edouard Mazery, Managing Director

**Depositary, Paying and Listing Agent**

Société Générale Bank & Trust

11, avenue Émile Reuter

L-2420 Luxembourg

**Administration Agent, Registrar and Transfer Agent**

EUROPEAN FUND ADMINISTRATION S.A.

2, rue d'Alsace, L-1122 Luxembourg

**Auditors**

DELOITTE AUDIT S.A.R.L.

560, rue de Neudorf, L-2220 Luxembourg

**Domiciliary Agent**

**Rutsaert Legal**

14, rue de Strassen

L-2555 Luxembourg

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## PRINCIPAL FEATURES

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The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus.

**2002 Law** The Luxembourg law of 2 August 2002 on data protection, as amended.

**2010 Law** The Luxembourg law of 17 December 2010 on undertakings for collective investment as amended.

**Administrative, Registrar and Transfer Agent** European Fund Administration (“EFA”)

**Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI)** AAOIFI is a not-for-profit organisation that was established to maintain and promote Sharia standards for Islamic financial institutions, participants and the overall Islamic finance industry. Since its establishment in Bahrain on 27 March 1991, it has been supported by institutional members including central banks, Islamic financial institutions, and other participants from the international Islamic banking and finance industry worldwide.

**Bank Business Day** A bank business day in Luxembourg.

**Articles of Incorporation** The articles of incorporation of the Fund.

**Board of Directors** The Board of Directors of the Fund.

**Categories** Each Class of Shares may be further sub-divided into two Categories of Shares, being Distribution shares and Capitalisation shares, as further described under Section Distribution policy.

**Classes** Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of shares whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, minimum investment amount, taxation or distribution policy may be applied.

**Conversion of shares** Unless specifically indicated to the contrary for any Sub-Fund, Shareholders may at any time request conversion of their shares into shares of another existing Sub-Fund on the basis of the net asset values of the shares of both Sub-Funds concerned, determined on the common applicable Valuation Day.

**CSSF** *Commission de Surveillance du Secteur Financier* – The Luxembourg



Supervisory Authority.

<b><i>Depository Agreement</i></b>	The depository agreement between the Fund Twenty First Capital and Société Générale Bank & Trust.
<b><i>Depository and Paying Agent</i></b>	The assets of the Fund are held under the custody or control of Société Générale Bank & Trust, which also acts as Paying Agent of the Fund.
<b><i>Directive</i></b>	The Directive 2009/65/EC of 13 July 2009.
<b><i>Eligible Market</i></b>	A Regulated Market in an Eligible State.
<b><i>Eligible State</i></b>	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, North and South America, Africa and Oceania.
<b><i>EU</i></b>	The European Union.
<b><i>EU Level 2 Regulation</i></b>	COMMISSION DELEGATED REGULATION (EU) .../... of 17.12.2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries
<b><i>Exchange Traded Funds (ETFs)</i></b>	Sharia compliant Exchange Trade Funds is a broadly drawn definition to include exchange listed and settled securities that track an index, a commodity or a basket of assets. This includes Exchange Traded Notes (ETN), Exchange Traded Commodities (ETC) and Exchange Traded Instruments (ETI). The category of ETNs and ETCs is primarily defined as providing exposure to debt obligations. The ETI category, a ‘catch all’ group, includes all other vehicles that are neither notes nor funds for example real estate investment trusts (REIT).
<b><i>Fatwa</i></b>	A ruling concerning Sharia as issued by the Sharia Advisory Committee of the relevant Sub-Fund. Any Fatwa issued by any Sharia Advisory Committee will be applicable only to the relevant Sub-Fund and not the Fund.
<b><i>FATF</i></b>	Financial Action Task Force (also referred to as <i>Groupe d'Action Financière</i> ).
<b><i>High Watermark</i></b>	The <i>High Watermark</i> or “threshold limit” relates to a principle which states that the performance fee only applies when the Net Asset Value exceeds its highest level recorded in the past. This prevents investors from paying fees which represents a recovery from past under-performance.
<b><i>Fund</i></b>	SALAM-PAX SICAV, an investment company organised under Luxembourg law as a Société Anonyme qualifying as a Société d’Investissement à capital variable ("SICAV"). It may comprise several Sub-Funds.

<b><i>Investment Advisor</i></b>	The Management Company has the possibility to appoint an investment advisor for one or all the sub-funds in order to give it advice and recommendations regarding the selection of securities and other permitted assets to be acquired by any Sub-Fund.
<b><i>Issue of shares</i></b>	The Offering Price per share of each Sub-Fund will be the net asset value per share of such Sub-Fund determined on the applicable Valuation Day plus the applicable dealing charge.
<b><i>KiiD</i></b>	Key Investor Information Document
<b><i>Listing</i></b>	Shares of all Sub-Funds may be listed on the Luxembourg Stock Exchange. The Depositary, Rutsaert Legal or any other entity appointed by the Board of Directors of the Fund shall act as Listing Agent for the Fund.
<b><i>Liquid Assets</i></b>	Sharia compliant liquid investments are transferable securities (e.g. Sukuk) or deposits based on murabaha, wakala and mudaraba.
<b><i>Management Company</i></b>	Twenty First Capital has been appointed as the management company of the Fund to be responsible on a day-to-day basis, under supervision of the Directors, for providing administration, marketing and investment management services in respect of all Sub-Funds.
<b><i>Member State</i></b>	A member state of the European Union.
<b><i>MSCI Europe Islamic Index</i></b>	The MSCI Europe Islamic Index is an Islamic index created in order to reflect the performance of markets from 16 developed countries (Germany, Austria, Belgium, Denmark, Finland, France, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom) which excludes all securities who do not respect the principles of Islamic investment.
<b><i>Net Asset Value</i></b>	The Net Asset Value (NAV) is the accounted value for one share on a given working Bank Business Day.
<b><i>Redemption of shares</i></b>	Shareholders may at any time request redemption of their shares, at a price equal to the net asset value per share of the Sub-Fund concerned, determined on the applicable Valuation Day less any redemption fee as disclosed in Appendix I – Sub-Funds Details to this Prospectus for a the relevant Sub-Fund.
<b><i>Regulated Market</i></b>	A market within the meaning of Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public.

<b><i>Safe-keeping Delegate</i></b>	Means any entity appointed by the Depositary, to whom Safe-keeping Services have been delegated in accordance with article 34bis of the 2010 Law and articles 13 to 17 of the EU Level 2 Regulation.
<b><i>Safe-keeping Services</i></b>	Safe-keeping services rendered by the Depositary under, its safe keeping and record-keeping duties as set forth in article 34 (3) of the 2010 Law and in the EU Level 2 Regulation.
<b><i>Shares</i></b>	Shares of each Sub-Fund are offered in registered and bearer form and all shares must be fully paid up. Fractions of shares will be issued up to 3 decimals. In the absence of a request for shares to be issued in any particular form, Shareholders will be deemed to have requested that their shares be held in registered form without certificates.
<b><i>Sukuk</i></b>	In Standard number 17 of the Sharia Standards for financial institutions, issued in 2014, AAOIFI defined sukuk as follows: investment Sukuk are certificates of equal value representing undivided shares in ownership of tangible assets, usufruct and services or in the ownership of the assets of particular projects or special investment activity.
<b><i>Sharia Auditor</i></b>	IFAAS UK Ltd (Islamic Finance Advisory and Assurance Services) or any successor thereto providing advice as Sharia compliance officer and Sharia auditor to the Sharia Advisory Committee of the Serenity Sukuk Sub-Fund
<b><i>Sharia Advisory Committee</i></b>	A Sharia Advisory Committee per Sub-Fund has been appointed by the Board of Directors of the Fund to monitor investments made by the Fund at each Sub-Fund level and to ensure each Sub-Fund's ongoing adherence to the Sharia Guidelines. Each Sharia Advisory Committee works independently with no interaction or mutual dependencies and/or liabilities.
<b><i>Sharia Guidelines</i></b>	Rules and principles of Islamic law as interpreted by each Sub-Fund's Sharia Advisory Committee.
<b><i>Sub-Funds</i></b>	The Fund offers investors, within the same investment vehicle, a choice between several sub-funds which are distinguished mainly by their specific investment policy and/or by the currency in which they are denominated. The specifications of each Sub-Fund are described in the Appendix to this Prospectus. The Board of Directors of the Fund may, at any time, decide the creation of further Sub-Funds and in such case, the Appendix to this Prospectus will be updated. Each Sub-Fund may have one or more classes of shares.
<b><i>UCI</i></b>	Undertaking for Collective Investment.
<b><i>UCITS</i></b>	Undertaking for Collective Investment in Transferable Securities.

***Valuation Day***

The Valuation Day is the Bank Business Day on which the net asset value (NAV) is calculated by the Administrative Agent.

The NAV is dated as of the first Bank Business Day preceding the Valuation Day (“Valuation Day –1”). The prices used are those of Valuation Day –1.

The Valuation Day might be any day on which banks in Luxembourg are normally open for business, unless otherwise defined in Appendix I – Sub-Funds Features to this Prospectus for a specific Sub-Fund.

The Board of Directors may in its absolute discretion amend the frequency of the Valuation Day for some or all of the Sub-Funds. In such case the Shareholders of the relevant Sub-Fund will be duly informed and Appendix II – Share Class Features per Sub-Fund to this Prospectus will be updated accordingly.

***Words or expressions used in the Prospectus that are not specifically defined in this Glossary shall have the same meaning as those defined in the 2010 Law.***

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## THE FUND

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SALAM-PAX SICAV is an open-ended collective investment company in the form of a *Société d'Investissement à capital variable* established under the laws of the Grand-Duchy of Luxembourg, with an "umbrella" structure comprising different Sub-Funds. In accordance with the 2010 Law, a subscription of shares constitutes acceptance of all terms and provisions of the Articles of Incorporation. Within each Sub-Fund, the investor may select either the distribution of a dividend or the capitalisation of income by choosing between the distribution shares and the capitalisation shares. Details on each Sub-Fund are disclosed in the Appendixes to this Prospectus.

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## MANAGEMENT AND ADMINISTRATION

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### 1. Board of Directors

The Directors of the Fund are responsible for its management and supervision including the determination of investment policies. They will review the operations of the Fund and of the Management Company.

### 2. Management Company

The Board of Directors of the Fund has appointed Twenty First Capital as the Management Company to be responsible on a day-to-day basis, under supervision of the Directors, for providing administration, marketing and investment management services in respect of all Sub-Funds.

The Management Company may from time to time delegate all or some of the services it provides in respect of all Sub-Funds to one or more service providers. In case of such delegation, the Management Company shall supervise the activities of the service providers on a permanent basis.

The Management Company is a management company registered as a “*Société de gestion de portefeuille*” under the French law and supervised by the “*Autorité des Marchés Financiers*” (the “AMF”), and has been authorised by AMF to render the services of collective portfolio management of UCITS, subject to the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS (the “Directive 2009/65”), under the freedom to provide services, and benefiting of the European passport of the management companies allowing to act in Luxembourg.

The Management Company shall ensure, amongst others, compliance of the Fund with the investment restrictions and their investment policy set forth in this Prospectus and the Articles of Incorporation.

The Management Company shall also send reports to the Directors on a monthly basis and inform each board member without delay of any non-compliance of the Fund with the investment restrictions.

The Management Company may appoint an Investment Advisor for each or all Sub-Funds which will assist it by giving advice and recommendations regarding the selection of securities and other permitted assets to be acquired by any Sub-Fund.

The following paragraphs contain general information about the basic characteristics of the remuneration policies and practices of the Management Company.

The remuneration policy of the Management Company is consistent with and promotes sound and effective risk management and does not encourage risk-taking, which is inconsistent with the risk profile, rules or instruments of incorporation of the funds managed.

The remuneration policy reflects the Management Company’s objectives for good corporate governance as well as sustained and long-term value creation for Shareholders. The remuneration policy has been designed

and implemented to:

- support actively the achievement of the Management Company's strategy and objectives;
- support the competitiveness of the Management Company in the markets it operates;
- be able to attract, develop and retain high-performing and motivated employees; and
- address any situations of conflicts of interest. For that purpose, the Management Company has implemented and maintains an adequate management of conflicts of interest policy.

Employees of the Management Company are offered a competitive and market-aligned remuneration package making fixed salaries a significant component of their total package.

The principles of the remuneration policy are reviewed on a regular basis and adapted to the evolving regulatory framework. The remuneration policy has been approved by the Board of directors of the Management Company.

The details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identities of persons responsible for awarding the remuneration and benefits, are made available on the website of the Management Company (<http://www.twentyfirstcapital.com/Regulatory-Information>) or at simple request. A paper copy of the remuneration policy will also be made available free of charge upon request.

### **3. Conflicts of Interest**

The Management Company may from time to time act as management company or investment manager to other investment funds/clients and may act in other capacities in respect of such other investment funds or clients. It is therefore possible that the Management Company may, in the course of its business, have potential conflicts of interest with the Fund.

The Fund may also invest in other investment funds which are managed by the Management Company or any of its affiliated entities. The directors of the Management Company may also be directors of investment funds and the interest of such investment funds and of the Fund could result in conflicts. Generally, there may be conflicts between the best interests of the Fund and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from the Fund or investment funds. In the event where such a conflict arises, the directors of the Management Company will endeavour to ensure that it is resolved in a fair manner and in the best interests of the Fund.

In any case, the Board of Directors of the Fund and/or the Management Company will (in the event that any conflict of interest actually arises) endeavour to ensure that such conflict is resolved fairly and in the best interests of the Fund and its Shareholders.

### **4. Distributors and Nominees**

Distributors may be appointed for the purpose of assisting the Management Company in the distribution of the shares of the Fund in the countries in which they are marketed.

Certain Distributors may not offer all of the Sub-Funds/classes of shares or all of the subscription/redemption currencies to their customers. Customers are invited to consult their Distributor for further details.

Investors can subscribe Shares in a Sub-Fund directly from the Fund. Investors may also purchase Shares in a Sub-Fund by using the nominee services offered by the Distributors or by the Local Paying Agents. A Distributor or a Local Paying Agent then subscribes and holds the Shares as a nominee in its own name but for the account of the investor. The Distributor or Local Paying Agent then confirms the subscription of the Shares to the investor by means of a letter of confirmation. Distributors and Local Paying Agents that offer nominee services are either seated in countries that have ratified the resolutions adopted by the FATF or *Groupe d'Action Financière Internationale* ("GAFI") or execute transactions through a correspondent bank seated in a FATF country. Investors who use a nominee service may issue instructions to the nominee regarding the exercise of votes conferred by their Shares as well as request direct ownership by submitting an appropriate request in writing to the relevant Distributor or Local Paying Agent offering the Nominee-Service.

***The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general shareholders' meetings, if the investor is registered himself and in his own name in the shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Fund. Investors are advised to take advice on their rights.***

A list of the Distributors and Nominee shall be at disposal at the Fund registered office.

## **5. Depositary and Paying Agent**

Société Générale Bank & Trust is the Company's depositary and paying agent (the Depositary).

The Depositary will assume its functions and duties in accordance with articles 33 to 37 of the 2010 Law and the EU Level 2 Regulation. The relationship between the Fund, the Management Company acting on behalf of the Fund and the Depositary is subject to the terms of a depositary and paying agent agreement entered into for an unlimited period of time (the Depositary Agreement). Each party to the Depositary Agreement may terminate it upon a ninety (90) calendar days' prior written notice.

In accordance with the 2010 Law, the Depositary carries out, inter alia, the safe-keeping of the assets of the Fund as well as the monitoring of the cash flows and the monitoring and oversight of certain tasks of the Fund.

The Depositary may delegate Safe-keeping Services to Safe-keeping Delegates in accordance with article 34bis of the 2010 Law and articles 13 to 17 of the EU Level 2 Regulation. General information regarding Safe-keeping Services provided by the Depositary is available on the website link: <http://www.sgbt.lu>

A list of the Safe-keeping Delegates is available on the website link: <http://www.securities->



[services.societegenerale.com/uploads/tx\\_bisgnews/Global\\_list\\_of\\_sub\\_custodians\\_for\\_SGSS\\_2016\\_05.pdf](http://services.societegenerale.com/uploads/tx_bisgnews/Global_list_of_sub_custodians_for_SGSS_2016_05.pdf)

Such information made available by the Depositary is updated from time to time.

