



Al Mal MENA Equity Fund  
Private Placement Memorandum

PRIVATE & CONFIDENTIAL

PRIVATE PLACEMENT MEMORANDUM

## AL MAL MENA EQUITY FUND

*(An open-end investment fund created by Al Mal Fund Company B.S.C. (c),  
a closed joint stock company registered under the laws of the Kingdom of Bahrain)*

OFFERING OF UP TO 100,000,000 UNITS OF USD 10.00 EACH  
PLUS A PLACEMENT FEE OF UP TO 3% THEREON

**Investment Manager and Placement Agent**



**Administrator and Registrar  
Apex Fund Service Bahrain WLL**

**Custodian  
Standard Chartered Bank**

**Dated May 11, 2008  
Last amendment Date 10-Aug-2023**

*Al Mal MENA Equity Fund qualifies as an exempt fund under the Collective Investments Undertakings Regulations issued by the Central Bank of Bahrain under Circular No. EDFIS/C/020/2007 as contained in the CBB rulebook, Volume 6, Capital Markets, Collective Investment Undertaking Module. As such it does not require to be, and has not been approved by the Central Bank of Bahrain. Al Mal MENA Equity Fund has been registered with the Central Bank of Bahrain for the purposes of marketing thereof in and from the Kingdom of Bahrain.*

*Being an exempt fund, investment in Al Mal MENA Equity Fund is open to only Accredited Investors as defined in the section headed 'Definitions'. No person who does not qualify as an Accredited Investor may subscribe for units in Al Mal MENA Equity Fund.*

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## 1. GENERAL GUIDELINES AND NOTICE TO INVESTORS

### IMPORTANT INFORMATION

The information contained in this private placement memorandum (the “**Memorandum**”) is confidential and proprietary to Al Mal Capital PSC (“**AMC**”, “**Investment Manager**” or the “**Company**”). This Memorandum is being delivered to you as a prospective investor in the Al Mal MENA Equity Fund (the “**Fund**”), solely for your confidential use, and with the express understanding that you will not release this Memorandum or discuss the information contained herein or make any reproduction of or use this Memorandum for any purpose other than evaluating a potential investment in the Fund as described herein without our prior express written permission. No person who does not qualify as an Accredited Investor as defined in the section headed Definitions may subscribe for units in the Fund.

The Directors of Al Mal Fund Company B.S.C. (c), (the “**Fund Company**”), whose names appear in the section headed “Management and Professional Services”, accept responsibility for the information contained in this offer document and state to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), that all information contained in this Memorandum is in accordance with the facts and does not omit anything, which is likely to materially affect the information and the completeness of this Memorandum.

Units will be offered to investors on the basis only of the information contained in this Memorandum, and such additional document(s), if any, as may be issued by the Fund expressly in conjunction with the issue hereof. Any further information or representations made by any dealer or other person must be regarded as unauthorised and must accordingly not be relied upon. The delivery of this Memorandum or the other documents mentioned above or the offer, issue or sale of Units shall not in any way constitute a representation that the information and representations given herein or in such documents are correct as at any time subsequent to the date of such documents.

This Memorandum has been prepared for the purpose of providing the necessary information to enable investors to decide whether or not to invest in the Fund subject to the terms and conditions described hereinunder. This Memorandum has been registered with the Central Bank of Bahrain (“**CBB**”) on May 11, 2008. However, registering the Fund, the Central Bank of Bahrain, the Bahrain Stock Exchange and the Ministry of Industry and Commerce of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Memorandum or for the performance of this Fund, nor shall they have any liability to any person, an investor or otherwise, for any loss or damage resulting from reliance on any statement or information contained herein.

The Investment Manager reserves the right to withdraw the offer to participate in the Fund on the terms and conditions contained in this Memorandum in the event that the CBB revokes, for any reason, the registration of the Fund. If the offer to participate in the Fund is withdrawn by the Investment Manager prior to the issue of Units subscribed for, the investors’ only remedy shall be a full refund of the entire amount paid into the Fund by such investors.

The Fund is not an independent legal entity but a collective investment vehicle consisting of a portfolio of assets managed by the Investment Manager, on a discretionary basis in accordance with the provisions of this Memorandum and the Subscription Agreement supplement hereto for the collective benefit of the Unit Holders. Investments in Units of the Fund are therefore suitable for passive investment purposes only.

Before acquiring Units in the Fund, prospective investors should ensure that they have reviewed this Memorandum including the Subscription Agreement attached hereto. Executing the Subscription Agreement to acquire Units in the Fund requires that

prospective investors undertake to accept all the provisions of this Memorandum.

## **RESTRICTIONS ON DISTRIBUTION, PROMOTION AND SUBSCRIPTION**

**The circulation and distribution of this Memorandum and the offering of Units in the Fund in certain jurisdictions may be restricted by law. This document does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer or solicitation is not authorised, or to any person to whom it is unlawful to make such an offer or solicitation or in which the person endeavouring to make such offer or invitation is not qualified to do so or to any person to whom it is unlawful to make such an offer. Persons to whom this Memorandum is addressed are required by the Fund to inform themselves about and observe any such restrictions. It is the responsibility of the potential investors to satisfy themselves as to full compliance with the relevant laws and regulations of any territory in connection with any subscription to the Units of the Fund.**

The Units being offered may not be purchased or held by, or purchased or held for the benefit of, any Non-Qualified Person as defined hereinafter at any time. “Non-Qualified Person” means any person to whom a transfer to, or holding by such person of, Units would:

- (a) be in breach of any law or requirement of any country or governmental authority in any jurisdiction whether on its own or in conjunction with any other relevant circumstances;
- (b) result in the Fund Company or the Fund incurring any tax liability which the Fund Company or the Fund would not otherwise have incurred or suffered;
- (c) require the Fund Company or the Fund to be registered under any statute, law or regulation, whether as an investment company or trust scheme; or
- (d) cause the Fund Company or the Fund to be required to apply for registration or comply with any registration requirements in respect of any of the Units in any jurisdiction other than in Bahrain.

The Fund is an unregulated collective investment scheme for the purpose of the United Kingdom Financial Services and Markets Act 2000 (the “Act”), the promotion of which in the United Kingdom is restricted by section 238 of the Act. No Units in the Fund may be offered or sold in the United Kingdom by an authorised person by means of this document other than in accordance with the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (SI 2001/1060), or the conduct of business rules of the United Kingdom Financial Services Authority (and in particular section 3.11 and Annex 5 thereof). Except as described above, no communication, including this document, made or issued in connection with Units in the Fund may be passed on to any person in the United Kingdom; except in accordance with the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (SI 2001/1335);

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”). Neither the Fund nor the Fund Company is a registered investment company under the United States Investment Company Act of 1940, as amended (the “1940 Act”). Therefore holders in the Fund will not gain the benefit of holders in a fund or company registered under the 1940 Act. Accordingly, the Units are not and will not be offered or sold directly or indirectly, in the United States of America (including any state and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction, or to or for the account or benefit of U.S. persons (as defined in Rule 902 under the 1933 Act) and are subject to restrictions on transfer.

**If you are in any doubt about the contents of this Memorandum you should consult your professional advisor.**

The Fund Company will comply with Bahrain's Legislative Decree No. (4) of 2001 with respect to Prohibition of and Combating Money Laundering and the various Ministerial Orders and circulars issued with regard thereto and Terrorist Financing from time to time including, but not limited to, Ministerial Order No. (7) of 2001 with respect to the Institutions' Obligations Concerning the Prohibition of and Combating Money Laundering.

As a result of the applicable anti-money laundering regulations, documentation shall be required along with the subscription request for Units. The Placement Agent, and the Investment Manager reserve the absolute right to require further verification of the identity of each potential investor or that of the person or entity on whose behalf the potential investor is applying for the purchase of the Units and/or the source of funds. Each potential investor will be required to provide satisfactory evidence of identity and if so required the source of funds within a reasonable time period determined by the Fund. Pending the provision of such evidence, application for Units will be postponed. If a potential investor fails to provide satisfactory evidence within the time specified, or if a potential investor provides evidence but the Fund is not satisfied therewith, the application shall be rejected immediately in which event the money received on application, if any, will be returned without interest payment. Neither the Placement Agent, the Administrator, the Investment Manager nor any of their delegates, shall be liable to a potential investor for any loss suffered by the applicant as a result of the rejection or delay of any subscription or payment of redemption proceeds.

Each subscriber would be required, at the time of subscription, to provide adequate evidence to the Placement Agent, the Administrator and the Investment Manager that it qualifies as an Accredited Investor (as defined hereinafter) or, in the event that the subscriber is domiciled in a jurisdiction other than Bahrain, as a sophisticated investor under the requirements of local laws and regulations in the jurisdiction concerned, if such requirements are higher than those imposed by the Bahraini law. Such evidence may be provided by way of furnishing a copy of a bank or broker's statement.

Legal counsel to the Fund Company and the Investment Manager, in assisting with the preparation of this Memorandum, have relied on information supplied by the Fund Company and the Investment Manager, have not independently verified the accuracy or completeness of any information contained herein, make no representation or warranty with respect thereto and assume no liability for the contents of, or any omission from, this Memorandum.

## **RISK WARNINGS**

**The Fund's portfolio is subject to normal market fluctuations as well as the risks inherent in the investment techniques described under "Investment Programme" and there can be no assurance that appreciation will occur or that losses will not be realized. Consequently the value of Units may be subject to volatile movements and may fall as well as rise.**

**The value of the Units and the income produced by them can fall as well as rise. Investors may not get back the value of their original investment.**

**Moreover, past performance of the Investment Manager is not a guarantee of its future performance. The Investment Manager therefore cannot and does not guarantee the performance of the Fund. Prospective Unit Holders should carefully review this Memorandum before deciding whether or not to invest in the Units, and are strongly recommended to note the investment considerations and risk factors described on pages 34 to 37.**

Before acquiring Units in the Fund, prospective investors should ensure that they have reviewed this Memorandum. Investors must rely on their own examination of the legal, taxation or investment matters and other consequences of an investment in the



Units, including the merits of investing and the risks involved. Investors should not treat the contents of this Memorandum as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisers, stockbrokers, bank managers, legal counsellors, and accountants concerning the purchasing, holding or disposal of the Units.

