

PROSPECTUS

ARAB BANK MENA FUND

(An open-ended collective investment scheme pursuant to the regulations for the operations and marketing of collective investment schemes issued by the Central Bank of Bahrain as contained in the Central Bank of Bahrain Rulebook, Volume 7 (Collective Investment Undertakings))

(A FUND CREATED BY ARAB BANK MENA FUND COMPANY B.S.C. (C) A CLOSED JOINT STOCK COMPANY REGISTERED UNDER THE LAWS OF THE KINGDOM OF BAHRAIN)

Offering of up to 30,000,000 Units each valued at US\$10.00

Arab Bank MENA Fund qualifies as an expert fund under the Collective Investment Undertakings Module issued by the Central Bank of Bahrain Rulebook, Volume 7

Being an expert fund, investment in Arab Bank MENA Fund is open only to Expert Investors as defined in the section headed "Definitions". No person who does not qualify as an Expert Investor may subscribe for Units in the Arab Bank MENA Fund.

Investment Manager and Placement Agent

**Al Arabi Investment Group
P.O. Box 143156, Amman 11814
Hashemite Kingdom of Jordan**

Administrator, Custodian, Registrar and Representative

Gulf Custody Company B.S.C. (c) P.O. Box 2400, Manama Kingdom of Bahrain

The date of this Prospectus is December 24th 2019

(The most recent previous Prospectus was dated April 18th 2017 whereas the Fund was approved on 22 May 2005. This Prospectus has now been amended to satisfy the requirements introduced by the Central Bank of Bahrain for the operation and marketing of collective investment schemes in Bahrain.)

This Prospectus is not for use or distribution in the United States of America or to United States Persons.

Potential investors should refer to the sections hereof titled "Notice to Investors" and "Risk Factors" before investing in units of the Fund (the "Units").

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GENERAL GUIDELINES

Minimum Initial Subscription: US\$25,000

The securities described herein involve a high degree of capital risk

The Fund is approved by the Central Bank of Bahrain (CBB)

Registration with the CBB does not imply protection from loss

The Fund's base currency is the United States dollar

The Prospectus contains full, true, and plain disclosure of material facts relevant to the Fund

Past performance is not a guarantee of future returns

The purchase of Units is not the same as placing cash on deposit with a bank and the Fund has no obligation to redeem Units at their offering value

The value of the Units and the income, if any, from them can go down as well as up and Unit Holders may not get back the amount of money invested

Applications for Units are subject to acceptance by the Investment Manager

This Prospectus is not for use or distribution in the United States of America or to United States Persons

NOTICE TO INVESTORS

(Whenever the context requires, any gender used in the Prospectus shall include all others, the singular number shall include the plural, and vice versa.)

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus. If given or made, such information or representations must not be relied upon as having been authorized by either the Fund Company, its Directors or the Investment Manager.

The Ministry of Industry & Commerce of the Kingdom of Bahrain, the Central Bank of Bahrain or the Bahrain Stock Exchange take no responsibility for the accuracy of the statements and information contained in this Prospectus or for the performance of this Fund, nor shall they have any liability to any person, investor or otherwise for any damage or loss resulting from reliance on any statement or information contained herein.

The Jordan Securities Commission and the Amman Stock Exchange take no responsibility for the accuracy of the statements and information contained in this Prospectus or the performance of this Fund, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statement or information contained herein.

Any regulatory body or stock exchange in jurisdictions where this Fund is marketed take no responsibility for the accuracy of the statements and information contained in this Prospectus or the performance of this Fund, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statement or information contained herein.

This Prospectus is being furnished to Expert Investors as defined in the section headed "Definitions" primarily in the Middle East and North Africa, so that they may consider the opportunity to purchase the Units. The Fund is an expert fund under Volume 7 (Collective Investment Undertakings) of the CBB Rulebook issued by the CBB pursuant to the Central Bank of Bahrain and Financial Institutions Law 2006 ('the CBB Law'). Being an expert fund, investment in this Fund is open to only Expert Investors as defined in the section headed 'Definitions'. No person who does not qualify as an Expert Investor may subscribe for Units in this Fund.

This document is the lawful property of the Fund Company and may not be distributed or copied, as a whole or in part, nor may any of its contents be disclosed without prior written permission from the Fund Company or the Investment Manager.

The Prospectus provides a summary of information relevant to investing in the Fund. The information in this Prospectus relating to the Articles of Association and the Memorandum of Association does not purport to be complete and this Prospectus is qualified by reference to those documents.

The Fund is not registered under the United States (US) Investment Company Act of 1940, as amended. Neither Al Arabi Investment Group, as Investment Manager and/or Placement Agent, the Fund Company as the Promoter of the Fund, nor Arab Bank Plc. as investor of seed capital in the Fund, are registered under the US Investment Advisers Act of 1940, as amended.

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

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

Under Bahrain law, the Fund is subject to periodic financial reporting requirements pursuant to which the Fund's reviewed semi-annual and audited annual financial statements must be filed with the CBB and distributed to Unit Holders.

Investing in the Fund involves a high degree of risk designed for investors seeking a medium-to long- term capital gain as well as a low/no level of income. Investors should nonetheless be able to bear the economic risks of their investment in the Fund, including full or partial loss thereof, and should not be dependent upon any returns from such investment for any basic financial needs.

No person has been authorized to make any representations or provide any information with respect to the Units except such information as is contained in the Prospectus, and such other written information that may from time to time be expressly approved in writing by the Investment Manager and/ or the Fund Company prior to the distribution thereof.

The Directors of the Fund Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors of the Fund Company (who have taken all reasonable care to ensure that this is the case), the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to materially affect the meaning of such information.