Up-to-date information regarding this section 5 “Depositary and Principal Paying Agent” as well as an up-to-date list of the Sub-delegates is made available to investors on request addressed to the Depositary.

As the case may be, should the deposit of all the assets of the Fund be concentrated with a limited number of third parties, adequate disclosure should be made either via the website of the Management Company or the website of the Depositary. The Depositary is also authorized to delegate any other services under the Depositary Agreement other than oversight services and cash monitoring services.

The Depositary is liable to the Fund for the loss of assets held in custody (in accordance with article 18 of the UE Level 2 Regulation) by the Depositary or the Safe-keeping Delegate. In such case, the Depositary shall be liable to return the assets held in custody of an identical type or the corresponding amount to the Fund without undue delay, unless the Depositary can prove that the loss arose as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In performing any of its other duties under the Depositary Agreement, the Depositary shall act with all due skill, care and diligence that a leading professional custodian for hire engaged in like activities would observe. The Depositary is liable to the Fund for any other losses (other than loss of assets held in custody described above) as a result of negligence, bad faith, fraud, or intentional failure on the part of the Depositary (and each of its directors, officers, servants or employees).

The Depositary shall, in accordance with article 34 of the 2010 Law and articles 13 and 14 of the EU Level 2 Regulation, provide safe-keeping duties for the assets of the Fund. On one hand, the Depositary shall with regard to assets held in custody, ensure the proper registration of the financial instruments, the accurate maintenance of the records and segregated accounts, the conduct of reconciliations on a regular basis, the high standard of investor protection, adequate organizational arrangements and verification of the Fund’s ownership rights over these assets. On the other hand, the Depositary shall verify the ownership rights of the Fund over the other assets and ensure the record-keeping of such assets.

The liability of the Depositary as to Safe-keeping Services shall not be affected by any delegation as referred to in article 34bis of the 2010 Law or excluded or limited by agreement.

In case of termination of the Depositary Agreement, a new depositary shall be appointed. Until it is replaced, the resigning or, as the case may be, removed depositary shall take all necessary steps for the safeguard of the interests of the Shareholders.

The Depositary is a wholly-owned subsidiary of Société Générale, a Paris-based credit institution. The Depositary is a Luxembourg public limited company registered with the Luxembourg trade and companies register under number B 6061 and whose registered office is situated at 11, avenue Emile Reuter, L-2420 Luxembourg. Its operational center is located 28-32, place de la Gare, L-1616 Luxembourg. It is a credit institution in the meaning of the law of 5 April 1993 relating to the financial sector, as amended.

The Depositary is not responsible for any investment decisions of the Company or of one of its agents or the effect of such decisions on the performance of a relevant Sub-fund.

In addition, Société Générale Bank & Trust will act as the Company's principal paying agent. In that capacity, Société Générale Bank & Trust will have as its principal function the operation of procedures in connection with the payment of distributions and, as the case may be, redemption proceeds on the Shares of the Company.

Upon instructions of the Fund, the Depositary will execute all financial and foreign exchange transactions and provide all banking facilities. Moreover, the Depositary shall:

- a) Ensure that the sale, issue, redemption and cancellation of shares effected by or on behalf of the Fund are carried out in accordance with the 2010 Law and the Articles of Incorporation of the Fund;
- b) Ensure that in transactions involving the assets of the Fund, the consideration is remitted to it within the usual time limits;
- c) Ensure that the income of the Fund is applied in accordance with its Articles of Incorporation;
- d) Acknowledge that the Fund qualifies as a Sharia compliant fund and that Sharia compliance has certain consequences on the services to be rendered by the Depositary in particular i) trades should be settled on an actual basis, ii) no debit/credit interest shall be charged/paid to the Fund and iii) the cash accounts may not go into overdraft.

In all circumstances the Depositary shall, in carrying out its functions of depositary, act honestly, fairly, professionally and independently and solely in the interest of the Fund and its Shareholders in accordance with article 37 of the 2010 Law.

In this respect, the Depositary has in place a policy for the prevention, detection and management of conflicts of interest resulting from the concentration of activities in Société Générale's group or from the delegation of functions to other Société Générale entities or to an entity linked to the Management Company.

Further details are available on:  
[https://www.sgbt.lu/fileadmin/user\\_upload/SGBT/PDF/Summary\\_of\\_the\\_conflicts\\_of\\_interest\\_management\\_policy.pdf](https://www.sgbt.lu/fileadmin/user_upload/SGBT/PDF/Summary_of_the_conflicts_of_interest_management_policy.pdf)

In this respect, Société Générale Bank & Trust (i) has established, implemented and maintains operational an effective conflicts of interest policy; (ii) has established a functional, hierarchical and contractual separation between the performance of its depositary functions and the performance of other tasks and (iii) proceeds with the identification as well as the management and adequate disclosure of potential conflicts of interest in the manner described in the preceding paragraph.

## **6. Listing Agent**

The Depositary, Rutsaert Legal or any other entity appointed by the Board of Directors of the Fund and

approved by the Luxembourg Stock Exchange shall act as listing agent of the Fund if securities of the Fund are listed on the Luxembourg Stock Exchange.

## **7. Registrar and Transfer and Administration Agent**

The Fund has appointed EFA, as Administrative, Registrar and Transfer Agent. In such capacity, EFA will be responsible for all administrative duties required by Luxembourg laws and among others for handling the processing of subscriptions of Shares, dealing with requests for redemptions and transfer of Shares, for the safekeeping of the register of Shareholders, for the bookkeeping, the maintenance of accounting records, the calculation of the NAV per Share as well as for the mailing of statements, reports, notice and other documents to the concerned Shareholders of the Fund, in compliance with the provisions of, and as more fully described in, the relevant agreement mentioned hereinafter.

The rights and duties of EFA as administrative agent are governed by an agreement, entered for the date of 16 December 2016.

The fees and costs of the administrative, registrar and transfer agent for the above functions are paid by the Fund and are conform to common practice in Luxembourg. The maximum level of fees and costs payable out of the assets of each Sub-Fund to the administrative agent is set out in the Section “Management and Fund Charges”.

EFA is empowered to delegate, under its full responsibility, all or part of its duties as Administration Agent to a third Luxembourg entity with the prior consent of the Management Company and with CSSF authorisation.

## **8. Sharia Advisory Committee**

The Board of Directors has appointed a Sharia Advisory Committee per Sub-Fund to oversee the Sub-Funds’ compliance with Sharia Guidelines and to advice on matters of Sharia. The Sharia Advisory Committee may be supported by an external adviser to perform Sharia compliance and Sharia audit services.

To that effect, the Sharia Advisory Committee of each Sub-Fund supported by external advisers as setup in the Sub-Fund shall in particular be responsible for:

- Reviewing, from a Sharia compliance perspective, the legal and operational structure of the Sub-Fund, including its investment objectives, criteria and strategy;
- issuing an initial certificate on the launch of each Sub-fund declaring the Sub-fund to be in compliance with the Sharia Guidelines (“Fatwa”);
- providing ongoing support to the Sub-Fund in respect of questions or queries the investors and their representatives may raise in respect of the ongoing Sharia compliance of the Sub-Fund;
- approving Transferable Securities or other financial instruments for investment by the Sub-Fund.
- The Investment Managers shall consult the Sharia Advisory Committee of each Sub-Fund to determine the level of Sharia Non-compliant Income;
- providing active assistance in proposing solutions for correcting and/or mitigating any errors (if any) when made in order to remain compliant with the Sharia Guidelines and;
- reviewing the half-yearly relevant reports concerning all investments which have been made in relation to the Sub-Fund, in order to assess the Sub-Funds’ ongoing accordance with the Sharia Guidelines, and issuing an annual certificate declaring such compliance. It being understood that the Sub-Fund shall decide whether or not to render such decision public to potential investors or other

third parties;

- promptly informing the Sub-Fund as soon as the Sharia Advisory Committee discovers a breach of Sub-Fund's Sharia Guidelines;
- immediately informing the Sub-Fund of any amendment regarding the Sharia Guidelines;
- participating in meeting(s) governed by the Sub-Fund (whether in person or by conference call) with regard to the investment management and the Sharia Guidelines applicable to the Sub-Fund.

The Sharia Advisory Committee reserves final authority with regard to the Sharia compliance of all business and investment activities of the Sub-Fund as well as the audit of its investment for Sharia compliance.

While a Sub-Fund invests within the parameters as set down by the Sharia Advisory Committee, no other warranty is given as to the Sub-Fund's compliance with Sharia Law. Investors are responsible for their own due diligence on Sharia compliance.

### **9. Domiciliary Agent**

The Board has appointed Rutsaert Legal as the domiciliary agent of the Fund.

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## INVESTMENT POLICIES AND RESTRICTIONS

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***General Investment Policies for all Sub-Funds (unless incompatible with the specific investment policy disclosed in the Section Sub-Funds Details of this Prospectus)***

The Fund's investment objective is long-term capital appreciation which it will seek to achieve by investing in Sharia compliant transferable securities, debt obligations and money market instruments admitted to or dealt in on a regulated market in an Eligible Market, whether denominated in Euro or in any international currencies. The Fund has also the investment objective to maximise the investment return by investing in a portfolio of Sharia compliant fixed and floating income securities and asset backed transferable debt obligations of public, mixed or private entities and corporations. There can be no assurance that the Fund's investment objectives will be achieved.

In the general pursuit of obtaining a high level of return and capital appreciation, efficient portfolio management techniques may be employed to the extent permitted by the investment and borrowing restrictions stipulated by the Board of Directors.

SHAREHOLDERS SHOULD BE AWARE THAT THE USE OF EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES MAY ENTAIL CERTAIN RISKS WHICH MAY AFFECT THE NET ASSET VALUE OF THE SUB-FUNDS.

The Sub-Funds may from time to time also hold, on an ancillary basis, cash reserves or include other permitted Sharia compliant assets with a short remaining maturity, especially in times when rising interest rates are expected.

A large part of the assets shall be invested in Sharia compliant securities which are issued or guaranteed by governments and/or their agencies, supranational issuers or prime corporate issuers.

More or less stringent rating requirements may be applicable to some Sub-Funds as disclosed in their specific investment policies. Please refer to the description of the investment policy of each Sub-Fund in the Appendix I - Sub-Funds Details of this Prospectus for details.

The specific investment policy of each Sub-Fund is described in the Appendix I - Sub-Funds Details of this Prospectus.

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## SHARIA GUIDELINES

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The business of each Sub-Fund shall at all times be conducted in a manner that complies with the Sharia Guidelines as interpreted by each Sub-Funds' Sharia Advisory Committee. Additional Guidelines may be made within each Sub-Fund and apply only to that Sub-Fund. Any additional Guidelines will be written in Appendix 1 – Sub Fund Details.

The Sharia Guidelines may be summarized as follows:

At the core of Sharia lays the principles that money should be directed towards an economy of ethically acceptable goods and services production. Furthermore, Islamic investors are not allowed to purchase any financial instrument that has a guaranteed principal with a predetermined rate of return. This stipulates that returns should only be earned through active involvement and participation of the business risk.

Such rules bring each Sub-Fund to be invested in a selection of Transferable Securities that complies with specific conditions as exposed below, while being forbidden to pay or receive interest (as well as liquidity held in interest bearing bank accounts), although the receipt and payment of dividends from Sharia compliant securities is acceptable subject to cleansing any Sharia Non-Compliant Income.

**Each Sharia Advisory Committee works independently with no interaction or mutual dependencies and/or liabilities towards other Sub-Funds or their respective Sharia Advisory Committees.**

**Cleansing of Sharia Non-compliant Income:**

The Sharia Advisory Committee of each Sub-Fund may determine that a particular investment is no longer in line with Sharia Guidelines at that time and inform the Investment Manager about such new determination in order to require the removal of the investment. In this case the Investment Manager shall take all reasonable steps to sell such investment as soon as reasonably practicable but, always in the best interests of the Shareholders of the Sub-Fund.

The validity of the investments made before the communication by the Sharia Advisory Committee of such new determination may not be contested. The need of cleansing the Sharia Non-compliant Income (as defined and described below) identified for such investments is not affected.

From time to time or on the basis of its quarterly reports, the Investment Manager assisted by the Sharia Advisory Committee will estimate in relation to the concerned Sub-fund, the amounts of income in relation with investments that do not comply with the Sharia Guidelines (the “Sharia Non-compliant Income”).

This amount (if any) will be expressly approved by the Sharia Advisory Committee, deducted directly from the assets of the relevant Sub-Fund and distributed to the Sub-Fund shareholders (Shareholders shall be responsible for the purification of their share of any such Sharia Non-compliant Income by donating it to a charity or charities of their own choice).

The Sharia Guidelines shall be updated, in accordance with Luxembourg Law, as deemed appropriate, only to the extent they are more restrictive than the criteria set out in the Section Investment and Borrowing Restrictions after obtaining a written approval from the Sharia Advisory Committee of each Sub-Fund. Where the Sharia Advisory Committee request a change to the Sharia Guidelines, the Sub-Fund and the Management Company shall be given a reasonable period of time to effect such change in accordance with applicable regulation. The validity of the investments made before the definition of new Sharia Guidelines may not be contested.

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## INVESTMENT AND BORROWING RESTRICTIONS

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The Articles of Incorporation provide that the Board of Directors shall, based upon the principle of spreading of risks, determine the corporate and investment policy of the Fund and the investment and borrowing restrictions applicable, from time to time, to the investments of the Fund.

In order for the Fund to qualify as a UCITS under the 2010 Law and the Directive, the Board of Directors has decided that the following restrictions shall apply to the investments of the Fund and, as the case may be and unless otherwise specified for a Sub-Fund in the Appendix I - Sub-Funds Details of this Prospectus, to the investments of each of the Sub-Funds:

**Important note: all transactions carried out by the Sub-Funds will be Sharia compliant, in case of contradiction between the Sharia Guidelines Section and this section, the imperative and restrictive provisions of the Sharia Guidelines Section will prevail.**

- I. (1) The Fund, for each Sub-Fund, may invest in:
- a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of Directive 2004/39/EC or dealt in on a regulated market which operates regularly and is recognised and open to the public in a Member State of the European Union ("EU") or any other state in Eastern and Western Europe, Asia, North and South America, Africa and Oceania (an "Eligible Market");
  - b) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
  - c) units of UCITS and/or other undertakings for collective investment ("other UCIs") within the meaning of Article 1, paragraph (2), points a) and b) of Directive 2009/65/EC, whether or not established in a Member State, provided that:
    - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that that laid down in Community law, and that cooperation between authorities is sufficiently ensured,
    - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
    - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
    - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their management regulations or instruments of incorporation, in aggregate be invested in units of other



UCITS or other UCIs;

- d) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
  - the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to its investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;
- f) money market instruments other than those dealt in on an Eligible Market, if the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:
  - issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - issued by an undertaking any securities of which are dealt in on Eligible Markets, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg regulator to be at least stringent as those laid down by Community law; or
  - issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

- (2) In addition, the Fund may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under I (1) above.

II. The Fund may hold ancillary liquid assets.

- III. a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same body.
- (ii) The Fund may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) d) above or 5% of its net assets in other cases.

- b) Moreover, where the Fund holds, on behalf of a Sub-Fund, investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Fund may not combine for each Sub-Fund, where this would lead to investment of more than 20% of the Sub-Fund's assets in a single body, any of the following:

- investments in transferable securities or money market instruments issued by that body,
  - deposits made with that body, and/or
  - exposures arising from OTC derivative transactions undertaken with that body.
- c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its public local authorities, or by another state in Eastern and Western Europe, Asia, North and South America, Africa and Oceania or by public international bodies of which one or more Member States are members.
- d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.
- If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in

this sub-paragraph and issued by a single issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in sub-paragraphs a), b), c) and d) may not be combined and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III).

The Fund may cumulatively invest up to 20% of the net assets of a Sub-Fund in transferable securities and money market instruments within the same group.

