

Mashreq Capital (DIFC) Limited, in its capacity as the Fund Manager of the Fund (the “Fund Manager”), is responsible for the information contained in this document. To the best of the knowledge and belief of the Fund Manager (who has taken due care to ensure that such is the case) the information contained in this document is accurate and does not contain material omissions likely to impact on the accuracy of the information provided in this Prospectus. Mashreq Capital (DIFC) Limited has prepared this prospectus solely in its role as Fund Manager.

**Mashreq Capital Funds (OEIC) PLC** (the “Fund”) is a **Public Fund and an Umbrella Fund**, which may offer investors a choice between several Share Classes in a number of Sub-Funds. The Fund is organised as an umbrella public company with limited liability registered as an open-ended investment company in the DIFC. As of the date of this Prospectus, the Fund has seven Sub-Funds, the **Mashreq Global Balanced Fund**, which currently has seven Share Classes, the **Mashreq Global Conservative Fund**, which currently has six Share Classes, the **Mashreq Global Growth Fund**, which currently has four Share Classes, the **Mashreq Alternative Opportunities Fund**, which currently has two Share Classes, the **Mashreq MENA Equity Fund**, which currently has eight Share Classes, the **Mashreq MENA Fixed Income Fund**, which currently has eight Share Classes and the **Mashreq Global Emerging Markets Bond Fund** which currently has eight Share Classes. The Fund may establish further Sub-Funds in the future and may also establish further Share Classes in relation to each of its Sub-Fund at any time which may also be denominated in different currencies.

# Mashreq Capital Funds (OEIC) PLC

## (“FUND”)

(incorporated as an open-ended investment company in the DIFC)

### PROSPECTUS

Date: 29<sup>th</sup> April 2024



This Prospectus relates to a DIFC Fund in accordance with the Collective Investment Law 2010 and Rules of the Dubai Financial Services Authority (“DFSA”).

The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with this Domestic Fund. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it.

No other regulatory authority in the UAE has any responsibility for reviewing or verifying this Prospectus or any other documents in connection with the promotion of this fund. Accordingly, no regulatory authority in the UAE has approved this Prospectus or any other associated documents, nor taken any steps to verify the information set out herein, and therefore no regulatory authority in the UAE has any responsibility for the same.

This Passported Fund is a Public Fund and, accordingly, the units thereof may be promoted, including by means of a public offer of the units for public subscription, to persons in the United Arab Emirates (excluding the Financial Free Zones and the Abu Dhabi Global Market) and the Dubai International Financial Centre.

The Units to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Units offered should conduct their own due diligence on the Units.

If you do not understand the contents of this document you should consult an authorised financial adviser.

# Table of Contents

IMPORTANT INFORMATION	3
DEFINITIONS OF CAPITALISED TERMS USED IN THIS PROSPECTUS	3
FUND STRUCTURE	7
FUND MANAGEMENT	11
DIRECTOR(S) AND OVERSIGHT COMMITTEE	12
FUND ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT AND CUSTODIAN	13
Custodian	14
FEES AND CHARGES	15
SUBSCRIPTION FOR SHARES	17
REDEMPTION OF SHARES	19
GENERAL	20
INVESTMENT CONSIDERATIONS	25
GENERAL	25
MARKET RISKS	25
FUND DIRECTORY	29
ANNEX 1 – MASHREQ GLOBAL CONSERVATIVE FUND	30
ANNEX 2 – MASHREQ GLOBAL BALANCED FUND	36
ANNEX 3 – MASHREQ GLOBAL GROWTH FUND	42
ANNEX 4 – MASHREQ ALTERNATIVE OPPORTUNITIES FUND	48
ANNEX 5 – MASHREQ MENA EQUITY FUND	54
ANNEX 6 – MASHREQ MENA FIXED INCOME FUND	62
ANNEX 7 – MASHREQ GLOBAL EMERGING MARKETS BOND FUND	69

## IMPORTANT INFORMATION

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### Reliance on Prospectus

The Shares are offered solely on the basis of the information contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund or the Fund Manager. This Prospectus is valid as of the date shown on the front page hereof. However, neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof. In accordance with the CIR, this Prospectus will expire on 28<sup>th</sup> April 2025 at which date the Fund Manager intends to replace this with an updated version. No Shares in the Fund will be issued on the basis of this Prospectus after such expiry date.

No representation or warranty, whether express or implied, is given regarding the information and opinions contained in this Prospectus, or as to the achievement of any future gains. By accepting this Prospectus, the recipient acknowledges that neither the Fund and the Fund Manager or any of their subsidiaries or associates, or any of their directors, officers, employees, advisors or agents, has any duties or responsibilities to the recipient concerning the suitability and/or price of any investment which the recipient may make in the Fund.

The information contained in this Prospectus will be supplemented by the financial statements and further information contained in the latest annual and semi-annual reports of the Fund and/or the Sub-Funds, copies of which may be obtained free of charge from the registered office of the Fund which is located at the offices of the Fund Manager.

Recipients of this Prospectus should not interpret any financial information contained herein as a promise of the performance of the Fund. The Fund and the Fund Manager cannot (and do not) guarantee the performance or success of the Fund. Each prospective investor should carefully review the risks associated with an investment in the Fund, which are summarised in the section of this Prospectus headed "Investment Considerations".

### Restrictions on Distribution, Promotion and Subscription

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus may come are required by the Fund and the Fund Manager to inform themselves of, and to observe, any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

It is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective Subscribers for Shares should inform themselves as to all legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

### Investment Considerations

Investment in the Fund carries substantial risk. There can be no assurance that the Fund's investment objective in respect of each of its Sub-Funds will be achieved and investment results may vary substantially over time. Investment in any of the Sub-Funds is not intended to be a complete investment programme for any investor. Prospective Subscribers should carefully consider whether an investment in Shares is suitable for them in light of their circumstances and financial resources (see further under "Investment Considerations" below).

### Annexes

The Annexes to this Prospectus form an integral part of this Prospectus.

## DEFINITIONS OF CAPITALISED TERMS USED IN THIS PROSPECTUS

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Capitalised terms not otherwise defined in this Prospectus shall have the meanings ascribed to them in the Law or the CIR.

AED	United Arab Emirates dirhams.
Annex	An annex to this Prospectus containing information with respect to a particular Sub-Fund.
Articles of Association	The articles of association of the Fund (as amended or replaced from time to time) and which constitute the constitution of the Fund as required under the Law and the CIR.
Audit Principal	As further detailed under the section "Fund Directory".
Board	The board of Directors of the Fund.
Business Day	Monday to Friday unless the UAE Ministry of Labour or the DIFC Authority announce that such a day will be a holiday in the DIFC and, in relation to a particular Sub-Fund, such other place or places as may be specified in the relevant Annex.
CIR	The Collective Investment Rules (CIR) of the DFSA.
Custodian	First Abu Dhabi Bank PJSC, as Eligible Custodian, and includes any successor or replacement Eligible Custodian and or as may be appointed in respect of a relevant Sub-Fund as set out in the relevant Annex.

Custodian Agreement	The agreement dated 25 <sup>th</sup> September 2017 between the Fund Manager on behalf of the Fund and the Custodian relating to the custody/safekeeping of the assets of each Sub-Fund (as amended or replaced from time to time).
Administration Agreement	The agreement dated 10 <sup>th</sup> February 2019 with an effective date of 9 <sup>th</sup> December 2018 between the Fund Manager on behalf of the Fund and the Fund Administrator, Registrar and Transfer Agent relating, amongst other things, to the administration of each Sub-Fund (as supplemented, amended or replaced from time to time).
DFSA	The Dubai Financial Services Authority and includes any successor or replacement agency or authority.
DIFC	The Dubai International Financial Centre, Dubai, United Arab Emirates.
Dilution Levy	Any dilution levy charged in accordance with the provisions set out under "Dilution Levy" below.
Director	The director of the Fund (which shall be the Fund Manager) and includes any successor or replacement director.
Eligible Custodian	An Eligible Custodian as defined and prescribed in the CIR.
EUR	The currency of the Euro-zone.
Fees	The subscription, distribution, management, performance, administration, registration and transfer agency, custodian and/or other fees payable in respect of each Sub-Fund as set out in this Prospectus and the relevant Annex.
Financial Year	The financial year of the Fund will end on 31 December of each year.
Fund	Mashreq Capital Funds (OEIC) PLC.
Fund Administrator	Apex Fund Services (Dubai) Ltd. and includes any successor or replacement fund administrator.
Fund Management Agreement	The agreement dated 27 <sup>th</sup> September 2017 between the Fund Manager and the Fund, relating to the management of the Fund and each Sub-Fund.
Fund Manager	Mashreq Capital and includes any successor or replacement fund manager of the Fund.
Initial Closing Date	The last day of the Initial Offer Period in respect of a particular Sub-Fund as specified in the relevant Annex and or as determined by the Fund Manager.
Initial Offer Period	The period determined by the Fund Manager during which Shares on a particular Sub-Fund or Class are offered for subscription at the Initial Issue Price as specified in the relevant Annex.
Initial Issue Date	The first Business Day following the Initial Closing Date.
Initial Issue Price	The fixed price per Share at which Subscribers may subscribe for Shares during the Initial Offer Period, as set out in the relevant Annex.
Investment Manager	Any investment manager appointed by the Fund Manager on behalf of the Fund to act as investment manager of any of the Sub-Funds as may be specified in the relevant Annex for the relevant Sub-Fund.
Investment Objective and Policies	The investment objective and policies of each Sub-Fund as set out in the relevant Annex.
Issue Date	The issue date for Shares in a particular Sub-Fund or Share Class as specified in the relevant Annex.
Law	The Collective Investment Law No. 2 of 2010.
Mashreq Alternative Opportunities Fund	The Sub-Fund represented by the Class "AO A USD" Shares and Class "AO B USD" Shares of the Fund being the fourth Sub-Fund of the Fund offered to investors on the terms set out in this Prospectus and the relevant Annex.
Mashreq Capital	Mashreq Capital (DIFC) Limited.
Mashreq Global Balanced Fund	The Sub-Fund represented by the Class "GB A USD" Shares, Class "GB A AED" Shares, Class "GB B USD" Shares, Class "GB B AED" Shares, Class "GB C USD" Shares, Class "GB I USD" Shares and Class "GB I AED" Shares of the Fund being the second Sub-Fund of the Fund offered to investors on the terms set out in this Prospectus and the relevant Annex.
Mashreq Global Conservative Fund	The Sub-Fund represented by the Class "GC A USD" Shares, Class "GC A AED" Shares, Class "GC B USD" Shares, Class "GC B AED" Shares, Class "GC I USD" Shares and Class "GC I AED" Shares of the Fund being the first Sub-Fund of the Fund offered to investors on the terms set out in this Prospectus and the relevant Annex.
Mashreq Global Emerging Markets	

Bond Fund	The Sub-Fund represented by the Class “MGEMB AA USD” Shares, Class “MGEMB AA AED” Shares, Class “MGEMB BA USD” Shares, Class “MGEMB BA AED” Shares, Class “MGEMB BI USD” Shares, Class “MGEMB BI AED” Shares, Class “MGEMB CA USD” Shares and Class “MGEMB CA AED” Shares of the Fund being the seventh Sub-Fund of the Fund offer to investors on the terms set out in this Prospectus and the relevant Annex.
Mashreq Global Growth Fund	The Sub-Fund represented by the Class “GG A USD” Shares, Class “GG A AED” Shares, Class “GG I USD” Shares and Class “GG I AED” Shares of the Fund being the third Sub-Fund of the Fund offered to investors on the terms set out in this Prospectus and the relevant Annex.
Mashreq MENA Equity Fund	The Sub-Fund represented by the Class “ME AA USD” Shares, Class “ME AA AED” Shares, Class “ME BA USD” Shares, Class “ME BA AED” Shares, Class “ME BI USD” Shares, Class “ME BI AED” Shares, Class “ME CA USD” Shares and Class “ME CA AED” Shares of the Fund being the fifth Sub-Fund of the Fund offered to investors on the terms set out in this Prospectus and the relevant Annex.
Mashreq MENA Fixed Income Fund	The Sub-Fund represented by the Class “MFI AA USD” Shares, Class “MFI AA AED” Shares, Class “MFI BA USD” Shares, Class “MFI BA AED” Shares, Class “MFI BI USD” Shares, Class “MFI BI AED” Shares, Class “MFI CA USD” Shares and Class “MFI CA AED” Shares of the Fund being the sixth Sub-Fund of the Fund offered to investors on the terms set out in this Prospectus and the relevant Annex.
MENA	The United Arab Emirates, Bahrain, Kingdom of Saudi Arabia, Oman, Qatar, Kuwait, Lebanon, Syria, Iraq, Palestine, Jordan, Algeria, Egypt, Morocco, Libya, Tunisia, Sudan and Turkey.
Minimum Initial Fund Size	The minimum initial fund size for each Sub-Fund set out in the relevant Annex.
Net Asset Value (or NAV) per Class	The net asset value of a Sub-Fund per Class determined in accordance with the provisions set out under “Net Asset Value” below.
Net Asset Value (or NAV) per Share	The net asset value of a Sub-Fund per Class per Share, determined in accordance with the provisions set out under “Net Asset Value” below.
Net Asset Value (or NAV)	The net asset value of a Sub-Fund determined in accordance with the provisions set out under “Net Asset Value” below.
Ordinary Resolution	A resolution of a duly constituted general meeting of a Share Class or Share Classes of the Fund’s Shareholders passed by a simple majority of the votes cast on behalf of the Shares entitled to vote through or on behalf of the relevant Share Class or Share Classes of Shareholders present in person or by proxy and voting at the meeting. It includes any unanimous written resolution of the holders of Shares entitled to vote, expressed to be an ordinary resolution.
Oversight Committee	The panel or board appointed to oversee and supervise the Fund Manager as required under the Law and the CIR.
Portfolio Manager(s)	The portfolio manager(s) in charge of the management of Sub-Fund Property of a particular Sub-Fund as specified in the relevant Annex.
Performance Fee	Where applicable, a performance fee that may be payable to the Fund Manager or the Investment Manager depending on the performance of the relevant Sub-Fund, as set out in the relevant Annex.
Prospectus	This prospectus setting out the terms of the Fund together with each Annex.
Record Date	Record date means the date determined by the Director on which a Shareholder must own Shares in order to be entitled to a distribution.
Redemption Costs and Expenses	In addition to the Dilution Levy, any redemption cost or expense charged in accordance with the provisions of this Prospectus.
Redemption Date	The redemption date for Shares in a particular Sub-Fund as specified in the relevant Annex.
Redemption Price	The Net Asset Value per Share minus any Redemption Costs and Expenses.
Redemption Request	A request by a Shareholder to redeem some or all of its Shares in a Sub-Fund.
Registered Auditor	The registered auditor of the Fund and the Sub-Funds.
Registrar and Transfer Agent	Apex Fund Services (Dubai) Ltd. and includes any successor or replacement registrar and transfer agent.
Rules	The rules of the DIFC and of the DFSA.
Share	A registered share in the Fund or a Sub-Fund, as applicable.
Share Class	A separate class of Shares in the Fund or a Sub-Fund, which includes any sub-class of a Share Class.

Shareholder	A holder of a Share.
Shareholders Register	The register of Shareholders maintained by the Registrar and Transfer Agent in relation to the Fund and each Sub-Fund at its registered office in the DIFC, where it can be inspected by the Shareholders.
Special Resolution	A resolution in respect of which notice of intention to propose the resolution has been given, and that has been passed by the positive vote of a Share Class or Share Classes of Shareholders holding at least 75% of the Shares entitled to vote on the resolution.
Sub-Fund	A separate sub-fund of the Fund established and maintained in respect of one or more Share Classes to which the assets and liabilities and income and expenditure attributed or allocated to such Sub-Fund will be applied or charged. Where appropriate, a reference in this Prospectus to a Sub-Fund will include a reference to the Share Classes issued in that Sub-Fund.
Sub-Fund Property	The assets of the relevant Sub-Fund.
Subscriber	A potential investor in a Sub-Fund who has submitted a subscription agreement but to whom Shares have not yet been issued.
Subscription Account	A non-interest bearing account with the Custodian to which the investment amounts of Subscribers will be deposited pending the relevant Issue Date.
Subscription Date	The subscription date for Shares in a particular Sub-Fund as specified in the relevant Annex.
Subscription Price	The Net Asset Value per Share plus any subscription fee specified in the relevant Annex.
USD and United States Dollars	The currency of the United States of America.
Underlying Fund(s)	The underlying funds in which a specific Sub-Fund may invest in accordance with the investment objective, policy and restrictions set out in the relevant Annex.
Valuation Date	The valuation date for Shares in a particular Sub-Fund as specified in the relevant Annex and for as determined by the Fund Manager.

## FUND STRUCTURE

### The Fund

The Fund is a DFSA Public Fund and a DFSA Domestic Fund (both as defined in the Rules) and was registered with the DFSA on 5<sup>th</sup> September 2017. The Fund effectively commenced operations as of 1<sup>st</sup> October 2017.

The Fund is constituted as an open-ended investment company established in the DIFC on 4<sup>th</sup> September 2017 under the DIFC Companies Law No. 2 of 2009 (which has now been replaced by the DIFC Companies Law No. 5 of 2018). The Articles of Association of the Fund are governed by the laws of the DIFC. **The Fund is organised as an Umbrella Fund and each Sub-Fund created by the Fund comprises or will comprise a separate Sub-Fund. The Fund is not constituted as a Protected Cell Company in accordance with the provisions of the Regulations made under the DIFC Companies Law No. 5 of 2018. Therefore, in case the Fund is unable to meet liabilities attributable to any particular Sub-Fund out of the assets attributable to that particular Sub-Fund, the remaining liabilities may have to be met out of the assets attributable to other Sub-Funds (the Sub-Funds are not ring-fenced).** Each Sub-Fund will, in turn, be sub-divided into one or more separate Share Classes. As of the date of this Prospectus, the Fund has seven Sub-Funds operating, the **Mashreq Global Balanced Fund**, currently comprising the Class "GB A USD" Shares, Class "GB A AED" Shares, Class "GB B USD" Shares, Class "GB B AED" Shares, Class "GB C USD" Shares, Class "GB I USD" Shares and Class "GB I AED" Shares of the Fund, the **Mashreq Global Conservative Fund**, currently comprising the Class "GC A USD" Shares, Class "GC A AED" Shares, Class "GC B USD" Shares, Class "GC B AED" Shares, Class "GC I USD" Shares and Class "GC I AED" Shares of the Fund, the **Mashreq Global Growth Fund** currently comprising the Class "GG A USD" Shares, Class "GG A AED" Shares, Class "GG I USD" Shares and Class "GG I AED" Shares of the Fund, the **Mashreq Alternative Opportunities Fund** currently comprising the Class "AO A USD" Shares and the Class "AO B USD" Shares of the Fund, the **Mashreq MENA Equity Fund** currently comprising the Class "ME AA USD" Shares, Class "ME AA AED" Shares, Class "ME BA USD" Shares, Class "ME BA AED" Shares, Class "ME BI USD" Shares, Class "ME BI AED" Shares, Class "ME CA USD" Shares and Class "ME CA AED" Shares of the Fund, the **Mashreq MENA Fixed Income Fund** currently comprising the Class "MFI AA USD" Shares, Class "MFI AA AED" Shares, Class "MFI BA USD" Shares, Class "MFI BA AED" Shares, Class "MFI BI USD" Shares, Class "MFI BI AED" Shares, Class "MFI CA USD" Shares and Class "MFI CA AED" Shares of the Fund, and the **Mashreq Global Emerging Markets Bond Fund** currently comprising the Class "MGEMB AA USD" Shares, Class "MGEMB AA AED" Shares, Class "MGEMB BA USD" Shares, Class "MGEMB BA AED" Shares, Class "MGEMB BI USD" Shares, Class "MGEMB BI AED" Shares, Class "MGEMB CA USD" Shares and Class "MGEMB CA AED" Shares of the Fund. The Fund Manager has as sole Director the ability within the authorised share capital of the Fund to establish further Sub-Funds and establish further Share Classes in relation to each of its Sub-Funds. Such further Sub-Funds or Share Classes may also be denominated in currencies other than the United States Dollar.

**The current authorised share capital of the Fund is twenty million one hundred United States Dollars (USD 20,000,100) and seventeen million United Arab Emirates dirhams (AED 17,000,000) and is divided into:**

Name of Management Share Class	Number of Authorised USD Shares	Share Capital (USD)
Class "M" Share with a nominal par value of one hundred United States Dollars (USD 100.00)	1	100.00
<b>Total Authorised Management Shares and Share Capital</b>	<b>1</b>	<b>100.00</b>

Mashreq Global Conservative Fund	Number of Authorised Shares		Share Capital	
Name of Share Class	USD	AED	USD	AED
Class "GC A USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "GC A AED" Shares with a nominal par value of one fil (AED 0.01) per Share		100,000,000		1,000,000
Class "GC B USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "GC B AED" Shares with a nominal par value of one fil (AED 0.01) per Share		100,000,000		1,000,000
Class "GC I USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "GC I AED" Shares with a nominal par value of one fil (AED 0.01) per Share		100,000,000		1,000,000
<b>Total Authorised Shares and Share Capital</b>	<b>300,000,000</b>	<b>300,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>

Mashreq Global Balanced Fund	Number of Authorised Shares		Share Capital	
Name of Share Class	USD	AED	USD	AED

Class "GB A USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "GB A AED" Shares with a nominal par value of one fil (AED 0.01) per Share		100,000,000		1,000,000
Class "GB B USD" Shares with a nominal par value of on Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "GB B AED" Shares with a nominal par value of one fil (AED 0.01) per Share		100,000,000		1,000,000
Class "GB C USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	100,000,000			
Class "GB I USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "GB I AED" Shares with a nominal par value of one fil (AED 0.01) per Share		100,000,000		1,000,000
<b>Total Authorised Shares</b>	<b>400,000,000</b>	<b>300,000,000</b>	<b>4,000,000</b>	<b>3,000,000</b>

<b>Mashreq Global Growth Fund</b>	<b>Number of Authorised Shares</b>		<b>Share Capital</b>	
<b>Name of Share Class</b>	<b>USD</b>	<b>AED</b>	<b>USD</b>	<b>AED</b>
Class "GG A USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "GG A AED" Shares with a nominal par value of one fil (AED 0.01) per Share		100,000,000		1,000,000
Class "GG I USD" Shares with a nominal par value of on Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "GG I AED" Shares with a nominal par value of one fil (AED 0.01) per Share		100,000,000		1,000,000
<b>Total Authorised Shares</b>	<b>200,000,000</b>	<b>200,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>

<b>Mashreq Alternative Opportunities Fund</b>	<b>Number of Authorised Shares</b>		<b>Share Capital</b>	
<b>Name of Share Class</b>	<b>USD</b>	<b>AED</b>	<b>USD</b>	<b>AED</b>
Class "AO A USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "AO B USD" Shares with a nominal par value of on Cent (USD 0.01) per Share	100,000,000		1,000,000	
<b>Total Authorised Shares</b>	<b>200,000,000</b>		<b>2,000,000</b>	

<b>Mashreq MENA Equity Fund</b>	<b>Number of Authorised Shares</b>		<b>Share Capital</b>	
<b>Name of Share Class</b>	<b>USD</b>	<b>AED</b>	<b>USD</b>	<b>AED</b>
Class "ME AA USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "ME AA AED" Shares with a nominal par value of one fil (AED 0.01) per Share		100,000,000		1,000,000
Class "ME BA USD" Shares with a nominal par value of on Cent (USD 0.01) per Share	50,000,000		500,000	
Class "ME BA AED" Shares with a nominal par value of one fil (AED 0.01) per Share		50,000,000		500,000
Class "ME BI USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	50,000,000		500,000	
Class "ME BI AED" Shares with a nominal par value of one fil (AED 0.01) per Share		50,000,000		500,000



Class "ME CA USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "ME CA AED" Shares with a nominal par value of one fil (AED 0.01) per Share		100,000,000		1,000,000
<b>Total Authorised Shares</b>	<b>300,000,000</b>	<b>300,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>

<b>Mashreq MENA Fixed Income Fund</b>	<b>Number of Authorised Shares</b>		<b>Share Capital</b>	
<b>Name of Share Class</b>	<b>USD</b>	<b>AED</b>	<b>USD</b>	<b>AED</b>
Class "MFI AA USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "MFI AA AED" Shares with a nominal par value of one fil (AED 0.01) per Share		100,000,000		1,000,000
Class "MFI BA USD" Shares with a nominal par value of on Cent (USD 0.01) per Share	50,000,000		500,000	
Class "MFI BA AED" Shares with a nominal par value of one fil (AED 0.01) per Share		50,000,000		500,000
Class "MFI BI USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	50,000,000		500,000	
Class "MFI BI AED" Shares with a nominal par value of one fil (AED 0.01) per Share		50,000,000		500,000
Class "MFI CA USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "MFI CA AED" Shares with a nominal par value of one fil (AED 0.01) per Share		100,000,000		1,000,000
<b>Total Authorised Shares</b>	<b>300,000,000</b>	<b>300,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>

<b>Mashreq Global Emerging Markets Fund</b>	<b>Number of Authorised Shares</b>		<b>Share Capital</b>	
<b>Name of Share Class</b>	<b>USD</b>	<b>AED</b>	<b>USD</b>	<b>AED</b>
Class "MGEMB AA USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "MGEMB AA AED" Shares with a nominal par value of one fil (AED 0.01) per Share		100,000,000		1,000,000
Class "MGEMB BA USD" Shares with a nominal par value of on Cent (USD 0.01) per Share	50,000,000		500,000	
Class "MGEMB BA AED" Shares with a nominal par value of one fil (AED 0.01) per Share		50,000,000		500,000
Class "MGEMB BI USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	50,000,000		500,000	
Class "MGEMB BI AED" Shares with a nominal par value of one fil (AED 0.01) per Share		50,000,000		500,000
Class "MGEMB CA USD" Shares with a nominal par value of one Cent (USD 0.01) per Share	100,000,000		1,000,000	
Class "MGEMB CA AED" Shares with a nominal par value of one fil (AED 0.01) per Share		100,000,000		1,000,000
<b>Total Authorised Shares</b>	<b>300,000,000</b>	<b>300,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>

The Class "M" Share in the Fund is the non-participating non-redeemable founder Share in the Fund. The Class "M" Share has a nominal par value of USD 100 and a subscription price of USD 100, fully paid up. The Class "M" Share is held by the Fund Manager.

All Shares from Share Classes other than the Class "M" Share class, are participating, redeemable shares but shall not confer any voting rights on a Shareholder, provided however that a Shareholder shall be permitted to vote in those circumstances specifically stated in the Articles of Association or otherwise in accordance with the Law, the CIR and the Rules. This includes the right to vote on any matters (or amendments) which would affect the

rights or entitlements of a Shareholder, such as a fundamental change requiring a Special Resolution or a materially significant change requiring an Ordinary Resolution.

Each Sub-Fund will have its own investment objective and policies and may be subject to different terms and conditions and, amongst other things, may have a different base currency, minimum subscription amount, fee structure or distribution policy. The terms and conditions of each Sub-Fund are specified in the relevant Annex.

No application has been made for the listing of the Fund or any Sub-Fund on any stock exchange but an application for any such listing(s) may be made on (an) exchange(s) in the future at the sole discretion of the Fund Manager.

There is no limit on the number of investors who may invest in the Fund.

### **Investment Objective and Policies**

The investment objective and policies of each Sub-Fund will be set out in the Annex for that Sub-Fund.

### **Duration of the Fund**

The duration of the Fund and each Sub-Fund shall be unlimited and shall continue until terminated in accordance with the provisions of this Prospectus, the Articles of Association and, in relation to a Sub-Fund, the relevant Annex.

### **Subscriptions**

Investors may subscribe for Shares during the relevant Initial Offer Period at the Initial Issue Price plus the applicable subscription fee, if any, specified in the relevant Annex, and thereafter on each Subscription Date at the relevant Subscription Price upon such number of days' notice or by such time and/or day as specified in the relevant Annex.

### **Minimum Subscription and holding**

The minimum initial subscription amount and the minimum ongoing holding amount for each Sub-Fund or Class are specified in the relevant Annex.

### **Redemptions**

Shares are redeemable at the option of the Shareholder on each Redemption Date upon such number of days' notice or by such time and/or day as specified in the relevant Annex. Shares will be redeemed at the relevant Redemption Price. The Fund Manager may decide that no redemptions will be accepted before the end of a minimum holding period, if any, specified in the relevant Annex.

### **Distribution Policy**

The Fund's distribution policy may vary for each Sub-Fund and each Share Class (or sub-class) of Shares, as is set out in the relevant Annex; however the decision to make a distribution in relation to any Sub-Fund or Share Class will be made solely by the Director. All Shareholders recorded in the Shareholders Register maintained by the Registrar and Transfer Agent at the end of the Record Date (including the Record Date transactions) shall be eligible for such distribution.

If a distribution is declared or made by the Fund in relation to any Sub-Fund or Share Class, it will generally be paid to each eligible Shareholder by electronic transfer (net of the electronic transfer fee) to the account instructed by that Shareholder except if provided otherwise in the relevant Annex.

In the event that a distribution is declared or made and remains unclaimed after a period of twelve months from the date of distribution, such distribution will be automatically forfeited and will become the property of the relevant Sub-Fund.

### **Taxation and Reporting**

On the basis of current law and practice, the Fund will not be subject to any income or capital gains tax in the DIFC or the United Arab Emirates. Prospective Subscribers for Shares should consult their own advisers as to the effect on their own particular tax circumstances of an investment in the Fund.

The Fund is required under the regulations and guidance notes made pursuant to treaties, law and intergovernmental agreements entered into by the United Arab Emirates to which the Fund Manager and the Fund is subject, to comply in relation to the (automatic) exchange of information for tax matters (collectively "AEOI"). The applicable intergovernmental agreements relates to both U.S. Foreign Account Tax Compliance Act ("FATCA") and OECD Standard for Automatic Exchange of Financial Information in Tax Matters – Common Reporting Standard ("CRS") requirements. Further details are set out in the relevant Subscription Agreement relating to AEOI.

### **Limited Liability**

Investors invest in the Fund with limited liability and cannot lose more than the amount of their investment. Shareholders will have no further liability for the debts of the Fund.

### **Fund Manager & Investment Manager**

Mashreq Capital has been appointed as the Fund Manager of the Fund and, subject to the contrary in any relevant Annex for a specific Sub-Fund, also acts as the Investment Manager of the Fund and the Sub-Funds and will act in accordance with:

- (a) The Management Agreement
- (b) The Articles of Association
- (c) The Prospectus
- (d) The Law and the CIR

As Fund Manager, Mashreq Capital is also the Director (see further under "Director" below).

Mashreq Capital (which is a wholly owned subsidiary of MashreqBank PSC incorporated in Dubai, United Arab Emirates) is a private company incorporated in the DIFC on 07 February 2006 and is licensed by the DFSA to undertake the following financial services:

- (a) Advising on Financial Products
- (b) Dealing in Investments as Principal;
- (c) Managing a Collective Investment Fund;
- (d) Managing Assets;
- (e) Dealing in Investments as Agent;
- (f) Arranging Credit and advising on credit; and
- (g) Arranging Deals in Investments.

At the date of this Prospectus, the issued share capital of the Fund Manager is USD 2.5 Million, all of which is paid up.

Robert Hahm, Senior Executive Officer of Mashreq Capital, started his career in banking in 1999 with Dresdner Bank Latinamerica AG where he gained experience in the bank's treasury with a focus on managing emerging market fixed income investments. After finishing his Master's degree in Economics from University of Hamburg in 2008 and while gaining his CFA designation in 2009, he served in various risk management functions until joining Mashreq Capital's asset management team in 2011. At Mashreq Capital, Robert moved from research into portfolio management, then headed the fixed income team and was finally promoted to serve as Head of Asset Management as well as Chief Executive Officer.

Further, Mashreq Capital has on its board members of MashreqBank senior management team who actively sit on the boards of various funds that the group operates, and hence have extensive experience in monitoring fund management activities.

Details of the Registered Office and directors of Mashreq Capital are available to the public at its office in the DIFC.

### **The Fund Manager must, amongst other things:**

- a) carry out such duties and functions in relation to the Fund as are necessary to ensure compliance with the Law and the Rules that impose obligations on a Fund Manager;
- b) carry out its duty to make, and ensure that, decisions as to the constituents of the Sub-Fund Property are in accordance with the Articles of Association and Investment Objective and Policies of such Sub-Fund;
- c) take all steps and execute all documents to ensure that transactions are properly entered into for the account of the Fund/each Sub-Fund;
- d) establish and maintain risk management controls and controls to enable it to identify, assess, mitigate, control and monitor risks in relation to the Fund/each Sub-Fund;
- e) take all reasonable steps and exercise due diligence to ensure that the Sub-Fund Property is valued in accordance with the Law, the CIR and the Articles of Association;
- f) ensure that any transaction in respect of the Sub-Fund Property undertaken with a Related Party (as defined in the CIR) is on terms at least as favourable to the Sub-Fund as any comparable arrangement on normal commercial terms negotiated at arm's length with an independent third party and is effected in accordance with the CIR; and
- g) make and retain accounting and other records that are necessary to enable it to comply with the CIR and to demonstrate at any time that such compliance has been achieved.