All statements of opinion and views contained in this Memorandum represent the Investment Manager's own assessment and interpretation of information available to it as at the date of this Memorandum. No assurance is given that such statements and views are correct. Investors must determine for themselves what reliance, if any, they should place on such statements and views and the Investment Manager accepts no responsibility in respect thereof. The delivery of this Memorandum shall not under any circumstances imply that there has been no change in the affairs of the Investment Manager or the Fund since the date hereof, or that information herein is correct as of any time subsequent to its date.

The Fund has been registered with the CBB on May 11, 2008. Neither the Fund nor the Units been registered with any authority in any other jurisdiction, and no such registration is anticipated.

## 2. DIRECTORY

### Fund Company

Al Mal Fund Company BSC  
c/o HSBC Bank Middle East Limited  
Head Office  
Building 2505  
Road 2832  
Al Seef District 428  
Kingdom of Bahrain

Tel: +973 17 569 499  
Fax: +973 17 569 574

### Investment Manager

Al Mal Capital PSC  
Office 901, 48 Burj Gate,  
Downtown Dubai,  
Sheikh Zayed Road  
P.O. Box 119930  
Dubai  
United Arab Emirates

Tel: +971 4 360 11 11  
Fax: +971 4 360 11 22

### Legal Advisors (Kingdom of Bahrain)

Qays H. Zu'bi, Attorneys & Legal Consultants  
12th Floor Al Jasrah Tower  
Bldg. # 95, Road 1702, Block 317  
Diplomatic Area  
P.O.Box 2397  
Manama  
Kingdom of Bahrain  
Tel: +973 17 549 613  
Fax: +973 17 532 342

### Fund Administrator and Registrar

Apex Fund Services Bahrain WLL  
Wind Tower, Office 82, Building 403  
Road 1705, Block 317  
Diplomatic area, Manama  
Kingdom of Bahrain  
Tel: +973 17 530217  
Fax: +973 17 531817

### Auditors

#### PricewaterhouseCoopers

13th Floor, Jeera I Tower  
PO Box 21144 – Seef District  
Kingdom of Bahrain

Tel: +973 17 118800  
Fax: +973 17 540556

### Custodian

Standard Chartered Bank  
Building no. 180  
Government Avenue  
Manama 315, P.O. Box:29,  
Manama  
Kingdom of Bahrain  
Tel: +973 17 223636  
Fax: +973 17 225001

### 3. DEFINITIONS OF TERMS USED IN THIS MEMORANDUM

<b>Accredited Investors</b>	Means: (a) individuals holding financial assets (either singly or jointly with their spouse) of USD 1,000,000 or more; (b) companies, partnerships, trusts or other commercial undertakings, which have financial assets available for investment of not less than USD 1,000,000; or (c) governments, supranational organisations, central banks or other national monetary authorities, and state organisations whose main activity is to invest in financial instruments (such as state pension funds).
<b>Administration Agreement</b>	The Agreement between the Administrator and the Fund Company.
<b>Articles of Association</b>	The Articles of Association of the Fund Company.
<b>Base Currency</b>	The base currency of the Fund is US Dollars.
<b>Bahrain</b>	The Kingdom of Bahrain.
<b>Bahrain Law</b>	The laws of Bahrain in force from time to time.
<b>CBB</b>	The Central Bank of Bahrain.
<b>Business Day</b>	A day on which banks are generally open for business in the United Arab Emirates.
<b>Closing Date</b>	The closing date for applications to be received pursuant to the Initial Offering, being June 15, 2008 or such later date as the Directors, acting in their sole discretion, may determine.
<b>Custody Agreement</b>	The Agreement between the Custodian and the Fund Company.
<b>Custody and Administration Fee</b>	The fee payable by the Fund Company as an expense of the Fund to the Custodian and the Administrator pursuant to the Custody Agreement and the Administration Agreement.
<b>Cutoff Day</b>	The last day on which subscriptions and redemptions are accepted, being three (3) Business Days prior to the relevant Valuation Day.
<b>Directors</b>	Members of the Board of Directors of the Fund Company.
<b>Dividend Policy</b>	The Fund may distribute dividends on an interim basis, upon the sole discretion of the Fund Company.
<b>Effective Date</b>	Such date as determined by the Directors, acting in their sole discretion, provided that it falls no later than 90 days from the date on which the Fund is registered with the CBB.
<b>Financial Year</b>	A period of one year starting from January 1 and ending on December 31 of each year except for the first financial year that will begin on the Closing Date and conclude on December 31, 2008.

<b>Fund Company</b>	Al Mal Fund Company B.S.C. (c), a closed joint stock company incorporated with limited liability under the laws of the Kingdom of Bahrain to create the Fund.
<b>Fund Term</b>	The Fund is an open-ended investment vehicle without fixed term.
<b>Initial Offer Period</b>	The initial offer period of Units commencing on May 25, 2008 and concluding on the Closing Date.
<b>Instrument</b>	The instrument created by the Fund Company in relation to the Fund and setting out the terms and conditions of the Units, a copy of which is available for inspection at the Fund Company's registered office.
<b>“Initial Offering”</b>	The offering of up to 100,000,000 units at USD 10.00 per Unit plus initial subscription fees.
<b>Investment Management Agreement</b>	The Investment Management Agreement between the Fund Company and the Investment Manager.
<b>Investment Management Fee</b>	A fee payable by the Fund Company as an expense of the Fund to the Investment Manager pursuant to the Investment Management Agreement.
<b>Minimum Fund Size</b>	USD10,000,000.
<b>Minimum Subscription</b>	The minimum subscription amount in the Fund is USD50,000. The minimum for any subsequent subscription or redemption for an existing Unit Holder will be USD1,000.
<b>Ministry</b>	The Ministry of Industry and Commerce in the Kingdom of Bahrain.
<b>Net Asset Value or NAV</b>	The net asset value of the Fund as determined by the Administrator and approved by the Fund Company on each Valuation Day.
<b>Notice of Transfer</b>	A document to be completed and signed by the Transferor and the Transferee in the form provided by the Fund Company together with any other documentation as required therein.
<b>Private Placement Memorandum (or PPM)</b>	This private placement memorandum as may be amended from time to time by the Directors and approved by the CBB.
<b>Calendar Quarter</b>	The period commencing on the next Business Day after the Closing Date and ending on the last business day of June 2008, and each consecutive period of three calendar months thereafter ending on the last business day of March, June, September, or December each year.
<b>Redemption Notice</b>	A notice by a Unit Holder to redeem some or all of its Units in the Fund. The redemption notice must be completed and signed by a Unit Holder in the form supplied by the Fund Company together with any other documentation as required therein.
<b>Register</b>	The register maintained by the Registrar in relation to the Unit Holders and in accordance with the Registrar Agreement.
<b>Registrar Agreement</b>	The Registrar Agreement between the Registrar and the Fund Company.



<b>Registrar Fee</b>	The fee payable by the Fund Company as an expense of the Fund to the Registrar pursuant to the Registrar Agreement.
<b>Subscription Agreement</b>	The subscription agreement in connection with the Units to be entered into between the Unit Holder and the Fund Company.
<b>Unit Holder</b>	An Investor who holds Units in the Fund. "Unit Holders" (in plural form) signifies all investors.
<b>Units</b>	All of the units issued by the Fund Company in respect of the Fund.
<b>USD or US Dollar</b>	United States Dollars, the legal currency of the United States of America.
<b>US Person</b>	A US Person as defined in Regulation S of the <i>Securities Act (US)</i> as amended and in force from time to time.
<b>Valuation Day</b>	The Business Day of the week as determined by the Investment Manager to be the day on which the Fund's Net Asset Value is established.

#### 4. SUMMARY OF PRINCIPAL TERMS

*This summary should be read in conjunction with and is qualified entirely by reference to the information appearing in the full text of the Private Placement Memorandum under the sections appearing below and by reference to the agreements and other documents described in this document.*

**The Fund** Al Mal MENA Equity Fund (the "**Fund**") is an open-end investment fund created by the Fund Company and established as an exempt collective investment scheme pursuant to the Collective Investments Undertakings Regulations issued by the Central Bank of Bahrain as contained in the CBB rulebook, Volume 6, Capital Markets, Collective Investment Undertaking Module. As such it does not require to be and has not been approved by the Central Bank of Bahrain. The Fund has only been registered with the Central Bank of Bahrain on May 11, 2008.

Being an exempt fund, investment in the Fund is open to only Accredited Investors as defined herein below. No person who does not qualify as an Accredited Investor may subscribe for units in the Fund.

An Accredited Person means:

- (a) individuals holding financial assets (either singly or jointly with their spouse) of USD1,000,000 or more;
- (b) companies, partnerships, trusts or other commercial undertakings, which have financial assets available for investment of not less than USD1,000,000; or
- (c) governments, supranational organizations, central banks or other national monetary authorities, and state organizations whose main activity is to invest in financial instruments (such as state pension funds).

The Fund is a contractual agreement between the Fund Company and the Unit Holder.

## AL MAL MENA EQUITY FUND



As such, the Fund does not have a separate legal status for the purposes of Bahrain law. While the Fund is intended to be separate from the Fund Company, investments may have to be made by the Fund Company on behalf of the Fund.

Units are equal to one ordinary class and are initially priced at USD10.00 each plus a placement fee of up to 3% thereon.

The Fund does not intend to seek listing on the stock exchanges of any country, including Bahrain, although the Directors may elect to do so at a later stage.