- f) **Notwithstanding the above provisions, the Fund is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities or agencies, or by another member State of the OECD or by public international bodies of which one or more Member States are members, provided that the sub-fund's Shareholders benefit from sufficient protection and that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.**

- IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. a) to e) are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF provided that it is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.
- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on regulated markets within the meaning of Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public ("Regulated Markets") where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- V. a) The Fund may not acquire shares carrying voting rights which should enable it to exercise

significant influence over the management of an issuing body.

- b) The Fund may acquire no more than:
- 10% of the non-voting shares of the same issuer;
  - 10% of the debt securities of the same issuer;
  - 25% of the units of the same UCITS or other UCI within the meaning of Article 2, paragraph (2) of the 2010 Law;
  - 10% of the money market instruments of the same issuer.

These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

- c) The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States are members.

The provisions of this paragraph V. are also waived as regards:

- shares held by the Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the third country complies with the limits laid down in paragraph III. a) to e), V. a) and b) and VI.
- shares held by one or more investment companies in the capital of subsidiary companies, which carry on only the business of management, advice or marketing in the country where the subsidiary is established, in regard to the repurchase of units at the request of unitholders exclusively on its or their behalf.

- VI. a) The Fund may invest up to 100% of any of its sub-fund's net assets in units of UCITS and/or other UCIs referred to in paragraph I) (1) c), provided that no more than 20% of the sub-fund's net assets are invested in the units of a single UCITS or other UCI and subject to the limits set by the 2010 Law. Notwithstanding the above principle, and unless otherwise indicated in the description of the relevant Sub-Funds in the Appendixes hereto, the Fund shall not invest more than 10% of any of its sub-fund's net assets in units of the UCITS and/or other UCIs referred to in paragraph I) (1) c).

For the purpose of the application of this investment limit, each compartment of a UCITS and/or UCI with multiple compartments within the meaning of Article 181 of the 2010 Law is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

- b) The underlying investments held by the UCITS or other UCIs in which the Fund invests do not have to be considered for the purpose of the investment restrictions set forth under III. a) to e) above.
- c) When the Fund invests in the units of UCITS and/or other UCIs linked to the Fund by common management or control within the meaning of Article 46, paragraph (3) of the 2010 Law, no subscription or redemption fees may be charged to the Fund on account of its investment in the units of such other UCITS and/or UCIs.

In respect of a Sub-Fund's investments in UCITS and other UCIs linked to the Fund as

described in the preceding paragraph, the management fee (excluding any Performance Fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 3% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

- d) The Fund may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all compartments combined.
- e) The Fund may not, in aggregate, invest more than 30% of any of its sub-fund's net assets in units of UCIs other than UCITS.

VII. The Fund shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the total net value of the relevant Sub-Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III. a) to e) above. When the Fund invests in index-based financial derivative instruments, these investments are not required to be combined to the limits laid down in paragraph III. a) to e).

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.

- VIII. a) The Fund may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Fund may acquire foreign currencies by means of back to back loans;
- b) The Fund may not grant loans to or act as guarantor on behalf of third parties. This restriction shall not prevent the Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid.
- c) The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.
- d) The Fund may only acquire movable or immovable property which is essential for the direct pursuit of its business, provided that such investment does not represent more than 10% of its assets.
- e) Where the Fund is authorised to borrow under points a) and d), that borrowing shall not exceed 15% of its assets in total.
- f) The Fund may not acquire either precious metals or certificates representing them.

IX. a) The Fund needs not comply with the limits laid down in this Section when exercising

subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.

- b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.
- c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III. a) to e), IV. and VI.

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## TECHNIQUES AND INSTRUMENTS

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**Important note: all transactions carried out by the Sub-Funds will be Sharia compliant, in case of contradiction between the Sharia Guidelines Section and this section, the imperative and restrictive provisions of the Sharia Guidelines Section will prevail.**

The Fund is authorised for each sub-fund to use techniques and instruments on transferable securities, money market instruments, currencies and other eligible assets for the purpose of hedging or efficient portfolio management. If a sub-fund uses such techniques and instruments for investment purposes, detailed information on such techniques and instruments will be disclosed in the investment policy of the relevant sub-fund.

Each sub-fund is therefore in particular authorised to carry out transactions involving financial derivative instruments and other financial techniques and instruments (in particular swaps on indexes, currencies and transferable securities and money market instruments, futures and options on securities, currencies or indexes), as will be described in the description of the relevant sub-fund.

The success of the strategies employed by the sub-funds cannot be guaranteed.

Sub-funds using these techniques and instruments assume risks and incur costs, they would not have assumed or incurred, if they had not used such techniques.

The use of derivatives will cause a risk due to leverage. Considering the maximum of 10% of its net assets that a sub-fund may borrow, as indicated under 3. VIII. a) above, the overall exposure of any sub-fund must not exceed 210% of the sub-fund's net assets.

The investor's attention is further drawn to the increased risk of volatility generated by sub-funds using financial derivative instruments and other financial techniques and instruments for other purposes than hedging. If the Investment Managers forecast incorrect trends for securities, currency and interest rate markets, the affected sub-fund may be worse off than if no such strategy had been used.

In using derivatives, each sub-fund may carry out over-the-counter – OTC – transactions with highly-rated banks or brokers specialised in this area acting as counterparties.

- (1) The Fund may, under the observance of the provisions of the circular CSSF 08/356, enter into securities lending and borrowing transactions provided it complies with the following rules:
  - (i) The Fund may only lend or borrow securities within a standardised system organised by a recognised securities clearing institution or by a highly rated financial institution specialised in this type of transaction. The counterparty must further be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Community Law.
  - (ii) In relation to its lending transactions, the Fund shall receive a guarantee of a value which, at the conclusion of the agreement, must be at least equal to 90% of the global valuation (interests, dividends and other eventual rights included) of the securities lent.

Such guarantee is given in the form of cash and/or securities issued or guaranteed by a Member State of the OECD, by its regional authorities or by supranational institutions and organisations with EU, regional or global scope, and is frozen in an account in the name of the Fund until the lending contract expires.

- (iii) Securities lending transactions may not be for a period exceeding 30 days, nor exceed 50% of the aggregate market value of the securities in the portfolio of the compartment concerned. This limit does not apply when the Fund has the right to terminate the contract at any time and obtain restitution of the securities lent.
  - (iv) The Fund may not dispose of the securities it has borrowed during the entire term of the loan unless they are hedged by financial instruments allowing the Fund to return the borrowed securities when the transaction is settled.
  - (v) Securities borrowing transactions may not be for a period exceeding 30 days, nor exceed 50% of the aggregate market value of the securities in the portfolio of the compartment concerned.
  - (vi) The Fund may only engage in securities borrowing transactions in the following exceptional circumstances: (x) when the Fund is engaged in the sale of portfolio securities at a time when said securities are being registered with a government authority and therefore are not available; (y) when securities which have been lent are not returned on time; and (z) in order to avoid default of a promised delivery of securities if the Depository fails to perform its obligation to deliver the securities in question.
  - (vii) Combined risk exposure to a single counterparty arising from one or more securities lending transactions and / or repurchase transactions (as described below under (2)) may not exceed 10% of the respective sub-fund assets when the counterparty is a credit institution referred to in article 41 paragraph (1) (f) of the law of 17 December 2010 or 5% of its assets in any other cases.
- (2) The Fund may, under the observance of the provisions of the circular CSSF 08/356, on an ancillary basis and in order to tweak its performance, enter into repurchase agreements which consist in the purchase and sale of securities whereby the terms of the agreement give the seller the right or the obligation to repurchase the securities from the purchaser at a price and a time agreed by the two parties at the conclusion of the agreement.

The Fund may act as either purchaser or seller in repurchase transactions. However, its entering into such agreements is subject to the following rules:

- (i) The Fund may only purchase or sell securities if its counterparty in the repurchase transaction is a highly-rated financial institution specialised in this type of transaction. The counterparty must further be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Community Law.
- (ii) Throughout the duration of a repurchase agreement, the Fund may not sell the securities that are the subject of the agreement before the counterparty has exercised its right to repurchase the securities, or before the deadline for repurchase has expired.
- (iii) It must maintain the incidence of repurchase agreements at a level that shall allow it at all times to meet its repurchase commitments.
- (iv) Combined risk exposure to a single counterparty arising from one or more securities lending transactions (as described above under (1)) and / or repurchase transactions may not exceed 10% of the respective sub-fund assets when the counterparty is a credit institution referred to in article 41,



paragraph (1) (f) of the law of 17 December 2010 of 5% or its assets in any other cases.

- (3) The Fund may also, in accordance with the provisions set out below, invest in swap contracts.
- (i) The Fund may enter into equity swap transactions which consist of contractually paying out (or receiving) to (from) the swap counterparty:
- i) a positive or negative performance of one security, a basket of securities, a stock exchange index, a benchmark or a financial index;
  - ii) an interest rate, either floating or fixed;
  - iii) a foreign exchange rate; or
  - iv) a combination of any of the above;

against the payment of an interest rate either floating or fixed. There is no exchange of principal in the equity swap and the Fund will not hold any security, but the Fund will receive all the economies of owning securities, such as dividend income. The underlying of the swap transactions entered into by the Fund will be indicated in the description of the investment policy of each Sub-Fund in the Appendix I - Sub-Funds Details of this Prospectus.

The Fund may not enter into equity swap transactions unless:

- i) its counterpart is a financial institution of good reputation specialised a.o. in this type of transaction;
- ii) it ensures that the level of its exposure to the equity swap is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions;
- iii) the underlying assets performance referred to under the equity swap agreement is in compliance with the investment policy of the relevant Sub-Fund entering into such transaction.

The total commitment arising from equity swap transactions of a particular Sub-Fund shall be the market value of the underlying assets used for such transactions at inception.

The net exposure of equity swap transactions in conjunction with all exposures resulting from the use of options, interest rate swaps and financial futures may not in respect of each Sub-Fund exceed at any time the Net Asset Value of such Sub-Fund.

The equity swap transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement. Typically investments in equity swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

- (ii) The Fund may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the

difference between the market price and such reference price. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The ISDA have produced standardised documentation for these transactions under the umbrella of its ISDA Master Agreement.

The Fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection.

In addition, the Fund may, provided it is in its exclusive interest, buy protection under credit default swaps without holding the underlying assets provided that the aggregate premiums paid together with the present value of the aggregate premiums still payable in connection with credit default swap purchased together with the amount of the aggregate of premiums paid relating to the purchase of options on transferable securities or on financial instruments for a purpose other than hedging, may not, at any time, exceed 15% of the net assets of the relevant sub-fund.

Provided it is in its exclusive interest, the Fund may also sell protection under credit default swaps in order to acquire a specific credit exposure. In addition, the aggregate commitments in connection with such credit default swap sold together with the amount of the commitments relating to the purchase and sale of futures and option contracts on any kind of financial instruments and the commitments relating to the sale of call and put options on transferable securities may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.

The Fund will only enter into credit default swap transactions with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA. Also, the Fund will only accept obligations upon a credit event that are within the investment policy of the relevant sub-fund.

The Fund will ensure it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from credit default swaps and other techniques and instruments.

The aggregate commitments of all credit default swap transactions will not exceed 20% of the net assets of any sub-fund provided that all swaps will be fully funded.

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## **RISK FACTORS**

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**Important note: all transactions carried out by the Sub-Funds will be Sharia compliant, in case of contradiction between the Sharia Guidelines Section and this section, the imperative and restrictive provisions of the Sharia Guidelines Section will prevail.**

### **Equity Risk**

While equities have historically been a leading choice of long-term investors, the fluctuations in their prices can sometimes be exacerbated in the short-term.

Because equity securities represent ownership in their issuers, prices of these securities can suffer for such reasons as poor management, shrinking product demand and other business risks.

Many factors can affect equity market performance: economical, political and business news can influence market-wide trends, over the short term as well as the long term.

### **Investment in warrants**

It should be noted that the inherent volatility of warrants should not be overlooked and will directly affect the net assets of the sub-funds concerned. The reason is that, although the use of warrants may generate higher profits than when investing in conventional shares, it may also lead to heavy losses made worse by leverage.

### **Investment in Fixed Income Securities**

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which react primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities, and it may be harder to buy and sell securities at an optimum time.

The volume of transactions effected in certain European bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a sub-fund's investments in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

### **Investment in Financial Derivative Instruments**

#### **Credit Default Swaps**

Credit default swap transactions may entail particular risks.

These transactions are used in order to eliminate a credit risk in respect of the issuer of a security, they imply that the Fund bears a counterparty risk in respect of the protection seller.

This risk is, however, mitigated by the fact that the Fund will only enter into credit default swap transactions

with highly rated financial institutions.

Credit default swaps may present a risk of liquidity if the position must be liquidated before its maturity for any reason. The Fund will mitigate this risk by limiting in an appropriate manner the use of this type of transaction.

Finally, the valuation of credit default swaps may give rise to difficulties which traditionally occur in connection with the valuation of OTC contracts.

### **Futures and Options**

The Fund may use options and futures on securities, indices and interest rates in order to achieve investment goals. Also, where appropriate, the Fund may hedge market and currency risks using futures, options or forward foreign exchange or currency contracts (for the risk related to the use of forward contracts please refer to the section below "OTC Derivative Transactions"). The Fund must comply with the limits set out above under the Section "Investment and Borrowing Restrictions".

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

### **OTC Derivative Transactions**

Absence of regulation; counterparty default and lack of liquidity

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which forward and option contracts, credit default swaps, total return swaps and certain options on currencies and other derivative instruments are generally traded) than of transactions entered into on organised stock exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, the Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Fund will sustain losses. The Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties.

In addition, as the OTC market may be illiquid, it might not be possible to execute a transaction or liquidate a position at an attractive price.

### **Non-investment grade securities**

Furthermore, for sub-funds whose policy allows for the investment in securities rated lower than BBB- (Standard & Poors), investors are warned that these securities are below investment grade and carry more risk, including greater price volatility and a higher default risk on the repayment of principal and the payment of interest than for higher grade securities. Moreover, certain unlisted or undervalued fixed income securities are highly speculative and entail considerable risk, and may be disputed when principal and interest payments fall due. Securities with a rating below BBB- (Standard & Poors), or comparable unlisted securities, are considered speculative and may be disputed when principal and interest payments fall due.

### **Investments in Emerging Countries**

Investment in securities issued by issuers situated in or traded on markets situated in emerging countries involves risk factors and special considerations, including those which follow which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investments may be made, including expropriation, nationalisation or other confiscation could result in loss to the Fund. By comparison with more developed securities markets, most emerging countries securities markets are comparatively small, less liquid and more volatile. In addition, settlement, clearing and registration procedures may be under developed enhancing the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply to major markets.

### **Interest Rate Risk**

Investment in Sharia compliant securities or money market instruments might be affected by changes of interest rates.

A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Interest rate risk is the risk that such movements in interest rates will negatively affect a security's value or, in a sub-fund's case, its net asset value. Fixed income securities with longer-term maturities tend to be more sensitive to interest changes than shorter-term securities. As a result, longer-term securities tend to offer higher yields for this added risk.

While changes in interest rates may affect a sub-fund's interest income, such changes may positively or negatively affect the net asset value of the sub-fund's shares on a daily basis.

### **Currency Risk**

Since the securities held by a sub-fund may be denominated in currencies different from its base currency, the sub-fund may be affected favorably or unfavorably by changes in the exchange rates between such reference currency and other currencies. If the currency in which a security is denominated appreciates against the base currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security.

### **Sharia Compliance Risk**

The Sharia Advisory Committee of each Sub-Fund and the Sharia Auditor:

- Have been contracted to independently provide advisory related to Sharia for each Sub-Fund. They will act independently from each other, and will make no representations or warranties with respect to the correctness, accuracy, or completeness of any such determination or guidance.
- Accept no liability in the event that the status of such Sharia compliance should change, or if any of the Sub-Funds is not complying with the Sharia Guidelines or any other provided Sharia guidance.

Prospective investors should not solely rely on the pronouncement, guidance or certification of the Sharia Advisory Committee of each Sub-Fund. Prospective investors should consult their own Sharia specialist as to whether investing in any Sub-Fund is compliant or not with Sharia.