The Fund Manager is responsible to the Shareholders for the safe-keeping of the Sub-Fund Property. The Fund Manager is also responsible for managing the Fund and monitoring its performance on a daily basis.

The Fund Manager is responsible, in compliance with all relevant laws, for all operations concerning the Fund and each Sub-Fund and shall be permitted from time to time to delegate certain activities, or outsource certain functions, in accordance with the CIR. Notwithstanding such delegation, the Fund

Manager remains responsible to the Fund and the Shareholders in accordance with the Law and the Rules.

The Fund will ratify all actions taken by the Fund Manager in accordance with the terms of the Articles of Association and this Prospectus and shall indemnify each of the Fund Manager, its officers and employees (each an "indemnified party") to the fullest extent permitted by the laws of the DIFC against any liability, actions, proceedings, claims, demands, costs or expenses reasonably incurred or sustained by it in connection with any debt, claim, action, demand, suit, proceeding, judgment, decree, liability or obligation of any kind in which it becomes involved as a party or otherwise, by virtue of its being or having been the Fund Manager, an officer or employee of the Fund except where such debt, claim, action, demand, suit, proceeding, judgment, decree, liability or obligation arises as a result of any fraud, gross negligence or wilful default on the part of the relevant indemnified party. Subject to any provision of the laws of the DIFC to the contrary, no indemnified party shall be liable for any damage, loss, costs or expenses to or of the Fund at any time unless caused by the indemnified party's fraud, gross negligence or wilful default.

Subject always to the provisions of the Law and the Rules, the Fund Manager may be removed or may resign pursuant to the provisions of the Fund Management Agreement and the Articles of Association.

## DIRECTOR(S) AND OVERSIGHT COMMITTEE

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The Fund has appointed Mashreq Capital (DIFC) Limited as sole (and executive) Director.

The Director of the Fund will receive no remuneration in respect of its role.

In accordance with the CIR, an 'Oversight Committee' comprising three individuals has been appointed by the Fund Manager who shall supervise the activities of the Fund Manager in accordance with the Law and the CIR. This committee comprises the following persons who are authorised by the DFSA:

### Sharon Ditchburn

Sharon Ditchburn is a Certified Practicing Accountant, Chartered Secretary, and holds legal qualifications from Australia, as well as an MBA specializing in Corporate Governance, Entrepreneurship and Strategy. Sharon has wide ranging experience at Senior Management and Director level on a variety of public and private companies in Australia and the UAE. Overall, her experience ranges across advisory and management of compliance and corporate governance programs, mergers and acquisitions to investor relations programs.

### Ece Briscoe

Ms Briscoe is an experienced Lawyer and Compliance Manager. Ece has more than 10 years of legal experience, in the Middle East, UK and Turkey, including roles as senior lawyer, in-house legal counsel, Anti-Money Laundering and Compliance Officer. Ece is a DFSA regulated Compliance / AML Officer for a range of companies including asset managers, insurance platforms, and general advisors. Her work includes updating client registration applications, compliance/AML/risk manuals based on DFSA requirements and changes, performing risk-rating and KYC analysis on potential investors, drafting quarterly/annual compliance and MLRO reports for client senior management, conducting AML and KYC training based on DFSA rulebooks, and preparing and assisting clients with DFSA Risk assessments.

### Lotte Nielsen

Lotte Nielsen has more than 20 years of experience in the fields of financial services, legal services, compliance, AML, corporate governance, company secretarial, tax auditing and internal control. She is a dedicated professional with a proven track record in compliance, corporate governance, money laundering, anti-bribery, corruption and fraud systems, controls and practices. She has built technical capacity within compliance, risk and governance and undertaken support, guidance, implementation and training in the Middle East mainly to financial services firms, but also to non-financial industries.

### Information regarding Capital Advantage Consultants

Established in 2004, Capital Advantage Consultants was one of the first companies established in the UAE dedicated to compliance and corporate governance and has worked with the DIFC and DFSA since their inception. Capital Advantage Consultants covers both conventional and Islamic financial services, and has significant experience in the onshore GCC markets, Africa and Asia.

Capital Advantage Consultants has a broad range of clients including compliance outsource companies and DFSA regulated entities including Category 2 Investment Banks and Underwriters, Category 3 Asset and Fund Managers, Brokerage firms and Trust companies and Category 4 Fund Administrators and Advisors/Arrangers.

The Oversight Committee must:

- a) monitor whether the Fund Manager:
  - i. is managing the Fund and each Sub-Fund in accordance with the Articles of Association and the most recent Prospectus, including in particular, any investment and borrowing limitations, requirements relating to the valuation of Sub-Fund Property and any other requirements or restrictions imposed on the Fund under the Law or the CIR; and
  - ii. is complying with any terms and conditions on the Fund Manager's DFSA licence, particularly with respect to the management of the Fund.
- b) assess whether the Fund Manager's systems and controls, particularly those relating to risk management and compliance, operate as intended and remain adequate;
- c) report to the Fund Manager on its findings, including any actual or potential breaches or inadequacies in relation to the matters specified in (a) and

(b), as soon as such breaches or inadequacies are identified or suspected; and

d) report to the DFSA if:

- i. the Fund Manager has failed, or is reasonably likely to fail, to take appropriate action to rectify or remedy a matter reported to it within 30 days of that matter being so reported; and
- ii. the Oversight Committee believes on reasonable grounds that the matter has had, or is likely to have, a materially adverse impact on the interests of the Shareholders.

The Oversight Committee must furthermore, amongst other things:

- a) carry out such duties and functions in relation to the Fund as are necessary to ensure compliance with the Law and the CIR that impose obligations on an Oversight Committee;
- b) ensure (on a continuing basis) proper management of the Fund by the Fund Manager in accordance with CIR relating to single pricing and dealing, income, investment, borrowing and reporting;
- c) ensure (on a continuing basis) that (i) the fund property is being used or invested by the Fund Manager in accordance with CIR covering investment and borrowing; and (ii) the Fund Manager is taking steps to ensure compliance with CIR covering investment and borrowing with reference to the interest of Shareholders;
- d) report to the Fund Manager on the appropriateness and effectiveness of the systems and controls agreed for the oversight function, at least quarterly, unless circumstances require more frequent meetings; and
- e) prepare a report for the Shareholders each year, to be included in the annual report. Such report must contain:
  - I. a description of the Oversight Committee's oversight duties;
  - II. a statement whether in any material respect the issue, sale, redemption, cancellation, calculation of the price of Shares and the application of the Fund's income have not been carried out in accordance with the CIR and this Prospectus; and
  - III. a statement whether in any material respect the investment and borrowing powers and other restrictions applicable to the Fund have been exceeded.

The Fund will ratify all actions taken by the Oversight Committee members in accordance with the terms of the Articles of Association and this Prospectus and shall indemnify the Oversight Committee members (each an "indemnified party") to the fullest extent permitted by the laws of the DIFC against any liability, actions, proceedings, claims, demands, costs or expenses reasonably incurred or sustained by it in connection with any debt, claim, action, demand, suit, proceeding, judgment, decree, liability or obligation of any kind in which it becomes involved as a party or otherwise, by virtue of its being or having been an Oversight Committee member except where such debt, claim, action, demand, suit, proceeding, judgment, decree, liability or obligation arises as a result of any fraud, negligence or wilful default on the part of the relevant indemnified party. Subject to any provision of the laws of the DIFC to the contrary, no indemnified party shall be liable for any damage, loss, costs or expenses to or of the Fund at any time unless caused by the indemnified party's fraud, negligence or wilful default.

Subject always to the provisions of the Law and the Rules, the Oversight Committee members may be removed or may resign pursuant to the provisions of the Articles of Association.

## FUND ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT

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### Fund Administrator and Registrar and Transfer Agent

The Fund has appointed **Apex Fund Services (Dubai) Ltd. ("Apex")** to act as its Fund Administrator and Registrar and Transfer Agent, pursuant to the Administration Agreement dated 10<sup>th</sup> February 2019 with an effective date of 9<sup>th</sup> December 2018 and entered into between Apex and the Fund.

The Fund Administrator is a company incorporated in the DIFC and having its registered office at Office 101, Level 1, Building 5, Gate Village, DIFC, PO Box 506534, Dubai, United Arab Emirates. The Fund Administrator is authorised by the DFSA to provide administrative services to collective investment schemes and other portfolios.

Apex may delegate any of its duties to any subsidiary thereof. Apex is part of the Apex Group, a global provider of fund administration services with 50 offices worldwide, independently owned with around US\$1 Trillion in combined assets across administration, custody, depository and under management. Apex Group provides specialist fund administration, share registrar, corporate secretarial services and directors to funds and collective investment schemes globally. All references to "Apex" herein, shall include any such subsidiaries as delegates of Apex provided that Apex shall remain to be the principal responsible in respect of any obligations hereunder.

Apex 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. Apex shall receive an annual fee calculated in accordance with its customary schedule of fees and is also entitled to be reimbursed for all out of pocket expenses properly incurred in performing its duties as Fund Administrator, Registrar and Transfer Agent of the Fund.

Under the Administration Agreement, Apex will be responsible for, among other things, maintaining the accounting records of the Fund; calculating the Net Asset Value of the Fund; processing the subscriptions, redemptions, conversions and transfers in relation to the Fund; assisting the Fund in performing all applicable anti-money laundering / Shareholder identification checks; and performing various administrative, registrar and transfer

agency and other services in respect of the Fund more fully described in the Administration Agreement. In calculating the Net Asset Value of the Fund, Apex may rely, without further inquiry, investigation or verification, upon information and communications received by Apex from any source, including the Fund Manager, or any other person, firm or corporation whatsoever, and Apex shall not (in the absence of fraud, gross negligence or wilful default on the part of Apex) be liable for any loss suffered by the Fund, the Fund Manager or any Shareholders by reason of any error in such calculations by Apex resulting from any inaccuracy in any such information.

Under the Administration Agreement, Apex will not, in the absence of gross negligence, wilful misconduct, fraud, or material breach of the Administration Agreement on the part of Apex, be liable to the Fund or to any Shareholder for any act or omission, in the course of, or in connection with providing services to the company 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 Apex of its duties pursuant to the Administration Agreement.

Under the Administration Agreement, the Fund will indemnify Apex from and against all liabilities, damages, costs, claims and expenses (including without limitation reasonable legal fees and amounts reasonably in settlement with the agreement of the Fund, such agreement not to be unreasonably withheld) incurred by Apex, its directors, officers, employees, servants, or agents in the performance of any of their individual obligations or duties under the Administration Agreement save where such liabilities, damages, costs, claims and expenses arise from Apex's own gross negligence, wilful misconduct or fraud or material breach of the Administration Agreement.

Neither Apex nor the officers, directors, members, employees or agents of Apex are directly involved in the business affairs, organisation, sponsorship or management of the Fund nor will they be responsible for the preparation or issue of this Prospectus other than in respect of the description of Apex and the services it will provide.

Apex shall not be responsible for the monitoring of the investments made by the Fund Manager or the Fund Manager's compliance with the investment policies and the investment restrictions contained in this Prospectus or other documents of the Fund. Apex will not review or control the valuation of the assets as may be held in the Fund's account from time to time. Apex has no decision-making discretion in relation to the Fund's investments. Apex is a service provider to the Fund and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus.

In accordance with the terms of the Administration Agreement, the services of Apex may be terminated by at least 90 days written notice from either the Fund or Apex (or such shorter notice period as the parties may agree to accept) or earlier on the liquidation of either the Fund or Apex.

## CUSTODIAN

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First Abu Dhabi Bank PJSC has been appointed as the Custodian of the Fund's assets, which will be held directly by the Custodian or through its agents, sub-custodians, or delegates pursuant to the Custodian Agreement.

The Custodian has responsibility for custody of the Fund's assets as they relate to the Sub-Fund Property. The Custodian provides custody services to the Fund in relation to the Sub-Fund Property under the terms and conditions of the Custodian Agreement. The Custodian is regulated by the UAE Central Bank in the conduct of its custody business. First Abu Dhabi Bank PJSC qualifies as an Eligible Custodian in accordance with the CIR.

In performing its duties, the Custodian is, subject to the Fund Manager's prior consent, authorised to delegate from time to time any of its duties under the Custodian Agreement to such sub-custodians, nominees and agents as the Custodian may think fit including, without limitation, the safe keeping, deposit, transfer or delivery of Sub-Fund Property to a sub-custodian, nominee or agent whereby the sub-custodian, nominee or agent will hold such Sub-Fund Property in accordance with its standard terms and conditions and subject to any applicable laws, regulations and usages in the jurisdiction where the sub-custodian, nominee or agent is located; and the Custodian may only have contractual rights against a sub-custodian, nominee or agent.

The Custodian will carry out its duties under the Custodian Agreement with the skill and care reasonably expected of a professional custodian. The Custodian will be liable to the Fund for losses, liabilities, costs, expenses and demands arising directly from the performance of its duties and obligations under the Custodian Agreement and the exercise or non exercise of any discretions granted to the Custodian under the Custodian Agreement, which are suffered by or occasioned to the Fund but only to the extent that the Custodian has been negligent, fraudulent or in wilful default in respect of its duties under the Custodian Agreement. Negligence, fraud or wilful default will be judged by reference to standards prevailing in the jurisdiction of the Custodian.

The Custodian will also be responsible for any claim resulting from the insolvency of any sub-custodian which is a subsidiary of the Custodian or the negligence, wilful misconduct or fraud of any sub-custodian which is a subsidiary of the Custodian.

Notwithstanding the appointment of the Custodian and the fact that the Custodian will hold the legal title to the Sub-Fund Property, the Fund Manager shall remain responsible for the Sub-Fund Property.

The Custodian Agreement entered into with the Custodian, to the extent permitted by the laws of the DIFC, provides, amongst other things, that except insofar as the same may result from the negligence, wilful default or fraud of the Custodian, its sub-custodians and their respective nominees, directors, officers, agents and employees, the Fund will indemnify the Custodian, its sub-custodians and their respective nominees, directors, officers, agents and employees in respect of all actions, claims, losses, liabilities, costs, charges, fees (including but not limited to legal fees), expenses, demands, taxes, levies, imposts or duties (including but not limited to value added tax and stamp duties) and all income or other taxes or duties of any kind levied or assessed in respect of the Sub-Fund Property on the Custodian, its sub-custodians and their respective nominees, directors, officers, agents and employees arising directly or indirectly from (a) the performance of their duties under the Custodian Agreement or (b) in consequence of any breach by the Fund of the Custodian Agreement.

The appointment of the Custodian may generally be terminated by the Fund by giving not less than 60 days' notice to the Custodian and by the Custodian giving not less than 90 days' notice to the Fund. The Custodian Agreement may also be terminated in other circumstances.

#### **Registered Auditor**

Deloitte & Touche (ME) has been appointed as the Registered Auditor of the Fund and will audit the Fund's annual financial statements. The Registered Auditor is registered with the DFSA as a Registered Auditor (as defined in the CIR).

#### **Placing Agents**

The Fund Manager may appoint one or more placing agents to place and or distribute Shares.

#### **Legal Advisors**

Herbert Smith Freehills LLP has been engaged by the Fund Manager to provide legal advice as to certain limited matters of the Law, the CIR and the Rules and to certain issues relating to the offering and promotion of the Shares in or from the DIFC. Herbert Smith Freehills LLP has been further mandated to review this Prospectus and confirm its compliance with the laws of the DIFC and the DFSA. Herbert Smith Freehills LLP is not otherwise, and has not otherwise been responsible for, nor has it verified, any information in this Prospectus. The Fund Manager has previously engaged Al Tamimi and Company to assist it with providing legal advice as to certain matters of the Law, the CIR and the Rules and restricted to amending the share capital of the Fund to redesignate some of the classes of shares and to create new classes of shares and with respect to adding a new Sub-Fund offering shares called the Mashreq Global Emerging Markets Bond Fund to the Fund. Al Tamimi and Company is not otherwise, and has not otherwise been responsible for, nor has it verified, any information in this Prospectus.

## **FEES AND CHARGES**

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#### **Management Fee**

The Fund Manager will receive from the Fund a management fee in respect of each Sub-Fund or Class as specified in the relevant Annex.

#### **Distribution Fee**

The Fund Manager may receive from the Fund a distribution fee in respect of each Sub-Fund or Class as specified in the relevant Annex.

#### **Set-Up Payment**

The Fund Administrator, Registrar and Custodian may receive a set-up payment in respect of each Sub-Fund as specified in the relevant Annex.

#### **Performance Fee**

In addition to its management fee and distribution fee, the Fund Manager may also be entitled to receive a Performance Fee from the Fund in respect of each Sub-Fund or Class as specified in the relevant Annex.

#### **Administration Fee and Registrar and Transfer Agent Fee**

The Fund Administrator will receive an administration fee and a registrar and transfer agency fee for providing administrator and registrar and transfer agency fees to the Fund and in respect of each Sub-Fund in accordance with customary practice and usual market rates prevailing in the DIFC.

The Fund Administrator, Registrar and Transfer Agent will receive from the Fund an annual administration fee calculated in accordance with its customary schedule of fees. The Fund Administrator is also entitled to receive from the assets of the Fund (or of the relevant Sub-Fund) reimbursement of out-of-pocket and third party expenses properly incurred in performing its duties as Fund Administrator, Registrar and Transfer Agent of the Fund.

The costs and fees of the Fund Administrator attributable to an individual Sub-Fund shall be allocated directly to such Sub-Fund. Otherwise these costs shall be allocated across the Sub-Funds on a pro-rata basis based upon the proportion of the Net Asset Value of each Sub-Fund to the total Net Asset Value of the Fund.

The Administrator's fees are 07 to 08 basis points of the NAV depending on the size of the Fund, subject to a minimum of USD 159,600 per annum. The Administrator is also entitled to additional fees and expenses for the ancillary services that it provides to the Fund in accordance with market standard rates as well as out of pocket expenses.

#### **Custodian Fee**

The Custodian will receive fees for providing custody services to the Fund and in respect of each Sub-Fund in accordance with customary practice and usual market rates prevailing in the DIFC.

The Custodian will receive from the Fund a fee for providing custody services not more than 0.50 basis points of the Net Asset Value of the Fund per annum subject to a minimum fee of USD 30,000 per annum in respect of the Mashreq Global Balanced Fund, the Mashreq Global Conservative Fund, the Mashreq Global Growth Fund and the Mashreq Alternative Opportunities Fund (all Sub-Funds in aggregate), a fee of 1.75 basis points per annum subject to a minimum of USD 20,000 per annum in respect of the Mashreq MENA Fixed Income Fund, a fee of 08 to 25 basis points (depending on the jurisdiction in which the assets are held) of the NAV per annum subject to a minimum of USD 20,000 per annum in respect of Mashreq MENA Equity Fund and



settlement costs which range from USD 10 to USD 50 per transaction, a fee of 1.75 basis points per annum subject to a minimum of USD 20,000 per annum in respect of the Mashreq Global Emerging Market Bond Fund. The Custodian fee shall accrue monthly as at each month end and be payable monthly in arrears. The Custodian is also entitled to receive from the assets of the Fund (or of the relevant Sub-Fund) reimbursement of out-of-pocket and third party expenses where these occur.

The costs and fees of the Custodian attributable to an individual Sub-Fund shall be allocated directly to such Sub-Fund. Otherwise these costs shall be allocated across the Sub-Funds on a pro-rata basis based upon the proportion of the Net Asset Value of each Sub-Fund to the total Net Asset Value of the Fund.

### **Oversight Fee**

The Oversight Committee will receive fees for providing oversight services to the Fund and in respect of each Sub-Fund in accordance with customary practice and usual market rates prevailing in the DIFC. The Oversight Committee will receive an oversight fee of USD 22,000 per annum paid quarterly in advance. The Oversight Committee is also entitled to receive from the assets of the Fund (or of the relevant Sub-Fund) reimbursement of out-of-pocket and third party expenses where these occur.

The costs and fees of the Oversight Committee attributable to an individual Sub-Fund shall be allocated directly to such Sub-Fund. Otherwise these costs shall be allocated across the Sub-Funds on a pro-rata basis based upon the proportion of the Net Asset Value of each Sub-Fund to the total Net Asset Value of the Fund.

### **Set-Up Payment Service Providers**

The Fund Administrator, the Registrar and Transfer Agent and the Custodian may be entitled to a one-time set-up payment from the assets of the Fund or the relevant Sub-Fund in accordance with the relevant agreement and standard market practice.

### **Other Fees and Expenses**

The Fund will also pay the cost and expenses, including, but not limited to: (i) of all transactions carried out by it or on its behalf and (ii) of the administration of the Fund, including (a) the charges and expenses of legal advisers and the Registered Auditor, (b) brokers' commissions and charges and any issue, stamp or transfer taxes (if any) chargeable in connection with any securities transactions, (c) bank charges, transfer fees, registration fees, and any transaction or registration fees, (d) all taxes and corporate fees payable to governments or agencies (including to the DIFC and the DFSA), (e) any Value added Tax ("VAT") added to services provided to the Fund or any relevant Sub-Fund and generally any VAT that becomes payable on any payments made by the Fund or on behalf of the relevant Sub-Fund may be grossed up, deducted and or accounted for, as applicable, and will as a consequence, be at the expense of the Fund and or the relevant Sub-Fund; (f) financing charges, (g) communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (h) the cost of insurances (if any), (i) the costs for the issue and sale of Shares and of the creation of new Share Classes or sub-classes, (j) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (k) marketing and promotional expenses, (l) all other organisational and operating expenses, and all costs, charges and expenses properly incurred by the Fund Administrator, Custodian, Registrar and Transfer Agent, Oversight Committee members in the performance of their respective duties and all reasonable out-of-pocket expenses incurred by the Fund Administrator, Custodian, Registrar and Transfer Agent, Oversight Committee members or non-executive directors (if any) wholly and exclusively in the performance of its/their respective duties.

The total cost and expenses of establishing the Fund and the initial Sub-Funds were USD 52,000 which have been paid by the Fund out of proceeds of the initial issue of Shares. These cost and expenses will be allocated to the Sub-Funds in accordance with allocation rules set forth under "Net Asset Value" below. These costs and expenses will, at the discretion of the Fund Manager, be amortised on a straight-line basis over 5 years from the date on which the Fund commenced business. The Fund Manager may, in its absolute discretion, shorten the period over which such costs and expenses are amortised.

If further Sub-Funds are created in the future, these Sub-Funds will bear, in principle, their own formation expenses.

The Director of the Fund will receive no remuneration or reimbursement of expenses in respect of its role. All of the above charges are subject to review from time to time. However, the Fund Manager shall be required to give Shareholders at least 90 days' notice of any proposed increase or other change to its Management Fee, its Performance Fee, if applicable, or change to Redemption Costs and Expenses set out below in relation to a particular Sub-Fund or Class. Where the Fund Manager intends to introduce a new category of remuneration for its services or make any increase in the current rate or amount of its remuneration payable out of the property held for or within the Fund, in addition to the 90 days' notice, it will need to obtain Special Resolution approval of the Shareholders of the relevant Share Class.

### **Redemption Costs and Expenses**

If the Fund incurs any costs, expenses or losses in respect of any redemption of Shares, including any interest paid or payable or any loss, premium, penalty or expense that may be incurred in liquidating or employing securities, deposits or borrowings to fund the redemption amount, these may be recovered from the redemption amount payable to the redeeming Shareholder. In addition, a redemption fee equal to a percentage of the aggregate redemption amount requested by a Shareholder may be charged to such Shareholder or waived in whole or in part at the discretion of the Fund Manager. Redemption fees (if any) are detailed in the relevant Annex.

### **Dilution Levy**



In certain circumstances, the value of the Sub-Fund Property may be reduced as a result of charges incurred in dealings in the Sub-Fund's investments or through dealing in those investments at prices other than the mid-market price (including the cost of professional fees incurred, or expected to be incurred). In order to off-set this effect, known as "dilution", and the consequent potential adverse effect on the existing or remaining Shareholders in the relevant Sub-Fund, the Fund Manager has the power to charge a "Dilution Levy" when Shares are bought or sold. It is not, however, possible to predict accurately whether dilution will occur at any future point in time.

Any Dilution Levy charged must be fair to all Shareholders and potential Shareholders within the relevant Sub-Fund. The charging of a Dilution Levy will effectively reduce the Redemption Price or increase the purchase price of the relevant Shares. If charged, the Dilution Levy will be paid to the Fund and will become the property of the relevant Sub-Fund thus protecting the value of the Shares of the remaining Shareholders holding Shares in that Sub-Fund. On occasions when the Dilution Levy is not charged there may be an adverse impact on the total assets of the relevant Sub-Fund. Notifications of the amount of the dilution levy will usually be sent to Shareholders by registered post or by email.

## SUBSCRIPTION FOR SHARES

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### **Initial Offer Period**

Application for subscription may be made during the Initial Offer Period specified in the relevant Annex. Any Initial Offer Period may be extended or terminated earlier by the Fund Manager in its discretion.

### **Initial Issue Price – Initial Offer Period**

During any Initial Offer Period, the Initial Issue Price is specified in the relevant Annex plus any additional subscription fee (if any).

### **Minimum Initial Subscription and Holding Amounts**

Subject to any applicable Rules, the Fund Manager will set and waive, in its discretion, a minimum subscription amount and a minimum ongoing holding amount for each Sub-Fund or Class, to be specified in the relevant Annex.

### **Subsequent Subscriptions**

If the Fund Manager determines that it is in the interest of Shareholders of the Sub-Fund to accept subscriptions after the Initial Offer Period, applications for subscription may be made on or prior to any day that is a Subscription Date for the Sub-Fund concerned (or on such other days as the Fund Manager may from time to time determine), subject to any prior notice requirements specified in the relevant Annex. Subscriptions may only be made for a fixed amount and not for a specified number of Shares. The Fund Manager may discontinue the issue of new Shares in any Sub-Fund or Share Class at any time in its discretion.

### **Subscription Price – after Initial Offer Period**

After the Initial Offer Period, the Subscription Price is the Net Asset Value per Share determined as at the relevant Subscription Date, increased by any applicable subscription fee.

### **Minimum Subsequent Subscription Amount**

Subject to any applicable Rules, the Fund Manager will set and waive in its discretion a minimum subsequent subscription amount, to be specified in the relevant Annex.

### **Prior Notice Requirements**

The Fund Manager may in its discretion refuse to accept any application for subscription received after the first day of any prior notice period specified in the relevant Annex.

### **Subscription Fee**

A subscription fee equal to a percentage of the aggregate subscription amount may be charged or waived in whole or in part at the discretion of the Fund Manager. Subscription fees (if any) are detailed in the relevant Annex.

### **Payment of Subscription Price**

The Fund Manager, the Fund Administrator or its agent must receive the full Subscription Price of the Shares (and subscription fee, if any) subscribed for in immediately available funds in the base currency of the relevant Share Class (or sub-class) concerned not later than the date or time and/or day specified in the relevant Annex. No interest will be paid on payments received prior to the closing date of any Initial Offer Period or prior to any Subscription Date or Valuation Date. Except in specific circumstances, no third party payments will be accepted, subject to the sole discretion of the Fund Administrator and the Fund Manager.

### **Eligible Shareholders**

Specific Shareholder eligibility requirements may apply to a particular Sub-Fund, Share Class or sub-class and, if so, will be specified in the relevant Annex. The following eligibility requirements apply to all Sub-Funds irrespective of the Share Class or sub-class:

The subscription agreement requires each prospective Subscriber for Shares to represent and warrant to the Fund that, amongst other things, he is able to acquire and hold Shares without violating applicable laws or regulations.

The Shares will also not be offered, issued or transferred to any person in circumstances which, in the opinion of the Fund Manager, might result in the Fund incurring any liability to taxation or suffering any other disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable US Securities Laws.

Shares may generally not be issued or transferred to any US Person (as defined in the US Securities Laws), except that the Fund Manager may authorise the issue or transfer of Shares to or for the account of a US Person provided that:

- a) such issue or transfer does not result in a violation of the US Securities Act of 1933 (as amended) or the securities laws of any of the States of the United States;
- b) such issue or transfer will not require the Fund to register under the US Securities Act of 1940 (as amended);
- c) such issue or transfer will not cause any assets of the Fund to be "plan assets" for the purposes of US Employee Retirement Income Security Act of 1974 (as amended); and
- d) such issue or transfer will not result in any adverse regulatory or tax consequences to the Fund or its Shareholders.

Each Subscriber for and transferee of Shares who is a US Person will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue, or the registration of any transfer, of Shares.

The Fund will require from each Shareholder acting on behalf of other investors confirmation that any assignment of rights to Shares will be made in compliance with applicable securities laws in the jurisdictions where such assignment is made and that in unregulated jurisdictions such assignments will be made in compliance with the minimum holding requirement.

### **Anti-Money Laundering**

For the purpose of prevention of money laundering, the Fund Manager (or the Fund Administrator) will require to conduct due diligence/enhanced due diligence, along with a detailed verification of the background of any Subscriber applying to purchase Shares, including the Subscriber's identity, any beneficial owner underlying such Subscriber, the account, and the source of funds for the purpose of Know Your Client ("KYC").

The Fund Manager and the Fund Administrator reserve the right to request such information/documents as is necessary to verify the identity of a Subscriber or prospective Subscriber and the underlying beneficial owner(s) of the Shares at any time.

The Fund Manager may also suspend the redemption rights of any Shareholder if the Fund Manager deems it necessary to do so to comply with any anti-money laundering laws or regulations applicable to the Fund, the Fund Manager or any of the Fund's service providers.

The Fund, the Fund Manager, the Fund's service providers and their respective directors, employees and agents shall be held harmless by all Shareholders against any loss arising as a result of any failure or delay in processing any subscription or redemption requests if so doing is likely to cause any of them to breach any applicable laws or regulations.

Each Subscriber and Shareholder shall, upon request to supply such information or make such representation to the Fund, the Fund Manager and the Fund's service providers in connection with such anti-money laundering measures or procedures adopted by the Fund and the Fund Manager from time to time.

### **Subscription Procedure.**

Prospective Subscribers will be required to complete a subscription agreement. Subscription agreements may be requested from the Fund Manager.

### **Acceptance of Subscriptions**

The Fund Manager reserves the right to accept or refuse any subscription agreement for Shares in whole or in part.

### **Suspension of Subscriptions**

The Fund Manager will suspend the issue of Shares of any Sub-Fund whenever the determination of the Net Asset Value of such Sub-Fund is suspended (see "Net Asset Value" section of this Prospectus).

### **Irrevocability of Subscriptions**

Any subscription agreement submitted shall be irrevocable and may not be withdrawn by any Subscriber in any circumstances, even in the event of a suspension of the determination of the Net Asset Value of the relevant Sub-Fund. In the event of a suspension, the Fund will process the subscription request on the first applicable Valuation Date following the end of the period of suspension.

### **Confirmation of Subscription**

Written confirmation of completed subscriptions (indicating the total number of full and fractional Shares (up to four decimals) issued to the Subscriber as of the applicable Subscription Date) will be sent to the Subscriber at the address provided in the subscription agreement as soon as reasonably practicable and in no event later than the last calendar day of the month following the Subscription Date as of which such Shares have been issued. Shares are issued in dematerialised form and no Share certificates will be issued.

## REDEMPTION OF SHARES

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### Redemption Rights

Subject to the restrictions provided in this Prospectus and the relevant Annex, the Fund Manager may redeem Shares in accordance with the terms of the relevant Annex or any Shareholder may apply for the redemption of some or all of his Shares or of a fixed amount. Shares will be redeemed at the Redemption Price i.e. the Net Asset Value per Share determined as at the Redemption Date less any Redemption Costs and Expenses. If the value of a Shareholder's holding on the relevant Redemption Date is less than the fixed amount which the Shareholder has applied to redeem, the Shareholder will be deemed to have requested the redemption of all of his Shares.

### Prior Notice Requirements

The Fund Manager may in its discretion refuse to accept any Redemption Request received after the first day of any prior notice period specified in the relevant Annex.

### Minimum Holding Period

The Fund Manager may in its discretion determine that no Redemption Request will be accepted before the expiration of a minimum holding period specified in the relevant Annex. The Fund Manager may, subject to observing the principle of equal treatment of Shareholders, waive or reduce any minimum holding period requirement at any time in their discretion or if required by applicable law or regulation.

### Minimum Holding Amount

If as a result of a Redemption Request, the value of a Shareholder's holding would become less than the minimum holding amount specified in the relevant Annex, the Fund Manager may decide to compulsorily redeem all Shares from that Shareholder. Before any such compulsory redemption, each Shareholder concerned will receive one month's prior notice to increase his holding above the applicable minimum holding amount at the applicable Net Asset Value per Share.