### **Fund Size**

The Fund will issue a minimum of 1,000,000 units priced at a face value of USD10.00 per Unit plus a placement fee of up to 3% thereon. The Investment Manager reserves the right to increase or decrease these limits if it, acting in its sole discretion, deems it to be in the best interest of Unit Holders provided that the minimum fund size shall be not less than USD10,000,000. Units will be issued on a fully-paid basis.

## Fund Term

The Fund will commence investment on the Effective Date and is an open-end fund.

The Fund Company reserves the right to terminate the Fund at any time without penalty to any party involved. Under Bahrain law, termination of the Fund requires that reasonable notice be given to the Unit Holders and the CBB.

Without limiting the generality of the foregoing, the Fund may be terminated under the circumstances set out herein below:

- (a) liquidation of the Fund Company which established the Fund;
- (b) pursuant to an order by a Bahraini court or Bahraini regulatory body, including the CBB, to terminate and dissolve the Fund;
- (c) an exceptional decline in the value of the Fund's assets.

Neither the death, bankruptcy, nor incapacity of a Unit Holder in the Fund nor the bankruptcy or resignation of the Investment Manager will terminate the Fund or in any way affect its continuity.

Upon liquidation of the Fund, the assets of the Fund will be allocated to Unit Holders after all amounts due to third parties, including those due under the contractual arrangements entered into by the Fund Company on behalf of the Fund and under Bahrain law, are satisfied.

## Fund Company

Al Mal Fund Company BSC (c), a Joint Stock Company with Limited Liability incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce with registered address at Al Mal Fund Company BSC, c/o HSBC Bank Middle East, Bahrain Branch Building 2505, Road 2832, Al Seef District 428, Kingdom of Bahrain.

**Investment Objective** The objective of the Fund is to achieve significant capital appreciation primarily through investments in equity and equity-related securities in the Middle East and North African equity markets; and/or, companies which have all or part of their business activities in the Target Regions.

The Investment Manager will seek to invest primarily in equities, but retains the right to use other asset classes, in pursuit of the Fund's objective. The Fund may distribute dividends on an interim basis, upon the sole discretion of the Fund Company.

**Investment Manager** Al Mal Capital PSC ("AMC"), a Private Joint Stock Company with Limited Liability incorporated in the Emirate of Dubai, is appointed as the Investment Manager and will undertake all related responsibilities for the Fund. AMC is a Dubai-based investment bank, established in late 2005 and licensed by the Central Bank of the UAE, the first license issued by the regulator in 18 years. AMC was founded with 82 prominent UAE and regional families and institutions as shareholders, a Board of Directors with a wealth of banking and business experience, and AED 333 million in capital. Al Mal Capital's business activities, directed at banks, institutions, corporate entities and wealthy individuals, encompass three main areas: Investment Banking, Brokerage, and Asset Management.



The Investment Manager retains the right, at its sole discretion, to delegate certain of its powers and authorities to third parties, including, without limitation, external investment advisors.

**Committee**

The fund manager, as a regulated Funds Investment Management entity in the United Arab Emirates, is obligated to form an investment committee. The investment committee shall include, at a minimum, the following members: a) Category Officer, b) Funds Investment Manager, and c) Compliance Officer. The investment committee shall be responsible for planning the implementation of the investment policy, monitoring the actual performance, and periodically reviewing the controls and procedures necessary to exercise the fund management activities.

The Securities Portfolios & Funds Investment Committee of the fund manager will oversee the activities related to the Fund, ensuring compliance with regulatory requirements and effective management of the Fund's investments.

**Administrator and Registrar**

Apex Fund Services Bahrain WLL has been appointed as Administrator, and Registrar of the Fund. The Investment Manager reserves the right to change the service providers in accordance with the terms of the contracts entered into with such parties.

**Custodian**

Standard Chartered Bank has been appointed as custodian of the Fund change the service providers in accordance with the terms of the contracts entered into with such parties.

**Subscription for Units**

The Fund is open to subscription on a weekly basis at the prevailing NAV per Unit on the relevant Valuation Day. The Investment Manager reserves the right to reject any application for subscription of Units, in which event the subscription proceeds are returned to the Unit Holder without income earned thereon or charges deducted there from, within a reasonable time.

All subscriptions must be paid by wire transfer or cheque and in US Dollars (in accordance with terms outlined in the Subscription Form).

Subscriptions during the Initial Offer Period must be received in the office of the Investment Manager on or before 12 Noon UAE time three (3) Business Days before the Closing Date. Subscriptions after the Initial Offer Period must be made three (3) Business Days before the relevant Valuation Day. The Directors reserve the right to refuse any subscription in their sole discretion.

**Minimum Subscription**

The Minimum Subscription Amount is USD50,000, although the Investment manager reserves the right to accept individual subscriptions of lesser amounts at its discretion, provided however that the minimum amount of initial subscription shall under no circumstances go below USD50,000. The minimum for any subsequent subscription or redemption for an existing Unit Holder will be USD1,000.

**Redemption**

The Fund will be open for redemption in accordance with the terms of this Memorandum. If redemptions in any one period exceed 10% of the Net Asset Value of the Fund, the Investment Manager, at its own discretion, will decide whether to roll over any such excess

to subsequent Valuation Days to avoid heavy losses resulting from forced liquidation of holdings.

**Currency**

The Currency of the Fund is the United States Dollar.

If the Unit Holder pays for the Units in any currency other than the US Dollar, the exchange rate used to convert such currency into US Dollars may be subject to change if a fluctuation in the official exchange rate should take place between the date on which payment for the Units is received and the relevant Valuation Day. Any such exchange rate fluctuation risk is for the

Unit Holder and none of the Administrator, the Fund Company and Investment Manager shall be liable in any way for such risk.

**Secondary Market**

Although, due to the open-ended nature of the Fund, the Fund Company does not foresee the development of an active secondary market for the Units, it may elect, acting in its sole discretion, to create a secondary market for the Units in which case the terms governing the sale and purchase of Units in such secondary market will be stipulated by the Fund Company at its reasonable discretion.

In the event a secondary market for the Units is created by the Fund Company, a formula for calculating the Unit Price will be developed by the Fund Company and the Investment Manager and will be implemented by the Fund Company.

**Placement Fee**

Each Unit Holder will pay to the Investment Manager a fee of up to 3% of the nominal value of the Units subscribed for, payable at the time of subscription.

**Management Fee**

The Fund will pay to the Investment Manager a fee equal to 1.75% of the Net Asset Value annually, accrued on each valuation and payable from the assets of the Fund on a quarterly basis, with the first instalment of the Management Fee being calculated on a *pro rata* basis from the Closing Date to the end of the next Calendar Quarter.

**Custodian Fee**

Custodian Fee: The Fund will pay to the Custodian a monthly custody Fee + transaction fees based on the custody agreement..

**Organizational Costs**

The Fund's initial organizational costs advanced by AMC in its capacity as sponsor of the Fund, will be repaid by the Fund to AMC.

**Redemption Fee**

A Fee is payable in respect of redemption of Units at any time within two (2) years from the Issuance of Units in accordance with the sliding scale as outlined under section "Fund Fees and Expenses".

**Operating Expenses**

The Fund will pay its expenses associated with its investment activities and operations, including investment expenses, expenses related to the management of Fund assets, Investment Advisory Board fees, and legal, accounting, audit and reporting expenses and the expense of publishing information from time to time.

**Unit Price  
and Unit  
Price Calculations**

The Net Asset Value of the Units will be determined by the Administrator. There will be a deduction from the total value of the Fund's assets of all accrued liabilities. The Net Asset Value of the Fund and the Units will be expressed in US Dollars and any items denominated in other currencies are translated at prevailing exchange rates as determined by the Administrator.

On the Closing Date, each Unit will be issued at an initial price of USD10.00.

Thereafter, the Unit Price will be calculated by the Administrator on each Valuation Day to take into consideration the Net Asset Value of the Fund. All distributions and income

(including dividends) received by the Fund from investments made by the Investment Manager for the Fund will be accounted for as an asset of the Fund.

### **Reporting to Unit Holders**

The Investment Manager will prepare periodic reports for circulation to Unit Holders on Fund activities. In addition, each Unit Holder will receive a set of audited accounts of the Fund including an Auditors' report and a statement of account policies, within four months following the end of each Financial Year.

The reports are to be prepared by the Investment Manager with the assistance, where appropriate, of the Administrator and the Auditor.

The content of the reports provided to Unit Holders may be modified from time to time to reflect industry practice.

Copies of these reports will be filed with the CBB and mailed to Unit Holders at their registered address.

In addition, each year the Fund Company shall produce semi-annual financial statements pertaining to the first 6 months of the financial year that will be reviewed by the Auditors. A copy of such un-audited financial statements will be filed with the CBB and sent to the CBB and the Unit Holders within 2 months from the end of the first 6 month period.

In addition, reports, notices and information in relation to the Fund may be found at the Investment Manager's website for this Fund being [www.almalcapital.com](http://www.almalcapital.com).

### **Risk Factors**

For a detailed review of risk factor information regarding the Fund and its activities, see the "Risk Factors" section on page 34.

## 5. THE FUND

### Investment Objective

The Fund's investment objective is to achieve long term capital appreciation by investing primarily in the equity and equity-related securities of all the formal and recognized securities exchanges in the region normally referred to as MENA (Middle East and North Africa).

The Fund seeks to achieve competitive returns over a complete market cycle as measured against reference indices.

### 5.1 Fund Structure

Al Mal MENA Equity Fund ("The Fund") is an open-end investment Fund created by Al Mal Capital PSC, and established as a collective investment scheme pursuant to the regulations for the operation and marketing of collective investment schemes issued by the CBB under Circular No. EDFIS/C/020/2007 as contained in the CBB rulebook, Volume 6, Capital Markets, Collective Investment Undertaking Module.

The Fund is a contractual agreement between the Fund Company and the Unit Holder. As such, the Fund does not have a separate legal status for the purposes of Bahrain law. While the Fund is intended to be separate from the Fund Company, investments may have to be made by the Fund Company on behalf of the Fund.