Due to the restrictive nature of the Sharia Guidelines, the Additional Guidelines of each Sub-Fund and the extra Sharia compliance requirements, there may be a lesser number of potential investments that are available to a comparable Sharia non-compliant Sub-Fund of the same size. The cleansing process of Sharia Non-compliant income may also lead to the returns to investors being reduced.

In cases where any of the investments held by any Sub-Fund are no longer Sharia compliant, the Sharia Advisory Committee of each Sub-Fund might ask to dispose these investments. The disposal of Sharia Non-compliant investments might generate losses and as a result the performance of any Sub-Fund might be affected.

Although a sub-fund may use hedging or other techniques in seeking to minimize its exposure to currency risk, it may not be possible or desirable to hedge against all currency risk exposure, nor is it guaranteed that a hedging technique will perform as anticipated.

### **Hedged Classes**

In the case where shares are hedged against the reference currency of a particular sub-fund, such hedging may, for technical reasons or due to market movements, not be complete and not cover the entire foreign exchange rate risk. There can be no guarantee that hedging strategies will be successful. Moreover, in case of hedging, the investors will not take advantage of any possible positive evolution of the foreign exchange rate.

### **Credit Risk**

Credit risk, related to all fixed income securities as well as money market instruments, is the risk that an issuer will fail to make principal and interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or specific to an issuer, are all the factors that may have an adverse impact on an issuer's credit quality and security values.

### **Counterparty Risk**

Also known as "default risk", it is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Counterparty risk as a risk to both parties and should be considered when evaluating a contract.

The Fund is exposed to counter party risk when entering into Over the Counter ("OTC") derivatives

contracts or into cash deposits.

### **Liquidity Risk**

This is the risk of losing a certain amount of money when liquidating one or more positions in a portfolio.

The loss is generated by the difference between the price at which the financial asset is marked and the price at which it can be sold.

Liquidity risk arises from situations in which a party interested in trading an asset cannot do it because nobody in the market wants to trade that asset. Liquidity risk becomes particularly important to parties who are about to hold or currently hold an asset, since it affects their ability to trade.

Manifestation of liquidity risk is very different from a drop of price to zero. In case of a drop of an asset's price to zero, the market is saying that the asset is worthless. However, if one party cannot find another party interested in trading the asset, this can potentially be only a problem of the market participants with finding each other. This is why liquidity risk is usually found to be higher in emerging markets or low-volume markets.

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## RISK-MANAGEMENT PROCESS

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The Management Company, on behalf of the Fund, will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

As part of the RMP within the meaning of the applicable CSSF Circular 11/512 and the ESMA Guidelines 10-788, the Management Company will calculate the global exposure of each Sub-Fund on a daily basis despite of NAV frequency. This global exposure, depending on the risk profile of each sub-fund could be calculated using the Commitment Approach or the Value at Risk Approach (the “VaR Approach”), either relative or absolute.

The Commitment approach is defined as the sum of the absolute value of the individual commitments of financial derivatives instruments, after taking into account possible effects of netting and hedging.

The VaR approach quantifies the maximum potential loss that a UCITS could suffer within a certain time horizon and a given level of confidence under normal market conditions. The Management Company shall use a one month (20 days) Historical VaR with one year of history and a confidence level of 99%.

The risk profile will be evaluated by the Risk Management department of the Management Company, the result of this evaluation will be communicated to the Board of the Fund that will confirm the approach chosen or propose a new one. More specifically, the selection of the approach will result from the investment policy and strategy of each Sub-Fund (including its use of financial derivative instruments).

The approach chosen for each Sub-Fund could be found in Appendix III – Sub-Funds Specific Risk Details of the present prospectus. In case of a VaR approach, the expected level of leverage as well as the benchmark or the appropriate mix of assets (if managed with a relative VaR approach) will be indicated. The expected level of leverage will be calculated according to either to the commitment approach as detailed in the CSSF circular 11/512 or the sum of the notionals of the derivatives used.



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## SHARES

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Within the meaning of Article 181 of the 2010 Law, the Fund may issue within each Sub-Fund one or more classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned but may differ, inter alia, in respect of specific sales and redemption charge structure, management charge structure, distribution policy, hedging policy or any other features as the Board of Directors shall from time to time determine in respect of each Sub-Fund.

The Board of Directors may decide to issue within each Sub-Fund, shares of different classes. The available classes in each Sub-Fund, as well as their specific features are further described in Appendixes forming integral parts of this Prospectus.

In accordance with the above, the Shares are further sub-divided into two categories, Distribution Shares and Capitalisation Shares, as further described under Section ***Distribution Policy*** and specified for each class of shares in Appendix II – Share Class Features per Sub-Fund to this Prospectus.

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## DISTRIBUTION POLICY

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The Board of Directors has decided that shares in all Sub-Funds shall be issued as Capitalisation or Distribution shares, which shall have the following characteristics:

### **Distribution shares**

The Distribution shares will have that portion of the Sub-Fund's net investment income, which is attributable to such shares, distributed by way of a dividend.

The general meeting of holders of distribution shares in the Sub-Funds shall decide upon the proposals made by the Board of Directors on this matter. Should the Board of Directors decide to propose the payment of a dividend to the general meeting, such dividend shall be calculated in accordance with the legal and statutory limits for this purpose.

As far as distribution shares are concerned, the Board will propose the distribution of a dividend within the limits of their available assets. This dividend may include, besides the net investment income, the realised and unrealised capital gains after deduction of realised and unrealised capital losses. The Board of Directors may also decide the payment of an interim dividend of the previous or the current year in accordance with the legal provisions applicable.

Registered shareholders are paid by bank transfer sent to the address indicated in the shareholders' register according to their instructions.

Each shareholder is offered the possibility to reinvest his dividend free of charge up to the available share unit.

Dividends not claimed within five years after their payment shall no longer be payable to the beneficiaries and shall revert to the Fund.

All dividend payment notices are published in the d'Wort and in any newspaper the Board of Directors deems appropriate.

### **Capitalisation shares**

The Capitalisation shares will have that portion of the Sub-Fund's net investment income, which is attributable to such shares, retained within the Sub-Fund thereby accumulating value in the price of the Capitalisation shares.

With regard to the capitalisation shares, the income will be reinvested.

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## ISSUE, REDEMPTION, CONVERSION AND TRANSFER OF SHARES

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"Late Trading" is to be understood as the acceptance of a subscription, conversion or redemption orders after the cut-off time on the relevant Valuation Day and the execution of such orders at the price based on the net asset value per share applicable to such Valuation Day. To deter such practice, the Board of Directors takes the necessary measures to prevent that subscriptions, conversions or redemptions be accepted after the cut-off time in Luxembourg and that the net asset value per share is calculated after the cut-off time ("forward pricing").

The repeated purchase and sale of shares designed to take advantage of pricing inefficiencies in the Fund – also known as “Market Timing”- may disrupt portfolio investment strategies and increase the Fund's expenses and adversely affect the interests of the Fund’s long term Shareholders. To deter such practice, the Board of Directors reserve the right, in case of reasonable doubt and whenever an investment is suspected to be related to Market Timing, which the Board of Directors shall be free to appreciate, to suspend, revoke or cancel any subscription, redemption or conversion order placed by investors who have been identified as doing frequent subscriptions and redemptions in and out of the Fund.

The Board of Directors, as safeguard of the fair treatment of all investors, may take necessary measures to ensure that (i) the exposure of the Fund to Market Timing activities is adequately assessed on an ongoing basis, and (ii) sufficient procedures and controls are implemented to minimise the risks of Market Timing in the Fund.

### 1. Issue of Shares

Initial offer details for new Sub-Funds are disclosed in the Appendix I – Sub-Funds Details to this Prospectus.

Unless otherwise provided for a Sub-Fund in Appendix I – Sub-Funds Details to this Prospectus, subscriptions for shares in each Sub-Fund can be made on any Bank Business Day. Applications for subscriptions will normally be satisfied, if accepted, on a Valuation Day, provided that the application is received by 4.00 p.m. (Luxembourg time) two Bank Business Days preceding such Valuation Day. Applications notified after this deadline will be satisfied on the next following Valuation Day. The subscription price is payable within 3 Bank Business Days following the applicable Valuation Day.

Applications for subscriptions must be sent in writing, fax or electronic means to the Administration Agent or with any other appointed agent (if sent by fax or by electronic means to be followed promptly by the original by post).

Shares in registered form are not dematerialised.

The Fund may issue fractional shares (*thousands*), which will be in registered form. In case fractional registered shares are issued, a confirmation of subscription may be issued.

Shares must be fully paid-up and are issued with no par value. There is no restriction with regard to the number of shares which may be issued.

The inscription of the shareholder's name in the shareholders' register evidences his right to ownership of such registered shares. The shareholders' register is kept at the registered office of the Fund.

Applications for subscription may, at the subscriber's choice, pertain to a number of shares to be subscribed or to an amount to be invested in the Fund. Only in this latter case, fractional shares might be issued.

The rights attached to the shares are those provided for in the Luxembourg law of 10 August 1915 on commercial companies, as amended, unless superseded by the 2010 Law.

All shares of the Fund have an equal voting right, whatever their value (except that portion of a share that is a fractional share). The shares of the Fund have an equal right to the liquidation proceeds of the Fund.

The countries where the Fund is distributed may decide to apply minimum subscription amounts as described in the local documents in force.

The minimal initial subscription in any Sub-Fund is specified in Appendix I – Sub-Funds Details to this Prospectus. The holding value in each Sub-Fund may only fall below such minimum as a result of a decrease of the net asset value per share of the Sub-Fund concerned.

Shares shall be allotted at the net asset value per share determined on the Valuation Day following the Bank Business Day on which the application has been accepted plus a subscription charge of up to 5% of the net asset value of the shares subscribed to accrue for the benefit of the intermediaries acting in relation to the distribution of the shares, unless otherwise provided for a specific Sub-Fund in Appendix I and II to this Prospectus.

In certain countries, investors may be charged with additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

For requests for subscriptions in any major freely convertible currency other than the reference currency of the relevant Sub-Fund/Class of shares (approved by the Board of Directors), the Depositary will arrange the foreign exchange conversion at the risk and expense of the investor.

Shares may be subscribed against contributions in kind considered acceptable by the Board of Directors on the basis of the investment policy of the relevant Sub-Fund and will be valued in an auditor's report as required by Luxembourg law. The relevant fees will be paid by the subscriber.

The Fund reserves the right to:

- accept or refuse any application in whole or in part and for any reason;
- repurchase, at any time, shares held by persons not authorised to buy or own the Fund's shares.

The Fund may also limit the distribution of shares of a given Sub-Fund to specific countries.

The Fund has delegated to the Management Company the administration and marketing services in respect

of all the sub-funds. Pursuant to such delegation, the Management Company or its delegates will monitor the prevention of anti-money laundering measures. Measures aimed at the prevention of money laundering may require an applicant for shares to certify its identity to the Management Company or its delegates. Depending on the circumstances of each application, verification may not be required where the applicant makes the payment from an account held in the applicant's name at a recognised financial institution, or the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is established within a country recognised by Luxembourg as having equivalent anti-money laundering regulations. Thus, for the subscription to be valid and acceptable by the Fund, shareholders shall attach the following documents to the application forms:

- if the investor is a *physical person*, a copy of one of his/her identification documents (*passport or ID card*), or
- if the investor is a *legal entity*, a copy of its corporate documents (*such as the articles, published balances, excerpt of the Trade Register, ...*) and the copies of the identification documents of its economic eligible parties (*passport or ID card*).

These documents shall be certified true copies of the originals by a public authority (*ex. notary, police, embassy, etc.*) of the country of residency.

This requirement is mandatory, except if:

- the application form is sent through another professional of the financial sector established in a FATF State and that this professional has already ascertained the identity of the applicant in a manner equivalent to that required by Luxembourg law, and
- a delegation contract of the identification obligations has been signed between such professional and the Administrative Agent or EFA.

Shareholders are informed that their personal data or information given in the subscription documents or otherwise in connection with an application to subscribe for shares, as well as details of their shareholding, will be stored in digital form and processed in compliance with the provisions of the Luxembourg law of 2 August 2002 on data protection as amended. In particular, such process of personal data or information implies that subscribing the Fund, Shareholders consent that their personal data or any information relating to them be disclosed (i) to any entity of the promoter's group and any affiliate, or (ii) to any authority in any country when required by law or regulation.

The Fund shall normally issue confirmations of shareholding to the holder of shares unless Shareholders specifically request the issue of share certificates. The inscription of the shareholder's name in the register of Shareholders evidences his right of ownership of such registered shares.

Shareholders who request the material delivery of their share certificates may have to pay the cost incurred by such delivery.

Confirmation of completed subscriptions together with share certificates, if applicable, will be faxed at the risk of the investor, to the address indicated in the subscription form within seven Bank Business Days following the issue of the shares.

Issue of shares of a given Sub-Fund shall be suspended whenever the determination of the net asset value per share of such Sub-Fund is suspended by the Fund as provided for under Section 7. of "General Information".

## **2. Conversion of Shares**

Subject to any suspension of the determination of the net asset values concerned and to compliance with any eligibility conditions, Shareholders have the right to convert all or part of the shares they hold in any Sub-Fund into shares of another existing Sub-Fund by making a request in writing, by fax or electronic means (the burden of proof of the communication remains with the investors) to the Administration Agent indicating the number and the reference name of the shares to be converted and specifying moreover if the shares of the new Sub-Fund are to be in registered.

The conversion request must be received by 4.00 p.m. (Luxembourg time) two Bank Business Days preceding the applicable Valuation Day and must be accompanied, as the case may be, by a duly filled out transfer form, or by any document vouching for the transfer.

Requests received after this deadline will be satisfied on the next following Valuation Day.

When distribution and capitalisation shares are issued within a Sub-Fund, holders of distribution shares may request the conversion of their shares into capitalisation shares and vice-versa at a price based on the respective net asset values calculated on the common applicable Valuation Day. A conversion towards a Sub-Fund or a Class of shares reserved to institutional investors can only be required by investors qualified as such.

The number of shares issued upon conversion will be based upon the respective net asset values of the shares of the two Sub-Funds concerned on the common Valuation Day following the Bank Business Day on which the conversion request is accepted.

In certain countries, investors may be charged with additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

If the net asset values concerned are expressed in different currencies, the conversion will be calculated by using the exchange rate applicable on the relevant Valuation Day on which the conversion is to be effected.

Under the responsibility of the Board of Directors and with the approval of the Shareholders concerned, conversions may be effected in kind by transfer of a representative selection of the original Sub-Fund's holding in securities and cash pro rata to the number of shares converted, to the receiving Sub-Fund having a compatible investment policy as certified by the auditor of the Fund.

Any expenses incurred in the transfers shall be borne by the Shareholders concerned.

The number of shares allocated in the new Sub-Fund or Class shall be determined as follows:

$$A = \frac{(B \times C \times D) - F}{E}$$

- A number of shares allotted in the new Sub-Fund/Class;
- B number of shares presented for conversion in the original Sub-Fund/Class;
- C net asset value, on the applicable Valuation Day, of the shares of the original Sub-Fund/Class, presented for conversion;
- D (if any) exchange rate applicable on the day of the operation between the currencies of both Classes of shares;
- E net asset value on the applicable Valuation Day of the shares allotted in the new Sub-Fund/Class;
- F being a conversion fee payable to the various financial intermediaries concerned, payable to the original Sub-Fund;

If certificates were issued for the shares of the original Sub-Fund, the new certificate(s) shall be issued only upon receipt by the Administration Agent of such former certificates and provided that the Shareholder has requested the issuance of such new certificate(s).

In addition, if, as a result of a conversion, the value of a Shareholder's remaining holding in the original Sub-Fund would become less than the minimum holding referred to for each Class of shares in Appendix I – Sub-Funds Details to this Prospectus, the relevant Shareholder will be deemed to have requested the conversion of all of his shares.

### **3. Redemption of Shares**

Any Shareholder may present to the Administration Agent his shares for redemption in part or whole on any Valuation Day.

Redemption requests received until 4.00 p.m. (Luxembourg time) two Luxembourg bank business days preceding a Valuation Day (the “Cut-off time”) will be executed at the net asset value per share determined on that Valuation Day. Redemption requests received after the Cut-off time will be executed on the following Valuation Day.