### Redemption Price per Share

Shares may not be redeemed during any Initial Offer Period. After any Initial Offer Period, the Redemption Price per Share of each Class is the Net Asset Value per Share of the relevant Sub-Fund and Share Class determined as at the Redemption Date, reduced by any applicable Redemption Costs and Expenses.

### Payment of Redemption Proceeds

Redemption proceeds are paid in the base currency of the relevant Sub-Fund or Class. Unless otherwise provided in the relevant Annex, the net redemption proceeds will be paid as soon as reasonably practicable and normally within five Business Days after the relevant Net Asset Value per Share as at the relevant Redemption Date has been calculated and is available and the original Redemption Request has been received by the Fund Manager. Redemption proceeds will only be paid in favour of the relevant Shareholder and will be paid by electronic transfer (net of the electronic transfer fee) to the account instructed by that Shareholder.

Whilst the Fund intends to make all redemptions in cash, if requested by a Shareholder, redemptions may be made in kind (in specie) at the discretion of the Fund Manager. In order to satisfy payment of the redemption proceeds to such Shareholder in kind, the Fund Manager will allocate to the Shareholder investments from the portfolio of assets of the relevant Sub-Fund equal to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders. The valuation used shall be determined in accordance with the rules and principles set out in the "Net Asset Value" section of this Prospectus, and shall be confirmed by a special report of the Registered Auditor. The costs of any such redemptions in kind shall be borne by the redeeming Shareholder.

### Compulsory Redemption of Shares

If the Fund Manager becomes aware that a Shareholder of record is holding Shares for the account of a person who does not meet the Shareholder eligibility requirements specified in "Subscription For Shares" above and in the relevant Annex, or is holding Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or a Sub-Fund or a majority of its Shareholders, or otherwise be detrimental to the interests of the Fund or a Sub-Fund or a majority of its Shareholders, the Fund Manager may compulsorily redeem such Shares in accordance with the provisions of the Articles of Association at the prevailing Redemption Price of the relevant Sub-Fund. Shareholders are required to notify the Fund and the Registrar and Transfer Agent immediately if they cease to meet the Shareholder eligibility requirements specified in "Subscription For Shares" above or in the relevant Annex, or hold Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or a majority of its Shareholders or be detrimental to the interests of the Fund or a majority of its Shareholders.

### Large Redemptions

If Redemption Requests of more than 10% of the total number of Shares outstanding of any Sub-Fund or a Share Class are received in respect of any Redemption Date, the Fund Manager may decide to defer any redemption request in whole or in part, so that the 10% limit is not exceeded. Under these circumstances, redemptions may be deferred to the next following Redemption Date, as the Fund Manager may decide. Any redemption requests in respect of the relevant Redemption Date so reduced will be given priority over subsequent redemption requests received for the succeeding

Redemption Date, subject always to the 10% limit. The limitation will be applied pro rata to all Shareholders who have requested redemptions to be effected on or as at such Redemption Date so that the proportion redeemed of each holding so requested is the same for all such Shareholders.

### **Suspension of Redemptions**

Redemption of Shares of any Sub-Fund will be suspended whenever the determination of the Net Asset Value of such Sub-Fund is suspended (see "Net Asset Value" section of this Prospectus).

### **Irrevocability of Redemption Requests**

Redemption Requests of Shares are irrevocable and may not be withdrawn by any Shareholder in any circumstances, except in the event of a suspension of the determination of the Net Asset Value of the relevant Sub-Fund. In the event of such a suspension, the Shareholders of the relevant Sub-Fund, who have made a Redemption Request, may give written notice to the Fund that they wish to withdraw their Redemption Request.

### **Exchanges between Sub-Funds**

Shareholders may exchange Shares in one Sub-Fund for Shares in any other Sub-Fund established and any such exchange will be treated as two transactions, namely, a redemption of the Shares held in the relevant Sub-Fund and a subscription for Shares in the other Sub-Fund and the provisions in relation to redemptions and subscriptions as stated in this Prospectus (including in relation to charges) will apply to both transactions.

### **Exchanges between Share Classes**

Shareholders may exchange Shares in one Share Class ("Switch-Out") for Shares in any other Share Class ("Switch-In") free of charge. Any such exchange will be treated as two transactions, namely, a Switch-Out effected by a redemption of the Shares held in the relevant Share Class and a Switch-In effected by a subscription for Shares in the other Share Class. Both the Switch-Out and the Switch-In shall have the same settlement date and occur at the relevant Net Asset Value per Share of the respective Share Class. The provisions in relation to redemptions and subscriptions as stated in this Prospectus, except in relation to charges, will apply to both the Switch-Out and the Switch-In.

## **GENERAL**

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### **Meetings of the Director(s)**

The Director(s) will hold at least two meetings every twelve months commencing from the date of registration of the Fund with the DFSA and at such other intervals as required for the proper management and operation of the Fund. At each of the two mandatory meetings the periodic reports specified under "Reports to Shareholders" below will be presented.

### **Meetings of Shareholders**

An annual meeting of Shareholders will be held at least every twelve months commencing from the date of registration of the Fund with the DFSA. The convening of each annual general meeting shall be made in accordance with the Law, the CIR and the Articles of Association, and each Shareholder shall receive a procedures manual in respect of such meeting setting out and covering the position with regard to, amongst other things, voting rights, proxies, minutes and variation of Share Class rights and Share Class meetings. The annual report specified under "Reports to Shareholders" below will be presented at each meeting.

The Fund Manager, on receipt of a valid request in writing from a Shareholder or Shareholders entitled to request such a meeting, shall immediately call an extraordinary general meeting of Shareholders. Such request must be signed by a Shareholder or Shareholders who, at the date of such request, is or are registered as a Shareholder or Shareholders representing not less than 10% of the value of all the Shares in the Fund then in issue. The calling of such extraordinary general meeting shall be made in accordance with the Law, the CIR and the Articles of Association, and each Shareholder shall receive a procedures manual in respect of such meeting setting out and covering the position with regard to, among other things, voting rights, proxies, minutes and variation of Share Class rights and Share Class meetings.

An extraordinary general meeting of Shareholders duly convened and held in accordance with the Law and the CIR shall, by the passing of a Special Resolution, require, authorise or approve any act, matter or document in respect of which any such a resolution is required. Such a resolution shall have no other powers or effect. A Special Resolution is a resolution in respect of which notice of intention to propose the resolution has been given, and that has been passed by the positive vote of a Share Class or Share Classes of Shareholders holding at least 75% of the Shares entitled to vote on the resolution. Where no Special Resolution is specifically required or permitted by the Law or the CIR, any resolution of the Shareholders eligible to vote shall be passed by an Ordinary Resolution. An Ordinary Resolution is a resolution of a duly constituted general meeting of a Share Class or Share Classes of the Fund's Shareholders passed by a simple majority of the votes cast on behalf of the Shares entitled to vote through or on behalf of the relevant Share Class or Share Classes of Shareholders present in person or by proxy and voting at the meeting.

The Shares (other than the Class "M" Share) shall not entitle the holders of such Shares to vote upon any resolutions of or to attend any general meeting, except as expressly provided in the Articles of Association or this Prospectus. The holder of the Class "M" Share shall not be entitled to any capital or income (except the repayment of their nominal value) but shall have the right to receive notice of, attend and vote at any general meeting.

### **Alterations to the Fund Generally**

1. Matters requiring a Special Resolution

If the Fund Manager considers that any proposed change to the Fund, a Sub-Fund or Share Class constitutes a fundamental change (as described in the Law and in the CIR), a Special Resolution approving such proposal must be passed by the Shareholders affected by such a fundamental change at a meeting of those Shareholders convened solely for that purpose.

2. Matters requiring an Ordinary Resolution

If the Fund Manager considers that any proposed change to the Fund, a Sub-Fund or Share Class constitutes a materially significant change (as described in the Law), an Ordinary Resolution approving such proposal must be passed by the Shareholders affected by such a materially significant change at a meeting of those Shareholders convened solely for that purpose.

3. Matters merely requiring pre-event notification to Shareholders

If the Fund Manager considers that any proposed change to the Fund, a Sub-Fund or a Share Class constitutes a significant change (as described in the CIR), the Fund Manager will give the relevant Shareholders affected by such a significant change reasonable notice of the proposed change before the change is effected.

4. Matters merely requiring post-event notification to Shareholders

If the Fund Manager considers on reasonable grounds that any proposed change to the Fund, a Sub-Fund or a Share Class will not adversely affect certain Shareholders' rights, then any such change may be made by the Fund Manager and the Fund Manager shall notify the relevant Shareholders after the change has been effected.

### **Dissolution and Amalgamation of Sub-Funds**

1. A Sub-Fund (or a Share Class) may be dissolved by compulsory redemption of such Shares of the relevant Sub-Fund (or Share Class), at the discretion of the Fund Manager:
  - a) if the Net Asset Value of the relevant Sub-Fund has decreased below USD 1 million;
  - b) if the Sub-Fund shall cease to be authorised or otherwise officially approved;
  - c) if any law shall be passed or otherwise enacted which renders it illegal or, in the opinion of the Fund Manager, impractical or inadvisable to continue the relevant Sub-Fund;
  - d) if required by the DFSA to terminate the Fund or the relevant Sub-Fund; or
  - e) if the Fund Manager, at any time, determines that it is in the best interests of the Fund, the Sub-Fund, the relevant Shareholders or the Fund Manager that the Sub-Fund be dissolved.
2. The Redemption Price for the relevant Shares will be the Net Asset Value per Share (taking into account actual realisation prices of the investments and realisation expenses), calculated as of the Valuation Date at which such a decision took effect.
3. The Fund Manager shall serve a written notice to the holders of the relevant Shares prior to the effective date of the compulsory redemption, which will indicate the reasons for, and the procedure of the redemption operations. Unless it is otherwise decided in the interest of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption of their Shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.
4. Notwithstanding the powers conferred to the Fund Manager by the preceding paragraph, a general meeting of Shareholders of any Sub-Fund may, upon proposal from the Fund Manager, redeem all the Shares of such Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Date at which such decision shall take effect. There shall be no quorum requirements for such a general meeting of Shareholders at which resolutions shall be adopted by simple majority of those present or represented, if such a decision does not result in the liquidation of the Fund.
5. Any asset which has remained unclaimed shall be dealt with in accordance with the applicable Rules.
6. All redeemed Shares shall be cancelled.
7. Under the circumstances provided for under paragraph 1 above, the Fund Manager may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Fund and to re-designate the Shares of the Sub-Fund concerned as Shares of another Sub-Fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be notified to the Shareholders concerned (and, in addition, the notification will contain information in relation to the new Sub-Fund), one month before the date on which the amalgamation becomes effective in order to enable Shareholders to request redemption of their Shares, free of charge, during such period.
8. Notwithstanding the powers conferred on the Fund Manager by the preceding paragraph, a contribution of all assets and liabilities attributable to any Sub-Fund to another Sub-Fund may be decided upon by a general meeting of the Shareholders of the contributing Sub-Fund for which there shall be no quorum requirements and which shall decide upon such an amalgamation by resolution adopted by simple majority of those present or represented, if the amalgamation does not result in the liquidation of the Fund.
9. A contribution of the assets and liabilities attributable to any Sub-Fund to a sub-fund of a third party entity shall be decided by a general meeting of Shareholders and shall require a resolution of the Shareholders of the contributing Sub-Fund where no quorum is required and adopted by a simple majority of the Shares represented at such meeting.

10. All the provisions relating to the dissolution and amalgamation of Sub-Funds shall, with any necessary modifications, apply to the dissolution and amalgamation of any Share Class or sub-class.

### **Winding-up or Dissolution**

The Fund may be wound up at any time:

- a) by the Fund Manager determining that it is in the best interests of the Fund, the Shareholders or the Fund Manager that the Fund be wound up;
- b) by the Shareholders by the passing of a Special Resolution at an extraordinary general meeting directing the Fund Manager to wind up the Fund; or
- c) otherwise in accordance with the Law and/or the CIR.

Upon such determination being made the Fund Manager will advise the Shareholders in writing that such determination has been made and will set out the Fund Manager's plans for the liquidation of the assets of the Fund and distribution of the Fund assets to the Shareholders.

Upon a winding-up of the Fund, the proceeds from the liquidation of the assets of each Sub-Fund shall be applied:

- a) first, in paying to any party any unpaid fees, costs or expenses payable by the Sub-Fund and then unpaid (and retaining adequate provision for all liabilities properly so payable and for the cost of the winding up); and
- b) second, in paying to the relevant Shareholders of that Sub-Fund the balance of the proceeds, which balance shall be apportioned between such Shareholders pro rata to the number of Shares in the Sub-Fund held by each of them.

### **Restrictions on Sale, Transfer and Assignment**

Subject to the restrictions mentioned under "Eligible Shareholders" above and the consent of the Fund Manager, the restrictions set out below and to any additional restrictions specified in the relevant Annex and the Articles of Association, Shares are freely transferable.

### **United States**

The Fund Manager will not consent to a transfer of Shares and the Shares may not be transferred, directly or indirectly, to any person in circumstances which, in the opinion of the Fund Manager, might result in the Fund incurring any liability to taxation or suffering any other disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable United States ("US") securities laws ("US Securities Laws"). The Fund Manager will also not consent to a transfer of Shares and the Shares may not be transferred, sold or assigned (legally or beneficially), directly or indirectly, to any US Person (as defined in the US Securities Laws) except in the circumstances specified under "Eligible Shareholders" above and subject to the consent of the Fund Manager. The Fund has and intends to exercise, the right of mandatory redemption of any Shares sold or acquired in contravention of the foregoing prohibitions.

### **Net Asset Value**

The Fund constitutes a single legal entity, but the assets of each Sub-Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Sub-Fund and the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The Fund will establish a separate pool of assets and liabilities in respect of each Sub-Fund and the assets and liabilities shall be allocated in the following manner:

- a) the net proceeds from the issue of Shares in a Sub-Fund are to be applied in the books of the Fund to that Sub-Fund and the assets and liabilities and income and expenditure attributable thereto are applied to such Sub-Fund subject to the provisions set forth below;
- b) where any income or asset is derived from another asset, such income or asset is applied in the books of the Fund to the same Sub-Fund as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value is applied to the relevant Sub-Fund;
- c) where the Fund incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability is allocated to the relevant Sub-Fund.
- d) if any asset or liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such asset or liability will be allocated to all the Sub-Funds pro rata to their respective Net Asset Values, or in such other manner as the Fund Manager, acting in good faith, may decide; and
- e) upon the payment of distributions to the Shareholders of any Sub-Fund, the Net Asset Value of such Sub-Fund shall be reduced by the amount of such distributions.

In respect of each Sub-Fund, the Net Asset Value per Share of the relevant Sub-Fund is determined up to four decimal points in the base currency of such Sub-Fund as at each Valuation Date by dividing the net assets attributable to that Sub-Fund by the total number of Shares of that Sub-Fund then outstanding. The Net Asset Value per Share of each Sub-Fund as at a Valuation Date will be calculated and available no later than 20 Business Days after the relevant Valuation Date.

In respect of each Sub-Fund that has more than one Share Class, the Net Asset Value per Share Class is determined up to four decimal points in the relevant currency of each Class as at each Valuation Date by multiplying the Net Asset Value per Share for that Sub-Fund by the number of Shares outstanding in the relevant Share Class expressed to four decimal places. The Net Asset Value per Share Class for each Sub-Fund that has more than one Share Class will be calculated and available no later than 20 Business Days after the relevant Valuation Date.

As the Net Asset Value per Share, and where relevant, the Net Asset Value per Share Class will be determined after the day on which subscription, redemption or exchange requests are made, investors will not know the total number of whole and fractional Shares which they will be issued, nor the

net redemption value of their Shares as at the day on which their request for subscription, redemption or exchange is made.

The net assets of each Sub-Fund consist of the value of the total assets attributable to such Sub-Fund less the total liabilities (including any fees, charges and expense payable and or accrued or estimated that are payable out of the assets of the Sub-Fund) attributable to such Sub-Fund, calculated at such time as the Fund Manager shall have set for such purpose. The Fund Administrator, acting independently and based on the information received from the Fund Manager, shall determine the value of the assets of the Fund as follows:

- a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses or distributions declared or made and interest accrued, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Fund Manager may consider appropriate to reflect the true value thereof;
- b) the value of securities which are quoted, traded or dealt in on any stock exchange shall be based on the latest available bid price for a long position or the last available offer price for a short position on the stock exchange which is normally the principal market of such securities, and each security traded on any other regulated market shall be valued in a manner as similar as possible to that provided for quoted securities;
- c) for non-quoted securities or securities not traded or dealt in on any stock exchange or other regulated market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are, in the opinion of the Fund Manager, not representative of the fair market value, the value thereof shall be determined prudently and in good faith by the Fund Manager on the basis of cost or on the valuations from counterparties, issuers or brokers;
- d) securities issued by any open-ended collective investment fund shall be valued at their last available price or net asset value as reported or provided by such funds or their agents (to be confirmed in writing by a director of the Fund Manager);
- e) liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis; and
- f) all other securities and assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Fund Manager.

The Fund Manager is authorised to apply other valuation principles for the assets of the Fund and/or any Sub-Fund if the valuation principles set forth above appear impossible to apply in the circumstances or inappropriate for the asset concerned. Any Sub-Fund investing in a collective investment fund will determine its Net Asset Value primarily on the basis of the value of its interests in such collective investment fund, as reported or provided by such collective investment fund. The Fund and the Fund Administrator, acting upon the recommendations provided by the Fund Manager, will make all reasonable efforts to correctly assess the value of all portfolio securities based on the information made available to them, and such valuations will be binding upon the Fund and its Shareholders absent manifest error. Neither the Fund, nor the Fund Administrator nor the Fund Manager has any control over the valuation methods and accounting rules adopted by the collective investment funds in which the Sub-Fund may invest and no assurance can be given that such methods and rules will at all times allow the Fund to correctly assess the value of its assets and investments. If the value of a Sub-Fund's assets is adjusted after any Valuation Date (as a consequence, for instance, of any adjustment made by a collective investment fund to the value of its own assets), the Fund Manager will not be required to revise or re-calculate the Net Asset Value on the basis of which subscriptions, redemptions or exchanges of Shares of that Sub-Fund may have been previously accepted. In any Sub-Fund, the Fund Manager may determine to establish reserves, which may be caused by revaluation of assets and make provisions for contingencies. The value of assets denominated in a currency other than the base currency of a given Class or Sub-Fund shall be determined by taking into account the rate of exchange prevailing at the relevant Valuation Date. The Net Asset Value per Share, and where relevant, the Net Asset Value per Share Class, of each Sub-Fund and the Subscription Price per Share and Redemption Price per Share will be available from the registered office of the Fund and at the DIFC office of the Fund Administrator as soon as practicable after each Valuation Date in accordance with the requirements of the CIR. The Fund will also publish the Net Asset Value per Share, and where relevant, the Net Asset Value per Share Class, of each Sub-Fund as soon as practicable after each Valuation Date in accordance with the requirements of the CIR. The Net Asset Value per Share, and where relevant, the Net Asset Value per Share Class, of each Sub-Fund will in particular be published on the websites of Mashreq Capital and on such other forums as may be determined by the Fund Manager from time to time and notified to the Shareholders.

The Fund may where exceptional circumstances arise, at any time, suspend the calculation of the Net Asset Value of any Sub-Fund or Share Class (and the Net Asset Value per Share), whereupon the issue and redemption of Shares in that Sub-Fund will be suspended, under any one or more of the following circumstances:

- a) Where there is a closure of or suspension of trading on any market on which any assets of that Sub-Fund are traded.
- b) Where a breakdown occurs in any of the means normally employed by the Fund Administrator or the Fund Manager to ascertain the value of the assets of that Sub-Fund or when for any other reason the value of the assets of that Sub-Fund cannot reasonably be ascertained.
- c) Where circumstances exist as a result of which in the opinion of the Fund Administrator or the Fund Manager it is not reasonably practicable for the Sub-Fund to realise any assets, which together constitute a material proportion of the overall assets of that Sub-Fund.
- d) Where, for any other reason, the Fund Manager determines on reasonable grounds that it is in the best interests of the Sub-Fund and/or the relevant Shareholders.

Any such suspension (and the reason therefore) will be notified to the relevant Shareholders and the DFSA as soon as practicable after such suspension has been declared. Suspensions will generally require to cease within 28 days of the effective date of suspension. However, the Fund Manager is entitled to apply to the DFSA for an extension of such suspension. The Fund Manager will notify the relevant Shareholders of any extension granted as soon as practicable. The Fund Manager will notify the Shareholders and the DFSA as soon as practicable after such suspension has been lifted.



## Reports to Shareholders

In accordance with the requirements of the Law and the CIR, the Fund Manager will provide to the Shareholders:

- an annual report within four months of the end of the Financial Year;
- an interim report in respect of the relevant Sub-Fund within two months of the six month anniversary of the date of registration of the Fund with the DFSA and thereafter within two months of each six month anniversary of the Financial Year; and
- an oversight report (which will be included in the annual report above).

Each such report will contain the information, comparisons, statements and third party reports required pursuant to the Law and the CIR. Each report will be supplied, as appropriate, to the Shareholders free of charge and will also be available free of charge during ordinary office hours at the offices of the Fund Administrator and of the Fund Manager.

In addition, reports, notices and information in relation to the Fund may be found at the Fund Manager's website for this Fund being <http://www.mashreqcapital.ae/capital/home> and on such other mediums as may be determined by the Fund Manager from time to time and as notified to the Shareholders.

## Fund Financial Statements

The financial statements of the Fund and each Sub-Fund will be prepared in accordance with International Financial Reporting Standards (IFRS) and will be audited annually by a Registered Auditor appointed by the Fund Manager.

The Fund Manager will ensure that the Registered Auditor provides a report which will be included in the annual report to the Shareholders in accordance with the requirements of the CIR.

## Communications to Shareholders

Communications to Shareholders will be sent to their registered addresses recorded in the Shareholders Register by registered post or by email.

## Communications to the Fund

Communications to the Fund should be addressed to the Fund Manager.

## Conflicts of Interest

The following inherent or potential conflicts of interest should be considered by prospective Subscribers before investing in the Fund and or the relevant Sub-Fund. Where any potential conflict of interest arises, the Fund Manager will endeavour to ensure that any such conflict is resolved in a fair and equitable manner and without prejudice to the Shareholders.

## Other Clients and Allocation

The Fund Manager may act as investment manager or advisor to other clients (including investment vehicles such as the Fund and or the relevant Sub-Fund, other investment vehicles which issue securities which the Fund and or the relevant Sub-Fund may invest in, other investment vehicles, managed accounts and funds generally) now or in the future.

## Service Providers and the Fund Manager

The Fund Manager, the Custodian, the Fund Administrator and any distributor or other financial intermediary appointed and any of their directors, officers, employees, agents, and affiliates and any person or company with whom they are affiliated or by whom they are employed may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Fund and or the relevant Sub-Fund. In particular, they may provide services similar to those provided to the Fund or the relevant Sub-Fund to other entities including entities in which the Fund or the relevant Sub-Fund may invest, and may not be liable to account for any profit earned from such services. They are not required to refrain from any other activity, to account for any profits from any such activity, whether as partner of additional investment companies or otherwise or to devote all or any particular part of the time and effort of any of its partners, officers, directors or employees to the Fund and or the relevant Sub-Fund, and their affairs. To the extent that there are other conflicts of interest on the part of the service providers, the Fund Manager will endeavour to treat all of such persons equitably.

## Material Interests

Members of the Mashreq Group or any employee, officer, director or consultant to any of them or any other fund or client which appoints Mashreq Capital as its investment manager or advisor (an "**Interested Party**") may become the owner of Shares and may hold, dispose of or otherwise deal with the same and with the same rights which it would have had if Mashreq Capital were not a party to the Fund Management Agreement and the Interested Party may buy, hold and deal in any investments upon its own account notwithstanding that the same or similar investments may be held by or for the account of or otherwise connected with the Fund and or the relevant Sub-Fund and no person so interested shall be liable to account for any benefit to any other party solely by reason of such interest.

## Mashreq Group

Mashreq Capital, as part of the Mashreq Group has wide ranging financial services operations in different jurisdictions and in which different parts of the



operations act independently of each other. Accordingly, conflicts of interest may arise but any investment team at Mashreq Capital appointed pursuant to the obligations of Mashreq Capital, in its capacity as Fund Manager under the Fund Management Agreement will always seek to act in the best interests of the Fund and or the relevant Sub-Fund and in accordance with all applicable laws and regulation. Members of the Mashreq Group, including Mashreq Capital outside of acting in its capacity as Fund Manager, shall be at liberty in any capacity whatsoever to provide services to other Mashreq Capital clients of a like nature to those provided by it to the Fund and or the relevant Sub-Fund and to enter into any financial, banking, commercial or advisory contract or other transaction with any other person.

### Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund and are, or may be, material:

- 1 Administration Agreement
- 2 Custodian Agreement
- 3 The agreement between the Registered Auditor and the Fund
- 4 The Fund Management Agreement

Any of the above agreements may be amended by the mutual consent of the parties, consent on behalf of the Fund being given by the Fund Manager.

### Documents available for inspection

Copies of the following documents are available for inspection during business hours on each Business Day at the registered office of the Fund in the DIFC:

1. the Articles of Association;
2. the current Prospectus;
3. the material contracts referred to above;
4. the relevant Shareholders entry in the Shareholders Register; and
5. the latest annual and interim reports of the Fund.

### Governing Law

The governing law of the Fund and this Prospectus shall be the laws of the DIFC.

## INVESTMENT CONSIDERATIONS

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An investment in the Fund involves significant risks which prospective Subscribers should consider before participating in the Fund. There can be no assurance that any rate of return will be realised or that significant capital losses will not occur. The Fund's returns may be unpredictable and, accordingly, its investment programme 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 only if the investor is able to withstand a total loss of its investment. Prospective Subscribers should carefully consider each and every risk involved herein, and all other information contained in this Prospectus. In considering participation in the Fund, an investor should be aware of certain considerations which include, but are not limited to, the following:

## GENERAL

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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. An investment in the Fund could result in a loss for an investor of part or whole of the investment.

## MARKET RISKS

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**Financial Condition.** The value of specific investments may decline due to developments in the trends of particular industries and/or the financial conditions of credit parties. In particular, the Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honour its obligations. The Fund will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which the Fund trades such instruments, which could result in substantial losses to the Fund. These conditions may result in the Fund sustaining loss on certain investments, particularly if the Fund is required to liquidate investments during adverse markets conditions.

**Investment in Emerging Countries and Markets.** Investment in securities and markets in emerging countries and markets, may be subject to different and greater risks than investments in more developed countries and markets because of a variety of factors, including currency controls and the fluctuation of currency exchange rates, changes in governmental administration or economic or monetary policy or changed circumstances in dealings between nations. Other factors include high rates of inflation and the potential for substantial depreciation in the value of local currencies.

In many cases, the economies of emerging countries are heavily dependent upon international trade and, accordingly, have been, and may continue to

be, adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also may have been, and may continue to be, adversely affected by economic conditions in the countries with which they trade.

There may be less publicly available information about emerging countries and markets, and issuers in these countries and markets may not be subject to uniform accounting, auditing, and financial reporting standards and requirements comparable to those for issuers in more developed countries and markets. Securities of some issuers in emerging countries and markets are less liquid and more volatile than securities of comparable issuers in more developed countries and markets and brokerage commissions may be higher. Securities markets in emerging countries may also be less liquid and more volatile than those in more developed countries. Moreover, there may be less governmental supervision and regulation of securities markets, brokers, and securities issuers than in more developed countries and markets.

**Liquidity Risks.** Liquidity risk exists when particular investments (such as those in private placements) are difficult to purchase or sell. The Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price.

Securities in which the Fund (or any Sub-Fund) may invest may include those that are either listed on one or more stock exchanges or traded over the counter, as well as those that are not publicly traded. In the case of securities that are listed or traded on organised exchanges or other markets, there may be less market liquidity than would typically be available for companies of comparable size that are traded in the securities markets of developed countries. This reduced liquidity may diminish the Fund's ability to act on investment information and research in both buying and selling securities. In addition, it may limit the size of investments and increase the cost of transacting in such markets.

Securities that are not publicly traded may be resold in privately negotiated transactions, but they may be less liquid than publicly traded securities and the prices realised upon their resale may be less than those that could be realised if the securities were publicly traded. Furthermore, companies whose securities are not publicly traded may be in early stages of development, which may involve substantial business and financial risks. Such companies may not be subject to the disclosure and other investor protection requirements that may apply in the case of publicly traded securities. If such securities are required to be registered under the securities laws of one or more jurisdictions before being sold, the expenses of such registration may be chargeable against the proceeds of the sale.

**Political and Legal Factors.** The Fund may invest in emerging countries where there is a high potential return on invested capital but also a high degree of either political or economic risk, or both, or where existing regulations may impede repatriation of investment capital or earnings. In such cases, the potential return may be offset, or more than offset, as a result of adverse political or other developments. In that regard, it is generally the case that investments in any emerging country could be affected by factors such as nationalisation, expropriation without just compensation, exchange control, confiscatory taxation, political changes, governmental regulation, social, political, or diplomatic instability (including military or other internal political coups, insurrections and wars), and potential difficulties in enforcing contractual obligations.

In addition, the legal systems in emerging countries are often not as sophisticated as those in developed nations and it may be difficult to predict with any degree of assurance the resolution of legal questions presented in adjudications or other governmental proceedings. In addition, the availability of judicial and other remedies may, as a practical matter as well as a legal matter, be far more restricted than in developed countries. These factors may adversely affect the companies in which the Fund (or any Sub-Fund) invests as well as the enforceability of the rights of the Fund as a security-holder in such companies.

**Investment and Repatriation Restrictions.** Some emerging countries have laws and regulations that preclude direct foreign investment in the securities of their companies. In certain emerging countries, however, indirect foreign investment in the securities of companies listed and traded on the stock exchanges in those countries is permitted through investment funds that have been specifically authorised. The Fund may invest in these investment funds and, in such a case, the Fund will bear its proportionate share of the expenses of the investment fund.

In addition, in some emerging countries, prior governmental approval for foreign investments may be required under certain circumstances. Moreover, the extent of foreign investment in domestic companies may be limited. Foreign ownership limitations also may be imposed by the charters of individual companies in emerging countries to prevent, among other concerns, violation of foreign investment limitations.

Repatriation of investment income, capital, and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging countries. The Fund could be adversely affected by delays in or a refusal to grant required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging countries on interest, profit or distributions made on securities purchased by the Fund or gains from the disposition of such securities.

**Substantial Fees and Expenses.** The operating expenses of the Fund which include, amongst other items, brokerage commissions and other trading expenses, valuation fees, investment expenses, as well as administrative, custodial, legal, accounting, audit and reporting expenses, are expected to equal a substantial percentage of the Fund's assets each year. These expenses are in addition to the management fees payable by the Fund, and the amounts of each expense will be set out in the Fund's annual report available from the Fund Manager.

**Trading Strategy of the Fund.** The Fund will purchase securities on a primarily buy and hold basis. Prior to purchase a full review of the value of these investments will be made. Trading in the securities will only occur when value targets have been achieved.

**Other Activities of the Fund Manager.** The Fund Manager currently manages and intends to manage other customer accounts in the future. Orders for such accounts similar to those of the Fund may occur contemporaneously. There is no specific limit as to the number of accounts which may be managed by the Fund Manager. The performance of the Fund's investments could be adversely affected by the manner in which particular orders are

entered for all such accounts.

**Nature of an Investment Fund.** 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.

The Shares cannot be assigned, transferred, pledged, or otherwise encumbered except on the terms and conditions set forth in the Prospectus, and there is and will be no public market for the Shares prior to any listing which is at the sole discretion of the Fund Manager. Subject to certain conditions and restrictions, Shareholders may require the Fund to redeem all or part of their Shares as of each Redemption Date.

**Leverage.** The Fund may borrow cash, securities and other instruments. The use of leverage creates special risks and may significantly increase the Fund's investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the Fund's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the Net Asset Value to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value may decrease more rapidly than would otherwise be the case.

**Redemptions.** Limits apply to the timing of redemption of Shares and redemptions generally. Additionally, the Fund Manager has the discretion to satisfy redemptions in kind (in specie). Accordingly, Shareholders, on such redemptions, may be allocated assets and not cash, the value of which may go up and down until such assets are ultimately realised.

**Execution Risks and Fund Manager Error.** In order to seek positive returns in global markets, the Fund Manager's trading and investment for the Fund involves multiple portfolio managers, multiple instruments, multiple brokers and counter-parties, and multiple strategies. As a result, the execution of the trading and investment strategies employed by the Fund Manager for the Fund may often require rapid execution of trades, high volume of trades, complex trades, difficult to execute trades, use of negotiated terms with counter-parties such as in the use of derivatives and the execution of trades involving less common or novel instruments. In each case, the Fund Manager seeks best execution and has trained execution and operational staff devoted to executing, settling, and clearing such trades. However, in light of the high volumes, complexity, and global diversity involved, some slippage, errors, and miscommunications with brokers and counter-parties are inevitable and may result in losses to the Fund. Such losses may be caused by the Fund's brokers and counter-parties or by the Fund Manager or by a combination of the broker or counter-party and the Fund Manager.