The base currency of the Fund is United States Dollars.

There will only be one ordinary class of Units with an initial issue price per Unit of USD10.00 (plus a Placement Fee of up to USD0.30 per Unit) for subscriptions received on or before the Closing Date.

The Fund does not intend to seek listing on the stock exchange of any country, including Bahrain, although the Directors may elect to do so at a later stage.

### Fund Term and Liquidation of the Fund

The Fund will commence investment immediately following the Closing Date. The Fund has been established for an indefinite period by the Fund Company, but the Fund Company reserves the right to terminate the Fund at any time without penalty to any party involved.

Under Bahrain law, termination of the Fund requires and that reasonable notice be given to the Unit Holders and the CBB.

Neither the death, bankruptcy, nor incapacity of a Unit Holder in the Fund nor the Bankruptcy or resignation of the Investment Manager will terminate the Fund or in any way affect its continuity.

The Fund has been established as an open-end Fund but the Directors may, at any time, subject to prior approval of the CBB, propose to dissolve the Fund at an extraordinary general meeting of shareholders of the Fund Company. If such a voluntary dissolution is adopted, the liquidation would be carried out in accordance with the laws and regulations in force in the Kingdom of Bahrain, which specify the steps to be taken to enable Unit Holders to participate in any liquidation distribution.

Upon liquidation of the Fund, the assets of the Fund will be allocated to Unit Holders after all amounts due to third parties, including those due under the contractual arrangements entered into by the Fund Company on behalf of the Fund and under Bahrain law, are satisfied.

The Fund can be liquidated for reasons including, but not limited to any of the following:

- (a) an extreme and/or extraordinarily unfavourable market outlook in any of the principal markets in which the Fund has significant exposure;
- (b) adverse changes in the regulatory or legal structures which, in the opinion of the Investment Manager, that fundamentally affect the continuation of the Fund;
- (c) a change in the economic or political situation or any other unforeseen event outside the control, responsibility and power of the Fund that would, in the opinion of the Investment Manager, justify such liquidation.

### **Fund Company**

Al Mal Fund Company BSC (c), a Limited Liability Company incorporated in the Kingdom of Bahrain as a Closed Joint Stock Company and registered with the Ministry of Industry and Commerce with registered address at Al Mal Fund Company Bahrain, c/o HSBC Bank Middle East, Bahrain Branch Building 2505, Road 2832, Al Seef District 428, Kingdom of Bahrain.

The Articles of Association of the Fund Company provide that the Fund Company will at all times comply with the laws applicable to it and with any circulars, rules, and regulations issued by the Central Bank of Bahrain there under from time to time. Subject to the above, the Fund Company's primary objective is to establish and manage the Fund.

Any changes to the Memorandum must be made by the Directors and will be reported to the Central Bank of Bahrain and the Unit Holders of the Fund within a period of 30 days.

### **Fund Size / Total Fund Commitment**

The Investment Manager intends that the Fund initially raise a minimum amount of USD10,000,000, which will be represented by Units with an initial value of USD10.00 per Unit.

The maximum total investment permitted for the Fund shall be USD1,000,000,000 (or such higher amount as the Investment Manager may deem appropriate).

### **Subscription for Units**

During the Initial Investment Period investors will have the opportunity to subscribe for Units at USD10.00 per Unit plus a placement fee of up to 3% thereon.

Following the Initial Investment Period, investors may subscribe for Units at the NAV prevailing on the relevant Valuation Day.

**Minimum Subscription**

The Minimum Subscription Amount is USD50,000 although either the Directors or Investment Manager, in their discretion, reserve the right to accept individual subscriptions of lesser amounts, provided however that the minimum amount of initial subscription shall under no circumstances go below USD50,000.

The minimum for any subsequent subscription or redemption for an existing Unit Holder will be USD1,000. The Fund will be open for subscription and redemption on or before each Cutoff Date.

**Subscriptions**

Units are offered directly by the Fund.

For details of subscription instructions, see page 40.

**Limited Liability**

Investors invest in the Fund with limited liability and cannot lose more than the amount of their investment.

**Tax Position of the Fund**

The following comments are based on information regarding the current law and practice in Bahrain and elsewhere and are intended only to assist potential Unit Holders.

Unit Holders should appreciate that as a result of changing law or practice or unfulfilled expectations as to how the Fund or Unit Holders will be regarded by tax authorities in different jurisdictions, the tax consequences for Unit Holders may be other than as stated below.

Unit Holders must in any case consult their professional advisors on the possible tax consequences of their subscribing for, purchasing, holding, or selling of Units under the laws of their countries of citizenship, residence, ordinary residence, or domicile.

**Bahrain Tax Considerations**

As at the date of this document, there is no taxes payable in respect of income, withholding or capital gains by the Fund under existing Bahrain law. There is no currency or exchange control restrictions currently in force under Bahrain law and the free transfer of currency into and out of Bahrain is permitted, subject to any international regulations in force from time to time.

In the event that there is any material amendment or change to Bahrain law in connection with the matter referred to above, the Investment Manager shall notify the Unit Holders of such amendment or change in the next following report that is circulated to the Unit Holders after such amendment or change has come to the attention of the Investment Manager.

**Unit Holder Taxation**

Potential Unit Holders should ascertain from their professional advisors the consequences of acquiring, holding, redeeming, transferring, or selling Units under the relevant laws of the jurisdictions to which they are subject, including any tax consequences and exchange control requirements.

**5.2 Investment Policy, Strategy and Guidelines**
**Investment Markets, Strategy and Approach**

The Fund will target all formal and recognized markets located in Arab Countries in the Middle East and North Africa, investing primarily in equity and equity-related securities; and/or, companies which have all or part of their business activities in the Target Regions.

### **Investment Guidelines**

In conducting its investment activities, the Investment Manager shall adhere to the following guidelines and limitations:

- (a) invest primarily in shares of listed companies, companies to be listed, and other equity-related securities;
- (b) employ the services of other investment managers (Sub-Funds/Sub-Managers) if it is determined to be in the best interest of investors;
- (c) be limited to an allocation of no more than 10% of the total Fund size in shares of unlisted companies, but this percentage shall be invested in companies that are expected to list their shares within a reasonable period provided that the percentage invested in the shares of any one company does not exceed 5% of the Fund's total size;
- (d) invest not more than 20% of total Fund assets in a single company's shares;
- (e) be limited to leverage not exceeding 50% of the Fund's Net Asset Value, primarily for the purpose of managing liquidity requirements.

In addition to the above, investment in the shares of a particular company shall not:

- (a) exceed 10% of the then total market capitalization for that company (unless the investment in the company in excess of this amount has been approved by the Committee);
- (b) breach any provisions of its constitutional documents; or
- (c) breach any applicable law or regulation.

In addition, the Fund may:

- (a) retain cash deposits or invest in good quality assets which may be easily liquidated (such as corporate or sovereign loans, bonds, floating rate notes or other commercial paper, promissory notes, bills of exchange, fixed income securities or money market funds) to ensure it can meet the redemption requirements of investors or opportunities to invest that may arise;
- (b) vote as a shareholder in companies in which it has invested and otherwise act as a shareholder to protect the Fund's position as a shareholder in that company as determined by the Investment Manager;
- (c) if the Investment Manager determines, in its absolute discretion, that it is necessary or advisable to do so and notwithstanding any other requirements or restrictions relating to the Fund, at any time liquidate some or all of the investments of the Fund.

It is not intended that the Fund have any interest in any immovable property or tangible moveable property.

### **Investment Restrictions**

Investment of the Fund's assets is subject to certain restrictions determined from time to time by the Directors. The Investment Manager may not perform any of the following transactions for the account of the Fund:



- Granting loans
- Granting guarantees
- Acting as principal guarantor of issues
- Trading in real estate
- Discounting checks

## 6. MANAGEMENT AND PROFESSIONAL SERVICES

**Al Mal Capital PSC** Al Mal Capital PSC (“AMC”), a Private Joint Stock Company with Limited Liability incorporated in the Emirate of Dubai, is appointed as the Investment Manager and will undertake all related responsibilities for the Fund. AMC is a Dubai-based investment bank, established in late 2005 and licensed by the Central Bank of the UAE, the first license issued by the regulator in 18 years. AMC was founded with 82 prominent UAE and regional families and institutions as shareholders, a Board of Directors with a wealth of banking and business experience, and AED 333 million in capital. Al Mal Capital’s business activities, directed at banks, institutions, corporate entities and wealthy individuals, encompass three main areas: Investment Banking, Brokerage, and Asset Management.

Details of the registered office and directors of Al Mal Capital are available on request.

**Investment Manager** Al Mal Capital PSC a Private Joint Stock Company with Limited Liability incorporated in the Emirate of Dubai, United Arab Emirates and licensed by the Central Bank of the UAE as an investment company, is appointed by the Fund Company as the Investment Manager of the Fund and will undertake all related responsibilities for the Fund pursuant to the Investment Management Agreement.

The responsibilities of the Investment Manager in relation to the management of the Fund are as follows:

- (a) to be responsible for the implementation of the principal investment strategy;
- (b) to identify investment opportunities in accordance with the investment strategy and guidelines outlined in this Memorandum;
- (c) to undertake the investment in and divestment of assets of the Fund; and
- (d) provide information to and assist the Committee in respect of its overall supervision of the Fund.

The Investment Manager will exercise its powers in accordance with the provisions of the Investment Management Agreement. Such powers include:

- (a) to have full discretion to act in respect of the assets of the Fund and have full authority to make any decision relating to acquisition and disposal of investments, subscription, and generally to deal in the assets of the Fund;
- (b) to review the performance of the assets of the Fund and to dispose of them;
- (c) to the extent reasonably possible to do so under law, to protect the assets and

investments of the Fund and the interests of the Unit Holders in those assets and as investors in the Fund;

- (d) if necessary, to obtain funding from banks for the purposes of the Fund and to create security over assets of the Fund to secure such funding; and
- (e) to do all acts, deeds and things as deemed necessary and incidental to the above, and to ensure the orderly ongoing operation of the Fund.