In certain countries, investors may be charged with additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

Redemption payments will be made in the reference currency of the relevant shares class at the latest on the third Bank Business Day following the applicable Valuation Day, provided the relevant share certificates, if any, have been duly received by the Administration Agent for cancellation.

In case of registered shares, by the certificates carrying the name of the registered shareholder, if any, as well as any document vouching for the transfer of the certificates.

Under the responsibility of the Board of Directors and with the approval of the Shareholders concerned redemptions may be effected in kind. Shareholders are free to refuse the redemption in kind and to insist upon cash redemption payment in the reference currency of the Sub-Fund. Where Shareholders agree to accept a redemption in kind they will, to the extent possible, receive a representative selection of the Sub-Fund's holding in securities and cash pro rata to the number of shares redeemed. The value of the redemption

in kind will be certified by an auditor's certificate drawn up in accordance with the requirements of Luxembourg law. Any expenses incurred for redemptions in kind shall be borne by the Shareholders concerned.

If, as a result of a redemption, the value of a Shareholder's holding in a Sub-Fund would become less than the minimum holding referred to for each Class of shares in Appendix I – Sub-Funds Details to this Prospectus, the relevant Shareholder will be deemed (if so decided from time to time by the Board of Directors) to have requested redemption of all of his shares. Also, the Board of Directors may, at any time, decide to compulsorily redeem all shares from Shareholders whose holding in a Sub-Fund is less than the minimum holding referred to above. In case of such compulsory redemption, the Shareholder concerned will receive a one month prior notice so as to be able to increase his holding above the minimum holding at the applicable net asset value.

Where redemption requests received for one Sub-Fund on any Valuation Day exceed 10% of the net assets thereof, the Board of Directors may delay the execution, or may only partially execute such redemption requests. Any shares which, by virtue of this limitation, are not redeemed as at any particular Valuation Day shall be carried forward for realisation on the next following applicable Valuation Day in priority to subsequent requests.

In normal circumstances the Board of Directors will maintain adequate level of liquid assets in order to meet redemption requests.

Redemption of shares of a given Sub-Fund shall be suspended whenever the determination of the net asset value per share of such Sub-Fund is suspended by the Fund as provided for under Section 7. of “General Information”.

A Shareholder may not withdraw his request for redemption of shares of any one Sub-Fund except in the event of a suspension of the determination of the net asset value of the shares of such Sub-Fund and, in such event, a withdrawal will be effective only if written notification is received by the Administration Agent before the termination of the period of suspension. If the request is not withdrawn, the Fund shall proceed to redemption on the first applicable Valuation Day following the end of the suspension of the determination of the net asset value of the shares of the relevant Sub-Fund.

The redemption price for shares of the Fund may be higher or lower than the purchase price paid by the shareholder at the time of subscription due to the appreciation or depreciation of the net assets.

#### **4. Transfer of Shares**

The transfer of shares may normally be effected by delivery to the Administration Agent of an instrument of transfer in appropriate form together with the relevant certificate(s). Any transferee will be required to complete a subscription form if he is a new investor in the Fund.

On receipt of the transfer request and after reviewing the endorsement(s), the Administration Agent may require that the signature(s) be guaranteed by an approved Bank, Stock Broker or Public Notary.

Shareholders are recommended to contact the Administration Agent prior to requesting a transfer to ensure



that they have all the correct documentation for the transaction.

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## MANAGEMENT AND FUND CHARGES

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The Management Company may receive a management fee for each Sub-Fund as described in the Appendixes to this Prospectus. The management fee per annum is payable and calculated monthly on the average net assets of the Sub-Fund.

For the services it provides, the Management Company will receive a remuneration, payable and calculated monthly on the average net assets of the Sub-Fund, of up to 0,15% with, if applicable, a minimum of not more than Euro 25'000 per annum per Sub-Fund.

In addition, for some Sub-Funds, the Management Company is entitled to receive a **performance fee** as described in the Section Sub-Funds details.

The Management Company will also receive an **administration fee**, out of which the Management Company will remunerate the Administration Agent, of a maximum of 0.20% per annum payable monthly and based on the average net assets of the Sub-Fund during each month with transaction fees ranking from euro 8.00 to euro 25.00 for the processing of subscription, redemption or conversion orders, depending on transfer-agent processing. The administration fee may be subject to a minimum of not more than 20'000 euro per annum.

Shall the Management Company act as Investment Manager, it may invoice the Fund's for middle office and pre-matching fees EUR 12'500 per annum per Sub-Fund, as well as for marketing expenses and web-site development, legal and distribution support or other services requested by the Fund, as further disclosed in the Fund Management Agreement.

In addition to the fees listed above, the Domiciliary Agent will receive a **domiciliation fee** of maximum Euro 5'000 per annum for the entire Fund.

The **Depositary** will receive a custodian fee of maximum 0,05% per annum payable quarterly and based on the average net assets of the Fund with a minimum fee of maximum Euro 12'000 per annum per Sub-Fund.

The Management Company, the Depositary, the Administration Agent and their appointees are entitled to recover reasonable out-of-pocket expenses incurred in the performance of their duties for the Sub-Fund out of the assets of the Sub-Fund.

The Fund bears its operational costs including but not limited to the cost of buying and selling portfolio securities, settlement fees, governmental fees, taxes, fees and out-of-pocket expenses of its Directors, including their insurance cover, legal and auditing fees, publishing and printing expenses, marketing expenses and website development and up-dating, the cost of preparing the explanatory memoranda, financial reports and other documents for the Shareholders, postage, telephone and telex. The Fund also pays advertising expenses and the costs of the preparation of this Prospectus and any other registration fees. All expenses are taken into account in the determination of the net asset value of the shares of each Sub-Fund.

All fees, costs and expenses to be borne by the Fund will be charged initially against the investment income of the Fund.

Until the total net assets of each Sub-Fund exceed Euro 10 million or until 31 December 2014, whatever date is the earliest, the Board of Directors of the Fund will negotiate with all service providers of the Fund to reduce their service fees.

The organisation expenses of the Fund shall be amortised over the first 5 (five) accounting years. These expenses will be divided in equal parts between the Sub-Funds in existence at the time of incorporation of the Fund, six months after the end of the initial offering period. In case where further Sub-Funds are created in the future, these Sub-Funds will bear their own formation expenses which may also be amortised over 5 (five) accounting years.

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## TAXATION

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### **1. Taxation of the Fund**

In accordance with the law in force and current practice, the Fund is not liable to any Luxembourg tax on income and capital gains.

However, the Fund is subject to an annual tax in Luxembourg corresponding to 0.05% of the value of the net assets. This tax is payable quarterly on the basis of the Fund's net assets calculated at the end of the relevant quarter. The rate of this tax may be reduced to 0.01% of the value of the net assets for Sub-Funds or Classes of shares reserved to institutional investors. To the extent that the assets of the Fund are invested in investment funds established in Luxembourg, no such tax is payable.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Fund. Although the Fund's realised capital gains, whether short- or long-term, are not expected to become taxable in another country, the shareholders must be aware and recognise that such a possibility, though quite remote, is not totally excluded. The regular income of the Fund from some of its securities as well as profit earned on cash deposits in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered.

### **2. Taxation of the Shareholders**

As of the date of the registration of the Fund, Shareholders are not subject to any such tax in Luxembourg on capital gains, income, donations or inheritance, nor to withholding taxes, subject to the EU Tax Considerations below or with the exception of shareholders having their domicile, residence or permanent establishment in Luxembourg, and certain Luxembourg ex-residents, owning more than 10% of the Fund's capital.

The provisions above are based on the law and practices currently in force and may be amended.

### **3. European Union Tax Considerations**

The law passed by parliament on 21 June 2005 (the "Law") has implemented into Luxembourg law, Council Directive 2003/48/EC on the taxation of savings income in the form of profit payments (referred to as "Savings Directive"). Under the Savings Directive, Member States of the EU will be required to provide the tax authorities of another EU Member State with information on payments of profit or other similar income paid by a paying agent (as defined by the Savings Directive) within its jurisdiction to an individual resident in that other EU Member State. Austria, Belgium and Luxembourg have opted instead for a tax withholding system for a transitional period in relation to such payments. Switzerland, Monaco, Liechtenstein, Andorra and San Marino and the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean, have also introduced measures equivalent to information reporting or, during the above transitional period, withholding tax.

Dividends, if any, distributed by a Sub-Fund of the Fund will be subject to the Savings Directive and the Law if more than 15% of the relevant Sub-Fund's assets are invested in debt claims (as defined in the Law) and proceeds realised by shareholders on the disposal of shares will be subject to the Savings Directive and the Law if more than 25% of the relevant Sub-Fund's assets are invested in debt claims (the relevant Sub-Funds being hereafter the "Affected Sub-Fund").

Consequently, if in relation to an Affected Sub-Fund a Luxembourg paying agent makes a payment of dividends or redemption proceeds directly to a shareholder who is an individual resident or deemed resident for tax purposes in another EU Member State or certain of the above mentioned dependent or associated territories, such payment will, subject to the next paragraph below, be subject to withholding tax at the rate indicated above.

No withholding tax will be withheld by the Luxembourg paying agent if the relevant individual chooses in fulfilling his application either to (i) authorise the paying agent to report information to the tax authorities in accordance with the provisions of the Law or (ii) provide the paying agent with a certificate drawn up in the format required by the Law by the competent authorities of his State of residence for tax purposes.

Pursuant to the Law, the applicable withholding tax rate will be 35% from 1<sup>st</sup> July 2011.

Article 9 of the Law provides that no withholding tax will be withheld if the beneficial owner expressly authorizes the paying agent to report information in accordance with the provisions of the Law. For more information on the option provided for by Article 9 of the Law, please contact directly Twenty First Capital, Tel. +33 1 70 37 80 83; <http://www.twentyfirstcapital.com>.

The Fund reserves the right to reject any application for shares if the information provided by any prospective investor does not meet the standards required by legalisation enacted as a result of this Saving Directive.

*The foregoing is only a summary of the implications of the Savings Directive and the Law, is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice. Potential subscribers should inform themselves and, if necessary, take advice on the laws and regulations (such as those on taxation and exchange control) applicable to the subscription, purchase, holding and sale of their shares in the country of respectively their citizenship, residence or domicile.*

#### **4. Foreign Account Tax Compliance Act (FATCA)**

Foreign Account Tax Compliance Act (the "FATCA") provisions generally impose a reporting to the US Internal Revenue Service of U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities. The Fund and the Management Company may require all Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned legislation.

Despite anything else herein contained and as far as permitted by Luxembourg law, the Fund and the Management Company shall have the right to (i) withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the Fund; (ii) require

any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Fund and its agents (including the Management Company and the administrative agent) in their discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained; (iii) divulge any such personal and tax information to any tax or regulatory authority, as may be required by law or such authority,

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

## **5. Common Reporting Standard (CRS)**

The OECD received a mandate by the G8/G20 countries to develop a global reporting standard to achieve a comprehensive and multilateral automatic exchange of information (AEOI) in the future on a global basis. The CRS has been incorporated in the amended Directive on Administrative Cooperation (DAC 2), adopted on 9 December 2014, which the EU Member States should have incorporated into their national laws by 31 December 2015. Luxembourg enacted the CRS provisions in a law enacted on 18 March 2015 (the “CRS Law”) which amends the law of 29 March 2013 on administrative cooperation in the field of taxation.

The CRS requires Luxembourg Financial Institutions to identify their account holders (including, in the case of an Investment Entity, equity and debt holders) and establish if they are fiscally resident outside Luxembourg. In this respect, a Luxembourg Financial Institution is required to obtain a self-certification to establish the CRS status and/or tax residence of its account holders at account opening.

Luxembourg Financial Institutions need to perform their first reporting of financial account information for the year 2016 about account holders and (in certain cases) their Controlling Persons that are tax resident in a Reportable Jurisdiction (identified in a Grand Ducal Decree) to the Luxembourg tax authorities (Administration des contributions directes) by 30 June 2017.

Personal and tax information will further be transmitted to the Luxembourg tax authorities in accordance with the CRS Law.

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## INFORMATION FOR FRENCH INVESTORS

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European Directive no. 2009/65/EC of 13 July 2009 on UCITS establishes common rules allowing the cross-border marketing of UCITS which comply with it. This common basis does not exclude a differentiated implementation. This is why a European UCITS can be marketed in France even if its activity does not comply with the identical rules upon which the approval of this type of income is conditioned in France.

### **Centralising correspondent in France**

The Fund's centralising correspondent for France is **Crédit Industriel et Commercial (CIC)**, a company domiciled at 6, avenue de Provence, F-75009 Paris, FRANCE.

The centralising correspondent in France is notably responsible for the following tasks:

- Processing subscription and redemption requests for shares in the Fund;
- Payment of coupons and dividends;
- Making information documents relating to the Fund available to shareholders (full prospectus and KiiD, annual and semi-annual reports, etc.);
- Information for shareholders in case of changes to the Fund's characteristics.

The Fund has been passported to France and is registered with the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) to be marketed in France.

The Full Prospectus, the KIIDs, the Fund's Articles of Association, its audited Annual Report, as well as its unaudited Semi-Annual Report can be obtained free of charge from the centralising correspondent in France.

### **Conditions for the subscription and redemption of shares in the company**

Investors' attention is drawn to the fact that their subscription request for shares may be rejected by the Fund, for any reason whatsoever, in whole or in part, whether it relates to an initial or additional subscription.

Investors' attention is drawn to the fact that the Fund includes an automatic eviction clause with redemption of shares if they are found to be held by persons not authorised to buy or hold shares.

### **Taxation**

The attention of investors resident in France for tax purposes is drawn to the obligation to declare income resulting from sales or conversion of shares in the Fund, which is subject to capital gains tax on transferable securities.

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## GENERAL INFORMATION

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### 1. Organisation

The Fund is an investment company organised as a *société anonyme* under the laws of the Grand-Duchy of Luxembourg and qualifies as a *société d'investissement à capital variable* (SICAV) in accordance with Part I of the 2010 Law. The Fund has been incorporated in Luxembourg on 22<sup>nd</sup> January 2008 for an unlimited period with an initial share capital of EUR 31'000.-. The Fund is registered with the *Registre de Commerce et des Sociétés*, Luxembourg, under number B 135.968.

The Articles of Incorporation and a legal notice in respect of the issue and sale of the shares by the Fund have been filed with the *Registre de Commerce et des Sociétés of Luxembourg*.

The minimum capital of the Fund required by Luxembourg law is EUR 1'250'000.

### 2. The Shares

The shares in each Sub-Fund are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to each Sub-Fund concerned. The rules governing such allocation are set forth under section 5. "Allocation of Assets and Liabilities among the Sub-Funds" thereafter. The shares, which are of no par value and which must be fully paid upon issue, carry no preferential or pre-emptive rights and each one is entitled to one vote at all meetings of Shareholders. Shares redeemed by the Fund become null and void.

The Fund may restrict or prevent the ownership of its shares by any person, firm or corporation, if such ownership is such that it may be against the interests of the Fund or of the majority of its Shareholders. Where it appears to the Fund that a person who is precluded from holding shares, either alone or in conjunction with any other person, is a beneficial owner of shares, the Fund may proceed to compulsory redemption of all shares so owned.

As stated under "Distribution Policy" above, the shares presently in issue are both capitalisation and distribution shares. As provided in the Articles of Incorporation, the Board of Directors may decide to issue, in respect of each Sub-Fund, distribution shares. Shareholders would then be allowed at any annual general meeting to decide distributions in respect of dividend shares (if issued). Dividends would then be paid within one month of the date of the annual general meeting. Under Luxembourg law, no distribution may be decided as a result of which the net assets of the Fund would become less than the minimum provided for under Luxembourg law.