The Fund Manager may but is not required to attempt to recover losses from brokers or counter-parties. The Fund Manager is not liable to the Fund for losses caused by brokers or counter-parties unless caused by the Fund Manager's own gross negligence or wilful default, or by a combination of gross negligence or wilful default of the broker or counter-party and the Fund Manager. The Fund Manager will be liable to the Fund for acts that constitute gross negligence or wilful default, in the event that the Fund Manager failed to act in good faith in the reasonable belief that such actions were in, or not opposed to, the best interests of the Fund, or if the Fund Manager is liable to the Fund for damages under the securities laws of the UAE. Shares in the Fund are only available for subscription by investors who understand that they and the Fund are waiving potential claims for damages arising from the operation of the Fund and expect some execution losses to the Fund.

**Reliance on Fund Manager Expertise.** The success of the Fund, and its ability to generate profits, depends on the management and the financial and managerial expertise of the Fund Manager. Investors will not be permitted to evaluate investment opportunities or relevant business, economic, financial or other information that will be used by the Fund Manager in making investment decisions.

Investors are required to conduct their own due diligence before committing themselves to this investment opportunity.

**Past Performance.** The past investment performance of the Fund Manager and any of the principals and or the investment team responsible for the implementation of the investment objective and investment policies of the relevant Sub-Fund and/or any entities with which it has been associated, should not be construed as an indication of the future results of an investment in the relevant Sub-Fund. The relevant Sub-Fund's investment programme should be evaluated on the basis that there can be no assurance that the Fund Manager's assessments of the short-term or long-term prospects of investments will prove accurate.

**Attraction and Retention of Key Personnel.** The failure to attract and retain key personnel could significantly affect the business. The success of companies in the private investment and investment banking industry depends to a considerable extent on the skills and knowledge of the key personnel.

**Regulations.** Future developments in relevant government or central bank regulations and supervision may adversely affect securities markets in the region, by imposing restrictions on trading or transferring securities. Restrictions may also be imposed by relevant securities authorities and stock exchanges.

Additionally, despite legislation to encourage foreign investment, the legal systems in some emerging markets are undergoing rapid change and in others remains underdeveloped, leading to significant risks for investors, including risks relating to the ownership and transferability of assets and the enforcement of proprietary rights.

**Term of Investment.** The Fund's and the relevant Sub-Fund Property will be concentrated in securities with a view to medium to long-term capital increases. Accordingly, an investor should consider the investment to be a medium to long-term commitment.

**Non-Participation in Management.** Shareholders 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 Fund Manager. Investors will have no opportunity to control the day-to-day operation of the Fund, including the investment and disposition decisions.

**Taxation.** Prospective Subscribers should consult legal advisors in the countries of their citizenship, residence and domicile to determine the possible tax or other consequences of purchasing, holding and redeeming Shares under the laws of their respective jurisdictions.

Although currently no tax will be levied on the income or capital gain earned by the Fund in the DIFC, any change in tax laws and subsequent levying of tax on income or capital gains will impact the performance of the Fund. VAT was introduced in the UAE on 1 January 2018 and, accordingly, VAT may be added to services provided to the Fund or any relevant Sub-Fund. Any VAT that becomes payable on any payments by the Fund or on behalf of the relevant Sub-Fund may be grossed up, deducted or accounted for, as applicable, and will, as a consequence, be at the expense of the Fund and/or the relevant Sub-Fund.

**Cross Sub-Funds Liability.** As at the date of this Prospectus, the Fund has seven Sub-Funds operating. The Fund may launch further Sub-Funds in the future. Notwithstanding this, the Fund is a single legal entity and, as a matter of the laws of the DIFC and the DFSA, all of the assets of the Fund may be available to meet any of its liabilities, regardless of whether these are attributable to a particular Sub-Fund (in other words, the Sub-Funds are not statutorily or constitutionally “ring-fenced”). In practice, cross class liability will usually only arise where a particular Sub-Fund becomes insolvent or exhausts its assets and is unable to meet all of its liabilities. In this case, some or all of the assets of the Fund attributable to the other Sub-Funds may be applied to cover the liabilities of the insolvent Sub-Fund.

**Cyber Security Risk.** Failures or breaches of the electronic systems of the Fund, the Fund’s adviser, distributor, and other service providers, or the issuers of securities in which the Fund invests have the ability to cause disruptions and negatively impact the Fund’s business operations, potentially resulting in financial losses to the Fund and its shareholders, interfere with the Fund’s ability to calculate its NAV, impede trading, disrupt the ability of investors to subscribe for, exchange or redeem their units, violate privacy and other laws and incur regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. While the Fund has established business continuity plans and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems. Furthermore, the Fund cannot control the cyber security plans and systems of the Fund’s service providers or issuers of securities in which the Fund invests.

**Counterparty Risk.** The Fund may enter into financial instruments or transactions with a counterparty. A counterparty may become bankrupt or otherwise fail to perform its obligations due to financial difficulties, jeopardizing the value of the Fund’s investment.

**Derivative Risk.** A small investment in a derivative could have a large potential impact on the performance of the Fund. The Fund could experience a loss if derivatives do not perform as anticipated or if the Fund is unable to liquidate a position because of an illiquid secondary market.

**Risks relating to unforeseen or catastrophic events.** The occurrence of unforeseen or catastrophic events, including the emergence of a pandemic, or other widespread health emergency (or concerns over the possibility of such an emergency), terrorist attacks, extreme terrestrial or solar weather events or other natural disasters, could create economic and financial disruptions, and could lead to operational difficulties (including travel limitations) that could adversely affect the Fund.

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

### Fund Manager & Investment Manager

Mashreq Capital (DIFC) Ltd  
 Al Fattan Currency House  
 Tower 1, Office number 111, Level 1  
 DIFC  
 PO Box 1250  
 Dubai  
 United Arab Emirates  
 Tel: +971 4 4244618  
 Fax: +971 4 3954496

### Fund Administrator, Registrar and Transfer Agent

Apex Fund Services (Dubai) Ltd.  
 Office 101, Level 1  
 Gate Village Building 5  
 DIFC  
 PO Box 506534  
 Dubai  
 United Arab Emirates  
 Tel: +971 4 4289221  
 Fax: +971 4 4289220

### Registered Auditor

Deloitte & Touche (M.E.)  
 Building 3, Level 6, Emaar Square, Downtown  
 Sheikh Zayed Road,  
 PO Box 4254  
 Dubai  
 United Arab Emirates  
 Tel: +971 4 3768888  
 Fax: +971 4 3768899

### Legal Advisors

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 Gate Village 7  
 Level 4  
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 PO Box 506631  
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 United Arab Emirates  
 Tel: +971 4 428 6300  
 Fax: +971 4 365 3171

Al Tamimi and Company  
 Level 7  
 Central Park Towers  
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 p.o Box 9275  
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### Director(s)

Executive (as Fund Manager):  
 Mashreq Capital (DIFC) Ltd  
 Al Fattan Currency House  
 Tower 1, Office number 111, Level 1  
 DIFC,  
 PO Box 1250  
 Dubai  
 United Arab Emirates

### Custodian

First Abu Dhabi Bank  
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 Khalifa Business Park, Al Qurm District  
 PO Box 6316  
 Abu Dhabi  
 United Arab Emirates  
 Tel: +971 2 3053952

### Audit Principal

Owais Iftikhar

### Oversight Committee

Sharon Ditchburn, Ece Briscoe, Lotte Nielsen  
 Capital Advantage  
 Atelier Business Center  
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 F: +971 4 321 9783

## ANNEX 1 – MASHREQ GLOBAL CONSERVATIVE FUND

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This Annex is valid only if accompanied by the currently valid Prospectus.

### Investment Objective and Benchmarks

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#### Investment Objective

The Mashreq Global Conservative Fund is a "Fund of Funds" (as defined in the CIR) and as such the investment objective of the Mashreq Global Conservative Fund is to seek to deliver moderate levels of income by investing in a broad range of globally diversified investment funds ("Underlying Fund(s)"), the majority of which will be yield-generating. The Underlying Funds will primarily invest in the asset classes of fixed income and alternative strategies (as described below) and will be geographically diversified. The Mashreq Global Conservative Fund does not have a benchmark, but has an annual absolute return target of 4% net of fees.

### Investment Process

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#### Investment Process - Team

Prior to any investment being made by the Mashreq Global Conservative Fund a detailed analysis of the investment will be made by the fund management team. This team will always have a lead Portfolio Manager who is dedicated to the Mashreq Global Conservative Fund and accountable for the performance. Any changes to investment policies, investment limits and restrictions, etc. will have to be approved by the Mashreq Global Conservative Fund's Board prior to being proposed/notified to the Shareholders of the Mashreq Global Conservative Fund.

#### Investment Process - Overview

The investment policy is built to deliver a globally diversified portfolio through investment in Underlying Funds and has two main building blocks. The first is asset allocation, which is where the Investment Manager allocates capital across global fixed income markets. The second is fund selection where Underlying Funds are used to gain exposure to the relevant asset classes as determined by the Investment Manager.

#### Investment Process - Asset Allocation

Asset allocation is the process whereby the Investment Manager selects assets for investment in order to produce the best risk-adjusted returns for investors. Sub-Fund Property allocation decisions are determined based on past returns, volatility of returns, in addition to the Investment Manager's forward-looking views on the markets. For example, the Investment Manager analyses growth rates and geopolitical risk when deciding the allocation to a particular fixed income market. All decisions on Sub-Fund Property allocation are based on research and data taken from well-known, independent third-party sources.

#### Investment Process - Underlying Fund Selection

The fund management team conduct meetings with asset managers of the Underlying Funds before making buy/sell recommendations. The fund management team then target their own research only on highly-rated funds where they focus on an Underlying Fund manager's experience, investment process, portfolio holdings, fund fees, returns and volatility.

The Mashreq Global Conservative Fund will only invest in Underlying Funds that (i) are subject to an independent annual audit conducted in accordance with IFRS or US GAAP; (ii) have mechanisms in place to enable the Mashreq Global Conservative Fund to redeem its units in such Underlying Fund within a reasonable time if it is an open-ended fund; (iii) are prohibited from having more than 25% of their respective value in the units of other funds; and (iv) have a proper and disclosed basis for their asset valuation and the pricing of their units.

#### Monitoring

Underlying Fund selections are only changed in the event of a significant negative impact on the Underlying Fund's future prospects such as:

- (a) downgrade of the Underlying Fund from a major ratings agency;
- (b) fund manager departure or widespread instability in the underlying analyst team;
- (c) investment process of the Underlying Fund manager is significantly altered;
- (d) portfolio dramatically shifts away from the stated style for which the Underlying Fund was initially selected;
- (e) returns of the Underlying Fund underperform peers for a prolonged period of time or during a market environment in which better performance would be expected given the Underlying Fund's stated style;
- (f) capacity issues cause problems managing the Underlying Fund in the optimal manner due to significantly large assets under management curtailing trading of the fund manager's underlying securities;
- (g) corporate uncertainty brought about by a sale, merger or regulatory action against a fund manager; or
- (h) fees being increased to levels which are deemed difficult to overcome for the Underlying Fund manager.

## Liquidity Management

The Fund Manager has appropriate processes in place to manage and monitor liquidity of the Mashreq Global Conservative Fund.

## Investment Policies and Restrictions

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### Investment Process – Investable universe

Underlying Funds' investments comprise the asset classes of fixed income and alternatives. Fixed income Underlying Funds provide exposure to fixed or floating rate fixed income instruments, including debt issued by any sovereign, agency, government sponsored entity, supra-national or corporate issuer; asset-backed debt securities; commercial mortgage backed securities and preferred stock. Underlying Funds may also invest in "alternative strategies", which may consist of commodities, property and long / short and market-neutral investment strategies. Commodity fund exposure typically involves the Underlying Fund investing in large-cap, listed oil-and-gas stocks. Property fund exposure typically involves Underlying Funds investing in listed real estate investment trusts (REITs). There are no direct investments in illiquid physical commodities such as gold bullion or direct purchases of real estate. Typical exposure to alternatives would be long/short or market-neutral funds intended to lower the overall volatility of the Mashreq Global Conservative Fund. There will be no bias towards any single asset management group. The Investment Manager seeks to reduce single asset manager risk by sourcing funds from multiple asset managers.

### The Policy of Spreading Risk

In making investments on behalf of the Mashreq Global Conservative Fund, the Investment Manager shall adhere to the following investment guidelines and restrictions:

- (a) Asset Classes: The Investment Manager will always invest the majority of the Sub-Fund Property of the Mashreq Global Conservative Fund in the core asset class of fixed income.
- (b) Fixed Income: No more than 50% of the Sub-Fund Property of the Mashreq Global Conservative Fund's allocation can be in sub-investment grade quality, i.e. high-yield rated below BBB as defined by S&P, Fitch or Moody's.
- (c) Mutual Funds: The Sub-Fund Property of the Mashreq Global Conservative Fund will only be invested in mutual funds and ETFs. The Sub-Fund Property of the Mashreq Global Conservative Fund cannot be invested in Underlying Funds which are feeder funds or themselves fund of funds.
- (d) Position sizing: Investment in any single Underlying Fund cannot exceed 25% of the Mashreq Global Conservative Fund's Net Asset Value.
- (e) Liquidity: The majority of the Sub-Fund Property of the Mashreq Global Conservative Fund must contain daily-dealing mutual funds. However, up to 25% of the Sub-Fund Property of the Mashreq Global Conservative Fund can be invested in weekly-dealing Underlying Funds, monthly-dealing Underlying Funds, quarterly-dealing Underlying Funds and/or semi-annual dealing Underlying Funds.
- (f) Alternatives: The Investment Manager can invest up to 10% of the Sub-Fund Property of the Mashreq Global Conservative Fund in alternative investment funds as described in the section "Underlying Fund Selection".
- (g) Single-line securities: The Sub-Fund Property of the Mashreq Global Conservative Fund will not be invested in the following types of securities: single-name stocks, bonds, structured products or private placements.

### Leverage/Borrowing

The Mashreq Global Conservative Fund will not use leverage.

### Derivatives

The Mashreq Global Conservative Fund will not use derivatives, but Underlying Funds may utilise derivatives in order to achieve their investment objective. Mashreq Capital's Portfolio Managers will ensure that any use of derivatives in the Underlying Funds is limited and used appropriately in order to achieve the investment objective of the Mashreq Global Conservative Fund. Examples of typical uses of derivatives by the Underlying Funds includes hedging non-USD exposure, shorting stocks to limit the volatility of equity returns, and short/negative duration positioning to protect capital during a rising rate environment.

### Stock Lending

The Mashreq Global Conservative Fund will not engage in stock lending.

### Investment horizon

The Mashreq Global Conservative Fund is not an appropriate vehicle for short-term investment, as its investment objectives are set on a medium to long-term basis.

### Investment risks

There can be no assurance that the Mashreq Global Conservative Fund's investments will be successful or that the investment objectives of the Mashreq Global Conservative Fund will be achieved. Investors should be aware of the risks of the Mashreq Global Conservative Fund including,

but not limited to, the risks described in the “Investment Considerations” section of the Prospectus. An investment in the Mashreq Global Conservative Fund is suitable only for persons who are in a position to take such risks. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Annex carefully and consult with their professional advisers before purchasing Shares.

### Base Currency

The base currency of the Mashreq Global Conservative Fund is the United States Dollar. Share Classes in the Mashreq Global Conservative Fund may be denominated in currencies other than the United States Dollar.

The Mashreq Global Conservative Fund’s assets may be invested in securities and other investments that are denominated in currencies other than United States Dollars. Accordingly, the value of an investment may be affected favourably or unfavourably by fluctuations in exchange rates. In addition, prospective Subscribers whose assets and liabilities are primarily denominated in currencies other than the United States Dollar should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the United States Dollar and such other currency, which rate may be obtained from third party providers of exchange rate information such as Bloomberg.

### Monitoring

The Fund Manager shall monitor the Fund's compliance with the investment policies and restrictions set out above.

## Share Classes

Share Class	Distributing	Currency	Subscription Fee	Management Fee	Distribution Fee	Redemption Fee	Minimum holding & initial investment	Minimum incremental investment
Class "GC A USD"	No	USD	Up to 5%	0.2%	0%	Up to 2%	USD 1	USD 1
Class "GC A AED"	No	AED	Up to 5%	0.2%	0%	Up to 2%	AED100	AED 10
Class "GC B USD"	Yes	USD	Up to 5%	1.2%	0%	Up to 2%	USD 1	USD 1
Class "GC B AED"	Yes	AED	Up to 5%	1.2%	0%	Up to 2%	AED100	AED 10
Class "GC I USD"	No	USD	Up to 5%	0.5%	0.5%	Up to 2%	USD 1	USD 1
Class "GC I AED"	No	AED	Up to 5%	0.5%	0.5%	Up to 2%	AED100	AED 10

## Fees

### Subscription Fee

A subscription fee of up to 5% of the amount subscribed for will be paid (in addition to the Subscription Price or Initial Issue Price) to the Fund Manager from each subscription to the Mashreq Global Conservative Fund. The Fund Manager may waive a portion of such fee or decide to transfer part or all of such fee to the relevant distributor, in its discretion.

### Management Fee

The Fund Manager will receive a management fee from the Mashreq Global Conservative Fund, payable out of assets attributable to the Mashreq Global Conservative Fund of:

0.2% per annum of the Net Asset Value per Share Class in respect of the Class "GC A USD" Shares and Class "GC A AED" Shares, 1.2% per annum of the Net Asset Value per Share Class in respect of the Class "GC B USD" Shares and Class "GC B AED" Shares and 0.5% per annum of the Net Asset Value per Share Class in respect of the Class "GC I USD" Shares and the Class "GC I AED" Shares.

(calculated before payment of accrued fees) to be accrued on a daily basis and payable quarterly in arrears.

The Fund Manager will also be entitled to be reimbursed by the Fund out of the assets of the Mashreq Global Conservative Fund for all reasonable and vouched out-of-pocket expenses incurred by it for the benefit of the Mashreq Global Conservative Fund in the performance of its duties to the Mashreq Global Conservative Fund.

### Fees Charged by the Underlying Funds to the Mashreq Global Conservative Fund

The Investment Manager always seeks the best-value Underlying Fund when gaining exposure to asset classes. The maximum level of



management fees that may be charged by the Underlying Funds is 2% per annum of such Underlying Fund's net asset value. In practice the aggregate management fees of the Underlying Funds are expected to be much lower due to the inclusion of passive funds where fees of only a few basis points are usually charged. Additionally, the Investment Manager will seek to invest in clean share class funds (institutional share classes). Clean share class funds exhibit lower fees because there is no trail commission built into the management fee. The Investment Manager does not intend to receive any personal rebate, trail commission or any other form of payment from any Underlying Fund manager in respect of the Mashreq Global Conservative Fund's investments in an asset manager's funds. This structure ensures that the interests of the Investment Manager are aligned with those of the Shareholders of the Mashreq Global Conservative Fund.

#### **Administration and Registrar and Transfer Agent Fee**

The Fund Administrator, Registrar and Transfer Agent will receive from the assets attributable to the Mashreq Global Conservative Fund an administration fee calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

#### **Custodian Fee**

The Custodian will receive from the assets attributable to the Mashreq Global Conservative Fund a fee for providing custody services calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

#### **Oversight Committee Fee**

The Oversight Committee will receive from the Mashreq Global Conservative Fund an oversight fee calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

#### **Performance Fee**

No performance fee will be payable in respect of the Mashreq Global Conservative Fund.

#### **Redemption Fee**

A redemption fee of up to 2% of the Redemption Price can be charged to Shareholders requesting the redemption of part or all of their Shares in the Mashreq Global Conservative Fund. The Fund Manager may waive part or all of such redemption fee or decide to transfer part or all of such redemption fee to the relevant distributor, in its discretion.

#### **Distribution Fee**

The Fund Manager will receive a distribution fee from the Mashreq Global Conservative Fund to cover distribution expenses, payable out of assets attributable to the Class "GC I USD" Shares and the Class GC I AED Shares of 0.5% per annum of the Net Asset Value per Share Class in respect of the Class "GC I" Shares.

The Fund Manager will not receive a distribution fee in respect of the Class "GC A USD" Shares, Class "GC A AED" Shares, Class "GC B USD" Shares and Class "GC B AED" Shares.

### **Valuation**

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#### **Valuation Date**

The Valuation Date for the Mashreq Global Conservative Fund will be the close of business (UAE time) at each Business Day.

### **Subscription**

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#### **Minimum Initial Fund Size**

The minimum initial Fund size for the Mashreq Global Conservative Fund will be USD one million.

#### **Minimum Initial and Subsequent Subscription Amount**

The minimum initial and subsequent subscription amount that any one person can hold is one US dollar for the USD denominated Shares. The minimum initial subscription amount that any one person can hold is AED100 and AED10 for any subsequent subscription amount for the AED denominated Shares.

#### **Issue of Shares**

The Fund will issue Class "GC A USD" Shares, Class "GC A AED" Shares, Class "GC B USD" Shares, Class "GC B AED" Shares, Class "GC I USD" Shares and Class "GC I AED" Shares in respect of the Mashreq Global Conservative Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to one hundred million Class "GC A USD" Shares, up to one hundred million Class "GC A AED" Shares, up to one hundred million Class "GC B USD" Shares, up to one hundred million Class "GC B AED" Shares, up to one hundred million Class "GC I USD" Shares and up to one hundred million Class "GC I AED" Shares are initially available for issue. Distributions will be made for the Class "GC B USD" Shares and Class "GC B AED" Shares only (and not for the Class "GC A USD" Shares, Class "GC A AED" Shares, Class "GC I USD" Shares

or the Class "GC I AED" Shares).

The Issue Date for Shares issued in respect of the Mashreq Global Conservative Fund shall be the Business Day following the relevant Initial Closing Date and thereafter the Business Day following each Subscription Date.

#### **Initial Offer Period**

The Initial Offer Period for the Mashreq Global Conservative Fund in respect of the Class "GC A USD" Shares and Class "GC B USD" Shares was from 1st October 2017 to 31st October 2017. During the Initial Offer Period, the Initial Issue Price was USD 100.

The Initial Offer Period for the Mashreq Global Conservative Fund in respect of the Class GC A AED" Shares, Class "GC B AED" Shares, Class "GC I USD" Shares and the Class "GC I AED" Shares will be communicated by the Fund Manager to prospect investors. During the Initial Offer Period, the Initial Issue Price will be USD 10 for US denominated shares and AED 10 for the AED denominated shares..

#### **Subscriptions**

The Fund Manager may alter the minimum initial subscription, holding amount or additional subscription thresholds in relation to the Mashreq Global Conservative Fund in its absolute discretion without the conflict of applicable rules pertain to the minimum subscription.

Subscriptions are used to purchase the largest number of Shares of the relevant Share Class or sub-class in the Mashreq Global Conservative Fund possible after deduction of the subscription fee. Fractional Shares may be issued up to four decimal places.

Mashreq Global Conservative Fund Shares are offered on a continuous basis on each Subscription Date at the applicable Subscription Price, i.e. the Net Asset Value per Share applicable on the Subscription Date plus the applicable subscription fee.

#### **Subscription Date**

The Subscription Date for the Mashreq Global Conservative Fund will be each Business Day.

#### **Subscription Procedure**

Prospective Subscribers who wish to subscribe for Shares in the Mashreq Global Conservative Fund must send the subscription agreement to the Fund Manager. For the purpose of the prior notice requirements set out below, all applications for subscriptions shall be deemed to be received at the time they are received by the Fund Manager.

#### **Prior Notice for Subscriptions**

No application for subscription will be accepted unless the subscription agreement and payment of the full Subscription Price (and applicable subscription fee) in immediately available funds (as detailed below) are received at least two Business Days prior to the desired Subscription Date. Applications for subscriptions received after such deadline will be dealt with on the next Subscription Date after the desired Subscription Date. The Fund Manager may in its discretion waive this requirement.

#### **Payment of Subscription Price**

The full Subscription Price (including any applicable subscription fee) must be received in immediately available funds by the Custodian or its agent at least two business days prior to the desired Subscription Date. Applications for subscriptions for which funds are received after such deadline will be dealt with on the next Subscription Date after the desired Subscription Date. The Fund Manager may in its discretion waive this requirement.

## **Redemption**

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#### **Redemption Date**

The Redemption Date for the Mashreq Global Conservative Fund will be each Business Day.

#### **Redemptions**

Each Shareholder may apply for the redemption of all or part of his Shares or of a fixed United States Dollar amount for the USD denominated Shares and dirham amount for the AED denominated Shares as of each Redemption Date at the applicable Redemption Price (i.e. Net Asset Value per Share applicable on the Redemption Date less any Redemption Costs and Expenses), subject to a minimum redemption amount of USD 50 and AED 100 respectively depending on the relevant Share Class' currency. If the value of a Shareholder's holding on the relevant Redemption Date is less than the fixed USD/AED amount which the Shareholder has applied to redeem or if, following the requested redemption a Shareholder will hold Shares in the Mashreq Global Conservative Fund worth less than the minimum holding, the Shareholder will be deemed to have requested the redemption of all his Shares.

#### **Prior Notice Requirement for Redemptions**

No Redemption Request will be accepted unless the application is received at least two Business Days prior to the desired Redemption Date.

Redemption Requests received after such deadline will be dealt with on the next Redemption Date after the desired Redemption Date. The Fund Manager may in its discretion waive this requirement.

#### **Payment of Redemption Proceeds**

Redemption proceeds will be paid in United States Dollars (USD) for the USD denominated Shares and in UAE dirhams for the AED denominated Shares as soon as reasonably practicable and normally within five Business Days after the Redemption Date. Redemption proceeds will only be paid in favour of the relevant Shareholder and will be paid by electronic transfer (net of the electronic transfer fee) to the account instructed by that Shareholder.

Whilst the Fund intends to make all redemptions in cash, if requested by a Shareholder, redemptions may be made in kind (in specie) at the discretion of the Fund Manager. In order to satisfy payment of the redemption proceeds to such Shareholder in kind, the Fund Manager will allocate to the Shareholder investments from the Sub-Fund Property of the Mashreq Global Conservative Fund equal to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders in Mashreq Global Conservative Fund. The valuation used shall be confirmed by a special report of the Registered Auditor. The costs of any such redemptions in kind shall be borne by the redeeming Shareholder.

#### **Transaction Charges and Redemption Costs and Expenses.**

If the Mashreq Global Conservative Fund incurs any Redemption Costs and Expenses in respect of any redemption of Shares, including any interest paid or payable or any loss, premium, penalty or expense that may be incurred in liquidating or employing securities, deposits or financing to fund the redemption amount, or Dilution Levy, these may be recovered from the redemption amount payable to the redeeming Shareholder.

#### **Voting Rights**

The Shares offered in this Sub-Fund shall not confer any voting rights on a Shareholder, provided however that a Shareholder shall be permitted to vote in those circumstances specifically stated in the Articles of Association or otherwise in accordance with the Law, the CIR and the Rules. This includes the right to vote on any matters (or amendments) which would affect the rights or entitlements of a Shareholder, such as a fundamental change requiring a Special Resolution or a materially significant change requiring an Ordinary Resolution.

#### **Distributions**

The Board intends to declare distributions in respect of the Class "GC B USD" Shares and the Class "GC B AED" Shares. The Fund Manager in its capacity as Board Director of the Company shall at its discretion decide the timing and the amount of any distributions to be made. Any such distribution can, at the discretion of the Fund Manager, be made out of all sources (without being exhaustive, profit, realized or unrealized gains, whether or not net of realized or unrealized losses, any distributions received from the underlying funds, interest earned, any other cash receipts, capital and generally any surpluses) and will be paid to the Shareholders of record within 20 Business Days. Upon the declaration of any distributions to the Shareholders of the relevant Share Classes of the Mashreq Global Conservative Fund, the Net Asset Value per Share of the relevant Share Class of the Mashreq Global Conservative Fund will be reduced by the amount of such distributions. Payment of the distributions will be made as indicated on a Shareholder's subscription application form, as amended from time to time, to the account indicated on the Shareholder Register or via the issuance of additional Shares.

Any distribution unclaimed after a period of twelve months from the date of declaration of such distribution will be automatically forfeited and will become the property of the Mashreq Global Conservative Fund.

## ANNEX 2 – MASHREQ GLOBAL BALANCED FUND

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This Annex is valid only if accompanied by the currently valid Prospectus.

### Investment Objective and Benchmarks

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#### Investment Objective

The Mashreq Global Balanced Fund is a "Fund of Funds" (as defined in the CIR) and as such the investment objective of the Mashreq Global Balanced Fund is to seek to deliver current high income by investing in a broad range of globally diversified investment funds ("**Underlying Fund(s)**"). The Underlying Funds will invest in the asset classes of equity, fixed income and alternative strategies (as described below) and will be geographically diversified. The Mashreq Global Balanced Fund does not have a benchmark, but has an annual absolute return target of 5% net of fees.

### Investment Process

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#### Investment Process - Team

Prior to any investment being made by the Mashreq Global Balanced Fund a detailed analysis of the investment will be made by the fund management team. This team will always have a lead Portfolio Manager who is dedicated to the Mashreq Global Balanced Fund and accountable for the performance. Any changes to investment policies, investment limits and restrictions, etc. will have to be approved by the Fund's Board prior to being proposed/notified to the Shareholders of the Mashreq Global Balanced Fund Shareholders.

#### Investment Process - Overview

The investment policy is built to deliver a globally diversified portfolio through investment in Underlying Funds and has two main building blocks. The first is asset allocation, which is where the Investment Manager allocates capital across global fixed income and equity markets. The second is fund selection where Underlying Funds are used to gain exposure to the relevant asset classes as determined by the Investment Manager.

#### Investment Process - Asset Allocation

Asset allocation is the process whereby the Investment Manager selects assets for investment in order to produce the best risk-adjusted returns for investors. The Investment Manager blends equities and fixed income together to form the optimal mix of investments dependent on the market environment. For example, the starting point for the optimal mix between fixed income and equities is the benchmark allocation of 50% in each asset class. The Investment Manager is likely to allocate more capital to fixed income in an environment of low growth, low inflation and rising geopolitical risk. Higher allocation to equity is likely in periods of rising growth rates, higher distribution yields and a positive financial market backdrop. All asset class decisions are based on research and data taken from well-known, independent third-party sources.

#### Investment Process - Underlying Fund Selection

The fund management team conduct meetings with asset managers of the Underlying Funds before making buy/sell recommendations. The fund management team then target their own research only on highly-rated funds where they focus on an Underlying Fund manager's experience, investment process, portfolio holdings, fund fees, returns and volatility.

The Mashreq Global Balanced Fund will only invest in Underlying Funds that (i) are subject to an independent annual audit conducted in accordance with IFRS or US GAAP; (ii) have mechanisms in place to enable the Mashreq Global Balanced Fund to redeem its units in such Underlying Fund within a reasonable time if it is an open-ended fund; (iii) are prohibited from having more than 25% of their respective value in the units of other funds; and (iv) have a proper and disclosed basis for their asset valuation and the pricing of their units.

#### Monitoring

Underlying Fund selections are only changed in the event of a significant negative impact on the Underlying Fund's future prospects such as:

- (a) downgrade of the Underlying Fund from a major ratings agency;
- (b) fund manager departure or widespread instability in the underlying analyst team;
- (c) investment process of the Underlying Fund manager is significantly altered;
- (d) portfolio dramatically shifts away from the stated style for which the Underlying Fund was initially selected;
- (e) returns of the Underlying Fund underperform peers for a prolonged period of time or during a market environment in which better performance would be expected given the Underlying Fund's stated style;
- (f) capacity issues cause problems managing the Underlying Fund in the optimal manner due to significantly large assets under management curtailing trading of the fund manager's underlying securities;
- (g) corporate uncertainty brought about by a sale, merger or regulatory action against a fund manager; or
- (h) fees being increased to levels which are deemed difficult to overcome for the Underlying Fund manager.

## Liquidity Management

The Fund Manager has appropriate processes in place to manage and monitor liquidity of the Mashreq Global Balanced Fund.

## Investment Policies and Restrictions

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### Investment Process – Investable universe

Underlying Funds' investments comprise the asset classes of fixed income, equity and alternatives. Fixed income Underlying Funds provide exposure to fixed and floating rate fixed income instruments, including debt issued by any sovereign, agency, government sponsored entity, supra-national or corporate issuer; asset-backed debt securities; commercial mortgage backed securities and preferred stock; Equity Underlying Funds include those investing in the US, Europe and Asia-Pacific. Underlying Funds may also invest in "alternative strategies", which may consist of commodities, property and long / short and market-neutral investment strategies. Commodity fund exposure typically involves the Underlying Fund investing in large-cap, listed oil-and-gas stocks. Property fund exposure typically involves Underlying Funds investing in listed real estate investment trusts (REITs). There are no direct investments in illiquid physical commodities such as gold bullion or direct purchases of real estate. Typical exposure to alternatives would be long/short or market-neutral funds intended to lower the overall volatility of the Mashreq Global Balanced Fund. There will be no bias towards any single asset management group. The Investment Manager seeks to reduce single asset manager risk by sourcing funds from multiple asset managers.