The Investment Manager is authorised to engage third parties to provide services to the Fund, such as attorneys, consultants, independent auditors, and/or to do all such other acts as the Investment Manager may, acting within the scope of authority granted to it by the Fund Company, deem necessary or advisable in connection with carrying out the business of the Fund.

The Investment Manager and its officers, directors and employees may engage in other investment management activities and other businesses and may render services similar to those rendered to the Fund to others.

The Investment Manager is not liable for any loss or damage, except as a result of fraud, gross negligence or wilful default. The Fund shall indemnify the Investment Manager for losses (including legal fees) incurred by it in conjunction with actions on behalf of the Fund, provided that such losses were not the result of its fraud, gross negligence or wilful default.

The fee payable to the Investment Manager is set out under “Fees and Expenses” on page 25.

**Custodian,  
Administrator  
and Registrar**

Apex Fund Services Bahrain WLL has been appointed as the Administrator and Registrar of the Fund and Standard Chartered Bank is appointed Custodian pursuant to the custodian Agreement, Administration Agreement and Registrar Agreement respectively (together the “**Service Agreements**” and each a “Service Agreement”).

In each of its capacity as Administrator and Registrar of the Fund, Apex Fund Services Bahrain WLL has delegated certain of its functions and duties to one or more of its affiliates.

Under the Service Agreements, Apex Fund Services Bahrain WLL is entitled to be indemnified against all actions, proceedings, claims, demands, costs, expenses, whatsoever (other than those resulting from the fraud, negligence, wilful default or bad faith of Apex Fund Services Bahrain WLL which may be made against or incurred by Apex Fund Services Bahrain WLL arising out of or in performing its obligations or duties.

Apex Fund Services Bahrain WLL is under no duty to supervise compliance with the investment objectives, policy, investment restrictions, borrowing restrictions or operating guidelines in relation to the Fund. Apex Fund Services Bahrain WLL will not participate in transactions and activities, or make any payments denominated in US Dollars, which, if carried out by a US person, would be subject to sanctions by The Office of Foreign Assets Control of the US Department of the Treasury.

Apex Fund Services Bahrain WLL, its employees, service providers or agents are not involved

in the business affairs, organisation, sponsorship or investment management of the Fund, and are not responsible for the preparation or issue of this Memorandum other than the descriptions relating to the Administrator and Registrar.

***Custodian***

Assets of the Fund will be held by the Custodian (Standard Chartered Bank) directly or through its agents, sub-custodians, or delegates pursuant to the Custodian Agreement.

In performing its duties, the Custodian may, at the expense of the Fund, appoint such agents, sub-custodians and delegates as it thinks fit to perform in whole or in part any of its duties and discretions (included in such appointment are powers of sub-delegation), provided always that the Custodian will remain responsible for the proper performance of its duties. The Custodian will not however be responsible for any loss suffered by the Fund by reason only of the liquidation, bankruptcy or insolvency of any such agent, sub-custodian or delegate.

The Custodian will not be responsible for any cash, securities and/or other assets comprising the assets of the Fund which are not deposited with or held to the Custodian's order. In particular, the Custodian will not be responsible for any cash, securities and/or other assets placed with co-custodians, brokers or any other party outside the Custodian's global custodian network.

Due to local laws, regulations, customs or market practices, the assets of the Fund may be held in the name of the Fund or its nominees in certain markets and, in some circumstances,

the Custodian may not have effective control over such assets. Therefore, notwithstanding anything to the contrary in this Memorandum, the Custodian shall not be liable for any losses suffered by any Unit Holder or the Fund in respect of any assets of the Fund which are outside the effective and exclusive control of the Custodian.

The appointment of the Custodian may be terminated by not less than three months' notice in writing. The Fund Company shall forthwith notify the CBB of the termination of the agreement.

#### *Administrator*

Apex Fund Services Bahrain WLL Ltd. (the "Administrator") has been appointed as the administrator to the Fund and (unless the applicable Supplement provides otherwise) to each Segregated Portfolio.

The Administrator is regulated by the Central Bank of Bahrain and is part of the Apex Group, a global provider of fund administration services with over 40 offices across the globe, ISAE 3402/SSAE18 audited, independently owned with \$1Trillion under administration. Apex Group provides specialist fund administration, share registrar, custody, corporate secretarial services and directors to funds and collective investment schemes globally. The Administrator will perform all general administrative tasks for the Fund, including the preparation of valuations, keeping of financial records and acting as registrar and transfer agent.

The Administrator is responsible, under the supervision of the Directors, for providing administrative services required in connection with the Fund's operations, including, compiling and publishing the Net Asset Value and the Subscription Price, providing registrar and transfer agent services in connection with the issue, transfer and redemption of Participating Shares and collecting subscription payments and disbursing redemption payments.

Pursuant to the terms of an administration agreement entered into (or to be entered into) between the Fund and the Administrator (the "Administration Agreement"), the Administrator will not, in the absence of gross negligence, wilful default or fraud on the part of the Administrator, be liable to the Fund or to any investor for any act or omission, in the course of, or in connection with providing services to the Fund or for any losses, claims, damages, liabilities and expenses or damage which the Fund may sustain or suffer as a result of, or in the course of, the discharge by the Administrator of its duties pursuant to the Administration Agreement.

Under the Administration Agreement, the Fund will indemnify the Administrator to the fullest extent permitted by law against any and all judgments, fines, amounts paid in settlement and reasonable expenses, including legal fees and disbursements, incurred by the Administrator, save where such actions, suits or proceedings are the result of fraud, wilful misconduct or gross negligence of the Administrator.

The initial term of the Administration Agreement is for one (1) year from the effective date

and is automatically renewed for each subsequent one year period. Written notice of termination shall be provided no less than ninety (90) days before each automatic renewal (or such shorter notice period as the parties may agree to accept) or earlier on the liquidation of either the Fund or the Administrator.

The Administrator is a service provider to the Fund and will not have any responsibility or authority to make investment decisions, nor render investment advice, asset valuation with respect to the assets of the Fund. The Administrator has no responsibility for monitoring compliance by the Fund with any investment policies to which they are subject. The Administrator is responsible and liable only for the administration services that it provides to the Fund pursuant to the Administration Agreement. The Administrator accepts no responsibility or liability for any losses suffered by the Fund as a result of any breach of such investment policies by the Fund. The Administrator is a service provider to the Fund and is not responsible for the preparation of this Memorandum and therefore accepts no responsibility for the accuracy of any information contained in this Memorandum.

***Registrar***

The Registrar is responsible for keeping the register of Unit Holders and arranging for the issue and redemption of Units.

The principal register of the Fund will be maintained by the Registrar or its delegate.

The appointment of the Custodian may be terminated by not less than three months' notice in writing. The Fund Company shall forthwith notify the CBB of the termination off the agreement.

The fees payable to the Custodian, Administrator and Registrar are set out under "Fees and Expenses" on page 25.

**Alternative Service Providers**

The services of the Fund's service providers, including the Investment Manager and the Administrator, will not be terminated or termination will not come into effect until a suitable alternative has been appointed by the Fund Company.

## 7. FUND FEES AND EXPENSES

- Organizational Costs** The Fund's initial organizational costs advanced by AMC will be repaid by the Fund.
- Initial (Placement) Fee** An initial fee of up to 3% of the amount subscribed will be charged by the Placement Agent from each subscriber.
- Management Fee** The Fund will pay to the Investment Manager a fee equal to 1.75% per annum of the Fund's Net Asset Value (calculated before payment of accrued Fees) payable quarterly on the first day of each Calendar Quarter commencing on the Closing Date and calculated and accrued in each valuation (equal to 1.75% on an annual basis).

**Administration Fee** The Fund will pay to the Fund Administrator an administration fee quarterly in arrears on the first day of each Calendar Quarter commencing on the Initial Issue Date, this fee will be as follows:

	USD pa
Hedge Admin	28,000
Hedge TA	5,400
Financial Statements & audit support	4,200

Administration fees are subject to an increase of 4%\* (rate of increase based on tier shown below) with effect from 1<sup>st</sup> January 2024 and on each January 1<sup>st</sup> thereafter. The Administrator reserves the right to increase the minimum fees, fixed fees and time spent fees periodically during a calendar year at such periodic inflation rate of Bahrain on 1<sup>st</sup> January annually.

\*

Fund Assets under Management	
Less than USD 35m	4% per annum
USD 35m to less than USD 50m	5% per annum
USD 50m & above	6% per annum

The admin fee can be increased with the approval of the fund manager provided admin fee does not exceed 0.5% of NAV.

**Custody Fee** The Fund will pay to the Custodian a monthly custody fee calculated at a rate not to exceed 0.20% of the Net Asset Value of the Fund (calculated before payment of accrued Fees) as at the date of payment in addition to the monthly transaction fees. The Custodian will not receive any incentive fee from the Fund..

The Fund will give one full month's notice to investors of any increase in the fees payable to the Custodian. No such increase shall take effect prior to the expiry of such notice.

**Redemption Fee** The redemption price for Units in each Redemption period will be equal to the Net Asset Value as determined in "Calculation of Net Asset Value" on page 31.

Upon redemption of any Units in the Fund, a redemption fee will be deducted from the redemption proceeds calculated as follows:

- for redemption within the period commencing from the later of the Closing Date or the date

- of subscription for the relevant Units and ending one (1) year after such date, an amount equal to 2% of the redemption proceeds;
- for redemption within the period commencing from the later of the day which falls one (1) year after the Closing Date or the date of subscription for the relevant Units and ending two (2) years before such date, an amount equal to 1% of the redemption proceeds; and
- for redemption of any Units at any time following two (2) years from the Closing Date or the date of subscription for the relevant Units, no redemption fee will be payable.

The Investment Manager retains the right to waive redemption fees at its sole discretion.