### 3. Meetings

The annual general meeting of Shareholders will be held at the registered office of the Fund in Luxembourg on the 30<sup>th</sup> of October of each year at 2.00 p.m. or, if any such day is not a Bank Business Day, on the next following Bank Business Day. The first annual general meeting of Shareholders will be held in the year 2008. Notices of all general meetings will be published in the *Mémorial* and in the *Luxembourg Wort* to the



extent required by Luxembourg law and in such other newspaper as the Board of Directors shall determine and will be sent to the holders of registered shares by post at least 8 days prior to the meeting at their addresses shown on the register of Shareholders. Such notices will include the agenda and will specify the time and place of the meeting and the conditions of admission. They will also refer to the rules of quorum and majorities required by Luxembourg law and laid down in Articles 67 and 67-1 of the Luxembourg law of 10 August 1915 on commercial companies (as amended) and in the Articles of Incorporation of the Fund.

Each share confers the right to one vote. Any change in the Articles of Incorporation affecting the rights of a Sub-Fund must be approved by a resolution of both the general meeting of the Fund and the Shareholders of the Sub-Fund concerned.

#### **4. Reports and Accounts**

Audited annual reports shall be published within 4 months following the end of the accounting year and unaudited semi-annual reports shall be published within 2 months following the period to which they refer. The annual and semi-annual reports shall be made available at the registered offices of the Fund and the Depositary during ordinary office hours and if required they may be sent to registered shareholders. The Fund's accounting year ends on 30 June in each year.

The reference currency of the Fund is the Euro ("EUR"). The aforesaid reports will comprise consolidated accounts of the Fund expressed in EUR as well as individual information on each Sub-Fund expressed in the reference currency of each Sub-Fund.

#### **5. Allocation of assets and liabilities among the Sub-Funds**

For the purpose of allocating the assets and liabilities between the Sub-Funds, the Board of Directors has established a pool of assets for each Sub-Fund in the following manner:

- (a) the proceeds from the issue of each share of each Sub-Fund are to be applied in the books of the Fund to the pool of assets established for that Sub-Fund and the assets and liabilities and income and expenditure attributable thereto are applied to such pool subject to the provisions set forth hereafter;
- (b) where any asset is derived from another asset, such derivative asset is applied in the books of the Fund to the same pool as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value is applied to the relevant pool;
- (c) where the Fund incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool;
- (d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular pool, such asset or liability is allocated to all the pools in equal parts or, if the amounts so justify, pro rata to the net asset values of the relevant Sub-Funds;

- (e) upon the payment of dividends to the holders of shares in any Sub-Fund, the net asset value of such Sub-Fund shall be reduced by the amount of such dividends.

If there have been created within each Sub-Fund different classes of shares, the rules shall *mutatis mutandis* apply for the allocation of assets and liabilities amongst Classes.

## **6. Determination of the Net Asset Value of Shares**

Unless otherwise disclosed in Appendix II – Share Class Features per Sub-Fund to this Prospectus, the net asset value of the shares of each Sub-Fund is determined every day in its reference currency. It shall be determined by dividing the net assets attributable to each Sub-Fund by the number of shares of such Sub-Fund then outstanding. The net assets of each Sub-Fund are made up of the value of the assets attributable to such Sub-Fund less the total liabilities attributable to such Sub-Fund calculated at such time as the Board of Directors shall have set for such purpose.

The value of the assets of the Fund shall be determined as follows:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and profit declared or accrued, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Fund may consider appropriate in such case to reflect the true value thereof;
- (b) the value of securities and/or financial derivative instruments which are quoted or dealt in on any stock exchange shall be based on the previous day closing prices and, if appropriate, on the average price on the stock exchange which is normally the principal market of such securities and/or financial derivative instruments, and each security and/or financial derivative instrument traded on any other regulated market shall be valued in a manner as similar as possible to that provided for quoted securities and/or financial derivative instruments;
- (c) for non-quoted securities or securities not traded or dealt in on any stock exchange or other regulated market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are not representative of the fair market value, the value thereof shall be determined prudently and in good faith on the basis of foreseeable sales prices;
- (d) shares or units in open-ended investment funds shall be valued at their last available calculated net asset value;
- (e) liquid assets and money market instruments may be valued at nominal value plus any accrued profit or on an amortised cost basis as determined by the Board of Directors. All other assets, where practice allows, may be valued in the same manner;
- (f) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in accordance with market practice;

- (g) swaps are valued at their fair value based on the underlying securities.

The Fund is authorized to apply other adequate valuation principles for the assets of the Fund and/or the assets of a given Sub-Fund if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

If the Board of Directors considers that the net asset value calculated on a given Valuation Day is not representative of the true value of the Fund's shares, or if, since the calculation of the net asset value, there have been significant fluctuations on the stock exchanges concerned, the Board of Directors may decide to actualise the net asset value on that same day. In these circumstances, all subscription, redemption and conversion requests received for that day will be handled on the basis of the actualised net asset value with care and good faith.

The value of assets denominated in a currency other than the reference currency of a Sub-Fund shall be determined by taking into account the previous day closing rate of exchange.

The net asset value per share of each Class in a Sub-Fund and the issue and redemption prices thereof are available at the registered office of the Fund.

#### **7. Temporary Suspension of Issues, Redemptions and Conversions**

The determination of the net asset value of shares of one or several Sub-Funds may be suspended during:

- (a) any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the concerned Sub-Fund is quoted or dealt in, is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- (b) the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets of the concerned Sub-Fund would be impracticable; or
- (c) any breakdown in the means of communication or computation normally employed in determining the price or value of the assets of the concerned Sub-Fund or the current prices or values of such assets on any market or stock exchange; or
- (d) any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange;
- (e) as soon as the decision to liquidate one or more Sub-Funds is taken or in case of the Fund's dissolution.

The Board of Directors has the power to suspend the issue, redemption and conversion of shares in one or several Sub-Funds for any period during which the determination of the net asset value per share of the

concerned Sub-Fund(s) is suspended by the Fund by virtue of the powers described above. Any redemption/conversion request made or in abeyance during such a suspension period may be withdrawn by written notice to be received by the Fund before the end of such suspension period. Should such withdrawal not be effected, the shares in question shall be redeemed/converted on the first Valuation Day following the termination of the suspension period. In the event of such period being extended, notice may be published in newspapers in the countries where the Fund's shares are publicly sold. Investors who have requested the issue, redemption or conversion of shares shall be informed of such suspension when such request is made.

## **8. Merger or Liquidation of Sub-Funds**

A Sub-Fund or Class may be dissolved by compulsory redemption of shares of the Sub-Fund or Class concerned, upon

- a) a decision of the Board of Directors of the Fund if the net assets of the Sub-Fund or Class concerned have decreased below Euro 10'000'000 or the equivalent in another currency during a period of at least 6 months, or if it is required by the interests of the shareholders concerned, or
- b) the decision of a meeting of holders of shares of the relevant Sub-Fund or Class. There shall be no quorum requirement and decisions may be taken by a simple majority of the shares of the Sub-Fund or Class concerned.

In such event the Shareholders concerned will be advised and the net asset value of the shares of the relevant Sub-Fund or Class shall be paid on the date of the compulsory redemption. The relevant meeting may also decide that assets attributable to the Sub-Fund or Class concerned will be distributed on a prorata basis to the holders of shares of the relevant Sub-Fund or Class which have expressed the wish to receive such assets in kind.

A meeting of holders of shares of a Sub-Fund or Class may decide to amalgamate such Sub-Fund or Class with another existing Sub-Fund or Class or to contribute the assets (and liabilities) of the Sub-Fund or Class to another undertaking for collective investment against issue of shares of such undertaking for collective investments to be distributed to the holders of shares of such Sub-Fund or Class. If such amalgamation or contribution is required by the interests of the Shareholders concerned, it may be decided by the Board of Directors.

However, for any merger where the merging fund would cease to exist, the merger must be decided by a meeting of shareholders of the merging fund deciding in accordance with the quorum and majority requirements provided by law.

Should the Fund cease to exist following a merger, the effective date of the merger must be recorded by notarial deed.

Insofar as a merger requires the approval of shareholders pursuant to the provisions above, only the approval of the shareholders of the sub-fund concerned shall be required.

Any merger is subject to prior authorisation by the CSSF which shall be provided with specific information as

described in the Law, and, in particular, with the common draft terms of the proposed merger duly approved by the merging fund and the receiving fund.

The common draft terms of the proposed merger shall set out particulars precisely listed in the Law including but not limited to:

- a) an identification of the type of merger and of the funds involved,
- b) the background to and the rationale for the proposed merger,
- c) the expected impact of the proposed merger on the shareholders of both the merging and the receiving fund,
- d) the criteria adopted for valuation of the assets and, where applicable, the liabilities on the date for calculating the exchange ratio,
- e) the calculation method of the exchange ratio,
- f) the planned effective date of the merger,
- g) the rules applicable to the transfer of assets and the exchange of shares, respectively, and
- h) as the case may be, the Instruments of Incorporation of the newly constituted receiving fund.

The depositaries of the merging and the receiving funds, insofar as they are established in Luxembourg, must verify the conformity of the particulars with the requirements of the Law and the Instruments of Incorporation of their respective fund.

The merging fund established in Luxembourg shall entrust either an approved statutory auditor or, as the case may be, an independent auditor.

A copy of the reports of the approved statutory auditor or, as the case may be, the independent auditor shall be made available on request and free of charge to the shareholders of both the merging and the receiving fund and to their authoritative competent authorities.

Shareholders of the merging and the receiving fund shall be provided with appropriate and accurate information on the proposed merger so as to be able to make an informed judgment of the impact of the merger on their investment.

Shareholders can ask to redeem their shares free of charge for a minimum period of one month running from the date of the merger decision. Once this period elapses, the decision to merge becomes binding on all shareholders who have not yet availed themselves of the above-mentioned facility.

Where funds have designated a management company, legal, advisory or administrative costs associated with the preparation of the merger shall not be charged to the merging or receiving fund, or to any of their shareholders.

Further details on cross-border as well as domestic sub-funds mergers are disclosed in Chapter 8 of the 2010 Law.

If following a compulsory redemption of all shares of one or more Sub-Funds or Classes payment of the redemption proceeds cannot be made to a former Shareholder during a period of six months, then the amount in question shall be deposited with the *Caisse de Consignations* for the benefit of the person(s) entitled thereto until the expiry of the period of limitation.

In the event that the Board of Directors determines that it is required by the interests of the shareholders of the relevant Sub-Fund or that a change in the economical or political situation relating to the Sub-Fund concerned has occurred which would justify it, the reorganisation of one Sub-Fund, by means of a division into two or more Sub-Funds, may be decided by the Board of Directors. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the two or more new Sub-Funds. Such publication will be made within one month before the date on which the reorganisation becomes effective in order to enable the shareholders to request redemption of their shares, free of charge before the operation involving division into two or more Sub-Funds becomes effective.

## **9. Liquidation of the Fund**

The Fund is incorporated for an unlimited period and liquidation shall normally be decided upon by an extraordinary general meeting of Shareholders. Such a meeting must be convened by the Board of Directors within 40 days if the net assets of the Fund become less than two thirds of the minimum capital required by law. The meeting, for which no quorum shall be required, shall decide on the dissolution by a simple majority of shares represented at the meeting. If the net assets fall below one fourth of the minimum capital, the dissolution may be resolved by Shareholders holding one fourth of the shares at the meeting.

Should the Fund be liquidated, such liquidation shall be carried out in accordance with the provisions of the 2010 Law which specifies the steps to be taken to enable Shareholders to participate in the liquidation distributions and in this connection provides for deposit in escrow at the *Caisse de Consignation* in Luxembourg of any such amounts which it has not been possible to distribute to the Shareholders at the close of liquidation. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law. The net liquidation proceeds of each Sub-Fund shall be distributed to the Shareholders of the relevant Sub-Fund in proportion to their respective holdings.

## **10. Material Contracts**

The following material contracts have been entered into:

- (a) A Fund Management Agreement between the Fund and Twenty First Capital pursuant to which the latter acts as the Management Company of the Fund. This Agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.
- (b) A General Agreement between the Fund, Twenty First Capital and Société Générale Bank & Trust pursuant to which the latter was appointed depositary and paying agent. The Agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.
- (c) An Administrative Agent, Registrar and Transfer Agent Agreement between the Fund, the Management Company and European Fund Administration S.A. pursuant to which the latter acts as Administration, Registrar and Transfer Agent of the Fund.
- (d) A Domiciliary Agreement between the Fund and Rutsaert Legal pursuant to which the latter acts as the Domiciliary Agent of the Fund.

- (e) An Advisory Agreement between the Fund and the *Comité Indépendant de Finance Islamique en Europe* pursuant to which the latter acts as Sharia Advisory Committee of the Ethical Fund of Funds Sub-Fund.
- (f) An Advisory Agreement between the Fund and IFAAS UK Ltd (Islamic Finance Advisory & Assurance Services) pursuant to which the latter will act as Sharia Auditor to the Serenity Sukuk Sub-Fund.
- (g) Other various agreements such as with investment advisors.

## **11. Documents**

Copies of the contracts mentioned above are available for inspection, and copies of the Articles of Incorporation of the Fund, the current Prospectus, the KIID and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the Fund in Luxembourg.

## **12. Official Language**

The original version of this Prospectus and of the Articles of Incorporation is in English. However, the Board of Directors of the Fund may consider that these documents must be translated into the languages of the countries in which the shares are offered and sold. In case of any discrepancies between the English text and any other language into which the Prospectus and the Articles of Incorporation are translated, the English text will prevail.

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## APPENDIX I – SUB-FUNDS DETAILS

### 1. Ethical Fund of Funds

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#### **I.1 Sub-Fund 1 : Ethical Fund of Funds**

Information contained herein should be read in conjunction with the full text of the Prospectus.

##### **1. *Reference Currency***

EUR

##### **2. *Performance Fee***

The Performance Fee amounts to 20% of any positive difference between the percentage change in the Net Asset Value per share of the relevant category of shares and the benchmark MSCI Europe Islamic Index (Bloomberg ticker MIEU Index) according to the high watermark principle.

In addition, the Performance Fee will be calculated taking into account movements on the capital and applying the Crystallization Principle<sup>1</sup> so that the Performance Fee is calculated on the basis of the Net Asset Value after deduction of all expenses, liabilities, and Management Fees (but not Performance Fee), and is adjusted to take account of all subscriptions and redemptions. If Shares are redeemed on any day before the last day of the period for which a Performance Fee is calculated, while provision has been made for Performance Fee, the Performance Fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for Performance Fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of Performance Fees.

The Performance Fee will be computed and paid after the end of each accounting year of the Fund by comparing the Net Asset Value at the end of the previous accounting year with the Net Asset Value at the end of the accounting year for which the Performance Fee is to be established.

##### **3. *Fee Schedule, available Share Classes and main features***

See Appendix II – Share Class Features per Sub-Fund

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<sup>1</sup> Any accrued positive performance fee will be crystallized. When there are redemptions at the Fund level the proportion of the accrued fee applicable to the redemption will be crystallized, i.e. become payable (or will be written off) and cannot be eroded by future underperformance. As accrued performance fees are crystallized, the cumulative accrual will adjust with the payable amount without any impact on the NAV. This approach to crystallization protects the interests of the Fund's shareholders.



#### **4. *Investment Policy***

The objective of the Sub-Fund is to achieve long-term capital appreciation by investing in Units/shares of UCITS, other UCIs and/or Exchange Traded Funds (ETFs) as per the meaning of and pursuant to limits set by articles 41 (1) and 46 of the 2010 Law provided that the entry and management fees applying to the target UCITS, UCIs, ETFs shall not exceed 3% (three percent) each of the Sub-Fund's net asset value;

The abovementioned UCITS, UCIs and ETFs shall be compliant with Sharia law principles.

The Sub-Fund may also use financial derivative instruments complying with Sharia law principles, dealt in on a regulated market or not, subject to the provisions of the Section Investment and Borrowing Restrictions, for the purposes of hedging risks or investments.

Under exceptional circumstances and in the best interest of the shareholders, the Sub-Fund may be invested up to 100% of its net assets in liquid assets or money market instruments complying with Sharia law principles on a temporary basis.

The investment policy of the Sub-Fund is approved by the Sharia Advisory Committee and all its investments will be compliant with the Section Sharia Guidelines of this Prospectus.

#### **5. *Profile of Typical Investor***

The Sub-Fund is suitable for investors seeking capital appreciation by investing in Sharia compliant Funds. It is open to Islamic and non-Islamic investors alike.