### The Policy of Spreading Risk

In making investments on behalf of the Mashreq Global Balanced Fund, the Investment Manager shall adhere to the following investment guidelines and restrictions:

**Asset Classes:** The Investment Manager will always invest the majority of the Sub-Fund Property of the Mashreq Global Balanced Fund in the two core asset classes of fixed income and equity.

- (a) **Fixed Income:** No more than 50% of the Sub-Fund Property of the Mashreq Global Balanced Fund's allocation can be in sub-investment grade quality, i.e. high-yield rated below BBB as defined by S&P, Fitch or Moody's.
- (b) **Equity:** No more than 50% of the Sub-Fund Property of the Mashreq Global Balanced Fund can be invested in emerging-market equities as defined by the MSCI benchmark classification system.
- (c) **Mutual Funds:** The Sub-Fund Property of the Mashreq Global Balanced Fund will only be invested in mutual funds and ETFs. The Sub-Fund Property of the Mashreq Global Balanced Fund cannot be invested in Underlying Funds which are feeder funds or themselves fund of funds.
- (d) **Position sizing:** Investment in any single Underlying Fund cannot exceed 25% of the Mashreq Global Balanced Fund's Net Asset Value.
- (e) **Liquidity:** The majority of the Sub-Fund Property of the Mashreq Global Balanced Fund must contain daily-dealing mutual funds. However, up to 25% of the Sub-Fund Property of the Mashreq Global Balanced Fund can be invested in weekly-dealing Underlying Funds, monthly-dealing Underlying Funds, quarterly-dealing Underlying Funds and/or semi-annual dealing Underlying Funds.
- (f) **Alternatives:** The Investment Manager can invest up to 25% of the Sub-Fund Property of the Mashreq Global Balanced Fund in alternative investment funds as described in the section "Underlying Fund Selection".
- (g) **Single-line securities:** The Sub-Fund Property of the Mashreq Global Balanced Fund will not be invested in the following types of securities: single-name stocks, bonds, structured products or private placements.

### Leverage/Borrowing

The Mashreq Global Balanced Fund will not use leverage.

### Derivatives

The Mashreq Global Balanced Fund will not use derivatives, but Underlying Funds may utilise derivatives in order to achieve their investment objective. Mashreq Capital's Portfolio Managers will ensure that any use of derivatives in the Underlying Funds is limited and used appropriately in order to achieve the investment objective of the Mashreq Global Balanced Fund. Examples of typical uses of derivatives by the Underlying Funds includes hedging non-USD exposure, shorting stocks to limit the volatility of equity returns, and short/negative duration positioning to protect capital during a rising rate environment.

### Stock Lending

The Mashreq Global Balanced Fund will not engage in stock lending.

### Investment horizon

The Mashreq Global Balanced Fund is not an appropriate vehicle for short-term investment, as its investment objectives are set on a medium to long-term basis.

### Investment risks

There can be no assurance that the Mashreq Global Balanced Fund's investments will be successful or that the investment objectives of the Mashreq Global Balanced Fund will be achieved. Investors should be aware of the risks of the Mashreq Global Balanced Fund including, but not limited to, the risks described in the "Investment Considerations" section of the Prospectus. An investment in the Mashreq Global Balanced Fund is suitable only for persons who are in a position to take such risks. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Annex carefully and consult with their professional advisers before purchasing Shares.

### Base Currency

The base currency of the Mashreq Global Balanced Fund is the United States Dollar. Share Classes in the Mashreq Global Balanced Fund may be denominated in currencies other than the United States Dollar.

The Mashreq Global Balanced Fund's assets may be invested in securities and other investments that are denominated in currencies other than United States Dollars. Accordingly, the value of an investment may be affected favourably or unfavourably by fluctuations in exchange rates. In addition, prospective Subscribers whose assets and liabilities are primarily denominated in currencies other than the United States Dollar should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the United States Dollar and such other currency, which rate may be obtained from third party providers of exchange rate information such as Bloomberg.

### Monitoring

The Fund Manager shall monitor the Fund's compliance with the investment policies and restrictions set out above.

## Share Classes

Share Class	Distributing	Currency	Subscription Fee	Management Fee	Distribution Fee	Redemption Fee	Minimum holding & initial investment	Minimum incremental investment
Class "GB A USD"	No	USD	Up to 5%	0.2%	0%	Up to 2%	USD 1	USD 1
Class "GB A AED"	No	AED	Up to 5%	0.2%	0%	Up to 2%	AED100	AED 10
Class "GB B USD"	Yes	USD	Up to 5%	1%	0.2%	Up to 2%	USD 1	USD 1
Class "GB B AED" Shares	Yes	AED	Up to 5%	1%	0.2%	Up to 2%	AED100	AED 10
Class "GB C USD"	Yes	USD	Up to 5%	1.2%	0%	Up to 2%	USD 1	USD 1
Class "GB I USD"	No	USD	Up to 5%	0.5%	0.5%	Up to 2%	USD 1	USD 1
Class "GB I AED" Shares	No	AED	Up to 5%	0.5%	0.5%	Up to 2%	AED 100	AED 10

## Fees

### Subscription Fee

A subscription fee of up to 5% of the amount subscribed for will be paid (in addition to the Subscription Price or Initial Issue Price) to the Fund Manager from each subscription to the Mashreq Global Balanced Fund. The Fund Manager may waive a portion of such fee or decide to transfer part or all of such fee to the relevant distributor, in its discretion.

### Management Fee

The Fund Manager will receive a management fee from the Mashreq Global Balanced Fund, payable out of assets attributable to the Mashreq Global Balanced Fund of:

0.20% per annum of the Net Asset Value per Share Class in respect of the Class "GB A USD" Shares and Class "GB A AED" Shares, 1% per annum of the Net Asset Value per Share Class in respect of the Class "GB B USD" Shares and the Class "GB B AED" Shares, 1.2% per annum of the Net Asset Value per Share Class in respect of the Class "GB C" Shares and 0.5% per annum of the Net Asset Value per Share Class in respect of the Class "GB I USD" Shares and the Class "GB I AED" Shares.

(calculated before payment of accrued fees) to be accrued on a daily basis and payable quarterly in arrears.

The Fund Manager will also be entitled to be reimbursed by the Fund out of the assets of the Mashreq Global Balanced Fund for all reasonable and vouched out-of-pocket expenses incurred by it for the benefit of the Mashreq Global Balanced Fund in the performance of its duties to the Mashreq Global Balanced Fund.

#### **Fees Charged by the Underlying Funds to the Mashreq Global Balanced Fund**

The Investment Manager always seeks the best-value Underlying Fund when gaining exposure to asset classes. The maximum level of management fees that may be charged by the Underlying Funds is 2% per annum of such Underlying Fund's net asset value. In practice the aggregate management fees of the Underlying Funds are expected to be much lower due to the inclusion of passive funds where fees of only a few basis points are usually charged. Additionally, the Investment Manager will seek to invest in clean share class funds (institutional share classes). Clean share class funds exhibit lower fees because there is no trail commission built into the management fee. The Investment Manager does not intend to receive any personal rebate, trail commission or any other form of payment from any Underlying Fund manager in respect of the Mashreq Global Balanced Fund's investments in an asset manager's funds. This structure ensures that the interests of the Investment Manager are aligned with those of the Shareholders of the Mashreq Global Balanced Fund.

#### **Administration and Registrar and Transfer Agent Fee**

The Fund Administrator, Registrar and Transfer Agent will receive from the assets attributable to the Mashreq Global Balanced Fund an administration fee calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

#### **Custodian Fee**

The Custodian will receive from the assets attributable to the Mashreq Global Balanced Fund a fee for providing custody services calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

#### **Oversight Committee Fee**

The Oversight Committee will receive from the Mashreq Global Balanced Fund an oversight fee calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

#### **Performance Fee**

No performance fee will be payable in respect of the Mashreq Global Balanced Fund.

#### **Redemption Fee**

A redemption fee of up to 2% of the Redemption Price can be charged to Shareholders requesting the redemption of part or all of their Shares in the Mashreq Global Balanced Fund. The Fund Manager may waive part or all of such redemption fee or decide to transfer part or all of such redemption fee to the relevant distributor, in its discretion.

#### **Distribution Fee**

The Fund Manager will receive a distribution fee from the Mashreq Global Balanced Fund to cover distribution expenses, payable out of assets attributable to the Class "GB B USD" Shares and the Class "GB B AED" Shares of 0.2% per annum and the Class "GB I USD" Shares and Class "GB I AED" Shares of 0.5% per annum of the Net Asset Value per Share Class in respect of the Class "GB B USD" Shares, Class "GB AED" Shares, Class "GB I USD" Shares and Class "GB I AED" Shares.

The Fund Manager will not receive a distribution fee in respect of the Class "GB A USD" Shares, Class "GB A AED" Shares and Class "GB C USD" Shares.

## **Valuation**

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#### **Valuation Date**

The Valuation Date for the Mashreq Global Balanced Fund will be the close of business (UAE time) at each Business Day.

## **Subscription**

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#### **Minimum Initial Fund Size**

The minimum initial Fund size for the Mashreq Global Balanced Fund will be USD one million.

#### **Minimum Initial and Subsequent Subscription Amount**

The minimum initial and subsequent subscription amount that any one person can hold is one US dollar for USD denominated Shares. The minimum initial subscription amount that any one person can hold is AED100 and AED10 for any subsequent subscription amount for the AED denominated Shares.

## **Issue of Shares**

The Fund will issue Class "GB A USD" Shares, Class "GB A AED" Shares, Class "GB B USD" Shares, Class "GB B AED" Shares, Class "GB C" Shares, Class "GB I USD" Shares and Class "GB I AED" Shares in respect of the Mashreq Global Balanced Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to one hundred million Class "GB A USD" Shares, up to one hundred million Class "GB A AED" Shares, up to one hundred million Class "GB B USD" Shares, up to one hundred million Class "GB B AED" Shares, up to one hundred million Class "GB C USD" Shares, up to one hundred million Class "GB I USD" Shares and up to one hundred million Class "GB I AED" Shares are initially available for issue. Distributions will be made for the Class "GB B USD" Shares, Class "GB B AED" Shares and Class "GB C" Shares only (and not for the Class "GB A USD" Shares, Class "GB A AED" Shares, Class "GB I USD" Shares or Class "GB I AED" Shares).

The Issue Date for Shares issued in respect of the Mashreq Global Balanced Fund shall be the Business Day following the relevant Initial Closing Date and thereafter the Business Day following each Subscription Date.

## **Initial Offer Period**

The Initial Offer Period for the Mashreq Global Balanced Fund in respect of the Class "GB A USD" Shares and Class "GB B USD" Shares was from 1<sup>st</sup> October 2017 to 31<sup>st</sup> October 2017. During that Initial Offer Period, the Initial Issue Price was USD 100.

The Initial Offer Period for the Mashreq Global Balanced Fund in respect of the Class "GB C USD" Shares was from 6<sup>th</sup> March 2018 to 25<sup>th</sup> March 2018. During that Initial Offer Period, the Initial Issue Price was USD 100.

The Initial Offer Period for the Mashreq Global Balanced Fund in respect of the Class "GB A AED" Shares, Class "GB B AED" Shares, Class "GB I USD" Shares and Class "GB I AED" Shares will be communicated by the Fund Manager to prospect investors. During that Initial Offer Period, the Initial Issue Price will be USD 10 for USD denominated Shares and AED 10 for AED denominated Shares.

## **Subscriptions**

The Fund Manager may alter the minimum initial subscription, holding amount or additional subscription thresholds in relation to the Mashreq Global Balanced Fund in its absolute discretion without the conflict of applicable rules pertain to the minimum subscription.

Subscriptions are used to purchase the largest number of Shares of the relevant Share Class or sub-class in the Mashreq Global Balanced Fund possible after deduction of the subscription fee. Fractional Shares may be issued up to four decimal places.

Mashreq Global Balanced Fund Shares are offered on a continuous basis on each Subscription Date at the applicable Subscription Price, i.e. the Net Asset Value per Share applicable on the Subscription Date plus the applicable subscription fee.

## **Subscription Date**

The Subscription Date for the Mashreq Global Balanced Fund will be each Business Day.

## **Subscription Procedure**

Prospective Subscribers who wish to subscribe for Shares in the Mashreq Global Balanced Fund must send the subscription agreement to the Fund Manager. For the purpose of the prior notice requirements set out below, all applications for subscriptions shall be deemed to be received at the time they are received by the Fund Manager.

## **Prior Notice for Subscriptions**

No application for subscription will be accepted unless the subscription agreement and payment of the full Subscription Price (and applicable subscription fee) in immediately available funds (as detailed below) are received at least two Business Days prior to the desired Subscription Date. Applications for subscriptions received after such deadline will be dealt with on the next Subscription Date after the desired Subscription Date. The Fund Manager may in its discretion waive this requirement.

## **Payment of Subscription Price**

The full Subscription Price (including any applicable subscription fee) must be received in immediately available funds by the Custodian or its agent at least two business days prior to the desired Subscription Date. Applications for subscriptions for which funds are received after such deadline will be dealt with on the next Subscription Date after the desired Subscription Date. The Fund Manager may in its discretion waive this requirement.

## **Redemption**

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### **Redemption Date**

The Redemption Date for the Mashreq Global Balanced Fund will be each Business Day.

### **Redemptions**

Each Shareholder may apply for the redemption of all or part of his Shares or of a fixed United States Dollar amount as of each Redemption Date



at the applicable Redemption Price (i.e. Net Asset Value per Share applicable on the Redemption Date less any Redemption Costs and Expenses), subject to a minimum redemption amount of USD 50 and AED 100 respectively depending on the relevant Share Class' currency. If the value of a Shareholder's holding on the relevant Redemption Date is less than the fixed USD amount which the Shareholder has applied to redeem or if, following the requested redemption a Shareholder will hold Shares in the Mashreq Global Balanced Fund worth less than the minimum holding, the Shareholder will be deemed to have requested the redemption of all his Shares.

#### **Prior Notice Requirement for Redemptions**

No Redemption Request will be accepted unless the application is received at least two Business Days prior to the desired Redemption Date. Redemption Requests received after such deadline will be dealt with on the next Redemption Date after the desired Redemption Date. The Fund Manager may in its discretion waive this requirement.

#### **Payment of Redemption Proceeds**

Redemption proceeds will be paid in United States Dollars (USD) for USD denominated Shares and in UAE dirhams for AED denominated Shares as soon as reasonably practicable and normally within five Business Days after the Redemption Date. Redemption proceeds will only be paid in favour of the relevant Shareholder and will be paid by electronic transfer (net of the electronic transfer fee) to the account instructed by that Shareholder.

Whilst the Fund intends to make all redemptions in cash, if requested by a Shareholder, redemptions may be made in kind (in specie) at the discretion of the Fund Manager. In order to satisfy payment of the redemption proceeds to such Shareholder in kind, the Fund Manager will allocate to the Shareholder investments from the Sub-Fund Property of the Mashreq Global Balanced Fund equal to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders in Mashreq Global Balanced Fund. The valuation used shall be confirmed by a special report of the Registered Auditor. The costs of any such redemptions in kind shall be borne by the redeeming Shareholder.

#### **Transaction Charges and Redemption Costs and Expenses.**

If the Mashreq Global Balanced Fund incurs any Redemption Costs and Expenses in respect of any redemption of Shares, including any interest paid or payable or any loss, premium, penalty or expense that may be incurred in liquidating or employing securities, deposits or financing to fund the redemption amount, or Dilution Levy, these may be recovered from the redemption amount payable to the redeeming Shareholder.

#### **Voting Rights**

No Share Classes offered in this Sub-Fund shall not confer any voting rights on a Shareholder, provided however that a Shareholder shall be permitted to vote in those circumstances specifically stated in the Articles of Association or otherwise in accordance with the Law, the CIR and the Rules. This includes the right to vote on any matters (or amendments) which would affect the rights or entitlements of a Shareholder, such as a fundamental change requiring a Special Resolution or a materially significant change requiring an Ordinary Resolution.

#### **Distributions**

The Board intends to declare distributions in respect of the Class "GB B USD" Shares, Class "GB B AED" Shares and Class "GB C USD" Shares at any time in its discretion. The Fund Manager in its capacity as Board Director of the Company shall at its discretion decide the amount of any distributions to be made. Any such distribution can, at the discretion of the Fund Manager, be made out of all sources (without being exhaustive, profit, realized or unrealized gains, whether or not net of realized or unrealized losses, any distributions received from the underlying funds, interest earned, any other cash receipts, capital and generally any surpluses) and will be paid to the Shareholders of record within 20 Business Days. Upon the declaration of any distributions to the Shareholders of the relevant Share Classes of the Mashreq Global Balanced Fund, the Net Asset Value per Share of the relevant Share Class of the Mashreq Global Balanced Fund will be reduced by the amount of such distributions. Payment of the distributions will be made as indicated on a Shareholder's subscription application form, as amended from time to time, to the account indicated on the Shareholder Register or via the issuance of additional Shares.

Any distribution unclaimed after a period of twelve months from the date of declaration of such distribution will be automatically forfeited and will become the property of the Mashreq Global Balanced Fund.

## ANNEX 3 – MASHREQ GLOBAL GROWTH FUND

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This Annex is valid only if accompanied by the currently valid Prospectus.

### Investment Objective and Benchmarks

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#### Investment Objective

The Mashreq Global Growth Fund is a "Fund of Funds" (as defined in the CIR) and as such the investment objective of the Mashreq Global Growth Fund is to seek to deliver high growth by investing in a broad range of globally diversified investment funds ("**Underlying Fund(s)**"). The Underlying Funds will invest in the asset classes of equity, fixed income and alternative strategies (as described below) and will be geographically diversified. The Mashreq Global Growth Fund does not have a benchmark, but has an annual absolute return target of 6% net of fees.

### Investment Process

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#### Investment Process – Team

Prior to any investment being made by the Mashreq Global Growth Fund a detailed analysis of the investment will be made by the fund management team. This team will always have a lead Portfolio Manager who is dedicated to the Mashreq Global Growth Fund and accountable for the performance. any changes to investment policies, investment limits and restrictions, etc. will have to be approved by the Fund's Board prior to being proposed/notified to the Shareholders of the Mashreq Global Growth Fund Shareholders.

#### Investment Process – Overview

The investment policy is built to deliver a globally diversified portfolio through investment in Underlying Funds and has two main building blocks. The first is asset allocation, which is where the Investment Manager allocates capital across global fixed income and equity markets. The second is fund selection where Underlying Funds are used to gain exposure to the relevant asset classes as determined by the Investment Manager.

#### Investment Process – Asset Allocation

Asset allocation is the process whereby the Investment Manager selects assets for investment in order to produce the best risk-adjusted returns for investors. The Investment Manager blends equities and fixed income together to form the optimal mix of investments dependent on the market environment. For example, the starting point for the optimal mix between fixed income and equities is the benchmark allocation set out in the section Investment Objective above. The Investment Manager is likely to allocate more capital to fixed income in an environment of low growth, low inflation and rising geopolitical risk. Higher allocation to equity is likely in periods of rising growth rates, higher distribution yields and a positive financial market backdrop. All asset class decisions are based on research and data taken from well-known, independent third-party sources.

#### Investment Process – Underlying Fund Selection

The fund management team will meet with asset managers of the Underlying Funds before making buy/sell recommendations. The Portfolio Managers then target their own research only on highly-rated funds where they focus on an Underlying Fund manager's experience, investment process, portfolio holdings, fund fees, returns and volatility.

The Mashreq Global Growth Fund will only invest in Underlying Funds that (i) are subject to an independent annual audit conducted in accordance with IFRS or US GAAP; (ii) have mechanisms in place to enable the Mashreq Global Growth Fund to redeem its units in such Underlying Fund within a reasonable time if it is an open-ended fund; (iii) are prohibited from having more than 25% of their respective value in the units of other funds; and (iv) have a proper and disclosed basis for their asset valuation and the pricing of their units.

#### Monitoring

Underlying Fund selections are only changed in the event of a significant negative impact on the Underlying Fund's future prospects such as:

- (a) downgrade of the Underlying Fund from a major ratings agency;
- (b) fund manager departure or widespread instability in the underlying analyst team;
- (c) investment process of the Underlying Fund manager is significantly altered;
- (d) portfolio dramatically shifts away from the stated style for which the Underlying Fund was initially selected;
- (e) returns of the Underlying Fund underperform peers for a prolonged period of time or during a market environment in which better performance would be expected given the Underlying Fund's stated style;
- (f) capacity issues cause problems managing the Underlying Fund in the optimal manner due to significantly large assets under management curtailing trading of the fund manager's underlying securities;
- (g) corporate uncertainty brought about by a sale, merger or regulatory action against a fund manager; or
- (h) fees being increased to levels which are deemed difficult to overcome for the Underlying Fund manager.

## Liquidity Management

The Fund Manager has appropriate processes in place to manage and monitor liquidity of the Mashreq Global Growth Fund.

## Investment Policies and Restrictions

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### Investment Process – Investable universe

Underlying Funds' investments comprise the asset classes of fixed income, equity and alternatives. Fixed income Underlying Funds provide exposure to fixed and floating rate fixed income instruments, including debt issued by any sovereign, agency, government sponsored entity, supra-national or corporate issuer; asset-backed debt securities; commercial mortgage backed securities and preferred stock; Equity Underlying Funds include those investing in the US, Europe and Asia-Pacific. Underlying Funds may also invest in "alternative strategies", which may consist of commodities, property and long / short and market-neutral investment strategies. Commodity fund exposure typically involves the Underlying Fund investing in large-cap, listed oil-and-gas stocks. Property fund exposure typically involves Underlying Funds investing in listed real estate investment trusts (REITs). There are no direct investments in illiquid physical commodities such as gold bullion or direct purchases of real estate. Typical exposure to alternatives would be long/short or market-neutral funds intended to lower the overall volatility of the Mashreq Global Growth Fund. There will be no bias towards any single asset management group. The Investment Manager seeks to reduce single asset manager risk by sourcing funds from multiple asset managers.

### The Policy of Spreading Risk

In making investments on behalf of the Mashreq Global Growth Fund, the Investment Manager shall adhere to the following investment guidelines and restrictions:

- (a) Asset Classes: The Investment Manager will always invest the majority of the Sub-Fund Property of the Mashreq Global Growth Fund in the two core asset classes of fixed income and equity.
- (b) Equity: No more than 50% of the Sub-Fund Property of the Mashreq Global Growth Fund can be invested in emerging-market equities as defined by the MSCI benchmark classification system.
- (c) Mutual Funds: The Sub-Fund Property of the Mashreq Global Growth Fund will only be invested in mutual funds and ETFs. The Sub-Fund Property of the Mashreq Global Growth Fund cannot be invested in Underlying Funds which are feeder funds or themselves fund of funds.
- (d) Position sizing: Investment in any single Underlying Fund cannot exceed 25% of the Mashreq Global Growth Fund's Net Asset Value.
- (e) Liquidity: The majority of the Sub-Fund Property of the Mashreq Global Growth Fund must contain daily-dealing mutual funds. However, up to 25% of the Sub-Fund Property of the Mashreq Global Growth Fund can be invested in weekly-dealing Underlying Funds, monthly-dealing Underlying Funds, quarterly-dealing Underlying Funds and/or semi-annual dealing Underlying Funds.
- (f) Alternatives: The Investment Manager can invest up to 25% of the Sub-Fund Property of the Mashreq Global Growth Fund in alternative investment funds as described in the section "Underlying Fund Selection".
- (g) Single-line securities: The Sub-Fund Property of the Mashreq Global Growth Fund will not be invested in the following types of securities: single-name stocks, bonds, structured products or private placements.

### Leverage/Borrowing

The Mashreq Global Growth Fund will not use leverage.

### Derivatives

The Mashreq Global Growth Fund will not use derivatives, but Underlying Funds may utilise derivatives in order to achieve their investment objective. Mashreq Capital's Portfolio Managers will ensure that any use of derivatives in the Underlying Funds is limited and used appropriately in order to achieve the investment objective of the Mashreq Global Growth Fund. Examples of typical uses of derivatives by the Underlying Funds includes hedging non-USD exposure, shorting stocks to limit the volatility of equity returns, and short/negative duration positioning to protect capital during a rising rate environment.

### Stock Lending

The Mashreq Global Growth Fund will not engage in stock lending.

### Investment horizon

The Mashreq Global Growth Fund is not an appropriate vehicle for short-term investment, as its investment objectives are set on a medium to long-term basis.

### Investment risks

There can be no assurance that the Mashreq Global Growth Fund's investments will be successful or that the investment objectives of the

Mashreq Global Growth Fund will be achieved. Investors should be aware of the risks of the Mashreq Global Growth Fund including, but not limited to, the risks described in the “Investment Considerations” section of the Prospectus. An investment in the Mashreq Global Growth Fund is suitable only for persons who are in a position to take such risks. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Annex carefully and consult with their professional advisers before purchasing Shares.

### Base Currency

The base currency of the Mashreq Global Growth Fund is the United States Dollar. Share Classes in the Mashreq Global Growth Fund may be denominated in currencies other than the United States Dollar.

The Mashreq Global Growth Fund’s assets may be invested in securities and other investments that are denominated in currencies other than United States Dollars. Accordingly, the value of an investment may be affected favourably or unfavourably by fluctuations in exchange rates. In addition, prospective Subscribers whose assets and liabilities are primarily denominated in currencies other than the United States Dollar should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the United States Dollar and such other currency, which rate may be obtained from third party providers of exchange rate information such as Bloomberg.

### Monitoring

The Fund Manager shall monitor the Fund's compliance with the investment policies and restrictions set out above.

## Share Classes

Share Class	Distributing	Currency	Subscription Fee	Management Fee	Distribution Fee	Redemption Fee	Minimum holding & initial investment	Minimum incremental investment
Class “GG A USD”	No	USD	Up to 5%	0.2%	0%	Up to 2%	USD 1	USD 1
Class “GG A AED”	No	AED	Up to 5%	0.2%	0%	Up to 2%	AED100	AED 10
Class “GG I USD”	No	USD	Up to 5%	0.5%	0.5%	Up to 2%	USD 1	USD 1
Class “GG I AED”	No	AED	Up to 5%	0.5%	0.5%	Up to 2%	AED100	AED 10

## Fees

### Subscription Fee

A subscription fee of up to 5% of the amount subscribed for will be paid (in addition to the Subscription Price or Initial Issue Price) to the Fund Manager from each subscription to the Mashreq Global Growth Fund. The Fund Manager may waive a portion of such fee or decide to transfer part or all of such fee to the relevant distributor, in its discretion.

### Management Fee

The Fund Manager will receive a management fee from the Mashreq Global Growth Fund, payable out of assets attributable to the Mashreq Global Growth Fund of:

0.20% per annum of the Net Asset Value per Share Class in respect of the Class “GG A USD” Shares and the Class “GG A AED” Shares and 0.5% per annum of the Net Asset Value per Share Class in respect of the Class “GG I USD” Shares and the Class “GG I AED” Shares

(calculated before payment of accrued fees) to be accrued on a daily basis and payable quarterly in arrears.

The Fund Manager will also be entitled to be reimbursed by the Fund out of the assets of the Mashreq Global Growth Fund for all reasonable and vouched out-of-pocket expenses incurred by it for the benefit of the Mashreq Global Growth Fund in the performance of its duties to the Mashreq Global Growth Fund.

### Fees Charged by the Underlying Funds to the Mashreq Global Growth Fund

The Investment Manager always seeks the best-value Underlying Fund when gaining exposure to asset classes. The maximum level of management fees that may be charged by the Underlying Funds is 2% per annum of such Underlying Fund's net asset value. In practice the aggregate management fees of the Underlying Funds are expected to be much lower due to the inclusion of passive funds where fees of only a few basis points are usually charged. Additionally, the Investment Manager will seek to invest in clean share class funds (institutional share classes). Clean share class funds exhibit lower fees because there is no trail commission built into the management fee. The Investment Manager

does not intend to receive any personal rebate, trail commission or any other form of payment from any Underlying Fund manager in respect of the Mashreq Global Growth Fund's investments in an asset manager's funds. This structure ensures that the interests of the Investment Manager are aligned with those of the Shareholders of the Mashreq Global Growth Fund.

#### **Administration and Registrar and Transfer Agent Fee**

The Fund Administrator, Registrar and Transfer Agent will receive from the assets attributable to the Mashreq Global Growth Fund an administration fee calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

#### **Custodian Fee**

The Custodian will receive from the assets attributable to the Mashreq Global Growth Fund a fee for providing custody services calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

#### **Oversight Committee Fee**

The Oversight Committee will receive from the Mashreq Global Growth Fund an oversight fee calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

#### **Performance Fee**

No performance fee will be payable in respect of the Mashreq Global Growth Fund.

#### **Redemption Fee**

A redemption fee of up to 2% of the Redemption Price can be charged to Shareholders requesting the redemption of part or all of their Shares in the Mashreq Global Growth Fund. The Fund Manager may waive part or all of such redemption fee or decide to transfer part or all of such redemption fee to the relevant distributor, in its discretion.

#### **Distribution Fee**

The Fund Manager will receive a distribution fee from the Mashreq Global Growth Fund to cover distribution expenses, payable out of assets attributable to the Class "GG I USD" Shares and Class "GG I AED" Shares of 0.5% per annum of the Net Asset Value per Share Class in respect of the Class "GG I USD" Shares and Class "GG I AED" Shares.

The Fund Manager will not receive a distribution fee in respect of the Class "GG A USD" Shares and Class "GG A AED" Shares.

### **Valuation**

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#### **Valuation Date**

The Valuation Date for the Mashreq Global Growth Fund will be the close of business (UAE time) at each Business Day.

### **Subscription**

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#### **Minimum Initial Fund Size**

The minimum initial Fund size for the Mashreq Global Growth Fund will be USD one million.

#### **Minimum Initial and Subsequent Subscription Amount**

The minimum initial and subsequent subscription amount that any one person can hold is one US dollar for USD denominated Shares. The minimum initial subscription amount that any one person can hold is AED100 and AED10 for any subsequent subscription amount, for the AED denominated Shares. .

#### **Issue of Shares**

The Fund will issue Class "GG A USD" Shares, Class "GG A AED" Shares, Class "GG I USD" Shares and Class "GG I AED" Shares in respect of the Mashreq Global Growth Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to one hundred million Class "GG A USD" Shares, up to one hundred million Class "GG A AED" Shares, up to one hundred million Class "GG I USD" Shares and up to one hundred million Class "GG I AED" Shares are initially available for issue.

The Issue Date for Shares issued in respect of the Mashreq Global Growth Fund shall be the Business Day following the relevant Initial Closing Date and thereafter the Business Day following each Subscription Date.

#### **Initial Offer Period**

The Initial Offer Period for the Mashreq Global Growth Fund in respect of the Class "GG A USD" Shares was from 1<sup>st</sup> October 2017 to 31<sup>st</sup> October 2017. During the Initial Offer Period, the Initial Issue Price was USD 100.

The Initial Offer Period for the Mashreq Global Growth Fund in respect of the Class GG A AED" Shares, Class "GG I USD" Shares and Class "GG I AED" Shares will be communicated by the Fund Manager to prospect investors. During that Initial Offer Period, the Initial Issue Price will be USD 10 for the Class "GG I USD" Shares, AED 10 for the Class "GG A AED" Shares and AED 10 for the Class "GG I AED" Shares..

### **Subscriptions**

The Fund Manager may alter the minimum initial subscription, holding amount or additional subscription thresholds in relation to the Mashreq Global Growth Fund in its absolute discretion without the conflict of applicable rules pertain to the minimum subscription.

Subscriptions are used to purchase the largest number of Shares of the relevant Share Class or sub-class in the Mashreq Global Growth Fund possible after deduction of the subscription fee. Fractional Shares may be issued up to four decimal places.

Mashreq Global Growth Fund Shares are offered on a continuous basis on each Subscription Date at the applicable Subscription Price, i.e. the Net Asset Value per Share applicable on the Subscription Date plus the applicable subscription fee.

### **Subscription Date**

The Subscription Date for the Mashreq Global Growth Fund will be each Business Day.

### **Subscription Procedure**

Prospective Subscribers who wish to subscribe for Shares in the Mashreq Global Growth Fund must send the subscription agreement to the Fund Manager. For the purpose of the prior notice requirements set out below, all applications for subscriptions shall be deemed to be received at the time they are received by the Fund Manager.