**Other Operating Expenses**

The Fund pays its expenses associated with investment activities and operation, including but not limited to: brokerage commissions, investment expenses, interest expenses, administrative fees, and legal, accounting, audit and reporting expenses and the expenses of publishing its Unit Price and other information from time to time.

Other expenses include, but are not limited to:

- (a) all transactional costs including brokerage, banking, sales and purchase commissions, and exchange fees;
- (b) fees and charges of Auditor and General Counsel;
- (c) all government charges and duties including withholding taxes on dividends if any;
- (d) expenses related to board meetings of the Fund Company with a cap of USD50,000 annually;
- (e) board insurance expenses if any; and
- (f) costs of borrowing if any.

## 8. SUBSCRIPTION, REDEMPTION AND NAV

### 8.1 Subscription Process

#### Units

Except for some limited voting rights as stated in the Second Schedule of the Form of Instrument, the Investors in the Units have no voting rights and do not participate in the management of the Fund Company or the Fund. Units represent the ownership rights of the Unit Holders in connection with the Fund but not in the Company or any other investment funds launched by the Company other than the Fund. Investors generally have no right to influence the management of the Fund whether by voting against, withdrawing, removing or replacing the Investment Manager or otherwise. Furthermore, investors have no right to terminate any agreement to which the Fund or the Fund Company is or may be a party.

Units can be subscribed for on a weekly basis on each Valuation Day. Units will be offered at the Net Asset Value per Unit calculated on the Valuation Day, subject to the initial Minimum Subscription.

The Minimum Subscription is USD50,000. Subsequent Subscriptions for existing Unit Holders will be permitted at a minimum of USD1,000.

#### Unit Allocation

The acceptance of subscriptions for Units is subject to confirmation of the prior receipt of cleared funds credited on the Business Day immediately preceding the relevant Cutoff Day to the Fund's subscription account. Details of the account are set out in the Subscription Agreement. The Fund Company reserves the right to reject or accept subscriptions in its absolute discretion and without assigning any reason therefor.

#### Subscription for Units

Prospective Unit Holders will be required to complete and return a Subscription Agreement in the form attached. The completed Subscription Agreement should be sent to the Investment Manager or its delegates, at the address shown on the Subscription Agreement, details of which are provided in the Subscription Agreement and must be received at least three (3) Business Days prior to the relevant Valuation Day (or such later time as may be agreed by the Investment Manager of the Fund at its sole discretion). The subscription monies in cleared Funds must be paid by 12 Noon on the last Business Day immediately preceding the relevant Cutoff Day. If the Subscription Agreement and/or cleared Funds are received after the deadline, it will (unless otherwise determined by the Fund Company) be treated as a request for subscription on the next Valuation Day.

The completed Subscription Form will (save as determined by the Fund Company) be irrevocable and may be sent by email at the risk of the applicant. The originals of any Subscription Agreement sent by email should be sent immediately by post or by an internationally recognized courier. Failure to provide the original Subscription Form may, at the discretion of the Investment Manager, result in cancellation of the allotment of the Units.

The Investment Manager shall not be liable to any Unit Holder for any loss or damage arising out of or relating to the cancellation of the allotment of the Units as set out above,

the Fund shall indemnify the Investment Manager for losses (including legal fees) incurred by it in conjunction with actions on behalf of the Fund, provided that such losses were not the result of its fraud, gross negligence or wilful default.

Fractions of Units will not be issued. Subscription monies representing fractions of units will not be returned to the applicant but will accrue to the Fund.

Confirmations will be sent to applicants upon acceptance of their application soon after the relevant Valuation Day once the Net Asset Value has been calculated (other than during the Initial Offer Period) setting out details of the Units they have been allotted.

Units will be issued only in book-entry form. The Registrar will maintain the official Register of Units.

### **Confirmation of Investment**

Following an application for subscription that has been accepted, investors will be advised of their holding in the Fund via a confirmation which will state the amount invested, the number of Units purchased and the price per Unit paid. While this confirmation shall only serve as evidence of the purchase of Units, final proof of ownership of Units will be determined in accordance with the Register maintained by the Registrar. In the event of over-subscription, the Investment Manager shall have the sole right to determine the size of the Fund and/or the basis of allotment to apply relative to the Fund.

### **Subscription Fee**

A subscription fee of up to a maximum of 3% of the subscription price per Unit may be charged. Such fee will be payable by the subscriber to the Placement Agent.

## **8.2 Redemption and Transfer of Units**

### **Redemption**

Units may be redeemed by the holder at the NAV per Unit existing on the Valuation Day (and subject in each case to the deduction of redemption fee, if applicable) provided the holder gives notice to the Investment Manager or one of its delegates 3 business days prior to the relevant Valuation Day. If the Redemption Notice is received after the deadline, it will (unless otherwise determined by the Fund Company) be treated as a request for redemption on the next Valuation Day. Redemptions may be made at such other times with the consent of and upon such terms of payment as may be approved by the Board of Directors at its sole discretion.

A request for redemption must be made on the Redemption Notice and once submitted to the Administrator or one of its delegates, at the address shown on the Redemption Notice, may not be withdrawn by the holder except on a suspension of redemptions; otherwise, the consent of the Directors is required for any withdrawal of a redemption request.

The completed original Redemption Notice may be sent by email at the risk of the applicant. The originals of any Redemption Notice sent by email should be sent immediately by post or by an internationally recognized courier. Failure to provide the original completed Redemption Notice along with other documents that might be detailed in the Redemption Notice including any issued certificates representing Units before the deadline

may, at the discretion of the Investment Manager, result in cancellation of the redemption request. Redemption proceeds will only be paid upon the receipt of the original Redemption Notice by the Registrar.

The Investment Manager shall not be liable to any Unit Holder for any loss or damage arising out of or relating to the cancellation of the redemption request as set out above. The Fund shall indemnify the Investment Manager for losses (including legal fees) incurred by it in conjunction with actions on behalf of the Fund, provided that such losses were not the result of its fraud, gross negligence or wilful default.

Redemption proceeds shall be paid in USD and will be remitted by wire transfer to the account designated by the Unit Holder(s) in the redemption form after deduction of all relevant expenses. No third party payment will be made.

Any amount redeemed shall be paid following five (5) Business Days of the applicable Valuation Day, subject to adherence to the terms described herein.

### **Redemption Fee**

The redemption price for Units in each offering subsequent to the Initial Offer Period will be equal to the Net Asset Value as determined below in (“Calculation of Net Asset Value”).

Upon redemption of any Units in the Fund, a redemption fee will be deducted from the redemption proceeds calculated as follows:

- (a) for redemption within the period commencing from the later of the Closing Date or the date of subscription for the relevant Units and ending one (1) year after such date, an amount equal to 2% of the redemption proceeds;
- (b) for redemption within the period commencing from the later of the day which falls one (1) year after the Closing Date or the date of subscription for the relevant Units and ending two (2) years before such date, an amount equal to 1% of the redemption proceeds; and
- (c) for redemption of any Units at any time following two (2) years from the Closing Date or the date of subscription for the relevant Units, no redemption fee will be payable.

### **8.2.1 Suspension of Subscription and Redemption of Units**

#### **Suspension of Subscription and Redemption of Units**

The Fund may temporarily suspend the determination of the Net Asset Value per Unit upon the occurrence of one or more of the following events:

- (a) when the market in which a substantial portion of the Fund’s investments are invested or traded is closed other than for ordinary holidays, or during which dealings therein are restricted or suspended in a way that affects the valuation of the Fund’s assets;
- (b) the existence of any state of affairs which constitutes, in the opinion of the Directors, an emergency as a result of which disposal or the valuation of the Fund’s assets would be impractical;

- (c) any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments made by the Fund;
- (d) existence of any restrictions affecting the transfer of funds, if transactions on behalf of the Fund are rendered impracticable or if purchase, sale, deposits and withdrawals of the Fund's assets cannot be effected in the normal course of business; or
- (e) if an order by a court or regulatory body with appropriate jurisdiction in Bahrain, including the CBB, is issued requiring such suspension.

During the suspension period, the Fund shall not issue, redeem, or transfer Units.

Where a suspension occurs as described above, the Administrator shall notify the CBB as soon as practicable of its occurrence and of the reasons thereof.

## 8.2.2 Listing and Transfer of Units

### **Listing and Transfer of Units**

The Fund does not intend to seek listing on the stock exchanges of any of the MENA countries or elsewhere, although the Investment Manager and the Directors may elect to do so.

The Investment Manager does not intend, at this time, to make a secondary market in the Units, but may do so in the future.

Units in the Fund may be transferred by submitting to the Investment Manager a Notice of Transfer in the form provided by the Fund Company, executed by the transferor and the transferee. The Investment Manager reserves the right to refuse the transfer, for any reason, at its sole discretion. Once the transfer request has been accepted, the Registrar will update the Register in accordance with the terms of the Notice of Transfer within 15 Business Days of receipt of such Notice of Transfer.

## 8.2.3 Ownership Restrictions and Mandatory Redemption Conditions

### **Ownership and Restriction**

Unit Holders may subscribe provided that legislation or regulations in Bahrain and in their country of citizenship, residence, domicile, or incorporation permit them to do so. In particular, each Investor would be required, at the time of subscription, to provide adequate evidence to the Placement Agent and the Investment Manager that it qualifies as an Accredited Investor or in the event that the Investor is domiciled in a jurisdiction, other than Bahrain, then as a sophisticated investor under the requirements of local laws and regulations in the jurisdiction concerned, if such requirements are higher than those imposed by the Bahraini law. Such evidence may be provided by way of furnishing a copy of a bank or broker's statement.

Persons under 21 years of age are not allowed to subscribe unless he/she has the written authorization of his/her lawful guardian.

US Persons or US residents as defined in Regulation S under the US Securities Act of 1933 are not allowed to subscribe.