#### **6. *Risk Profile***

The risks pertaining to an investment in the Fund are those related to Global market risks, emerging markets risk, liquidity risk and counterparty risk.

The value of investments can go down as well as up (this may partly be the result of volatility risks or exchange rate fluctuations in investments which have an exposure to foreign currencies) and investors may not get back the full amount invested.

The sub-fund's performance may be adversely affected by variations in the relative strength of individual world currencies. Past performance is not indicative of future results and there can be no assurance that the Sub-Fund will achieve its objectives.

#### **7. *Specific Risk Details***

See Appendix III – Sub-Funds specific risk details

#### **8. *Initial Offering Period***

From 30<sup>th</sup> March, 2012 to 10<sup>th</sup> July, 2012 with the first NAV dated on 16<sup>th</sup> July, 2012

**9. Sharia Advisory Committee**

Moulay Mounir ELKADIRI (CIFIE<sup>2</sup> religious committee)  
Ash-shaykh Tarek ABO EL Wafa (CIFIE<sup>1</sup> religious committee)  
Ash-shaykh Abderrahmân Belmadi (CIFIE<sup>1</sup> religious committee)

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<sup>2</sup> *Comité Indépendant de Finance Islamique en Europe*

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**APPENDIX I – SUB-FUNDS DETAILS (CONTINUED)**

**2. Serenity Sukuk**

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**I.2 Sub-Fund 2 : Serenity Sukuk**

Information contained herein should be read in conjunction with the full text of the Prospectus.

**1. *Reference Currency***

EUR

**2. *Performance Fee***

The Performance Fee amounts to 20% of any increase of the Net Asset Value per share of the relevant class of shares according to the high watermark principle.

In addition, the Performance Fee will be calculated taking into account movements on the capital and applying the Crystallization Principle<sup>3</sup> so that the Performance Fee is calculated on the basis of the Net Asset Value after deduction of all expenses, liabilities, and Management Fees (but not Performance Fee), and is adjusted to take account of all subscriptions and redemptions. If Shares are redeemed on any day before the last day of the period for which a Performance Fee is calculated, while provision has been made for Performance Fee, the Performance Fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for Performance Fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of Performance Fees.

The Performance Fee will be computed and paid after the end of each accounting year of the Fund by comparing the Net Asset Value at the end of the previous accounting year with the Net Asset Value at the end of the accounting year for which the Performance Fee is to be established.

**3. *Fee Schedule, available Share Classes and main features***

See Appendix II - Share Class Features per Sub-Fund

**4. *Investment Policy***

The objective of the Sub-Fund is to achieve long-term capital appreciation by investing principally in a portfolio of Sharia-compliant fixed and floating rate securities (including non-investment grade securities up

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<sup>3</sup> Any accrued positive performance fee will be crystallized. When there are redemptions at the Fund level the proportion of the accrued fee applicable to the redemption will be crystallized, i.e. become payable (or will be written off) and cannot be eroded by future underperformance. As accrued performance fees are crystallized, the cumulative accrual will adjust with the payable amount without any impact on the NAV. This approach to crystallization protects the interests of the Fund's shareholders.

to a maximum of 10% of its NAV). The objective is to invest mainly in Sukuk. The Sub-Fund may also invest up to 100% of its net assets in short term Liquid Assets.

Since the investment objective of the Sub-Fund is more likely to be achieved through a flexible and adaptable investment policy, it may also invest into Sharia compliant collective investment schemes and ETFs up to a maximum of 20% of its NAV.

The Sub-Fund may also use financial derivative instruments complying with Sharia law principles to hedge against currency risks, dealt in on a regulated market or not, subject to the provisions of the Section Investment and Borrowing Restrictions, for the purposes of hedging risks or investments.

The Sub-Fund may, on an ancillary basis, hold Sharia-compliant liquid assets when the Investment Manager believes they offer more attractive opportunities or as a temporary defensive measure in response to adverse market, economic, political, or other conditions, or to meet liquidity, redemption, and short-term investing needs. In exceptional market circumstances and on a temporary basis only, 100% of the Sub-Fund's net assets may be invested in Sharia-compliant liquid assets, with due regard to the principle of risk spreading.

The investment policy of the Sub-Fund is approved by the Sharia Advisory Committee and all its investments will be compliant with the Section Sharia Guidelines of this Prospectus and any other guidance provided by the Sharia Advisory Committee.

#### ***5. Profile of Typical Investor***

The Sub-Fund is suitable for investors seeking capital appreciation by investing in Sharia compliant Funds. It is open to Muslim and non-Muslim investors alike. The typical investor will hold its investment in the Sub-Fund for the medium to long term.

#### ***6. Risk Profile***

The risks pertaining to an investment in the Sub-Fund are those related to Global market risks, emerging markets risk, liquidity risk and counterparty risk.

Price changes in Sukuk are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. Sukuk could suffer when capital market interest rates rise, while they could increase in value when capital market interest rate fall. The price changes also depend on the term or residual time to maturity of the Sukuk. In general, Sukuk with shorter terms have less price risks than Sukuk with longer terms. However, they generally have lower returns and, because of the more frequent due dates of the securities portfolios, involve higher re-investment costs.

Sovereign Sukuk are Sukuk issued or guaranteed by governments or government-related entities. Investment in sovereign Sukuk issued or guaranteed by governments or their agencies and instrumentalities ("governmental entities") involves a high degree of risk. The governmental entity that controls the repayment of Sovereign Sukuk may not be able or willing to repay the principal and/or return when due in accordance with the terms of such debt due to specific factors, including, but not limited to (i) their foreign reserves, (ii) the available amount of their foreign exchange as at the date of repayment, (iii) their failure to implement political reforms, and (iv) their policy relating to the International Monetary Fund.

Sovereign Sukuk holders may also be affected by additional constraints relating to sovereign issuers which may include: (i) the unilateral rescheduling of such debt by the issuer and (ii) the limited legal recourses available against the issuer (in case of failure of delay in repayment).

Funds investing in sovereign Sukuk issued by governments or government related entities from countries referred as Emerging or Frontier Markets bear additional risks linked to the specifics of such countries (e.g. currency fluctuations, political and economics uncertainties, repatriation restrictions, etc).

The value of investments can go down as well as up (this may partly be the result of volatility risks or exchange rate fluctuations in investments which have an exposure to foreign currencies) and investors may not get back the full amount invested.

The Sub-Fund's performance may be adversely affected by variations in the relative strength of individual world currencies.

Past performance of the Sub-Fund or of any other fund with a similar investment policy is not indicative of future results and there can be no assurance that the Sub-Fund will achieve its objectives.

#### **7. *Specific Risk Details***

See Appendix III – Sub-Funds specific risk details

#### **8. *Initial Offering Period***

From 5 August 2014 to 5 September 2014 with the first NAV dated on 9 September 2014, or any other date as decided by the Board.

#### **9. *Sharia Advisory Committee***

Dr. Mohamed Ali Elgari  
Shaykh Mohammad Patel

#### **10. *Additional Sharia Guidelines***

As the Sub-Fund is established as a Sharia compliant fund, it shall be managed in accordance with Sharia principles in this section, which are applicable to similar types of investments.

The Sub-Fund transactions and documentation shall be reviewed and audited from a Sharia compliance perspective to ensure compliance. The Sub-Fund has agreed a Sharia compliance governance framework with the Sharia Auditor for it to act as Sharia compliance officer and Sharia auditor of the Sub-Fund.

The Sub-Fund will not employ conventional borrowing, leverage or hedging instruments.

The Sub-Fund must not invest in or use any of the following:

- Conventional futures, options, swaps, preferred shares, short sales, buy on margin or any other financial instrument/security where the payment or receipt of interest is required.
- Financial instrument that has a guaranteed principal with a fixed/variable rate of return.
- Profit rate swaps

Sharia compliant hedging transactions based on “Tahawwut” contract issued by IIFM (International Islamic Financial Market) may be used to hedge against currency risks.

Foreign exchange spot contracts might be used to assist in managing its day-to-day operations.

The Sub-Fund will invest from an approved list of Sukuk, Liquid Assets and other vehicles which are Sharia compliant and have been approved as being Sharia compliant by the Sharia Advisory Committee.

The Sub-Fund may invest in securities and vehicles not on the approved list after obtaining Sharia compliance approval from the Sharia Auditor and will be subject to periodic Sharia audit conducted by the Sharia Auditor.

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APPENDIX I – SUB-FUNDS DETAILS (CONTINUED)  
3. Saaf Ethical Growth Fund

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### **I.3 Sub-Fund 3: Saaf Ethical Growth Fund**

Information contained herein should be read in conjunction with the full text of the Prospectus.

**1. *Reference Currency***

GBP

**2. *Fee Schedule, available Share Classes and main features***

See main prospectus, section “Management and Fund Charges” and see Appendix II – Share Class Features per Sub-Fund

Investment Adviser Fee

The Investment Advisor will be remunerated by the Management Company out of the management fees levied at the Fund’s level.

**3. *Investment Policy***

The objective of the Sub-Fund is to achieve long-term capital appreciation by investing in units/shares of UCITS, other UCIs and/or Exchange Traded Funds (ETFs) as per the meaning of and pursuant to limits set by articles 41 (1) and 46 of the 2010 Law provided that the entry and management fees applying to the target UCITS, UCIs, ETFs shall not exceed 3% (three percent) each of the net asset value;

The Sub-Fund may also invest in shares representing the capital of companies, which are listed on a global regulated stock market. The stocks will be selected among medium or large capitalisations defined as having a total market capitalisation of at least USD 1 billion. In addition to the usual criteria based on financial analysis, the selection will also take into consideration the added value from a society and human perspective of the related industry as a whole and of the enterprise issuing the selected shares in particular.

The abovementioned equity, UCITS, UCIs and ETFs shall be compliant with Sharia principles.

The Sub-Fund may also use financial derivative instruments complying with Sharia principles, dealt in on a regulated market or not, subject to the provisions of the Section Investment and Borrowing Restrictions, for the purposes of hedging risks or investments

The Sub-Fund may not enter into securities lending, securities borrowing nor securities repurchase transactions.

The Sub-Fund may hold a maximum of 25% of its assets in the form of Liquid Assets when the Investment Manager believes they offer more attractive opportunities or as a temporary defensive measure in response to adverse market, economic, political, or other conditions, or to meet liquidity, redemption, and short-term investing needs. The portfolio may not be leveraged.

The Sub-Fund shall at any time invest at least 75% of its assets in non-cash investments as described above.

The investment policy of the Sub-Fund is approved by the Sharia Advisory Committee and all its investments will be compliant with the Section Sharia Guidelines of this Prospectus.

#### ***4. Profile of Typical Investor***

The Sub-Fund is suitable for investors seeking capital appreciation by investing in Sharia compliant funds. It is open to Muslim and non-Muslim investors alike.

#### ***5. Risk Profile***

The risks pertaining to an investment in the Sub-Fund are those related to global market risks, emerging markets risk, liquidity risk and counterparty risk.

The value of investments can go down as well as up (this may partly be the result of volatility risks or exchange rate fluctuations in investments which have an exposure to foreign currencies) and investors may not get back the full amount invested.

The Sub-Fund's performance may be adversely affected by variations in the relative strength of individual world currencies. Past performance is not indicative of future results and there can be no assurance that the Sub-Fund will achieve its objectives.

#### ***6. Specific Risk Details***

See Appendix III – Sub-Fund's specific risk details

#### ***7. Initial Offering Period***

The Sub-Fund will become active as of the first subscription in any of its class listed under Appendix II.4 or as of any other (later) date as may be decided by the Board.

#### ***8. Sharia Advisory Committee***

The Sharia Advisory Committee is composed of: Mufti Abdul Qadir Barkatulla and Dr Samir Alamad.

Mufti Abdul Qadir Barkatulla Mufti, English resident is senior imam of Finchley mosque in London and prominent Islamic Sharia law scholar with a strong background in economics and finance. He received an MPhil in Informatics from the University of Wales (UK). He acquired a Mufti (diploma) in Islamic law and Fazil (Bachelor of Islamic Studies) from the Islamic University, India. He is a member of the Sharia supervisory boards for several UK financial institutions. As a broadcaster and maintainer of Islamic Helpline, he has wealth of experience in Islamic financial issues in Europe.



Dr Samir Alamad, is a highly qualified senior British professional and expert in the Islamic banking and finance industry. Has a track record of Sharia expertise in developing, structuring and launching Sharia compliant financial products, which are unique in the UK market. Possesses a deep knowledge of financial product development, Islamic jurisprudence, Islamic Commercial Law (Fiqh al Muamalat), and an in-depth experience and understanding of all areas of Sharia compliance, audit, product development and financial services. Samir is an AAOIFI Certified Sharia Adviser and Auditor (CSAA) with a working knowledge of all operational areas of the financial services sector. He has worked with the British Government and has been instrumental in structuring Sharia compliant initiatives that the Government launched for financial inclusion in the UK. Samir is an adviser to various institutions and he is a member of AAOIFI and the Government HTB mortgage guarantee Senior Monitoring Board.

### **9. Additional Sharia Guidelines**

As the Sub-Fund is established as a Sharia compliant fund, it shall be managed in accordance with Sharia principles in this section, which are applicable to similar types of investments.

The Sub-Fund transactions and documentation shall be reviewed and audited from a Sharia compliance perspective to ensure full compliance. The Sub-Fund has agreed a Sharia compliance governance framework with the Sharia Advisory Committee for it to act as Sharia compliance officer and Sharia auditor of the Sub-Fund.

The Sub-Fund will not employ conventional borrowing, leverage or hedging instruments.

The Sub-Fund must not invest in or use any of the following:

- Conventional futures, options, swaps, preferred shares, short sales, buy on margin or any other financial instrument/security where the payment or receipt of interest is required.
- Financial instrument that has a guaranteed principal with a fixed/variable rate of return.

Sharia compliant hedging transactions based on “Tahawwut” contract issued by IIFM (International Islamic Financial Market) may be used to hedge against currency risks.

#### **The Sub-Fund investment activities will be based on the following guidelines:**

It will not invest in securities or other financial instruments where the issuer’s core activity or activities are defined as Sharia non-compliant by the Sharia Advisory Committee. Based on the methodology used by IdealRatings as supplied to the Bloomberg company, the concerned issuer’s core activity or activities, which are considered Sharia non-compliant are those relating to any of the following sectors:

- A. conventional banking, conventional insurance company or any other interest-related activity;
- B. alcohol;
- C. tobacco;
- D. entertainment (such as cinema, music, pornography, hotels, casino, gambling);
- E. weapons and defense;
- F. pork production, packaging and processing or any other activity relating to pork;
- G. sectors/companies significantly affected by the above;

It will not invest in any issuer considered as unacceptable in application of financial ratio determined by the Idealratings screen for each Sub-Fund. The current criteria **includes** issuers whose:

- A. Interest-bearing debt over assets is less than 33%
- B. Cash, cash equivalents and short-term investments over assets is equal to or less than 33%
- C. Cash, cash equivalents and receivables over assets that are less than 50%

***10. Investment Advisor to the Sub-Fund***

Edale UK Management Ltd  
33 Kings Ave  
Redhill  
RH1 6QH  
United Kingdom

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**APPENDIX I – SUB-FUNDS DETAILS (CONTINUED)**

**4. Saaf Sukuk Fund**

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**I.4 Sub-Fund 4: Saaf Sukuk Fund**

Information contained herein should be read in conjunction with the full text of the Prospectus.

**1. *Reference Currency***

USD

**2. *Fee Schedule, available Share Classes and main features***

See main prospectus Management and Fund Charges section and Appendix II – Share Class Features per Sub-Fund

Investment Adviser Fee

The Investment Advisor will be remunerated either by the Management Company out of the management fees levied at the Fund's level.

**3. *Investment Policy***

The objective of the Sub-Fund is to achieve long-term capital appreciation by investing principally in a portfolio of Sharia-compliant fixed and floating rate securities (including non-investment grade securities up to a maximum of 50% of its NAV). In order to achieve the objective, the Sub-Fund will attempt to invest mainly in Sukuk.