### **Prior Notice for Subscriptions**

No application for subscription will be accepted unless the subscription agreement and payment of the full Subscription Price (and applicable subscription fee) in immediately available funds (as detailed below) are received at least two Business Days prior to the desired Subscription Date. Applications for subscriptions received after such deadline will be dealt with on the next Subscription Date after the desired Subscription Date. The Fund Manager may in its discretion waive this requirement.

### **Payment of Subscription Price**

The full Subscription Price (including any applicable subscription fee) must be received in immediately available funds by the Custodian or its agent at least two business days prior to the desired Subscription Date. Applications for subscriptions for which funds are received after such deadline will be dealt with on the next Subscription Date after the desired Subscription Date. The Fund Manager may in its discretion waive this requirement.

## **Redemption**

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### **Redemption Date**

The Redemption Date for the Mashreq Global Growth Fund will be each Business Day.

### **Redemptions**

Each Shareholder may apply for the redemption of all or part of his Shares or of a fixed United States Dollar amount as of each Redemption Date at the applicable Redemption Price (i.e. Net Asset Value per Share applicable on the Redemption Date less any Redemption Costs and Expenses), subject to a minimum redemption amount of USD 50 and AED 100 respectively depending on the relevant Share Class' currency. If the value of a Shareholder's holding on the relevant Redemption Date is less than the fixed USD amount for USD denominated Shares and AED for AED denominated Shares which the Shareholder has applied to redeem or if, following the requested redemption a Shareholder will hold Shares in the Mashreq Global Growth Fund worth less than the minimum holding, the Shareholder will be deemed to have requested the redemption of all his Shares.

### **Prior Notice Requirement for Redemptions**

No Redemption Request will be accepted unless the application is received at least two Business Days prior to the desired Redemption Date. Redemption Requests received after such deadline will be dealt with on the next Redemption Date after the desired Redemption Date. The Fund Manager may in its discretion waive this requirement.

### **Payment of Redemption Proceeds**

Redemption proceeds will be paid in United States Dollars (USD) for USD denominated Shares and United Arab Emirates dirhams (AED) for AED denominated Shares as soon as reasonably practicable and normally within five Business Days after the Redemption Date. Redemption proceeds will only be paid in favour of the relevant Shareholder and will be paid by electronic transfer (net of the electronic transfer fee) to the account instructed by that Shareholder.

Whilst the Fund intends to make all redemptions in cash, if requested by a Shareholder, redemptions may be made in kind (in specie) at the discretion of the Fund Manager. In order to satisfy payment of the redemption proceeds to such Shareholder in kind, the Fund Manager will allocate to the Shareholder investments from the Sub-Fund Property of the Mashreq Global Growth Fund equal to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders in Mashreq Global Growth Fund. The valuation used shall be confirmed by a special report of the Registered Auditor. The costs of any such redemptions in kind shall be borne by the redeeming Shareholder.

#### **Transaction Charges and Redemption Costs and Expenses.**

If the Mashreq Global Growth Fund incurs any Redemption Costs and Expenses in respect of any redemption of Shares, including any interest paid or payable or any loss, premium, penalty or expense that may be incurred in liquidating or employing securities, deposits or financing to fund the redemption amount, or Dilution Levy, these may be recovered from the redemption amount payable to the redeeming Shareholder.

#### **Voting Rights**

Shares issued under this Sub-Fund shall not confer any voting rights on a Shareholder, provided however that a Shareholder shall be permitted to vote in those circumstances specifically stated in the Articles of Association or otherwise in accordance with the Law, the CIR and the Rules. This includes the right to vote on any matters (or amendments) which would affect the rights or entitlements of a Shareholder, such as a fundamental change requiring a Special Resolution or a materially significant change requiring an Ordinary Resolution.

#### **Distributions**

The Board does not intend to make distributions in respect of any Shares offered under this Sub-Fund..

## ANNEX 4 – MASHREQ ALTERNATIVE OPPORTUNITIES FUND

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This Annex is valid only if accompanied by the currently valid Prospectus.

### Investment Objective and Benchmarks

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#### Investment Objective

The Mashreq Alternative Opportunities Fund is a "Fund of Funds" (as defined in the CIR) and as such the investment objective of the Mashreq Alternative Opportunities Fund is to seek to deliver long-term total return through capital growth and income distributions by investing in a broad range of diversified investment funds ("**Underlying Fund(s)**"). The Underlying Funds will invest in alternative strategies (as described below) and will be geographically diversified. The Mashreq Alternative Opportunities Fund does not have a benchmark, but has an annual absolute return target of 6-10% net of fees.

### Investment Process

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#### Investment Process - Team

Prior to any investment being made by the Mashreq Alternative Opportunities Fund, a detailed analysis of the investment will be made by the fund management team. This team will always have a lead Portfolio Manager who is dedicated to the Mashreq Alternative Opportunities Fund and accountable for the performance. Any changes to investment policies, investment limits and restrictions, etc. will have to be approved by the Fund's Board prior to being proposed/notified to the Shareholders of the Mashreq Alternative Opportunities Fund Shareholders.

#### Investment Process - Overview

The investment policy is built to deliver a diversified portfolio through investment in Underlying Funds and has two main building blocks. The first is asset allocation, which is where the Investment Manager allocates capital across alternative market strategies. The second is fund selection where Underlying Funds are used to gain exposure to the relevant asset classes as determined by the Investment Manager.

#### Investment Process - Asset Allocation

Asset allocation is the process whereby the Investment Manager selects assets for investment in order to produce the best risk-adjusted returns for investors. The Investment Manager blends alternative asset classes together to form the optimal mix of investments dependent on the market environment. Examples of alternative asset classes to be invested in are listed in the section "Investment Policy and Restrictions – Investment Process – Investable Universe". All asset class decisions are based on research and data taken from well-known, independent third-party sources.

#### Investment Process - Underlying Fund Selection

The fund management team meet with asset managers of the Underlying Funds before making buy/sell recommendations. The fund managers then target their own research on the Underlying Fund manager's experience, investment process, portfolio holdings, fund fees, returns and volatility.

The Mashreq Alternative Opportunities Fund will only invest in Underlying Funds that (i) are subject to an independent annual audit conducted in accordance with IFRS or US GAAP; (ii) have mechanisms in place to enable the Mashreq Alternative Opportunities Fund to redeem its units in such Underlying Fund within a reasonable time if it is an open-ended fund; (iii) are prohibited from having more than 25% of their respective value in the units of other funds; and (iv) have a proper and disclosed basis for their asset valuation and the pricing of their units.

#### Monitoring

Underlying Fund selections are only changed in the event of a significant negative impact on the Underlying Fund's future prospects such as:

- (a) downgrade of the Underlying Fund from a major ratings agency, (if rated);
- (b) fund manager departure or widespread instability in the underlying analyst team;
- (c) investment process of the Underlying Fund manager is significantly altered;
- (d) portfolio dramatically shifts away from the stated style for which the Underlying Fund was initially selected;
- (e) returns of the Underlying Fund underperform peers for a prolonged period of time or during a market environment in which better performance would be expected given the Underlying Fund's stated style;
- (f) capacity issues cause problems managing the Underlying Fund in the optimal manner due to significantly large assets under management curtailing trading of the fund manager's underlying securities;
- (g) corporate uncertainty brought about by a sale, merger or regulatory action against a fund manager; or
- (h) fees being increased to levels which are deemed difficult to overcome for the Underlying Fund manager.



## Liquidity Management

The Fund Manager has appropriate processes in place to manage and monitor liquidity of the Mashreq Alternative Opportunities Fund.

## Investment Policies and Restrictions

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### Investment Process – Investable universe

Underlying Funds' investments comprise the asset classes of private equity, private debt, real estate, insurance-linked securities, life settlement, trade finance, hedge funds, bank loans and commodities. There will be no bias towards any single asset management group. The Investment Manager fund management team seeks to reduce single asset manager risk by sourcing funds from multiple asset managers.

### The Policy of Spreading Risk

In making investments on behalf of the Mashreq Alternative Opportunities Fund, the Investment Manager shall adhere to the following investment guidelines and restrictions:

- (a) Asset Classes: The Investment Manager will always invest the majority of the Sub-Fund Property of the Mashreq Alternative Opportunities Fund in the main alternatives asset classes as listed above in the Investment Process – Investable Universe.
- (b) Securities: The Sub-Fund Property of the Mashreq Alternative Opportunities Fund will only be invested in mutual funds, ETFs and securities acquired through private placements. The Sub-Fund Property of the Mashreq Alternative Opportunities Fund cannot be invested in Underlying Funds which are feeder funds or themselves fund of funds.
- (c) Position sizing: Investment in any single Underlying Fund cannot exceed 25% of the Mashreq Alternative Opportunities Fund Net Asset Value.
- (d) Liquidity: The majority of the Sub-Fund Property of the Mashreq Alternative Opportunities Fund is spread across Underlying Funds offering daily, weekly, monthly, quarterly, semi-annual and annual liquidity. However, a minority of the Sub-Fund Property can be invested in illiquid investments such as private placements which may only be able to be fully liquidated over a period of several years.

### Leverage/Borrowing

The Mashreq Alternative Opportunities Fund will not use leverage, but the underlying funds may utilize limited leverage in order to achieve their investment objective.

### Derivatives

The Mashreq Alternative Opportunities Fund will not use derivatives, but Underlying Funds may utilise derivatives in order to achieve their investment objective. Mashreq Capital's Portfolio Managers will ensure that any use of derivatives in the Underlying Funds is limited and used appropriately in order to achieve the investment objective of the Mashreq Alternative Opportunities Fund. Examples of typical uses of derivatives by the Underlying Funds includes hedging non-USD exposure, shorting stocks to limit the volatility of equity returns, and short/negative duration positioning to protect capital during a rising rate environment.

### Stock Lending

The Mashreq Alternative Opportunities Fund will not engage in stock lending.

### Investment horizon

The Mashreq Alternative Opportunities Fund is not an appropriate vehicle for short-term investment horizons, as its investment objectives are set on a medium to long-term basis.

### Investment risks

There can be no assurance that the Mashreq Alternative Opportunities Fund's investments will be successful or that the investment objectives of the Mashreq Alternative Opportunities Fund will be achieved. Investors should be aware of the risks of the Mashreq Alternative Opportunities Fund including, but not limited to, the risks described in the "Investment Considerations" section of the Prospectus. An investment in the Mashreq Alternative Opportunities Fund is suitable only for persons who are in a position to take such risks. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Annex carefully and consult with their professional advisers before purchasing Shares.

### Base Currency

The base currency of the Mashreq Alternative Opportunities Fund is the United States Dollar (USD). Share Classes in the Mashreq Alternative Opportunities Fund may be denominated in currencies other than the United States Dollar (USD).

The Mashreq Alternative Opportunities Fund's assets may be invested in securities and other investments that are denominated in currencies other than United States Dollars. Accordingly, the value of an investment may be affected favourably or unfavourably by fluctuations in

exchange rates. In addition, prospective Subscribers whose assets and liabilities are primarily denominated in currencies other than the United States Dollar should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the United States Dollar and such other currency, which rate may be obtained from third party providers of exchange rate information such as Bloomberg/Reuters.

## Monitoring

The Fund Manager shall monitor the Fund's compliance with the investment policies and restrictions set out above.

## Share Classes

Share Class	Distributing	Currency	Subscription Fee	Management Fee	Distribution Fee	Redemption Fee	Minimum holding & initial investment	Minimum incremental investment
Class "AO A USD"	No	USD	Up to 5%	0.5%	0.5%	Up to 2%*	USD 1000	USD 1000
Class "AO B USD"	Yes	USD	Up to 5%	0.5%	0.5%	Up to 2%*	USD 1000	USD 1000

## Fees

### Subscription Fee

A subscription fee of up to 5% of the amount subscribed for will be paid (in addition to the Subscription Price or Initial Issue Price) to the Fund Manager from each subscription to the Mashreq Alternative Opportunities Fund. The Fund Manager may waive a portion of such fee or decide to transfer part or all of such fee to the relevant distributor, in its discretion.

### Management Fee

The Fund Manager will receive a management fee from the Mashreq Alternative Opportunities Fund, payable out of assets attributable to the Mashreq Alternative Opportunities Fund of:

0.5% per annum of the Net Asset Value per Share Class in respect of the Class "AO A USD" Shares and "AO B USD" Shares

(calculated before payment of accrued fees) to be accrued on a daily basis and payable quarterly in arrears. This fee includes any investment advisory service fee that might be incurred by the Fund.

The Fund Manager will also be entitled to be reimbursed by the Fund out of the assets of the Mashreq Alternative Opportunities Fund for all reasonable and vouched out-of-pocket expenses incurred by it for the benefit of the Mashreq Alternative Opportunities Fund in the performance of its duties to the Mashreq Alternative Opportunities Fund.

### Fees Charged by the Underlying Funds to the Mashreq Alternative Opportunities Fund

The Investment Manager always seeks the best-value Underlying Fund when gaining exposure to asset classes. The maximum level of management fees that may be charged by the Underlying Funds is 3% per annum of such Underlying Fund's net asset value. In practice the aggregate management fees of the Underlying Funds are expected to be much lower due to investing in clean share class funds (institutional share classes). Clean share class funds exhibit lower fees because there is no trail commission built into the management fee. The Investment Manager does not intend to receive any personal rebate, trail commission or any other form of payment from any Underlying Fund manager in respect of the Mashreq Alternative Opportunities Fund's investments in an asset manager's funds. This structure ensures that the interests of the Investment Manager are aligned with those of the Shareholders of the Mashreq Alternative Opportunities Fund.

### Administration and Registrar and Transfer Agent Fee

The Fund Administrator, Registrar and Transfer Agent will receive from the assets attributable to the Mashreq Alternative Opportunities Fund an administration fee calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

### Custodian Fee

The Custodian will receive from the assets attributable to the Mashreq Alternative Opportunities Fund a fee for providing custody services calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

### Oversight Committee Fee

The Oversight Committee will receive from the Mashreq Alternative Opportunities Fund an oversight fee calculated in accordance with the

provisions of section "Fees and Charges" of the Prospectus.

#### **Performance Fee**

No performance fee will be payable in respect of the Mashreq Alternative Opportunities Fund.

#### **Redemption Fee\***

A redemption fee of up to 2% of the Redemption Price can be charged to Shareholders requesting the redemption of part or all of their Shares in the Mashreq Alternative Opportunities Fund for the first 2 years of investment in the fund. The Fund Manager may waive part or all of such redemption fee or decide to transfer part or all of such redemption fee to the relevant distributor, in its discretion.

#### **Distribution Fee**

The Fund Manager will receive a distribution fee from the Mashreq Alternative Opportunities Fund to cover distribution expenses, payable out of assets attributable to the Class "AO A USD" Shares and Class "AO B USD" Shares of 0.5% per annum of the Net Asset Value per Share Class in respect of the Class "AO A USD" Shares and Class "AO B USD" Shares.

### **Valuation**

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#### **Valuation Date**

The Valuation Date for the Mashreq Alternative Opportunities Fund will be the close of business (UAE time) on the first Business Day of each calendar month.

### **Subscription**

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#### **Minimum Initial Fund Size**

The minimum initial Fund size for the Mashreq Alternative Opportunities Fund will be USD one million.

#### **Minimum Initial and Subsequent Subscription Amount**

The minimum initial and subsequent subscription amount that any one person can hold is one US thousand dollar (USD 1000).

#### **Issue of Shares**

The Fund will issue Class "AO A USD" Shares and "AO B USD" Shares in respect of the Mashreq Alternative Opportunities Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to one hundred million Class "AO A USD" Shares and up to one hundred million Class "AO B USD" Shares are initially available for issue. The Issue Date for Shares issued in respect of the Mashreq Alternative Opportunities Fund shall be the Valuation Day following the relevant Initial Closing Date and thereafter the Valuation Day following each Subscription Date.

#### **Initial Offer Period**

The Initial Offer Period for the Mashreq Alternative Opportunities Fund will be communicated by the Fund Manager to prospective investors. During the Initial Offer Period, the Initial Issue Price will be USD 100.

#### **Subscriptions**

The Fund Manager may alter the minimum initial subscription, holding amount or additional subscription thresholds in relation to the Mashreq Alternative Opportunities Fund in its absolute discretion without the conflict of applicable rules pertain to the minimum subscription.

Subscriptions are used to purchase the largest number of Shares of the relevant Share Class or sub-class in the Mashreq Alternative Opportunities Fund possible after deduction of the subscription fee. Fractional Shares may be issued up to four decimal places.

Mashreq Alternative Opportunities Fund Shares are offered on each Subscription Date at the applicable Subscription Price, i.e. the Net Asset Value per Share applicable on the next Valuation Date plus the applicable subscription fee.

#### **Subscription Date**

The Subscription Date for the Mashreq Alternative Opportunities Fund will be on the 25<sup>th</sup> Calendar Date of each month. If the 25<sup>th</sup> calendar day is not a Business Day then the next Business Day will be the Subscription Date.

#### **Subscription Procedure**

Prospective Subscribers who want to subscribe for Shares in the Mashreq Alternative Opportunities Fund must send the subscription agreement to the Fund Manager. For the purpose of the prior notice requirements set out below, all applications for subscriptions shall be deemed to be received at the time they are received by the Fund Manager.

### **Prior Notice for Subscriptions**

No application for subscription will be accepted unless the subscription agreement and payment of the full Subscription Price (and applicable subscription fee) in immediately available funds (as detailed below) are received at least five Business Days prior to the desired Subscription Date. Applications for subscriptions received after such deadline will be dealt with on the next Subscription Date after the desired Subscription Date. The Fund Manager may in its discretion waive this requirement. The Fund Manager holds the right to reject subscriptions at its discretion.

### **Payment of Subscription Price**

The full Subscription Price (including any applicable subscription fee) must be received in immediately available funds by the Custodian or its agent at least five business days prior to the desired Subscription Date. Applications for subscriptions for which funds are received after such deadline will be dealt with on the next Subscription Date after the desired Subscription Date. The Fund Manager may in its discretion waive this requirement.

## **Redemption**

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### **Redemption Date**

The Redemption Date for the Mashreq Alternative Opportunities Fund will be on the 28<sup>th</sup> Calendar Date, if it is not a Business Day then the next Business Day of each calendar quarter (being March, June, September and December).

### **Redemptions**

Each Shareholder may apply for the redemption of all or part of his Shares or of a fixed United States Dollar amount as of each Redemption Date at the applicable Redemption Price (i.e. Net Asset Value per Share applicable on the next Valuation Date less any Redemption Costs and Expenses), subject to a minimum redemption amount of USD 50. If the value of a Shareholder's holding on the relevant Redemption Date is less than the fixed USD amount which the Shareholder has applied to redeem or if, following the requested redemption a Shareholder will hold Shares in the Mashreq Alternative Opportunities Fund worth less than the minimum holding, the Shareholder will be deemed to have requested the redemption of all his Shares.

### **Prior Notice Requirement for Redemptions**

No Redemption Request will be accepted unless the application is received 30 Business Days prior to the desired Redemption Date. Redemption Requests received after such deadline will be dealt with on the next Redemption Date (next quarter) after the desired Redemption Date. The Fund Manager may in its discretion waive this requirement.

### **Payment of Redemption Proceeds**

Redemption proceeds will be paid in United States Dollars (USD) as soon as reasonably practicable and normally within five Business Days after the Valuation Date following the applicable Redemption Date. Redemption proceeds will only be paid in favour of the relevant Shareholder and will be paid by electronic transfer (net of the electronic transfer fee) to the account instructed by that Shareholder.

Whilst the Fund intends to make all redemptions in cash, if requested by a Shareholder, redemptions may be made in kind (in specie) at the discretion of the Fund Manager. In order to satisfy payment of the redemption proceeds to such Shareholder in kind, the Fund Manager will allocate to the Shareholder investments from the Sub-Fund Property of the Mashreq Alternative Opportunities Fund equal to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders in Mashreq Alternative Opportunities Fund. The valuation used shall be confirmed by a special report of the Registered Auditor. The costs of any such redemptions in kind shall be borne by the redeeming Shareholder.

### **Transaction Charges and Redemption Costs and Expenses.**

If the Mashreq Alternative Opportunities Fund incurs any Redemption Costs and Expenses in respect of any redemption of Shares, including any interest paid or payable or any loss, premium, penalty or expense that may be incurred in liquidating or employing securities, deposits or financing to fund the redemption amount, or Dilution Levy, these may be recovered from the redemption amount payable to the redeeming Shareholder.

### **Voting Rights**

Class "AO A USD" Shares and Class "AO B USD" Shares shall not confer any voting rights on a Shareholder, provided however that a Shareholder shall be permitted to vote in those circumstances specifically stated in the Articles of Association or otherwise in accordance with the Law, the CIR and the Rules. This includes the right to vote on any matters (or amendments) which would affect the rights or entitlements of a Shareholder, such as a fundamental change requiring a Special Resolution or a materially significant change requiring an Ordinary Resolution.

### **Distributions**

The Board intends to declare distributions in respect of the Class "AO B USD" Shares. The Fund Manager in its capacity as Board Director of the Company shall at its discretion decide the amount of any distributions to be made. The Fund Manager intends to declare distributions in respect

of the Class "AO B USD" Shares on a semi-annual basis, but reserves the right not to do so at any time in its discretion. Any such distribution can, at the discretion of the Fund Manager, be made out of all sources (without being exhaustive, profit, realized or unrealized gains, whether or not net of realized or unrealized losses, any distributions received from the underlying funds, interest earned, any other cash receipts, capital and generally any surpluses) and will be paid to the Shareholders of record within 20 Business Days. Upon the declaration of any distributions to the Shareholders of the relevant Share Classes of the Mashreq Alternative Opportunities Fund, the Net Asset Value per Share of the relevant Share Class of the Mashreq Alternative Opportunities Fund will be reduced by the amount of such distributions. Payment of the distributions will be made as indicated on a Shareholder's subscription application form, as amended from time to time, to the account indicated on the Shareholder Register or via the issuance of additional Shares.

Any distribution unclaimed after a period of twelve months from the date of declaration of such distribution will be automatically forfeited and will become the property of the Mashreq Alternative Opportunities Fund.

## ANNEX 5 – MASHREQ MENA EQUITY FUND

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This Annex is valid only if accompanied by the currently valid Prospectus.

### Investment Objective

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#### Investment Objective

The Investment Objective of the Mashreq MENA Equity Fund is to seek long term capital appreciation through investments made primarily in equities listed on the stock exchanges of MENA and emerging markets. The Mashreq MENA Equity Fund will invest primarily in companies listed on MENA stock exchanges. Mashreq MENA Equity Fund will focus primarily on the above exchanges in order to define its investment universe, but may make investments in certain other companies or markets in line with the policies and guidelines outlined in this Annex and the Prospectus.

### Investment Process

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#### Investment Process

The Fund Manager has a well-defined investment process in place to analyse regional economies both at a macro and micro level.

When selecting investments, The Fund Manager will focus primarily on large blue chip companies. Company-specific analysis will be made in the context of a macroeconomic and political framework to determine company allocations within the Mashreq MENA Equity Fund. In top down analysis, focus will be on such macroeconomic factors as inflation, interest and tax rates, and political climate. In bottom-up analysis, focus will be on company-specific variables, such as competitive industry dynamics, market leadership, proprietary products, services, and management expertise financial characteristics, such as returns on sales and equity, debt/equity ratios, earnings and cash flow growth will also be considered in the Fund Manager's analytical framework.

### Investment Policies and Restrictions

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#### The Policy of Spreading Risk

In making investments on behalf of the Mashreq MENA Equity Fund, the Fund Manager shall adhere to the following guidelines and restrictions:

##### General

- Investments may be made directly or indirectly when deemed appropriate.
- The Mashreq MENA Equity Fund will primarily invest in securities that are approved for listing on an authorised exchange.
- The Mashreq MENA Equity Fund may also on an ancillary basis invest in securities acquired by way of private placements, such as in the case where a company listed on an authorised exchange sells shares to specific shareholders by way of a private placement.
- The Mashreq MENA Equity Fund may also on an occasional / opportunistic basis invest in securities listed on stock exchanges established outside the MENA region in the best interest of the shareholders such as in order to avoid being subject to excessive volatility, subject to a maximum of 40% of the NAV.
- If Mashreq MENA Equity Fund is unable, for any reason, to invest directly in a local market at any time, it may take exposure to the relevant market by investing in equity-linked participation notes, which will not embed or create leverage. These are securities structured to provide a return based on the performance of a single equity security, basket of equity securities or an equity index. There is no limit to investment in such equity-linked participation notes if they constitute transferable securities that are listed or traded on recognised markets.

##### Asset Class and Instruments

- The Mashreq MENA Equity Fund may invest in derivative securities, synthetic instruments and over the counter instruments/securities up to a maximum of 15% of the NAV.
- Investments in fixed income securities is permitted up to a maximum level of 20% of the NAV.
- Cash balances in USD and/or other convertible currencies may, for addressing the cyclical nature of MENA markets generally, be invested in fixed return securities including, but not limited to, fixed deposits, treasury bills, certificates of deposit, and money market funds. A maximum of 20% of the NAV may be placed with a single party (or group of connected counterparties) and total holdings in cash and cash equivalents may not exceed 40% of NAV.

##### Diversification

- The Mashreq MENA Equity Fund will invest at least 60% of its NAV in equities listed in the target markets.
- The Mashreq MENA Equity Fund is permitted to hold up to 40% of its NAV in cash and cash equivalents.
- A maximum of 10% of the Mashreq MENA Equity Fund's total assets may be invested in the shares of a single company and not more than 20% of the total assets of the Mashreq MENA Equity Fund may be invested in a single group of connected parties.

- Investments in Initial Public Offerings for shares of unlisted companies in the target markets, is permitted up to a maximum level of 10% of the NAV.

### **Sub-Managers**

- Investments may be made directly or indirectly through sub-funds or with sub-managers as the Fund Manager deems appropriate.
- The Fund Manager may appoint sub-managers, subject to the requirements of the DFSA, to manage up to a maximum of 25% of the NAV.
- When appointing a sub-manager to manage part of the assets of the Mashreq MENA Equity Fund, the Fund Manager will remain liable to the Shareholders for any acts or omissions of the sub-manager as if they were the acts or omissions of the Fund Manager.
- The sub-manager's fees will be paid by the Fund Manager out of the management fee charged by the Fund Manager.

### **Investment restrictions**

The Fund Manager may not conduct any of the following transactions for the account of the Mashreq MENA Equity Fund:

- granting loans and extending financings;
- granting collateral and issuing guarantees;
- underwriting the issuance of securities;
- trading in real estate;
- discounting bills of exchange; and
- investing in hedge funds.

### **Breaches and Correction**

If the investment objective, policy and investment restrictions are breached for reasons beyond the control of the Fund Manager or as a result of the exercise of subscription rights (passive breaches), the Fund Manager will adopt as its priority the remedying of such situation, taking due account of the interests of the Shareholders. The Fund Manager will mention any breaches in the next interim or annual report sent to the Shareholders.

### **Leverage/Borrowing**

The Mashreq MENA Equity Fund may only use forms of leverage to meet redemptions, to bridge-finance new investments or for foreign exchange margin purposes but such leverage shall be subject to a maximum of 20% of the NAV. The Mashreq MENA Equity Fund may establish a credit facility for such purpose and will be able to drawdown, repay and again drawdown amounts under that facility. Such leverage facility may be utilised to enable the Mashreq MENA Equity Fund to cover the margin requirements for a currency hedge.

### **Derivatives**

The Mashreq MENA Equity Fund may invest in derivative securities, synthetic instruments and over the counter instruments/securities up to a maximum of 15% of the NAV.

The Mashreq MENA Equity Fund may also take exposure to equity-linked participation notes, which will not embed or create leverage. There is no limit to investment in such equity-linked participation notes if they constitute transferable securities that are listed or traded on recognised markets.

Apart from the above and for the express purposes of hedging interest rates, the Mashreq MENA Equity Fund will not utilise or invest in derivatives.

### **Stock Lending**

The Mashreq MENA Equity Fund will not engage in stock lending.

### **Investment horizon**

The Mashreq MENA Equity Fund is not an appropriate vehicle for short-term investment, as its investment objectives are set on a medium to long-term basis. The typical investor investing in the Mashreq MENA Equity Fund is an investor with an investment timeline of 3 to 5 years looking to achieve long term capital appreciation through investments made primarily in equities listed on the stock exchanges of the MENA region.

### **Investment risks**

There can be no assurance that the Mashreq MENA Equity Fund's investments will be successful or that the investment objectives of the Mashreq MENA Equity Fund will be achieved. Investors should be aware of the risks of the Mashreq MENA Equity Fund including, but not limited to, the risks described in the "Investment Considerations" section of the Prospectus. An investment in the Mashreq MENA Equity Fund is suitable only for persons who are in a position to take such risks. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Annex carefully and consult with their professional advisers before purchasing Shares.

## Base Currency

The base currency of the Mashreq MENA Equity Fund Classes is either the United States Dollar or the UAE dirham. Shares in the Mashreq MENA Equity Fund will be issued and redeemed in United States Dollars or United Arab Emirates dirham ("**AED**") respectively. However, the Mashreq MENA Equity Fund assets may be invested in securities and other investments that are denominated in currencies other than United States Dollars or AED. Accordingly, the value of an investment may be affected favourably or unfavourably by fluctuations in exchange rates. In addition, prospective Subscribers whose assets and liabilities are primarily denominated in currencies other than the United States Dollar or AED should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the United States Dollar, AED and such other currency which rates may be obtained from third party providers of exchange rate information such as Bloomberg.

## Monitoring

The Fund Manager shall monitor the Mashreq MENA Equity Fund's compliance with the investment policies and restrictions set out above.

## Liquidity Management

The Fund Manager has appropriate processes in place to manage and monitor liquidity of the Mashreq MENA Equity Fund.

## Share Classes

Share Class	Distributing	Currency	Subscription Fee	Management Fee	Distribution Fee	Redemption Fee	Minimum holding & initial investment	Minimum incremental investment
Class "ME AA USD"	No	USD	Up to 3%	1.5%	0%	Up to 3%	USD 100,000	USD 1,000
Class "ME AA AED"	No	AED	Up to 3%	1.5%	0%	Up to 3%	AED 350,000	AED 5,000
Class "ME BA USD"	No	USD	Up to 3%	1.5%	0.5%	Up to 3%	USD 1	USD 1
Class "ME BA AED"	No	AED	Up to 3%	1.5%	0.5%	Up to 3%	AED 100	AED 10
Class "ME BI USD"	Yes	USD	Up to 3%	1.5%	0.5%	Up to 3%	USD 1	USD 1
Class "ME BI AED"	Yes	AED	Up to 3%	1.5%	0.5%	Up to 3%	AED 100	AED 10
Class "ME CA USD"	No	USD	Up to 2%	0.70%	0%	0%	USD 1	USD 1
Class "ME CA AED"	No	AED	Up to 2%	0.70%	0%	0%	AED 100	AED 10

## Fees

### Subscription Fee

A subscription fee of up to 3% in respect of Class "ME AA USD" Shares, Class "ME AA AED" Shares, Class "ME BA USD" Shares, Class "ME BA AED" Shares, Class "ME BI USD" Shares, Class "ME BI AED" Shares and up to 2% in respect of Class "ME CA USD" Shares and Class "ME CA AED" Shares of the amount subscribed for will be paid to the Fund Manager from each subscription to the Mashreq MENA Equity Fund. The Fund Manager may waive a portion of such fee or decide to transfer part or all of such fee to the relevant distributor, in its discretion.

### Management Fee

The Fund Manager will receive a management fee from the Mashreq MENA Equity Fund, payable out of assets attributable to the Mashreq MENA Equity Fund of:

- 1.5% per annum of the NAV per Class in respect of the Class "ME AA USD" Shares;
- 1.5% per annum of the NAV per Class in respect of the Class "ME AA AED" Shares;
- 1.5% per annum of the NAV per Class of the Class "ME BA USD" Shares;
- 1.5% per annum of the NAV per Class of the Class "ME BA AED" Shares;
- 1.5% per annum of the NAV per Class of the Class "ME BI USD" Shares;
- 1.5% per annum of the NAV per Class of the Class "ME BI AED" Shares;



- g) 0.70% per annum of the NAV per Class of the Class "ME CA USD" Shares; and
- h) 0.70% per annum of the NAV per Class of the Class "ME CA AED" Shares.

(calculated before payment of accrued Fees) to be calculated and accrued as at each Valuation Date and payable quarterly on the first day of each calendar quarter commencing on the Initial Closing Date.