### **Mandatory Redemptions Conditions**

The Fund may compulsorily redeem any Unit, at the prevailing Net Asset Value per Unit, net of applicable redemption fees for the following reasons:

- (a) the units are held by or for the advantage (directly or indirectly) of:
  - (i) any restricted person and/or US Person; or
  - (ii) any other person whose continued holding would subject the Fund, its Unit Holders, or the Investment Manager to regulation deemed arduous by the Fund or such other party under the laws of the applicable jurisdiction, or would result in any adverse tax consequences for the Fund, its Unit Holders, or the Investment Manager;
- (b) any of the representations given by a Unit Holder in its Subscription Agreement were not true or have ceased to be true;
- (c) if the Investment Manager, in its sole discretion, determines that the holding of any Unit by the relevant Unit Holder is in contravention of any applicable laws or regulations or would result in adverse tax consequences to the Fund; or
- (d) for any other reason the Investment Manager or the Directors, acting at their sole discretion, may deem appropriate.

The Investor will be notified in writing of such redemption. Neither the Fund, the Fund Company nor the Investment Manager will be, in any way, liable to any Investor by reason of such mandatory redemption.

### **8.3 Calculation of NAV**

#### **Net Asset Valuation**

The calculation of the Net Asset Value is the responsibility of the Administrator. Quoted securities will be valued according to the markets' official closing prices.

The Net Asset Value of the units will be calculated in accordance with generally accepted international accounting standards using the formula: (a) the total assets of the Fund less (b) the total liabilities divided by (c) the total number of outstanding Units of the Fund prior to the relevant Valuation Day.

The Administrator will communicate to the Fund Company and to the Investment Manager the Net Asset Value per Unit normally no later than one (1) Business Day following a Valuation Day.

There will be a deduction from the total value of the Fund's assets of all accrued liabilities, including:

- (a) management and other fees and disbursements of the Investment Manager earned but not yet paid;
- (b) any allowance for the Fund's estimated annual audit, legal, and other fees;
- (c) charges of the Custodian, Administrator and any brokerage fees;
- (d) fees and charges of the Directors;

- (e) the gross acquisition consideration of investments contracted to be purchased for the Fund;
- (f) ) reserves authorized or approved by the Directors or the Investment Manager for duties and charges and taxes or contingencies (accrued where appropriate on a day-to-day basis);
- (g) other liabilities of the Fund of whatsoever nature (which shall, where appropriate, be deemed to accrue from day-to-day) including direct borrowing, outstanding payments on any Units previously redeemed, any dividends declared and not paid, as from the record date in respect thereof, and contingent liabilities (if any) being valued in such manner as the Directors may determine from time to time in any particular cases; and
- (h) all costs relating to any litigation in which the Fund or the Fund Company (acting in relation to the Fund) is involved.

The Net Asset Value of the Fund and the Units will be expressed in USD and any items denominated in other currencies are translated at prevailing exchange rates as determined by the Administrator.

## 9. ANTI-MONEY LAUNDERING

The Fund will be managed and operated in a manner which complies with the laws and regulations in force in Bahrain including, to the extent applicable to the Fund, the CBB's relevant circulars and instructions.

**“Know your Customer” and Combating Money Laundering** The Fund Company will comply with Bahrain's Legislative Decree No. (4) of 2001 with respect to Prohibition of and Combating Money Laundering and the various Ministerial Orders and circulars issued with regard thereto and Terrorist Financing from time to time including, but not limited to, Ministerial Order No. (7) of 2001 with respect to the Institution's Obligations Concerning the Prohibition of and Combating Money Laundering and any other law which may come into force in Bahrain in the future in connection with anti-money laundering regulations. In addition the Fund shall at all times comply with all circulars issued by Central Bank of Bahrain pertaining to anti-money laundering and terrorist financing in force from time to time.

As a result of the applicable anti-money laundering regulations, documentation will be required along with the subscription request for Units. The Placement Agent and the Investment Manager reserve the absolute right to require further verification of the identity of each potential Investor or that of the person or entity on whose behalf the potential Investor is applying for the purchase of the Units and/or the source of funds. This will be used to comply with these regulations and to verify the identity of the Investors and will remain confidential. Each potential Investor will be required to provide satisfactory evidence of identity and if so required, the source of funds within a reasonable timeframe determined by the Fund Company. Pending the provision of such evidence, application for Units will be postponed. If the Unit Holders fails to provide satisfactory evidence within the time specified, or if the Unit Holder provides evidence but the Fund Company was not satisfied therewith, the application may be rejected immediately, in which event the money received on application, if any, will be returned without interest.

**Records** The Fund will maintain records of each new subscription for the period of the Subscription but in any case for not less than ten (10) years from the Valuation Day.

**Indemnity** The Fund shall hold the Investment Manager and its directors free and harmless against any claim or liability that they may have incurred while performing their duties, except for their respective wilful fraud, misconduct or gross negligence.



## 10. RISK FACTORS

Investment in the Fund involves significant risks that prospective investors should consider before participating in the Fund. There can be no assurance that the Fund's target will be achieved or that significant capital losses will not occur. The Fund's returns may be unpredictable and, accordingly, its investment program is not suitable as the sole investment vehicle for an investor. An investor should only invest in the Fund as part of an overall investment strategy, and then only if the investor is able to withstand a total loss of investment. Prospective investors should carefully consider each and every risk involved herein, and all other information contained in this Memorandum. In considering participation in the Fund, an investor should be aware of certain considerations which include, but are not limited to, the following:

### **General**

The value of an investment in the Fund may fluctuate. There is no guarantee nor can any assurance be given that the targeted returns of the Fund will be met, that any other strategic objectives of the Fund will be achieved, or that investors will receive a return of all or any part of their investment. The projections concerning potential rates of return and future performance of the investments described herein represent estimates prepared on the basis of assumptions described in this Memorandum. Actual results may vary considerably from the projections. An investment in the Fund could result in a loss for a Unit Holder of part or whole of the investment.

### **Nature of Investment Fund**

The Fund does not have its own legal personality. As such, the assets of the Fund may be held in the name of the Fund Company.

The investments in this Fund are not deposits or other obligations of any bank or other financial institution, and are not guaranteed by any bank or other financial institution. Any investment in this Fund is therefore subject to investment risks, including the possible loss of the amount invested.

Investors in the Fund are required to conduct their own due diligence before committing themselves to an investment in the Fund.

### **Potential Market Volatility**

Stock and bond markets are volatile, and there is a risk that the price of a security will rise or fall due to changing economic, political or market conditions, as well as company-specific factors.

The price of an individual security or a particular type of security or a particular type of security can be more volatile than the market as a whole and can fluctuate differently than the market. An individual issuer's securities can rise or fall significantly based on factors such as earnings report, news about the development of a promising product, distribution difficulties or the loss of key management personnel.

Consequently, the value of an investment in the Fund may fluctuate over time and there can be no assurance that the Fund will achieve its investment objective or that a Shareholder will recover the full amount invested in the Fund.

### **Interest Rate Risk**

Interest rate increases or expectation of increases can cause the value of debt securities to decline.

<b>Income Risk</b>	<p>The Fund's overall income from fixed-income securities may decline due to falling interest rates. In an environment of falling interest rates as fixed-income securities mature the Fund may reinvest in lower-yielding securities.</p>
<b>Strategy Risk</b>	<p>In response to market, economic, political or other conditions, the Investment Manager may temporarily use a different investment strategy for the Fund. Such a strategy could include investing a relatively significant amount of the Fund's assets in cash or high-quality money market securities. If the Manager does so, it could affect the Fund's performance and the Fund might not achieve its investment objective.</p>
<b>Potential Conflicts of Interest</b>	<p>Neither the Administrator nor the Investment Managers will be devoting their full business efforts to the activities of the Fund.</p> <p>Unit Holders should be aware that there will be situations which arise where the Investment Manager (or affiliates, officers, employees or agents of the Investment Manager) may have a potential conflict of interest in respect of the interests of the Fund.</p> <p>The Investment Manager may act as a fund or investment manager or advisor in relation to other funds or collective investment structures. These funds or investment structures may involve investments within the UAE or other markets in which the Fund is active.</p> <p>In addition, affiliates, officers, employees and agents of the Investment Manager may undertake financial and investment management roles for other entities, in relation to investments in similar markets to those in which the Fund will be active.</p> <p>The Investment Manager, including officers, employees and agents of the Investment Manager may have substantial investment advisory and management responsibilities for parties other than the Fund. The Investment Manager will be permitted to undertake these responsibilities on an unrestricted basis.</p> <p>In the event of an actual conflict arising, the Directors will endeavour to ensure that such conflict be resolved fairly.</p>
<b>Cost Over-runs</b>	<p>Projections of fund expenses have been tested against the experience of similar initiatives elsewhere and are considered to be adequate. However, this may be affected by various factors such as inflation and competition, among other things.</p>
<b>Emerging Markets</b>	<p>Investing in new or emerging market assets involves certain risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include: i) the risk of nationalization or expropriation of assets or confiscatory taxation; ii) social, economic and political uncertainty including war; iii) price fluctuations, less liquid and smaller markets; iv) currency exchange rate fluctuations; v) rates of inflation (including hyperinflation); vi) governmental involvement in and control over the economies.</p>
<b>Substantial Redemption Risk</b>	<p>If there are significant redemptions within a limited period of time, it may be difficult for the Fund to provide enough cash to meet such redemptions without liquidating positions prematurely or upon unfavourable terms. This may result in significant losses to the Fund.</p>

**Investment in  
Smaller Companies**

The companies in which the Fund invests may include small unlisted companies, and even many of the listed companies in which the Fund invests will have a lower market capitalization than many companies listed in OECD countries. Investment in the securities of smaller companies can involve greater risks than is customarily associated in larger, more established companies. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock.

**No or Limited  
Availability of Insurance  
Against Certain  
Catastrophic Losses**

Certain losses of a catastrophic nature, such as wars, earthquakes, typhoons, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments.