Since the investment objective of the Sub-Fund is more likely to be achieved through a flexible and adaptable investment policy, it may also invest into Sharia compliant collective investment schemes and ETFs up to a maximum of 20% of its NAV.

The Sub-Fund may also use financial derivatives instruments complying with Sharia principles to hedge against currency risks, dealt in on a regulated market or not, subject to the provisions of the Section Investment and Borrowing Restrictions, for the purposes of hedging risks or investments.

The Sub-Fund may, on an ancillary basis, hold Liquid Assets when the Investment Manager believes they offer more attractive opportunities or as a temporary defensive measure in response to adverse market, economic, political, or other conditions, or to meet liquidity, redemption, and short-term investing needs. In exceptional market circumstances and on a temporary basis only, 100% of the Sub-Fund's net assets may be invested in Liquid Assets, with due regard to the principle of risk spreading.

The Sub-Fund may not enter into securities lending, securities borrowing nor securities repurchase transactions.

The investment policy of the Sub-Fund is approved by the Sharia Advisory Committee and all its investments will be compliant with the Section Sharia Guidelines of this Prospectus.

#### ***4. Profile of Typical Investor***

The Sub-Fund is suitable for investors seeking capital appreciation by investing in Sharia compliant Funds. It is open to Muslim and non-Muslim investors alike. The typical investor will hold its investment in the Sub-Fund for the medium to long term.

#### ***5. Risk Profile***

The risks pertaining to an investment in the Sub-Fund are those related to Global market risks, emerging markets risk, liquidity risk and counterparty risk.

Price changes in Sukuk are influenced predominantly by rate of return and developments in the capital markets, which in turn are influenced by macro-economic factors. Sukuk could suffer when capital market rates rise, while they could increase in value when capital market rates fall. The price changes also depend on the term or residual time to maturity of the Sukuk. In general, Sukuk with shorter terms have less price risks than Sukuk with longer terms. However, they generally have lower returns and, because of the more frequent due dates of the securities portfolios, involve higher re-investment costs.

Sovereign Sukuk are Sukuk issued or guaranteed by governments or government-related entities. Investment in sovereign Sukuk issued or guaranteed by governments or their agencies and instrumentalities (“governmental entities”) involves a high degree of risk. The governmental entity that controls the repayment of Sovereign Sukuk may not be able or willing to repay the principal and/or return when due in accordance with the terms of such debt due to specific factors, including, but not limited to (i) their foreign reserves, (ii) the available amount of their foreign exchange as at the date of repayment, (iii) their failure to implement political reforms, and (iv) their policy relating to the International Monetary Fund.

Sovereign Sukuk holders may also be affected by additional constraints relating to sovereign issuers which may include: (i) the unilateral rescheduling of such debt by the issuer and (ii) the limited legal recourses available against the issuer (in case of failure of delay in repayment).

Funds investing in sovereign Sukuk issued by governments or government related entities from countries referred as Emerging or Frontier Markets bear additional risks linked to the specifics of such countries (e.g. currency fluctuations, political and economics uncertainties, repatriation restrictions, etc).

The value of investments can go down as well as up (this may partly be the result of volatility risks or exchange rate fluctuations in investments which have an exposure to foreign currencies) and investors may not get back the full amount invested.

The Sub-Fund’s performance may be adversely affected by variations in the relative strength of individual world currencies.

Past performance of the Sub-Fund or of any other fund with a similar investment policy is not indicative of future results and there can be no assurance that the Sub-Fund will achieve its objectives.

#### **6. *Specific Risk Details***

See Appendix III – Sub-Funds specific risk details

#### **7. *Initial Offering Period***

The Sub-Fund will become active as of the first subscription in any of its class listed under Appendix II.5 or as of any other (later) date as may be decided by the Board.

#### **8. *Sharia Advisory Committee***

The Sharia Advisory Committee is composed of: Sheikh Dr Abdul Sattar Abu Ghuddah and Dr Samir Alamad.

Sheikh Dr. Abdul Sattar Abu Ghuddah (Syrian-Bahrain) Educated at University of Damascus (Syria), he obtained a Bachelor in Sharia (1964) and Bachelor of Law (1965) He holds double Masters in Sharia (1964) and Ulum Hadith (1967) and a PhD (1975) in Sharia (Comparative Mazhab) from al-Azhar University. He started his career as a Lecturer at Imam Al Da'awa Institute (Riyadh), Religious Institute (Kuwait), Sharia College of the Law Faculty in Kuwait University. His current position as a Sharia Consultant, Dallah Al-Barakah Banking Group and Director of Department of Financial Instruments at AI-Barakah Investment Co-Saudi Arabia. He is a committee member for various organisations such as Islamic Law Encyclopedia (Kuwait Awqaf Ministry: 1982-1990), AAOIFI, Dow Jones Islamic, Qatar Islamic Bank, Jordan Islamic Bank, Islamic Bank of Asia, Arab Finance House (AFH), European Finance House (EFH), Syrian International Islamic Bank, Union Bank of Switzerland (UBS)-Switzerland, Saudi American Bank-Saudi Arabia, Guidance Financial Group-USA, Standard Chartered Group, Finance-USA, European Islamic Investment Bank (EIIB), Noor Islamic Bank-Dubai, Unicorn Investment Bank, etc... He has written various books and articles on Fiqh Muamalat.

Dr Samir Alamad, is a highly qualified senior British professional and expert in the Islamic banking and finance industry. Has a track record of Sharia expertise in developing, structuring and launching Sharia compliant financial products, which are unique in the UK market. Possesses a deep knowledge of financial product development, Islamic jurisprudence, Islamic Commercial Law (Fiqh al Muamalat), and an in-depth experience and understanding of all areas of Sharia compliance, audit, product development and financial services. Samir is an AAOIFI Certified Sharia Adviser and Auditor (CSAA) with a working knowledge of all operational areas of the financial services sector. He has worked with the British Government and has been instrumental in structuring Sharia compliant initiatives that the Government launched for financial inclusion in the UK. Samir is an adviser to various institutions and he is a member of AAOIFI and the Government HTB mortgage guarantee Senior Monitoring Board.

#### **9. *Additional Sharia Guidelines***

As the Sub-Fund is established as a Sharia compliant fund, it shall be managed in accordance with Sharia principles in this section, which are applicable to similar types of investments.

The Sub-Fund transactions and documentation shall be reviewed and audited from a Sharia compliance perspective to ensure full compliance. The Sub-Fund has agreed a Sharia compliance governance framework with the Sharia Advisory Committee.

The Sub-Fund will not employ conventional borrowing, leverage or hedging instruments.

The Sub-Fund must not invest in or use any of the following:

- Conventional futures, options, swaps, preferred shares, short sales, buy on margin or any other financial instrument/security where the payment or receipt of interest is required.
- Financial instrument that has a guaranteed principal with a fixed/variable rate of return.

Sharia compliant hedging transactions based on “Tahawwut” contract issued by IIFM (International Islamic Financial Market) may be used to hedge against currency risks.

Foreign exchange spot contracts might be used to assist in managing its day-to-day operations.

The Sub-Fund will invest from an approved list of Sukuk, Liquid Assets and other vehicles which are Sharia compliant and have been approved as being Sharia compliant by the Sharia Advisory Committee.

The Sub-Fund may invest in securities and vehicles not on the approved list after obtaining Sharia compliance approval from the Sharia Advisory.

***10. Investment Advisor to the Sub-Fund***

Edale UK Management Ltd  
33 Kings Ave  
Redhill  
RH1 6QH  
United Kingdom

**APPENDIX II – SHARE CLASS FEATURES PER SUB-FUND**

**II.1 Features of the share classes issued by the Sub-Fund “Ethical Fund of Funds”**

Class	Targeted investors	Shares' form	Category	Distributor	Reference currency	Valuation Day	Management Fee <sup>(1)</sup>	Performance Fee <sup>(1)</sup>	Subscription Fee <sup>(2)</sup>	Deferred Sales Fee	Redemption Fee <sup>(2)</sup>	Conversion Fee	Initial issue price	Minimum initial investment	Minimum holding
A	Retail	Registered	Capitalisation		EUR	Weekly, each Wednesday	2%	YES	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
A2 (EUR)	Retail	Registered	Capitalisation	BMCE Bank	EUR	Weekly, each Wednesday	2%	YES	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
C (GBP)	Institutional	Registered	Capitalisation		GBP	Weekly, each Wednesday	0.85%	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
C (EUR)	Institutional	Registered	Capitalisation		EUR	Weekly, each Wednesday	0.85%	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
C (USD)	Institutional	Registered	Capitalisation		USD	Weekly, each Wednesday	0.85%	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
R (GBP)	Retail	Registered	Capitalisation		GBP	Weekly, each Wednesday	1.35%	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
R (EUR)	Retail	Registered	Capitalisation		EUR	Weekly, each Wednesday	1.35%	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
R (USD)	Retail	Registered	Capitalisation		USD	Weekly, each Wednesday	1.35%	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A

## II.2 Features of the share classes issued by the Sub-Fund “Serenity Sukuk”

Class	Targeted investors	Shares' form	Category	Distributor	Reference currency	Valuation Day	Management Fee <sup>(1)</sup>	Performance Fee <sup>(1)</sup>	Subscription Fee <sup>(2)</sup>	Deferred Sales Fee	Redemption Fee <sup>(2)</sup>	Conversion Fee	Initial issue price	Minimum initial investment	Minimum holding
A	Retail	Registered	Capitalisation		EUR	Weekly, each Wednesday	2%	YES	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
A2 (EUR)	Retail	Registered	Capitalisation	BMCE Bank	EUR	Weekly, each Wednesday	2%	YES	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
C (GBP) Cap	Institutional	Registered	Capitalisation		GBP	Weekly, each Wednesday	1%	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
C (EUR) Cap	Institutional	Registered	Capitalisation		EUR	Weekly, each Wednesday	1%	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
C (USD) Cap	Institutional	Registered	Capitalisation		USD	Weekly, each Wednesday	1%	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
C (GBP) Dis	Institutional	Registered	Distribution		GBP	Weekly, each Wednesday	1%	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
C (EUR) Dis	Institutional	Registered	Distribution		EUR	Weekly, each Wednesday	1%	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
C (USD) Dis	Institutional	Registered	Distribution		USD	Weekly, each Wednesday	1%	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
R (GBP)	Retail	Registered	Capitalisation		GBP	Weekly, each Wednesday	1.50 %	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
R (EUR)	Retail	Registered	Capitalisation		EUR	Weekly, each Wednesday	1.50 %	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A
R (USD)	Retail	Registered	Capitalisation		USD	Weekly, each Wednesday	1.50 %	No	Up to 4%	N/A	N/A	N/A	100	N/A	N/A



### II.3 Features of the share classes issued by the Sub-Fund “Saaf Ethical Growth Fund”

Class	Targeted Investors	Shares' form	Category	Distributor	Reference currency	Valuation Day	Management Fees	Performance Fees	Subscription Fees	Deferred Sales Fees	Redemption Fees	Conversion Fees <sup>4</sup>	Initial issue price	Minimum initial investment	Minimum holding
P (GBP)	Institutional	Registered	Capitalisation	Praemium (UK) Limited	GBP	Weekly, each Wednesday	Up to 0.70%	No	Up to 4%	N/A	N/A	1%	100	100,000 GBP or equivalent	N/A
I (GBP)	Institutional	Registered	Capitalisation		GBP	Weekly, each Wednesday	Up to 0.85%	No	Up to 4%	N/A	N/A	N/A	100	250,000 GBP or equivalent	N/A
I (EUR)	Institutional	Registered	Capitalisation		EUR	Weekly, each Wednesday	Up to 0.85%	No	Up to 4%	N/A	N/A	N/A	100	250,000 GBP or equivalent	N/A
I (USD)	Institutional	Registered	Capitalisation		USD	Weekly, each Wednesday	Up to 0.85%	No	Up to 4%	N/A	N/A	N/A	100	250,000 GBP or equivalent	N/A
R (GBP)	Retail	Registered	Capitalisation		GBP	Weekly, each Wednesday	Up to 1.35%	No	Up to 4%	N/A	N/A	N/A	100	100,000 GBP or equivalent	N/A
R (EUR)	Retail	Registered	Capitalisation		EUR	Weekly, each Wednesday	Up to 1.35%	No	Up to 4%	N/A	N/A	N/A	100	100,000 GBP or equivalent	N/A
R (USD)	Retail	Registered	Capitalisation		USD	Weekly, each Wednesday	Up to 1.35%	No	Up to 4%	N/A	N/A	N/A	100	100,000 GBP or equivalent	N/A

<sup>4</sup> Conversion fees: Fees which will be applied each time an investor will convert its P units into I or R units. In this case, 1% of the amount of the converted value will be retained by the Fund.

## II.4 Features of the share classes issued by the Sub-Fund “Saaf Sukuk Fund”

Class	Targeted investors	Shares' form	Category	Distributor	Reference currency	Valuation Day	Management Fee <sup>(1)</sup>	Performance Fee <sup>(1)</sup>	Subscription Fee <sup>(2)</sup>	Deferred Sales Fee	Redemption Fee <sup>(2)</sup>	Conversion Fee	Initial issue price	Minimum initial investment	Minimum holding
P (GBP)	Institutional	Registered	Capitalisation	Praemium (UK) Limited	GBP	Weekly, each Wednesday	Up to 0.70%	No	Up to 4%	N/A	N/A	1%	100	100,000 USD or equivalent	N/A
I (GBP) Cap	Institutional	Registered	Capitalisation		GBP	Weekly, each Wednesday	Up to 0.90%	No	Up to 4%	N/A	N/A	N/A	100	\$15m USD or equivalent	N/A
I (EUR) Cap	Institutional	Registered	Capitalisation		EUR	Weekly, each Wednesday	Up to 0.90%	No	Up to 4%	N/A	N/A	N/A	100	\$15m USD or equivalent	N/A
I (USD) Cap	Institutional	Registered	Capitalisation		USD	Weekly, each Wednesday	Up to 0.90%	No	Up to 4%	N/A	N/A	N/A	100	\$15m USD or equivalent	N/A
I (GBP) Dis	Institutional	Registered	Distribution		GBP	Weekly, each Wednesday	Up to 0.90%	No	Up to 4%	N/A	N/A	N/A	100	\$15m USD or equivalent	N/A
I (EUR) Dis	Institutional	Registered	Distribution		EUR	Weekly, each Wednesday	Up to 0.90%	No	Up to 4%	N/A	N/A	N/A	100	\$15m USD or equivalent	N/A
I (USD) Dis	Institutional	Registered	Distribution		USD	Weekly, each Wednesday	Up to 0.90%	No	Up to 4%	N/A	N/A	N/A	100	\$15m USD or equivalent	N/A
R (GBP)	Retail	Registered	Capitalisation		GBP	Weekly, each Wednesday	Up to 1.50%	No	Up to 4%	N/A	N/A	N/A	100	100,000 USD or equivalent	N/A
R (EUR)	Retail	Registered	Capitalisation		EUR	Weekly, each Wednesday	Up to 1.50%	No	Up to 4%	N/A	N/A	N/A	100	100,000 USD or equivalent	N/A
R (USD)	Retail	Registered	Capitalisation		USD	Weekly, each Wednesday	Up to 1.50%	No	Up to 4%	N/A	N/A	N/A	100	100,000 USD or equivalent	N/A

## APPENDIX III - SUB-FUNDS SPECIFIC RISK DETAILS

	<b>Global Exposure approach used</b>	<b>Relative benchmark<sup>5</sup></b>	<b>Expected level of leverage<sup>1</sup></b>	<b>Higher leverage<sup>1</sup> Levels</b>	<b>Method used to calculate the leverage<sup>1</sup></b>
SALAM-PAX – ETHICAL FUND OF FUNDS	Commitment	N/A	N/A	N/A	N/A
SALAM-PAX – SERENITY SUKUK	Commitment	N/A	N/A	N/A	N/A
SAAF ETHICAL GROWTH FUND	Commitment	N/A	N/A	N/A	N/A
SAAF SUKUK FUND	Commitment	N/A	N/A	N/A	N/A

<sup>5</sup> If the VAR approach is used. The level of leverage may vary over time. Investors must be aware of the possibility of higher leverage levels under certain circumstances.