#### **Administration and Registrar and Transfer Agent Fee**

The Fund Administrator, Registrar and Transfer Agent will receive from the assets attributable to the Mashreq MENA Equity Fund an administration fee calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

#### **Custodian Fee**

The Custodian will receive from the assets attributable to the Mashreq MENA Equity Fund a fee for providing custody services calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

#### **Oversight Committee Fee**

The Oversight Committee will receive from the Mashreq MENA Equity Fund an oversight fee calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

#### **Performance Fee**

The Performance Fee in respect of each Class (equal to 15% of appreciation in the NAV above the Hurdle High Water Mark ("HWM")) is calculated on each Valuation Day but finally determined and payable as of the end of each Calculation Period, which shall run each year from 1 January (except for the first year in respect of which the Calculation Period shall start on the Initial Issue Date for each Class) until:

1. the relevant financial year end;
2. the Redemption Date with respect to Shares redeemed before the financial year end; or
3. the date of final liquidation of the assets of the Sub Fund,

and the Hurdle Rate of return (equal to 10%) shall be pro-rated (on the basis of the fraction having as numerator the number of days elapsed and as denominator 365) in respect of any such shorter Calculation Period.

If an Investor subscribes for Shares at a time when the NAV per Share is higher or lower than the Hurdle HWM, certain adjustments will be made to reduce inequities that could otherwise result to the investor or to the Fund Manager.

#### **Redemption Fee**

A redemption fee of up to 3% of the Redemption Price can be charged to Shareholders requesting the redemption of part or all of their Shares in the Mashreq MENA Equity Fund when the Redemption Date occurs within three months from the Subscription Date for these Shares and 2% of the Redemption Price when the Redemption Date occurs between three and six months from the Subscription Date for these Shares; and 1% of the Redemption Price when the Redemption Date occurs between six and twelve months from the Subscription Date for these Shares. The Fund Manager may waive part or all of such redemption fee or decide to transfer part or all of such redemption fee to the relevant distributor, in its discretion.

#### **Distribution Fee**

The Fund Manager will receive a distribution fee from the Mashreq MENA Equity Fund to cover distribution expenses, payable out of assets attributable to the Class "ME BA USD" Shares, Class "ME BA AED" Shares, Class "ME BI USD" Shares and Class "ME BI AED" Shares of 0.5% per annum of the Net Asset Value per Share Class in respect of the Class "ME BA USD" Shares, Class "ME BA AED" Shares, Class "ME BI USD" Shares and Class "ME BI AED" Shares.

The Fund Manager will not receive a distribution fee in respect of the Class "ME AA USD" Shares, Class "ME AA AED" Shares, Class "ME CA USD" Shares and Class "ME CA AED" Shares.

#### **Sub-Fund Formation Expenses**

The Sub-fund formation expenses are estimated at USD 20,000 and will be amortised over a period of five years in accordance with IFRS.

#### **Adjustments**

If Shares are subscribed for at a time when the NAV per Share is less than the Hurdle HWM, the Investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares above the Hurdle HWM. With respect to any appreciation in the value of those Shares from the NAV per Share at the date of subscription up to the Hurdle HWM, the Performance Fee will be charged at the end of each year by redeeming at the prevailing NAV per Share such number of the investor's Shares as have an aggregate NAV (after accrual for any Performance Fee) equal to the percentage specified as the Performance Fee of any such appreciation (a "Performance Fee Redemption").

The aggregate NAV of the Shares so redeemed will be paid to the Fund Manager as a Performance Fee. The technique of Performance Fee Redemptions is employed to ensure that in each Class of the Mashreq MENA Equity Fund a uniform NAV per Share is maintained. As regards the Investor's remaining Shares, any appreciation in the NAV per Share of those Shares above the Hurdle HWM will be charged a Performance Fee in the normal manner described above.

If Shares are subscribed for at a time when the NAV per Share is greater than the Hurdle HWM, the investor will be required to pay an additional amount in excess of the then current NAV per Share equal to the percentage specified as the relevant Performance Fee of the difference between the then current NAV per Share (before accrual for the Performance Fee) and the Hurdle HWM (an "**Equalisation Credit**"). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of such Class (the "**Maximum Equalisation Credit**").

The Equalisation Credit is payable to account for the fact that the NAV per Share has been reduced to reflect an accrued Performance Fee to be borne by existing Investor's holding Shares of the relevant Class and serves as a credit against Performance Fees that might otherwise be payable by the Fund, but that should not, in equity, be charged against the Investor making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all Investors of the relevant Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the Shares subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the NAV per Share, the Equalisation Credit will also be reduced by an amount equal to the percentage specified in the Performance Fee of the difference between the NAV per Share (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the NAV per Share will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each year, if the NAV per Share of the relevant Class (before accrual for the Performance Fee) exceeds the prior Hurdle HWM for that class and series, that portion of the Equalisation Credit equal to the percentage specified in the Performance Fee of the excess, multiplied by the number of Shares subscribed for by the Investor, will be applied to subscribe for additional Shares of the same Class for such Shareholder. Additional Shares will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Mashreq MENA Equity Fund after the original subscription for Shares was made, has been fully applied. If such Investor redeems his Shares before the Equalisation Credit has been fully applied, such Investor will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of the relevant Class being redeemed and the denominator of which is the number of Shares of the relevant Class held by the Investor immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

The Director may make such further regulations concerning share issue and redemption as it shall from time to time deem necessary for an equitable treatment of Participating Shareholders as to any performance, incentive or similar fees due from the Fund.

It should be noted that the Management Fees and Performance Fees are based in part upon unrealised gains (as well as unrealised losses) and that such unrealised gains and/or losses may never be realised.

On termination of the Fund Management Agreement, the Fund Manager shall be entitled to receive all fees and other moneys accrued but not yet paid on a pro rata basis up to the date of such termination as provided in the Fund Management Agreement and shall repay on a pro-rata basis fees and other moneys paid to it in respect of any period after the date of such termination.

## Valuation

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### Valuation Date

The Valuation Dates for the Mashreq MENA Equity Fund will be the close of business (UAE time) at each Business Day.

## Subscription

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### Minimum Initial Fund Size

The minimum initial size for the Mashreq MENA Equity Fund will be USD 1,000,000.

### Minimum Initial and Subsequent Subscription Amount

The minimum initial subscription and holding amount in the Mashreq MENA Equity Fund for each investor is USD 100,000 in respect of the Class "ME AA USD" Shares and is AED 350,000 in respect of the Class "ME AA AED" Shares. Additional subscriptions may be made in increments of USD 1,000 in respect of the Class "ME AA USD" Shares and of AED 5,000 in respect of the Class "ME AA AED" Shares.

The minimum initial subscription and holding amount in the Mashreq MENA Equity Fund for each investor is USD 1.00 in respect of the Class "ME BA USD" Shares, Class "ME BI USD" Shares and Class "ME CA USD" Shares and AED 100 in respect of Class "ME BA AED" Shares, Class "ME BI AED" Shares and Class "ME CA AED" Shares. Additional subscriptions may be made in increments of USD 1.00 in respect of the Class "ME BA USD" Shares, Class "ME BI USD" Shares and Class "ME CA USD" Shares and AED 10 in respect of the Class "ME BA AED" Shares, Class "ME BI AED" Shares

and Class "ME CA AED" Shares.

### **Issue of Shares**

The Fund will issue Class "ME AA USD" Shares for the Mashreq MENA Equity Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to 100,000,000 Class "ME AA USD" Shares have been made available for issue.

The Fund will issue Class "ME AA AED" Shares for the Mashreq MENA Equity Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to 100,000,000 Class "ME AA AED" Shares have been made available for issue.

The Fund will issue Class "ME BA USD" Shares and Class "ME BI USD" Shares for the Mashreq MENA Equity Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to 50,000,000 Class "ME BA USD" Shares and up to 50,000,000 Class "ME BI USD" Shares have been made initially available for issue.

The Fund will issue Class "ME BA AED" Shares and Class "ME BI AED" Shares for the Mashreq MENA Equity Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to 50,000,000 Class "ME BA AED" Shares and up to 50,000,000 Class "ME BI AED" Shares have been made initially available for issue as of such date as will be communicated by the Fund Manager to the prospective investors.

The Fund will issue Class "ME CA USD" Shares and Class "ME CA AED" Shares for the Mashreq MENA Equity Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Class "ME CA USD" Shares and Class "ME CA AED" Shares are only available for subscription by insurance and takaful investors. The Fund Manager may in its discretion waive this requirement for particular subscriptions. Up to 100,000,000 Class "ME CA USD" Shares and up to 100,000,000 Class "ME CA AED" Shares have been made available for issue.

The Issue Date for Shares issued in respect of the Mashreq MENA Equity Fund shall be the Business Day following the relevant Initial Closing Date and thereafter the Business Day following each Subscription Date.

### **Initial Offer Period**

The Initial Offer Period for the each of the Classes will be communicated by the Fund Manager to the prospective Subscribers.

### **Subscriptions**

The Fund Manager may alter the minimum initial subscription, holding amount or additional subscription thresholds in relation to the Mashreq MENA Equity Fund in its absolute discretion without the conflict of applicable rules pertain to the minimum subscription.

Subscriptions are used to purchase the largest number of Shares of the relevant Class in the Mashreq MENA Equity Fund possible after deduction of charges (see below). Fractional Shares are issued up to four decimal places.

During the Initial Offer Period, Class "ME AA USD" Shares, Class "ME AA AED" Shares, Class "ME BA USD" Shares, Class "ME BA AED" Shares, Class "ME BI USD" Shares, Class "ME BI AED" Shares, Class "ME CA USD" Shares and Class "ME CA AED" Shares in the Mashreq MENA Equity Fund will be issued at a Subscription Price of USD 10 and AED 10 per Share (plus the subscription fee) respectively.

After the relevant Initial Offer Period, the Mashreq MENA Equity Fund Shares are offered on a continuous basis on each Subscription Date at the applicable Subscription Price, i.e. the NAV per Share applicable on the Subscription Date plus the applicable subscription fee.

### **Subscription Date**

The Subscription Date for the Mashreq MENA Equity Fund will be each Business Day.

### **Subscription Procedure**

Applicants who wish to subscribe for Shares in the Mashreq MENA Equity Fund must send the subscription agreement to the Fund Manager. For the purpose of the prior notice requirements set out below, all applications for subscriptions shall be deemed to be received at the time they are received by the Fund Manager.

### **Prior Notice for Subscriptions**

No application for subscription will be accepted unless the subscription agreement and payment of the full Subscription Price in immediately available funds (as detailed below) are received at least two Business Days prior to the desired Subscription Date. Applications for subscriptions received after such deadline will be dealt with on the next Subscription Date after the desired Subscription Date. The Fund Manager may in its discretion waive this requirement.

### **Payment of Subscription Price**

The full Subscription Price (including any applicable subscription fee) must be received in immediately available funds by the Custodian or its agent at least two Business Days prior to the desired Subscription Date. Applications for subscriptions for which funds are received after such deadline will be dealt with on the next Subscription Date after the desired Subscription Date. The Fund Manager may in its discretion waive this

requirement.

## Redemption

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### Redemption Date

The Redemption Date for the Mashreq MENA Equity Fund will be each Business Day.

### Redemptions

Each Shareholder may apply for the redemption of all or part of his Shares or of a fixed United States Dollar amount as of each Redemption Date at the applicable Redemption Price (which is the NAV per Share applicable on the Redemption Date less any Redemption Costs and Expenses and less the Dilution Levy where applied), subject to a minimum redemption amount of USD 50 and AED 100 respectively depending on the relevant Share Class' currency. If the value of a Shareholder's holding on the relevant Redemption Date is less than the fixed USD or AED amount which the Shareholder has applied to redeem or if, following the requested redemption a Shareholder will hold Shares in the Mashreq MENA Equity Fund worth less than the minimum holding, the Shareholder will be deemed to have requested the redemption of all his Shares.

### Prior Notice Requirement for Redemptions

No Redemption Request will be accepted unless the application is received at least two Business Days prior to the desired Redemption Date. Redemption Requests received after such deadline will be dealt with on the next Redemption Date after the desired Redemption Date. The Fund Manager may in its discretion waive this requirement.

### Payment of Redemption Proceeds

Redemption proceeds, net of any applicable Dilution Levy, will be paid in United States Dollars (USD) or United Arab Emirates Dirhams (AED) as applicable, as soon as reasonably practicable and normally within five Business Days after the Redemption Date. Redemption proceeds will only be paid in favour of the relevant Shareholder and will be paid by electronic transfer (net of the electronic transfer fee) to the account instructed by that Shareholder.

Whilst the Mashreq MENA Equity Fund intends to make all redemptions in cash, if requested by a Shareholder, redemptions may be made in kind (in specie) at the discretion of the Fund Manager. In order to satisfy payment of the redemption proceeds to such Shareholder in kind, the Fund Manager will allocate to the Shareholder assets of the Mashreq MENA Equity Fund equal to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders in the Mashreq MENA Equity Fund. The valuation used shall be confirmed by a special report of the Registered Auditor. The costs of any such redemptions in kind shall be borne by the redeeming Shareholder.

### Transaction Charges and Redemption Costs and Expenses.

If the Mashreq MENA Equity Fund incurs any costs, expenses or losses in respect of any redemption of Shares, including any profit paid or payable or any loss, premium, penalty or expense that may be incurred in liquidating or employing securities, deposits or financing to fund the redemption amount or Dilution Levy, these may be recovered from the redemption amount payable to the redeeming Shareholder.

### Voting Rights

Class "ME AA USD" Shares, Class "ME AA AED" Shares, Class "ME BA USD" Shares, Class "ME BA AED" Shares, Class "ME BI USD" Shares, Class "ME BI AED" Shares, Class "ME CA USD" Shares and Class "ME CA AED" Shares shall not confer any voting rights on a Shareholder, provided however that a Shareholder shall be permitted to vote in those circumstances specifically stated in the Articles of Association or otherwise in accordance with the Law, the CIR and the Rules. This includes the right to vote on any matters (or amendments) which would affect the rights or entitlements of a Shareholder, such as a fundamental change requiring a Special Resolution or a materially significant change requiring an Ordinary Resolution.

### Distribution

Class "ME AA USD" Shares, Class "ME AA AED" Shares, Class "ME BA USD" Shares, Class "ME BA AED" Shares, Class "ME BI USD" Shares, Class "ME BI AED" Shares, Class "ME CA USD" Shares and Class "ME CA AED" Shares will each develop a distinct NAV per Share. The Director intends to declare distributions in respect of the Class "ME BI USD" Shares and Class "ME BI AED" Shares. The Fund Manager in its capacity as Director of the Company shall at its discretion decide the timing and the amount of any distributions to be made. Any such distribution can, at the discretion of the Fund Manager, be made out of all sources (without being exhaustive, profit, realized or unrealized gains, whether or not net of realized or unrealized losses, any dividends or distributions received from the underlying securities, profit earned, any other cash receipts, capital and generally any surpluses) and will be paid to the Shareholders of record within 20 Business Days. Upon the declaration of any distributions to the Shareholders of the relevant Share Classes of the "ME BI USD" Shares and the "ME BI AED" Shares, the NAV per Share of the relevant Share Class of the Mashreq MENA Equity Fund will be reduced by the amount of such distributions. Payment of the distributions will be made as indicated on a Shareholder's subscription application form, as amended from time to time, to the account indicated on the Shareholder Register. All Shareholders recorded in the register of the Registrar and Transfer Agent at the end of the Record Date (including the Record Date transactions) shall be eligible for such distribution. Distributions will be paid out via bank transfer.

The Director does not currently intend to declare dividends or other distributions in respect of the Class "ME AA USD" Shares, Class "ME AA AED" Shares, Class "ME BA USD" Shares, Class "ME BA AED" Shares, Class "ME CA USD" Shares" or Class "ME CA AED" Shares but reserves the right to do so at any time in its discretion or if such distribution are necessary in light of prevailing market conditions. The declaration of any distributions will be made in accordance with the Law, the CIR and the Articles of Association.

Any distribution unclaimed after a period of twelve months from the date of declaration of such distribution will be automatically forfeited and will become the property of the Mashreq MENA Equity Fund.

## ANNEX 6 – MASHREQ MENA FIXED INCOME FUND

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This Annex is valid only if accompanied by the currently valid Prospectus.

### Investment Objective and Benchmark

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#### Investment Objective

The Investment Objective of the Mashreq MENA Fixed Income Fund is to seek current income primarily through investment in a portfolio of fixed and floating rate income securities. The “total return” sought by the Mashreq MENA Fixed Income Fund consists of income earned on the Mashreq MENA Fixed Income Fund’s investments, plus capital appreciation, if any, which generally arises from stronger benchmark valuation, a draw to par on discounted securities or improving credit fundamentals.

#### Target markets

The Mashreq MENA Fixed Income Fund will invest primarily in MENA markets and selectively outside MENA in other markets. Whether a particular security or investment instrument is considered to be from the MENA markets will be determined on the basis of the definitions ascribed by Bloomberg to “Country Risk” and “Headquarters”.

#### Benchmark

While the fund’s return objective is total return, performance will be compared relative to the “JP Morgan Middle East Composite Index” (“MECI”) as benchmark.

### Investment Process

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#### Investment Process

The Fund Manager has a well-defined investment process in place to analyse the economies of the target markets both at a macro and micro level. There are substantial opportunities in the target markets which offer:

- key geopolitical position;
- financial and political conducive environment;
- value opportunities and potentially high yields; and
- an opportunity for diversification of risk.

When selecting investments, the Fund Manager will utilise a blended top down and bottom-up approach. Company-specific analysis will be made in the context of a macroeconomic and political framework. In top down analysis, focus will be on such macroeconomic factors as inflation, interest rates, social trends and political climate and identify signs of positive fundamental change, based on economic, political and social factors. In bottom-up analysis, focus will be on company-specific variables, such as competitive industry dynamics, market leadership, proprietary products, services, and management expertise, financial characteristics, such as returns on sales and equity, debt/equity ratios, earnings and cash flow growth will also be considered in the Fund Manager’s analytical framework. The Fund Manager will search for the most attractive opportunities within each credit class, analyse credit spreads on instruments and historical spread relationship and each instrument’s structure and covenants.

Investment specific research will be combined with a fundamental analysis of sectorial and economic conditions. The Fund Manager will select instruments which match the Mashreq MENA Fixed Income Fund’s investment objective and are likely to benefit from rating upgrades, credit spread tightening or increase in value due to corporate events. The Mashreq MENA Fixed Income Fund may also retain large cash balances from time to time, if the outlook for fixed income securities is believed to be negative. The objective is to provide a better risk/return profile compared to single investments with similar profile and actively attune portfolio exposure to market cycles and changing market environments. The Mashreq MENA Fixed Income Fund should be viewed as a medium risk Fund.

### Investment Policies and Restrictions

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#### The Policy of Spreading Risk

In making investments on behalf of the Mashreq MENA Fixed Income Fund, the Fund Manager shall adhere to the following guidelines and restrictions:

#### General

- The Mashreq MENA Fixed Income Fund may invest in both listed and unlisted instruments.
- The Mashreq MENA Fixed Income Fund may invest in both secured and unsecured instruments at multiple levels of the capital structure.

#### Asset Class and Instruments

- The Mashreq MENA Fixed Income Fund will invest on average at least 70% of its NAV in a diversified portfolio of fixed income securities.
- Up to 30% of the NAV may cumulatively be invested in cash, cash equivalent and derivative instruments.
- The Fund Manager may invest cash balances in US Dollars and/or other convertible currencies in fixed return securities including, but not limited to, fixed deposits, treasury notes, certificates of deposit, money market funds, and Islamic securities issued by institutions in the target markets subject to a maximum 30% of its NAV.
- The Mashreq MENA Fixed Income Fund may enter into repurchase and reverse-repurchase agreements with banks and other financial institutions deemed to be creditworthy by The Fund Manager. If the Mashreq MENA Fixed Income Fund enters into such an agreement with an affiliate of the Fund Manager, that agreement will be done on an arm's length basis. The combined value of both types of agreements (with the Fund Manager and with third parties) will not exceed 10% of the NAV.
- The Mashreq MENA Fixed Income Fund can also use derivatives to hedge interest risk associated with the investments of the Mashreq MENA Fixed Income Fund, where applicable.

### **Ratings**

- A minimum of 25% of the NAV must be invested in rated instruments with a rating of at least B- assigned by a globally recognised credit rating agency (Moody's, S&P or Fitch).
- Unrated instruments should be determined by The Fund Manager to be of at least comparable B- rating credit quality and investments in such instruments will on average not exceed 25% of the NAV.
- Investments made in fixed income securities which are either non-rated or rated below investment grade (BB+ to B-) will cumulatively not exceed 75% of the NAV.

### **Diversification**

- The Fund Manager may invest a maximum of 50% of the NAV in the fixed income securities originating from a single country in the target markets.
- The Fund Manager may invest a maximum of 10% of the NAV in the fixed income securities of a single issuer or not more than 20% of the NAV in the fixed income securities of a single group of connected parties.
- Investment in markets other than MENA is permitted on an opportunistic basis up to a maximum level of 20% of the NAV.
- The Mashreq MENA Fixed Income Fund may not invest more than 20% of the NAV in cash and cash equivalent assets.

### **Sub-Managers**

- The Fund Manager is authorised to employ the services of independent third party investment managers by investing the assets of the Mashreq MENA Fixed Income Fund in other collective investment schemes, subject to a maximum of 20% of the NAV, if it is determined to be in the best interest of the Shareholders and exposure to any single Fund (or group of connected funds) must not exceed 10% of the NAV.
- The Fund Manager is authorised to employ the services of independent third party investment managers, through segregated accounts, up to a maximum of 20% of the NAV, if it is determined to be in the best interest of the Shareholders.
- When appointing a sub-manager to manage part of the assets of the Mashreq MENA Fixed Income Fund, the Fund Manager will remain liable to the Shareholders for any acts or omissions of the sub-manager as if they were the acts or omissions of the Fund Manager.
- The sub-manager's fees will be paid by the Fund Manager out of the Management Fee charged by the Fund Manager.

### **Investment restrictions**

The Fund Manager may not conduct any of the following transactions for the account of the Mashreq MENA Fixed Income Fund:

- granting loans and extending financings;
- granting collateral and issuing guarantees;
- underwriting the issuance of securities;
- trading in real estate;
- discounting bills of exchange; and
- investing in hedge funds.

### **Breaches and Correction**

If the investment objective, policy and investment restrictions are breached for reasons beyond the control of the Fund Manager or as a result of the exercise of subscription rights (passive breaches), the Fund Manager will adopt as its priority the remedying of such situation, taking due account of the interests of the Shareholders. The Fund Manager will mention any breaches in the next interim or annual report sent to the Shareholders.

### Leverage/Borrowing

The Mashreq MENA Fixed Income Fund may only use forms of leverage to meet redemptions, to bridge-finance new investments or for foreign exchange margin purposes but such leverage shall be subject to a maximum of 20% of the Net Asset Value. The Mashreq MENA Fixed Income Fund may establish a credit facility for such purpose and will be able to drawdown, repay and again drawdown amounts under that facility. Such leverage facility may be utilised to enable the Mashreq MENA Fixed Income Fund to cover the margin requirements for a currency hedge.

### Derivatives

The Mashreq MENA Fixed Income Fund may enter into repurchase and reverse-repurchase agreements, the value of which will not exceed 10% of the NAV.

The Mashreq MENA Fixed Income Fund can also use derivatives, primarily to hedge interest risks associated with the investments of the Mashreq MENA Fixed Income Fund, where applicable.

### Stock Lending

The Mashreq MENA Fixed Income Fund will not engage in stock lending.

### Investment horizon

The Mashreq MENA Fixed Income Fund is not an appropriate vehicle for short-term investment, as its investment objectives are set on a medium to long-term basis. The typical investor investing in the Mashreq MENA Fixed Income Fund is an investor with an investment timeline of 3 to 5 years looking to achieve long term capital appreciation through investments made primarily in a portfolio of fixed and floating rate income securities of the MENA region.

### Investment risks

There can be no assurance that the Mashreq MENA Fixed Income Fund's investments will be successful or that the investment objectives of the Mashreq MENA Fixed Income Fund will be achieved. Investors should be aware of the risks of the Mashreq MENA Fixed Income Fund including, but not limited to, the risks described in the "Investment Considerations" section of the Prospectus. An investment in the Mashreq MENA Fixed Income Fund is suitable only for persons who are in a position to take such risks. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Annex carefully and consult with their professional advisers before purchasing Shares.

### Base Currency

The base currency of the Mashreq MENA Fixed Income Fund Classes is either the United States Dollar or the United Arab Emirates dirham ("AED"). Shares in the Mashreq MENA Fixed Income Fund will be issued and redeemed in United States Dollars or AED respectively. However, the Mashreq MENA Fixed Income Fund assets may be invested in securities and other investments that are denominated in currencies other than United States Dollars or AED. Accordingly, the value of an investment may be affected favourably or unfavourably by fluctuations in exchange rates. In addition, prospective Subscribers whose assets and liabilities are primarily denominated in currencies other than the United States Dollar or AED should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the United States Dollar, AED and such other currency which rates may be obtained from third party providers of exchange rate information such as Bloomberg.

### Monitoring

The Fund Manager shall monitor the Mashreq MENA Fixed Income Fund's compliance with the investment policies and restrictions set out above.

### Liquidity Management

The Fund Manager has appropriate processes in place to manage and monitor liquidity of the Mashreq MENA Fixed Income Fund.

## Share Classes

Share Class	Distributing	Currency	Subscription Fee	Management Fee	Distribution Fee	Redemption Fee	Minimum holding & initial investment	Minimum incremental investment
Class "MFIAA USD"	No	USD	Up to 3%	0.85%	0%	Up to 3%	USD 100,000	USD 1,000
Class "MFIAA AED"	No	AED	Up to 3%	0.85%	0%	Up to 3%	AED 350,000	AED 5,000
Class "MFIBA USD"	No	USD	Up to 3%	1%	0.5%	Up to 3%	USD 1	USD 1
Class "MFIBA AED"	No	AED	Up to 3%	1%	0.5%	Up to 3%	AED 100	AED 10



<b>Class "MFIBI USD"</b>	Yes	USD	Up to 3%	1%	0.5%	Up to 3%	USD 1	USD 1
<b>Class "MFIBI AED"</b>	Yes	AED	Up to 3%	1%	0.5%	Up to 3%	AED 100	AED 10
<b>Class "MFICA USD"</b>	No	USD	Up to 2%	0.70%	0%	0%	USD 1	USD 1
<b>Class "MFICA AED"</b>	No	AED	Up to 2%	0.70%	0%	0%	AED 100	AED 10

## Fees

### Subscription Fee

A subscription fee of up to 3% in respect of Class "MFI AA USD" Shares, Class "MFI AA AED" Shares, Class "MFI BA USD" Shares, Class "MFI BA AED" Shares, Class "MFI BI USD" Shares and Class "MFI BI AED" Shares and up to 2% in respect of Class "MFI CA USD" Shares and Class "MFI CA AED" Shares of the amount subscribed for will be paid to the Fund Manager from each subscription to the Mashreq MENA Fixed Income Fund. The Fund Manager may waive a portion of such fee or decide to transfer part or all of such fee to the relevant distributor, in its discretion.

### Management Fee

The Fund Manager will receive a management fee from the Mashreq MENA Fixed Income Fund, payable out of assets attributable to the Mashreq MENA Fixed Income Fund of:

- 0.85% per annum of the Net Asset Value per Class in respect of the Class "MFI AA USD" Shares;
- 0.85% per annum of the Net Asset Value per Class in respect of the Class "MFI AA AED" Shares;
- 1% per annum of the Net Asset Value per Class of the Class "MFI BA USD" Shares;
- 1% per annum of the Net Asset Value per Class of the Class "MFI BA AED" Shares;
- 1% per annum of the Net Asset Value per Class of the Class "MFI BI USD" Shares;
- 1% per annum of the Net Asset Value per Class of the Class "MFI BI AED" Shares;
- 0.70% per annum of the Net Asset Value per Class of the Class "MFI CA USD" Shares; and
- 0.70% per annum of the Net Asset Value per Class of the Class "MFI CA AED" Shares,

(calculated before payment of accrued Fees) to be calculated and accrued as at each Valuation Date and payable quarterly in advance on the first day of each calendar quarter commencing on the Initial Closing Date.

### Administration and Registrar and Transfer Agent Fee

The Fund Administrator, Registrar and Transfer Agent will receive from the assets attributable to the Mashreq MENA Fixed Income Fund an administration fee calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

### Custodian Fee

The Custodian will receive from the assets attributable to the Mashreq MENA Fixed Income Fund a fee for providing custody services calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

### Oversight Committee Fee

The Oversight Committee will receive from the Mashreq MENA Fixed Income Fund an oversight fee calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

### Performance Fee

No performance fee will be payable in respect of the Mashreq MENA Fixed Income Fund.

### Redemption Fee

A redemption fee of up to 3% of the Redemption Price can be charged to Shareholders requesting the redemption of part or all of their Shares in the Mashreq MENA Fixed Income Fund when the Redemption Date occurs within three months from the Subscription Date for these Shares; 2% of the Redemption Price when the Redemption Date occurs between three and six months from the Subscription Date for these Shares; and 1% of the Redemption Price when the Redemption Date occurs between six and twelve months from the Subscription Date for these Shares. There will be no redemption fee in respect of the Class "MFI CA USD" Shares and Class "MFI CA AED" Shares. The Fund Manager may waive part or all of such redemption fee or decide to transfer part or all of such redemption fee to the relevant distributor, in its discretion.

## Distribution Fee

The Fund Manager will receive a distribution fee from the Mashreq MENA Fixed Income Fund to cover distribution expenses, payable out of assets attributable to the Class "MFI BA USD" Shares, Class "MFI BA AED" Shares, Class "MFI BI USD" Shares and Class "MFI BI AED" Shares of 0.5% per annum of the Net Asset Value per Share Class in respect of the Class "MFI BA USD" Shares, Class "MFI BA AED" Shares, Class "MFI BI USD" Shares and Class "MFI BI AED" Shares.

The Fund Manager will not receive a distribution fee in respect of the Class "MFI AA USD" Shares, Class "MFI AA AED" Shares, Class "MFI CA USD" Shares and Class "MFI CA AED" Shares.

## Sub-Fund Formation Expenses

The Sub-fund formation expenses are estimated at USD 20,000 and will be amortised over a period of five years in accordance with IFRS.

## Valuation

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### Valuation Date

The Valuation Dates for the Mashreq MENA Fixed Income Fund will be the close of business (UAE time) at each Business Day.

## Subscription

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### Minimum Initial Fund Size

The minimum initial size for the Mashreq MENA Fixed Income Fund will be USD 1,000,000.

### Minimum Initial and Subsequent Subscription Amount

The minimum initial subscription and holding amount in the Mashreq MENA Fixed Income Fund for each investor is USD 100,000 in respect of the Class "MFI AA USD" Shares and is AED 350,000 in respect of the Class "MFI AA AED" Shares. Additional subscriptions may be made in increments of USD 1,000 in respect of the Class "MFI AA USD" Shares and of AED 5,000 in respect of the Class "MFI AA AED" Shares.

The minimum initial subscription and holding amount in the Mashreq MENA Fixed Income Fund for each investor is USD 1.00 in respect of the Class "MFI BA USD" Shares, Class "MFI BI USD" Shares and Class "MFI CA USD" Shares. The minimum initial subscription and holding amount for each investor in respect of the Class "MFI BA AED" Shares, Class "MFI BI AED" Shares and Class "MFI CA AED" Shares is AED 100.

Additional subscriptions may be made in increments of USD 1.00 in respect of the Class "MFI BA USD" Shares, Class "MFI BI USD" Shares and Class "MFI CA USD" Shares, and AED 10 in respect of the Class "MFI BA AED" Shares, Class "MFI BI AED" Shares and Class "MFI CA AED" Shares.

### Issue of Shares

The Fund will issue Class "MFI AA USD" Shares for the Mashreq MENA Fixed Income Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to 100,000,000 Class "MFI AA USD" Shares have been made available for issue.

The Fund will issue Class "MFI AA AED" Shares for the Mashreq MENA Fixed Income Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to 100,000,000 Class "MFI AA AED" Shares have been made available for issue.

The Fund will issue Class "MFI BA USD" Shares and Class "MFI BI USD" Shares for the Mashreq MENA Fixed Income Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to 50,000,000 Class "MFI BA USD" Shares and up to 50,000,000 Class "MFI BI USD" Shares have been made initially available for issue.

The Fund will issue Class "MFI BA AED" Shares and Class "MFI BI AED" Shares for the Mashreq MENA Fixed Income Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to 50,000,000 Class "MFI BA AED" Shares and up to 50,000,000 Class "MFI BI AED" Shares have been made initially available for issue as of such date as will be communicated by the Fund Manager to the prospective investors.

The Fund will issue Class "MFI CA USD" Shares and Class "MFI CA AED" Shares for the Mashreq MENA Fixed Income Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Class "MFI CA USD" Shares and Class "MFI CA AED" Shares are only available for subscription by insurance and takaful investors. The Fund Manager may in its discretion waive this requirement for particular subscriptions. Up to 100,000,000 Class "MFI CA USD" Shares have been made available for issue. Up to 100,000,000 Class "MFI CA AED" Shares will be made available for issue.

The Issue Date for Shares issued in respect of the Mashreq MENA Fixed Income Fund shall be the Business Day following the relevant Initial Closing Date and thereafter the Business Day following each Subscription Date.