**Political Climate  
and Extremism**

Many countries in the Middle East and North Africa have historically been subject to political instability and their prospects are tied to the continuation of economic and political liberalisation in the region. Instability may result from factors such as government or military intervention in decision-making, terrorism, civil unrest, extremism or hostilities between neighbouring countries. An outbreak of hostilities could result in substantial losses for the Fund. Extremist groups in certain countries have traditionally held anti-Western views and are opposed to openness to foreign investments. If these movements gain strength they could have a destabilizing effect on the investment activities of the Fund.

**Corporate Disclosure,  
Accounting and  
Regulatory Standards**

Companies in some countries in the Middle East and North Africa are not subject to disclosure, accounting, auditing and financial standards which are equivalent to those applicable in more developed countries. In addition, information that may be available is often less reliable. There is often less rigorous government supervision and regulation. Regulatory regimes relating to foreign investments are still in their infancy in these countries. This may mean that rules are being applied for the first time or inconsistently which may result, inter alia, in the amount and nature of information available to the Fund about investee companies and potential investments being inconsistent from time to time and from company to company. In addition, companies involved in the provision of financial and investment services have only recently been subject to a more developed regulatory regime, and, in particular, to restrictions on the disclosure of information. In particular, new regulations drafted to impose strict requirements and conditions of such companies equivalent to those in more of the developed markets have not all been implemented as yet.

**Compliance with  
Anti-Money Laundering  
Requirements**

In response to increased regulatory concerns with respect to the sources of funds used in investments and of activities, the Investment Manager will request investors to provide additional documentation verifying, among other things, such investors' identity and source of funds used to purchase the interests. The Fund may decline to accept a subscription on the basis of the information that is provided or if information is not provided. Requests for documentation and additional information may be made at any time during the tenure of the Fund. The Fund may be required to provide this information, or report the failure to comply with such requests, to appropriate governmental authorities, in certain circumstances without

notifying the investor that the information has been provided. The Fund will take such steps as it determines in its sole discretion are necessary to comply with applicable regulations, orders, directives or special measures.

**Environmental Matters**

The Fund may invest in companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements, and there can be no guarantee that all costs and risks regarding compliance with the environmental laws and regulations can be identified.

**Foreign Exchange Risk**

Any investment in the Fund will be denominated in US Dollars and therefore will be subject to any fluctuation in the rate of exchange between US Dollars and the currency of the Unit Holder's own jurisdiction and currency in which investment are made. Such fluctuations may have an adverse effect on the value or income of an investment in the Fund.

**Non-Participation in Management**

Investors in the Fund will be Unit Holders and will have no right or power to participate in the management of the Fund or of any of its assets. All aspects of management of investments are entrusted to the Investment Manager. Investors will have no opportunity to control the day-to-day operation of the Fund, including the investment and disposition decisions.

**Taxation**

Prospective investors should consult legal advisors in the countries of their citizenship, residence and domicile to determine the possible tax or other consequences of purchasing and holding investments in the Fund and the receipt of income or capital from the Fund from time to time under the laws of their respective jurisdictions.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL OF THE RISKS INVOLVED IN THIS OFFERING. PROSPECTIVE INVESTORS SHOULD READ ANY SUPPLEMENTAL DOCUMENTATION PROVIDED, IF ANY, IN THEIR ENTIRETY BEFORE DETERMINING WHETHER TO COMMIT TO THE FUND.**

## 11. SUMMARY OF MATERIAL CONTRACTS

The following is a list and summary of material contracts, which the Fund Company has entered into in connection with the Fund:

### **Investment Management Agreement**

The Fund Company has appointed Al Mal Capital PSC to provide investment management and advisory services in relation to the Fund. The duties, functions, and responsibilities of the Investment Manager include: managing the day to day affairs of the Fund; determining the cash needs of the Fund; arranging for the investment and realization Of the Fund's assets; monitoring investments held by the Fund; making decisions relating to the selection, timing, size, manner, and disposal of investments of the Fund; providing the monthly and quarterly reports; supplying the Fund Company and the Auditor with such information as they may request; liaising with the Fund Company's professional advisors and reporting to the Directors of the Fund Company in relation to the activities of these professional advisors. Details of the fees payable to the Investment Manager are described in the section "*Fund Fees and Expenses*".

### **Administration Agreement**

The Fund Company has appointed Apex Fund Services Bahrain WLL as the Fund's Administrator. In this capacity, the Administrator shall provide services to the Fund Company including: calculating the Net Asset Value of the Fund; liaising with the Auditor and providing the Auditor with all information necessary for the preparation of the financial statements; keeping the accounts of the Fund and any other books and records required by law; supervising the administration of the Fund and the procedure for the issue, transfer, allotment, redemption, and purchase of units in accordance with this Memorandum; dealing with correspondence from the Unit Holders and performing all of the duties usually performed by the Administrator, and paying agent including making all necessary statutory returns. Details of the fees payable to the Administrator are described in the section "*Fund Fees and Expenses*".

### **Registrar Agreement**

The Fund Company has appointed Apex Fund Services Bahrain WLL to provide registrar and transfer agency services in relation to the Fund. The duties of the Registrar include: creating a register of the Unit Holders containing the names and addresses, number of units held, and the date of acquisition of units by a Unit Holder; sending copies of the Register to the Investment Manager; providing access to the register and maintaining a record of instructions in respect of the Fund. Details of the fees payable to the Registrar are described in the section "*Fund Fees and Expenses*".

### **Custodian Agreement**

The Fund Company has appointed Standard Chartered Bank to provide custodial services in relation to the Fund. The duties of the Custodian include: holding in safe custody such securities, investments, financial instruments, and other items delivered to the Custodian; opening and maintaining accounts in the name of the Fund; receiving all income and other payments and distributions in respect of the Fund assets; taking necessary actions in respect of the receipt of such payments; receiving and holding securities for the account of the Fund and making available all relevant information to the Investment Manager, the Fund Company, and the Auditor. Details of the fees payable to the Custodian are described in the section "*Fund Fees and Expenses*".

**Placement  
Agent Agreement**

The Fund Company has appointed Al Mal Capital PSC as the Fund's Placement Agent pursuant to which Al Mal Capital PSC will use at all times its best endeavors to promote and extend sales of the Fund to all potential Investors and make available materials relating to the Fund to potential Investors as well as receive the Subscription Agreements together with the subscription amount. The Placement Agent will have the discretion to appoint Sub-Placement Agent(s) on terms which are substantially similar to the terms of the Placement Agency Agreement. Details of the fees payable to the Placement Agent are described in the section "*Fund Fees and Expenses*".

## 12. SUBSCRIPTION INSTRUCTIONS

### **Subscription Applications**

Applications may be made only by using the accompanying Subscription Agreement. All applications should be directed to Al Mal Capital PSC, at the address shown on the Subscription Agreement or one of its delegates, who will process applications on behalf of Unit Holders. The Fund reserves the right to require additional information and certification to comply with anti-money laundering regulations or to reject subscriptions in whole or in part, in which event subscription payments will be refunded at the applicant's risk, without interest. A properly completed and signed copy of a Subscription Agreement may also be submitted to AMC by fax in advance of submitting the original in order to expedite processing of the application. However, the signed original must be submitted as soon as practicable.

### **Subscription Payments**

Payments in full for the amount subscribed should be made by bank telegraphic transfer as indicated in the Subscription Form.

In order to facilitate prompt and accurate credit of subscription payments, Unit Holders must notify AMC, as to the details of the subscription payment indicating:

- (a) the name of the applicant;
- (b) the USD amount subscribed;
- (c) the USD amount of Placement Fees (if any);
- (d) the total USD amount sent;
- (e) the applicant's address (including a fax number if available);
- (f) ) the name and address of the financial institution remitting the subscription payment; and
- (g) the value date as of which the payment is being wired to the Fund's account.

### **Confirmations**

Upon acceptance of the subscription, confirmations will be sent to Unit Holders showing the details of each transaction. Any Unit Holder who has not given the necessary status and residence declarations and confirmations will be required to complete and return a form of Subscription Agreement to AMC as soon as practicable. Subscription Agreements will (save as determined by the Directors) be irrevocable and may be sent by email at the risk of the applicant. The originals of any Subscription Agreement sent by email should be sent immediately by post or by internationally recognised courier. Failure to provide the original Subscription Agreement may, at the discretion of the Directors, result in the cancellation of the allotment of the Units.

### 13. GENERAL INFORMATION

#### Reporting

An annual report including the year's activities/results and the audited financial statements (including the Auditor's report) showing the assets, gross income, liabilities and expenses incurred, net income, the Net Asset Value, and NAV per Unit will be prepared and circulated by the Investment Manager to the Unit Holders and the CBB within four months of the Fund's financial year-end.

In addition, each year the Fund Company shall produce semi-annual financial statements pertaining to the first 6 months of the financial year that will be reviewed by the Auditors. A copy of such un-audited financial statements will be filed with the CBB and sent to the Unit Holders within 2 months from the end of the first 6 month period.

#### Documents Available for Inspection

Copies of the following documents will be available for inspection at the registered office of the Fund Company and the offices of the Investment Manager during normal business hours:

- (a) the Memorandum and Articles of Association of the Fund Company;
- (b) this Memorandum and any other offering or placing documents produced from time to time by the Fund;
- (c) the material contracts referred to in the preceding section headed "*Summary of Material Contracts*";
- (d) the Bahrain Commercial Companies Law Decree No. 21 of the year 2001;
- (e) the CBB regulations for the operation and marketing of collective investment schemes, under circular number Circular No. EDFIS/C/020/2007 and
- (f) ) any interim or periodic accounts and/or reports in respect of the Fund sent to Unit Holders.

#### Governing Law

The offer in this Memorandum and the Subscription Agreement will be governed by, and construed in accordance with, the laws of the Kingdom of Bahrain. Additionally, all contracts listed in the section headed 'Summary of Material Contracts' shall also be governed by the laws of the Kingdom of Bahrain.



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