### Initial Offer Period

The Initial Offer Period for the each of the Classes will be communicated by the Fund Manager to the prospective Subscribers.

### **Subscriptions**

The Fund Manager may alter the minimum initial subscription, holding amount or additional subscription thresholds in relation to the Mashreq MENA Fixed Income Fund in its absolute discretion without the conflict of applicable rules pertain to the minimum subscription.

Subscriptions are used to purchase the largest number of Shares of the relevant Class in the Mashreq MENA Fixed Income Fund possible after deduction of charges (see below). Fractional Shares are issued up to four decimal places.

During the Initial Offer Period, Class "MFI AA USD" Shares, Class "MFI AA AED" Shares, Class "MFI BA USD" Shares, Class "MFI BA AED" Shares, Class "MFI BI USD" Shares, Class "MFI BI AED" Shares, Class "MFI CA USD" Shares and Class "MFI CA AED" Shares in the Mashreq MENA Fixed Income Fund will be issued at a Subscription Price of USD 10 and AED 10 per Share (plus the subscription fee) respectively.

After the relevant Initial Offer Period, the Mashreq MENA Fixed Income Fund Shares are offered on a continuous basis on each Subscription Date at the applicable Subscription Price, i.e. the Net Asset Value per Share applicable on the Subscription Date plus the applicable subscription fee.

### **Subscription Date**

The Subscription Date for the Mashreq MENA Fixed Income Fund will be each Business Day.

### **Subscription Procedure**

Applicants who wish to subscribe for Shares in the Mashreq MENA Fixed Income Fund must send the subscription agreement to the Fund Manager. For the purpose of the prior notice requirements set out below, all applications for subscriptions shall be deemed to be received at the time they are received by the Fund Manager.

### **Prior Notice for Subscriptions**

No application for subscription will be accepted unless the subscription agreement and payment of the full Subscription Price in immediately available funds (as detailed below) are received at least two Business Days prior to the desired Subscription Date. Applications for subscriptions received after such deadline will be dealt with on the next Subscription Date after the desired Subscription Date. The Fund Manager may in its discretion waive this requirement.

### **Payment of Subscription Price**

The full Subscription Price (including any applicable subscription fee) must be received in immediately available funds by the Custodian or its agent at least two Business Days prior to the desired Subscription Date. Applications for subscriptions for which funds are received after such deadline will be dealt with on the next Subscription Date after the desired Subscription Date. The Fund Manager may in its discretion waive this requirement.

## **Redemption**

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### **Redemption Date**

The Redemption Date for the Mashreq MENA Fixed Income Fund will be each Business Day.

### **Redemptions**

Each Shareholder may apply for the redemption of all or part of his Shares or of a fixed United States Dollar amount as of each Redemption Date at the applicable Redemption Price (which is the Net Asset Value per Share applicable on the Redemption Date less any Redemption Costs and Expenses and less the Dilution Levy where applied), subject to a minimum redemption amount of USD 50 and AED 100 respectively depending on the relevant Share Class' currency. If the value of a Shareholder's holding on the relevant Redemption Date is less than the fixed USD or AED amount which the Shareholder has applied to redeem or if, following the requested redemption a Shareholder will hold Shares in the Mashreq MENA Fixed Income Fund worth less than the minimum holding, the Shareholder will be deemed to have requested the redemption of all his Shares.

### **Prior Notice Requirement for Redemptions**

No Redemption Request will be accepted unless the application is received at least two Business Days prior to the desired Redemption Date. Redemption Requests received after such deadline will be dealt with on the next Redemption Date after the desired Redemption Date. The Fund Manager may in its discretion waive this requirement.

### **Payment of Redemption Proceeds**

Redemption proceeds, net of any applicable Dilution Levy, will be paid in United States Dollars (USD) or United Arab Emirates Dirhams (AED) as applicable, as soon as reasonably practicable and normally within five Business Days after the Redemption Date. Redemption proceeds will only be paid in favour of the relevant Shareholder and will be paid by electronic transfer (net of the electronic transfer fee) to the account instructed

by that Shareholder.

Whilst the Mashreq MENA Fixed Income Fund intends to make all redemptions in cash, if requested by a Shareholder, redemptions may be made in kind (in specie) at the discretion of the Fund Manager. In order to satisfy payment of the redemption proceeds to such Shareholder in kind, the Fund Manager will allocate to the Shareholder assets of the Mashreq MENA Fixed Income Fund equal to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders in the Mashreq MENA Fixed Income Fund. The valuation used shall be confirmed by a special report of the Registered Auditor. The costs of any such redemptions in kind shall be borne by the redeeming Shareholder.

#### **Transaction Charges and Redemption Costs and Expenses.**

If the Mashreq MENA Fixed Income Fund incurs any costs, expenses or losses in respect of any redemption of Shares, including any profit paid or payable or any loss, premium, penalty or expense that may be incurred in liquidating or employing securities, deposits or financing to fund the redemption amount or Dilution Levy, these may be recovered from the redemption amount payable to the redeeming Shareholder.

#### **Voting Rights**

Class "MFI AA USD" Shares, Class "MFI AA AED" Shares, Class "MFI BA USD" Shares, Class "MFI BA AED" Shares, Class "MFI BI USD" Shares, Class "MFI BI AED" Shares, Class "MFI CA USD" Shares and Class "MFI CA AED" Shares shall not confer any voting rights on a Shareholder, provided however that a Shareholder shall be permitted to vote in those circumstances specifically stated in the Articles of Association or otherwise in accordance with the Law, the CIR and the Rules. This includes the right to vote on any matters (or amendments) which would affect the rights or entitlements of a Shareholder, such as a fundamental change requiring a Special Resolution or a materially significant change requiring an Ordinary Resolution.

#### **Distribution**

Class "MFI AA USD" Shares, Class "MFI AA AED" Shares, Class "MFI BA USD" Shares, Class "MFI BA AED" Shares, Class "MFI BI USD" Shares and Class "MFI BI AED" Shares will each develop a distinct Net Asset Value per Share. The Director intends to declare distributions in respect of the Class "MFI BI USD" Shares and Class "MFI BI AED" Shares. The Fund Manager in its capacity as Director of the Company shall at its discretion decide the timing and the amount of any distributions to be made. Any such distribution can, at the discretion of the Fund Manager, be made out of all sources (without being exhaustive, profit, realized or unrealized gains, whether or not net of realized or unrealized losses, any dividends or distributions received from the underlying securities, profit earned, any other cash receipts, capital and generally any surpluses) and will be paid to the Shareholders of record within 20 Business Days. Upon the declaration of any distributions to the Shareholders of the relevant Share Classes of the "MFI BI USD" Shares and the "MFI BI AED" Shares, the Net Asset Value per Share of the relevant Share Class of the Mashreq MENA Fixed Income Fund will be reduced by the amount of such distributions. Payment of the distributions will be made as indicated on a Shareholder's subscription application form, as amended from time to time, to the account indicated on the Shareholder Register. All Shareholders recorded in the register of the Registrar and Transfer Agent at the end of the Record Date (including the Record Date transactions) shall be eligible for such distribution. Distributions will be paid out via bank transfer.

The Director does not currently intend to declare dividends or other distributions in respect of the Class "MFI AA USD" Shares, Class "MFI AA AED" Shares, Class "MFI BA USD" Shares, Class "MFI BA AED" Shares, Class "MFI CA USD" Shares or Class "MFI CA AED" Shares, but reserves the right to do so at any time in its discretion or if such distribution are necessary in light of prevailing market conditions. The declaration of any distributions will be made in accordance with the Law, the CIR and the Articles of Association.

Any distribution unclaimed after a period of twelve months from the date of declaration of such distribution will be automatically forfeited and will become the property of the Mashreq MENA Fixed Income Fund.

## ANNEX 7 – MASHREQ GLOBAL EMERGING MARKETS BOND FUND

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This Annex is valid only if accompanied by the currently valid Prospectus.

### Investment Objective and Benchmark

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#### Investment Objective

The Investment Objective of the Mashreq Global Emerging Markets Bond Fund is to seek to maximize total return through a combination of income generation and capital appreciation by investing in a portfolio of US dollar-denominated fixed and floating rate income securities issued by sovereign, quasi-sovereign and corporate issuers from global emerging markets.

#### Target markets

The Mashreq Global Emerging Markets Bond Fund will invest in global emerging markets. Whether a particular security or investment instrument is considered to be from the emerging markets will be determined on the basis of the definitions ascribed by Bloomberg to “Country Risk” or “Country of Largest Revenue”.

#### Benchmark

This Sub-Fund’s benchmark is a blended index consisting of 50% “JP Morgan EMBI Global Diversified Index” (“EMBI”) and 50% JP Morgan CEMBI Broad Diversified Index” (“CEMBI”).

### Investment Process

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#### Investment Process

The Fund Manager has a well-defined investment process in place to analyse the economies of the target markets both at a macro and micro level. There are substantial opportunities in the target markets which offer:

- key geopolitical position;
- financial and political conducive environment;
- value opportunities and potentially high yields; and
- an opportunity for diversification of risk.

When selecting investments, the Fund Manager will utilise a blended top down and bottom-up approach. Company-specific analysis will be made in the context of a macroeconomic and political framework. In top down analysis, focus will be on such macroeconomic factors as inflation, interest rates, social trends and political climate and identify signs of positive fundamental change, based on economic, political and social factors. In bottom-up analysis, focus will be on company-specific variables, such as competitive industry dynamics, market leadership, proprietary products, services, and management expertise, financial characteristics, such as returns on sales and equity, debt/equity ratios, earnings and cash flow growth will also be considered in the Fund Manager’s analytical framework. The Fund Manager will search for the most attractive opportunities within each credit class, analyse credit spreads on instruments and historical spread relationship and each instrument’s structure and covenants.

Investment specific research will be combined with a fundamental analysis of sectorial and economic conditions. The Fund Manager will select instruments which match the Mashreq Global Emerging Markets Bond Fund’s investment objective and are likely to benefit from rating upgrades, credit spread tightening or increase in value due to corporate events. The Mashreq Global Emerging Markets Bond Fund may also retain large cash balances from time to time, if the outlook for fixed income securities is believed to be negative. The objective is to provide a better risk/return profile compared to single investments with similar profile and actively attune portfolio exposure to market cycles and changing market environments. The Mashreq Global Emerging Markets Bond Fund should be viewed as a medium risk Fund.

### Investment Policies and Restrictions

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#### The Policy of Spreading Risk

In making investments on behalf of the Mashreq Global Emerging Markets Bond Fund, the Fund Manager shall adhere to the following guidelines and restrictions:

#### General

- The Mashreq Global Emerging Markets Bond Fund may invest in both secured and unsecured instruments at multiple levels of the capital structure.
- This Sub-Fund may invest in both publicly and privately placed bonds.

#### Asset Class and Instruments

- The Mashreq Global Emerging Markets Bond Fund aims to invest in US dollar-denominated bonds issued by sovereign, quasi-sovereign and corporate issuers from global emerging markets.
- The Mashreq Global Emerging Markets Bond Fund may have maximum of 30% of the NAV invested in cash & cash equivalent assets.
- The Mashreq Global Emerging Markets Bond Fund can use derivatives, primarily to hedge interest, credit or market risks associated with the investments, where applicable. The value of derivatives (options, futures, forwards, and credit default swaps /indices) will not exceed 30% of the NAV.
- The Mashreq Global Emerging Markets Bond Fund may also enter into repurchase and reverse-repurchase agreements with banks and other financial institutions deemed to be creditworthy by The Fund Manager. If the Mashreq Global Emerging Markets Bond Fund enters into such an agreement with an affiliate of the Fund Manager, that agreement will be done on an arm's length basis. The combined value of both types of agreements (with the Fund Manager and with third parties) will not exceed 30% of the NAV.

### Ratings

- The Mashreq Global Emerging Markets Bond Fund will have a minimum average portfolio rating of BB-.
- A minimum of 20% of the NAV must be invested in investment grade instruments (BBB- or better) assigned by a globally recognised credit rating agency (Moody's, S&P or Fitch).
- Unrated instruments should not exceed 25% of the NAV.
- Credit Rating definition: The credit rating is defined as the highest rating of the following three major rating agencies: S&P, Fitch, Moody's.

### Diversification

- **Country Limit:** The Fund Manager may invest a maximum of 50% of the NAV in the fixed income securities originating from a single country in the target markets.
- **Issuer Limit:** Aggregate exposure to a single issuer shall not exceed 10% of the NAV.
- **Cash:** This Sub-Fund may not invest more than 30% of the NAV in cash and cash equivalent assets.

### Sub-Managers

- The Fund Manager is authorised to employ the services of independent third party investment managers by investing the assets of the Mashreq Global Emerging Markets Bond Fund in other collective investment schemes, subject to a maximum of 20% of the NAV, if it is determined to be in the best interest of the Shareholders and exposure to any single fund (or group of connected funds) must not exceed 10% of the NAV.
- The Fund Manager is authorised to employ the services of independent third-party investment managers, through segregated accounts, up to a maximum of 20% of the NAV, if it is determined to be in the best interest of the Shareholders.
- When appointing a sub-manager to manage part of the assets of the Mashreq Global Emerging Markets Bond Fund, the Fund Manager will remain liable to the Shareholders for any acts or omissions of the sub-manager as if they were the acts or omissions of the Fund Manager.
- The sub-manager's fees will be paid by the Fund Manager out of the Management Fee charged by the Fund Manager.

### Investment restrictions

The Fund Manager may not conduct any of the following transactions for the account of the Mashreq Global Emerging Markets Bond Fund:

- granting loans and extending financings;
- granting collateral and issuing guarantees;
- underwriting the issuance of securities;
- trading in real estate;
- discounting bills of exchange; and
- investing in hedge funds.

### Breaches and Correction

If the investment objective, policy and investment restrictions are breached for reasons beyond the control of the Fund Manager or as a result of the exercise of subscription rights (passive breaches), the Fund Manager will adopt as its priority the remedying of such situation, taking due account of the interests of the Shareholders. The Fund Manager will mention any breaches in the next interim or annual report sent to the Shareholders.

### Leverage/Borrowing

The Mashreq Global Emerging Markets Bond Fund may only use forms of leverage to meet redemptions, to bridge-finance new investments or for foreign exchange margin purposes but such leverage shall be subject to a maximum of 30% of the Net Asset Value. The Mashreq Global Emerging Markets Bond Fund may establish a credit facility for such purpose and will be able to drawdown, repay and again drawdown amounts

under that facility. Such leverage facility may be utilised to enable the Mashreq Global Emerging Markets Bond Fund to cover the margin requirements for a currency hedge.

### Derivatives

The Mashreq Global Emerging Markets Bond Fund may enter into repurchase and reverse-repurchase agreements, the value of which will not exceed 30% of the NAV.

The Mashreq Global Emerging Markets Bond Fund can also use derivatives, primarily to hedge interest, credit or market risks associated with the investments of the Mashreq Global Emerging Markets Bond Fund, where applicable. The value of derivatives (options, futures, forwards, and credit default swaps /indices) will not exceed 30% of the NAV.

### Stock Lending

The Mashreq Global Emerging Markets Bond Fund will not engage in stock lending.

### Investment horizon

The Mashreq Global Emerging Markets Bond Fund is not an appropriate vehicle for short-term investment, as its investment objectives are set on a medium to long-term basis. The typical investor investing in the Mashreq Global Emerging Markets Bond Fund is an investor with an investment timeline of 3 to 5 years looking to achieve long term capital appreciation through investments made primarily in a portfolio of fixed and floating rate income securities across global emerging markets.

### Investment risks

There can be no assurance that the Mashreq Global Emerging Markets Bond Fund's investments will be successful or that the investment objectives of the Mashreq Global Emerging Markets Bond Fund will be achieved. Investors should be aware of the risks of the Mashreq Global Emerging Markets Bond Fund including, but not limited to, the risks described in the "Investment Considerations" section of the Prospectus. An investment in the Mashreq Global Emerging Markets Bond Fund is suitable only for persons who are in a position to take such risks. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Annex carefully and consult with their professional advisers before purchasing Shares.

### Base Currency

The base currency of the Mashreq Global Emerging Markets Bond Fund Classes is either the United States Dollar or the United Arab Emirates dirham ("AED"). Shares in the Mashreq Global Emerging Markets Bond Fund will be issued and redeemed in United States Dollars or AED respectively.

### Monitoring

The Fund Manager shall monitor the Mashreq Global Emerging Markets Bond Fund's compliance with the investment policies and restrictions set out above.

### Liquidity Management

The Fund Manager has appropriate processes in place to manage and monitor liquidity of the Mashreq Global Emerging Markets Bond Fund.

## Share Classes

Share Class	Distributing	Currency	Subscription Fee	Management Fee	Distribution Fee	Redemption Fee	Minimum holding & initial investment	Minimum incremental investment
Class "MGEMB AA USD"	No	USD	Up to 3%	0.70%	0%	Up to 3%	USD 100,000	USD 1,000
Class "MGEMB AA AED"	No	AED	Up to 3%	0.70%	0%	Up to 3%	AED 350,000	AED 5,000
Class "MGEMB BA USD"	No	USD	Up to 3%	1%	0.3%	Up to 3%	USD 1	USD 1
Class "MGEMB BA AED"	No	AED	Up to 3%	1%	0.3%	Up to 3%	AED 100	AED 10
Class "MGEMB BI USD"	Yes	USD	Up to 3%	1%	0.3%	Up to 3%	USD 1	USD 1
Class "MGEMB BI AED"	Yes	AED	Up to 3%	1%	0.3%	Up to 3%	AED 100	AED 10
Class "MGEMB CA USD"	No	USD	Up to 2%	0.70%	0%	0%	USD 1	USD 1

Class "MGEMB CA AED"	No	AED	Up to 2%	0.70%	0%	0%	AED 100	AED 10
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## Fees

### Subscription Fee

A subscription fee of up to 3% in respect of Class "MGEMB AA USD" Shares, Class "MGEMB AA AED" Shares, Class "MGEMB BA USD" Shares, Class "MGEMB BA AED" Shares, Class "MGEMB BI USD" Shares and Class "MGEMB BI AED" Shares and up to 2% in respect of Class "MGEMB CA USD" Shares and Class "MGEMB CA AED" Shares of the amount subscribed for will be paid to the Fund Manager from each subscription to the Mashreq Global Emerging Markets Bond Fund. The Fund Manager may waive a portion of such fee or decide to transfer part or all of such fee to the relevant distributor, in its discretion.

### Management Fee

The Fund Manager will receive a management fee from the Mashreq Global Emerging Markets Bond Fund, payable out of assets attributable to the Mashreq Global Emerging Markets Bond Fund of:

- 0.70% per annum of the Net Asset Value per Class in respect of the Class "MGEMB AA USD" Shares;
- 0.70% per annum of the Net Asset Value per Class in respect of the Class "MGEMB AA AED" Shares;
- 1% per annum of the Net Asset Value per Class of the Class "MGEMB BA USD" Shares;
- 1% per annum of the Net Asset Value per Class of the Class "MGEMB BA AED" Shares;
- 1% per annum of the Net Asset Value per Class of the Class "MGEMB BI USD" Shares;
- 1% per annum of the Net Asset Value per Class of the Class "MGEMB BI AED" Shares;
- 0.70% per annum of the Net Asset Value per Class of the Class "MGEMB CA USD" Shares; and
- 0.70% per annum of the Net Asset Value per Class of the Class "MGEMB CA AED" Shares,

(calculated before payment of accrued Fees) to be calculated and accrued as at each Valuation Date and payable quarterly in advance on the first day of each calendar quarter commencing on the Initial Closing Date.

### Administration and Registrar and Transfer Agent Fee

The Fund Administrator, Registrar and Transfer Agent will receive from the assets attributable to the Mashreq Global Emerging Markets Bond Fund an administration fee calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

### Custodian Fee

The Custodian will receive from the assets attributable to the Mashreq Global Emerging Markets Bond Fund a fee for providing custody services calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

### Oversight Committee Fee

The Oversight Committee will receive from the Mashreq Global Emerging Markets Bond Fund an oversight fee calculated in accordance with the provisions of section "Fees and Charges" of the Prospectus.

### Performance Fee

No performance fee will be payable in respect of the Mashreq Global Emerging Markets Bond Fund.

### Redemption Fee

A redemption fee of up to 3% of the Redemption Price can be charged to Shareholders requesting the redemption of part or all of their Shares in the Mashreq Global Emerging Markets Bond Fund when the Redemption Date occurs within three months from the Subscription Date for these Shares; 2% of the Redemption Price when the Redemption Date occurs between three and six months from the Subscription Date for these Shares; and 1% of the Redemption Price when the Redemption Date occurs between six and twelve months from the Subscription Date for these Shares. There will be no redemption fee in respect of the Class "MGEMB CA USD" Shares or the Class "MGEMB CA AED" Shares. The Fund Manager may waive part or all of such redemption fee or decide to transfer part or all of such redemption fee to the relevant distributor, in its discretion.

### Distribution Fee

The Fund Manager will receive a distribution fee from the Mashreq Global Emerging Markets Bond Fund to cover distribution expenses, payable out of assets attributable to the Class "MGEMB BA USD" Shares, Class "MGEMB BA AED" Shares, Class "MGEMB BI USD" Shares and Class "MGEMB BI AED" Shares of 0.3% per annum of the Net Asset Value per Share Class in respect of the Class "MGEMB BA USD" Shares, Class



"MGEMB BA AED" Shares, Class "MGEMB BI USD" Shares and Class "MGEMB BI AED" Shares.

The Fund Manager will not receive a distribution fee in respect of the Class "MGEMB AA USD" Shares, Class "MGEMB AA AED" Shares, Class "MGEMB CA USD" Shares or Class "MGEMB CA AED" Shares.

#### **Sub-Fund Formation Expenses**

The Sub-fund formation expenses are estimated at USD 20,000 and will be amortised over a period of five years in accordance with IFRS.

### **Valuation**

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#### **Valuation Date**

The Valuation Dates for the Mashreq Global Emerging Markets Bond Fund will be the close of business (UAE time) at each Business Day.

### **Subscription**

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#### **Minimum Initial Fund Size**

The minimum initial size for the Mashreq Global Emerging Markets Bond Fund will be USD 1,000,000.

#### **Minimum Initial and Subsequent Subscription Amount**

The minimum initial subscription and holding amount in the Mashreq Global Emerging Markets Bond Fund for each investor is USD 100,000 in respect of the Class "MGEMB AA USD" Shares and is AED 350,000 in respect of the Class "MGEMB AA AED" Shares. Additional subscriptions may be made in increments of USD 1,000 in respect of the Class "MGEMB AA USD" Shares and of AED 5,000 in respect of the Class "MGEMB AA AED" Shares.

The minimum initial subscription and holding amount in the Mashreq Global Emerging Markets Bond Fund for each investor is USD 1.00 in respect of the Class "MGEMB BA USD" Shares, Class "MGEMB BI USD" Shares and Class "MGEMB CA USD" Shares, AED 100 in respect of the Class "MGEMB BA AED" Shares and Class "MGEMB BI AED" Shares in respect of the Class "MGEMB CA AED" Shares. Additional subscriptions may be made in increments of USD 1.00 in respect of the Class "MGEMB BA USD" Shares, Class "MGEMB BI USD" Shares and Class "MGEMB CA USD" Shares and AED 10 in respect of the Class "MGEMB BA AED" Shares and Class "MGEMB BI AED" Shares in respect of the Class "MGEMB CA AED" Shares.

#### **Issue of Shares**

The Fund will issue Class "MGEMB AA USD" Shares for the Mashreq Global Emerging Markets Bond Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to 100,000,000 Class "MGEMB AA USD" Shares have been made available for issue.

The Fund will issue Class "MGEMB AA AED" Shares for the Mashreq Global Emerging Markets Bond Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to 100,000,000 Class "MGEMB AA AED" Shares have been made available for issue.

The Fund will issue Class "MGEMB BA USD" Shares and Class "MGEMB BI USD" Shares for the Mashreq Global Emerging Markets Bond Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to 50,000,000 Class "MGEMB BA USD" Shares and up to 50,000,000 Class "MGEMB BI USD" Shares have been made initially available for issue.

The Fund will issue Class "MGEMB BA AED" Shares and Class "MGEMB BI AED" Shares for the Mashreq Global Emerging Markets Bond Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Up to 50,000,000 Class "MGEMB BA AED" Shares and up to 50,000,000 Class "MGEMB BI AED" Shares have been made initially available for issue as of such date as will be communicated by the Fund Manager to the prospective investors.

The Fund will issue Class "MGEMB CA USD" Shares for the Mashreq Global Emerging Markets Bond Fund to existing and new investors effective as of each Issue Date in accordance with the provisions set out below. Class "MGEMB CA USD" Shares are only available for subscription by insurance and takaful investors. The Fund Manager may in its discretion waive this requirement for particular subscriptions. Up to 100,000,000 Class "MGEMB CA USD" Shares and 100,000,000 Class "MGEMB CA AED" Shares have been made available for issue.

The Issue Date for Shares issued in respect of the Mashreq Global Emerging Markets Bond Fund shall be the Business Day following the relevant Initial Closing Date and thereafter the Business Day following each Subscription Date.

#### **Initial Offer Period**

The Initial Offer Period for the each of the Classes will be communicated by the Fund Manager to the prospective Subscribers.

#### **Subscriptions**

The Fund Manager may alter the minimum initial subscription, holding amount or additional subscription thresholds in relation to the Mashreq

Global Emerging Markets Bond Fund in its absolute discretion without the conflict of applicable rules pertain to the minimum subscription.

Subscriptions are used to purchase the largest number of Shares of the relevant Class in the Mashreq Global Emerging Markets Bond Fund possible after deduction of charges (see below). Fractional Shares are issued up to four decimal places.

During the Initial Offer Period, Class "MGEMB AA USD" Shares, Class "MGEMB AA AED" Shares, Class "MGEMB BA USD" Shares, Class "MGEMB BI USD" Shares, Class "MGEMB BA AED" Shares, Class "MGEMB BI AED" Shares and Class "MGEMB CA USD" Shares in the Mashreq Global Emerging Markets Bond Fund will be issued at a Subscription Price of USD 10 and AED 10 per Share (plus the subscription fee) respectively.

After the relevant Initial Offer Period, the Mashreq Global Emerging Markets Bond Fund Shares are offered on a continuous basis on each Subscription Date at the applicable Subscription Price, i.e. the Net Asset Value per Share applicable on the Subscription Date plus the applicable subscription fee.

### **Subscription Date**

The Subscription Date for the Mashreq Global Emerging Markets Bond Fund will be each Business Day.

### **Subscription Procedure**

Applicants who wish to subscribe for Shares in the Mashreq Global Emerging Markets Bond Fund must send the subscription agreement to the Fund Manager. For the purpose of the prior notice requirements set out below, all applications for subscriptions shall be deemed to be received at the time they are received by the Fund Manager.

### **Prior Notice for Subscriptions**

No application for subscription will be accepted unless the subscription agreement and payment of the full Subscription Price in immediately available funds (as detailed below) are received at least two Business Days prior to the desired Subscription Date. Applications for subscriptions received after such deadline will be dealt with on the next Subscription Date after the desired Subscription Date. The Fund Manager may in its discretion waive this requirement.

### **Payment of Subscription Price**

The full Subscription Price (including any applicable subscription fee) must be received in immediately available funds by the Custodian or its agent at least two Business Days prior to the desired Subscription Date. Applications for subscriptions for which funds are received after such deadline will be dealt with on the next Subscription Date after the desired Subscription Date. The Fund Manager may in its discretion waive this requirement.

## **Redemption**

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### **Redemption Date**

The Redemption Date for the Mashreq Global Emerging Markets Bond Fund will be each Business Day.

### **Redemptions**

Each Shareholder may apply for the redemption of all or part of his Shares or of a fixed United States Dollar amount as of each Redemption Date at the applicable Redemption Price (which is the Net Asset Value per Share applicable on the Redemption Date less any Redemption Costs and Expenses and less the Dilution Levy where applied), subject to a minimum redemption amount of USD 50 and AED 100 respectively depending on the relevant Share Class' currency. If the value of a Shareholder's holding on the relevant Redemption Date is less than the fixed USD or AED amount which the Shareholder has applied to redeem or if, following the requested redemption a Shareholder will hold Shares in the Mashreq Global Emerging Markets Bond Fund worth less than the minimum holding, the Shareholder will be deemed to have requested the redemption of all his Shares.

### **Prior Notice Requirement for Redemptions**

No Redemption Request will be accepted unless the application is received at least two Business Days prior to the desired Redemption Date. Redemption Requests received after such deadline will be dealt with on the next Redemption Date after the desired Redemption Date. The Fund Manager may in its discretion waive this requirement.

### **Payment of Redemption Proceeds**

Redemption proceeds, net of any applicable Dilution Levy, will be paid in United States Dollars (USD) or United Arab Emirates Dirhams (AED) as applicable, as soon as reasonably practicable and normally within five Business Days after the Redemption Date. Redemption proceeds will only be paid in favour of the relevant Shareholder and will be paid by electronic transfer (net of the electronic transfer fee) to the account instructed by that Shareholder.

Whilst the Mashreq Global Emerging Markets Bond Fund intends to make all redemptions in cash, if requested by a Shareholder, redemptions may be made in kind (in specie) at the discretion of the Fund Manager. In order to satisfy payment of the redemption proceeds to such

Shareholder in kind, the Fund Manager will allocate to the Shareholder assets of the Mashreq Global Emerging Markets Bond Fund equal to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders in the Mashreq Global Emerging Markets Bond Fund. The valuation used shall be confirmed by a special report of the Registered Auditor. The costs of any such redemptions in kind shall be borne by the redeeming Shareholder.

#### **Transaction Charges and Redemption Costs and Expenses.**

If the Mashreq Global Emerging Markets Bond Fund incurs any costs, expenses or losses in respect of any redemption of Shares, including any profit paid or payable or any loss, premium, penalty or expense that may be incurred in liquidating or employing securities, deposits or financing to fund the redemption amount or Dilution Levy, these may be recovered from the redemption amount payable to the redeeming Shareholder.

#### **Voting Rights**

Class "MGEMB AA USD" Shares, Class "MGEMB AA AED" Shares, Class "MGEMB BA USD" Shares, Class "MGEMB BI USD" Shares, Class "MGEMB BA AED" Shares, Class "MGEMB BI AED" Shares, Class "MGEMB CA USD" Shares and Class "MGEMB CA AED" Shares shall not confer any voting rights on a Shareholder, provided however that a Shareholder shall be permitted to vote in those circumstances specifically stated in the Articles of Association or otherwise in accordance with the Law, the CIR and the Rules. This includes the right to vote on any matters (or amendments) which would affect the rights or entitlements of a Shareholder, such as a fundamental change requiring a Special Resolution or a materially significant change requiring an Ordinary Resolution.

#### **Distribution**

Class "MGEMB AA USD" Shares, Class "MGEMB AA AED" Shares, Class "MGEMB BA USD" Shares, Class "MGEMB BA AED" Shares, Class "MGEMB BI USD" Shares and Class "MGEMB BI AED" Shares will each develop a distinct Net Asset Value per Share. The Director intends to declare distributions in respect of the Class "MGEMB BI USD" Shares and Class "MGEMB BI AED" Shares. The Fund Manager in its capacity as Director of the Company shall at its discretion decide the timing and the amount of any distributions to be made. Any such distribution can, at the discretion of the Fund Manager, be made out of all sources (without being exhaustive, profit, realized or unrealized gains, whether or not net of realized or unrealized losses, any dividends or distributions received from the underlying securities, profit earned, any other cash receipts, capital and generally any surpluses) and will be paid to the Shareholders of record within 20 Business Days. Upon the declaration of any distributions to the Shareholders of the relevant Share Classes of the "MGEMB BI USD" Shares and the "MGEMB BI AED" Shares, the Net Asset Value per Share of the relevant Share Class of the Mashreq Global Emerging Markets Bond Fund will be reduced by the amount of such distributions. Payment of the distributions will be made as indicated on a Shareholder's subscription application form, as amended from time to time, to the account indicated on the Shareholder Register. All Shareholders recorded in the register of the Registrar and Transfer Agent at the end of the Record Date (including the Record Date transactions) shall be eligible for such distribution. Distributions will be paid out via bank transfer.

The Director does not currently intend to declare dividends or other distributions in respect of the Class "MGEMB AA USD" Shares, Class "MGEMB AA AED" Shares, Class "MGEMB BA USD" Shares, Class "MGEMB BA AED" Shares, Class "MGEMB CA USD" Shares or Class "MGEMB CA AED" Shares, but reserves the right to do so at any time in its discretion or if such distribution are necessary in light of prevailing market conditions. The declaration of any distributions will be made in accordance with the Law, the CIR and the Articles of Association.

Any distribution unclaimed after a period of twelve months from the date of declaration of such distribution will be automatically forfeited and will become the property of the Mashreq Global Emerging Markets Bond Fund.