The Prospectus does not constitute an offer or solicitation of Units in any jurisdiction in which such offer or solicitation is not authorized. Accordingly, the Prospectus may not be used for the purpose of, and does not constitute an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Recipients of this Prospectus should inform themselves about and observe any applicable legal requirements.

Neither the Fund nor the Units are/or will be registered under the US federal securities laws. The Units are offered outside of the US to potential Unit Holders who are not US Persons (as defined from time to time). The Prospectus may not be delivered in the US, its territories, or possessions to any prospective Unit Holder except in a transaction, which does not violate applicable US laws. No person (whether or not a US Person) may originate a purchase order for Units from within the US.

The Fund Company, in its sole discretion, may reject any subscription for Units in whole or in part at any time prior to acceptance thereof. Furthermore, the Fund Company may at any time and at its discretion redeem the Units and distribute to Unit Holders their respective share of the proceeds thereof.

The Fund Company, the Investment Manager, the Registrar and/or the Custodian reserve the absolute right to require further verification of the identity of each potential investor or that of the person or entity on whose behalf the potential investor is applying for a subscription in the Fund.

The Fund is required to pay an annual registration fee of BD 2,000 to the CBB. The Fund Company is capitalized at BD 1,000.

The Fund Company, the Investment Manager and the Placement Agent, shall comply with Bahrain's Legislative Decree No. (4) of 2001 with respect to Prohibition and Combating Money Laundering, Decree Law No. 58 of 2006 with Respect to the Protection of Society from Terrorism Activities and the various Ministerial Orders and circulars issued with regard thereto and from time to time including, but not limited to, Ministerial Order No. (7) of 2001 with respect to the Institution's Obligations Concerning the Prohibition of and Combating Money Laundering.

Each investor would be required, at the time of subscription, to provide adequate evidence to the Placement Agent and the Investment Manager that it qualifies as an Expert Investor (as defined hereinafter). Each investor must provide a written confirmation, stating that it satisfies the definition of an expert investor and that it understands the higher risks involved in an expert fund.

The statements contained herein that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which the Fund would operate, management's beliefs, and assumptions made by the management. Words such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "projects", variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Investors considering the Fund should understand that there is no assurance that the Fund shall meet its investment objective and the Fund does not represent a complete investment program.

Investing in the Fund involves risks, and investors should be able to bear the economic risks of their investment in the Fund, including all or part thereof, and should not be dependent upon any returns from such investment for any basic financial needs.

Potential investors are referred to the section headed “Risk Factors” for a non-exclusive summary of certain risks involved.

Investments in the Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank or any other government agency. There is no financial obligation or compensation scheme imposed on or by the Kingdom of Bahrain or the Central Bank of Bahrain in favor of or available to the investors of the Fund. Investors could lose money if they redeem units when the Fund’s Unit price is lower than their subscription unit price. The Investment Manager cannot and does not guarantee the performance of the Fund and the past performance of the Investment Manager is not a guarantee of its future performance.

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

The contents of the Prospectus should not be construed as investment, legal, or tax advice. Each potential Unit Holder is urged to seek independent investment, legal, and tax advice with respect to the implications of investing in the Units.

All the information in the Prospectus is given as of the date hereof, unless expressly otherwise specified herein.

SECTION 1

Directory**Fund Company**

Arab Bank MENA Fund Company B.S.C.
(c) C/O Gulf Custody Company
P.O. Box 2400
Manama
Kingdom of Bahrain

Auditors

Deloitte and Touche Bahrain Tower, 16th
Floor, Al-Khalifa Road P.O. Box 421
Manama
Kingdom of Bahrain

**Operator, Investment Manager and
Placement Agent**

Al Arabi Investment Group
P.O. Box 143156
Amman 11814
Jordan

Legal Counsel

Qays H. Zu'bi Attorneys and Legal Consultants
P.O. Box 2397
Manama
Kingdom of Bahrain

**Administrator, Custodian, Registrar and
Representative**

Gulf Custody Company B.S.C. (c)
P.O. Box 2400
Manama
Kingdom of Bahrain

Directors

Mr. Mohammad AL Ghanameh
Mr. Guy Khouri
Mr. Firas Al Zayyad
Mr. Ammar Saifi

SECTION 2

Definitions

This section shall be read to include the definitions set out in the DIRECTORY above:

Administration Agreement	The Administration Agreement between the Administrator and the Fund Company dated May 23, 2005.
Articles of Association	The Memorandum and Articles of Association of the Fund Company.
Audit Letter	The letter from the auditor to the Fund Company.
Base Currency	The base currency of the Fund which is US\$.
Bahrain	The Kingdom of Bahrain.
Bahrain Law	The laws of Bahrain in force from time to time.
Business Day	A day on which banks are generally open for business in Bahrain and Jordan.
CBB	The Central Bank of Bahrain.
Closing Date	The last Business Day in the Initial Offer Period or, at the discretion of the Investment Manager, the date on which the Investment Manager determined that the Fund is fully subscribed and applicants' subscription proceeds can be invested in the Fund.
Custody Agreement	The Custody Agreement between the Custodian and the Fund Company dated May 23, 2005.
Custody and Administration Fee	The fee payable by the Fund Company as an expense of the Fund to the Custodian and the Administrator pursuant to the Custody Agreement and the Administration Agreement.

Directors	Members of the board of directors of the Fund Company.
Dividend Policy	The Fund may distribute dividends on an annual basis, upon the sole discretion of the Fund Company.
Effective Date	The date on which the Fund Company is incorporated.
Expert Investors	are: <ul style="list-style-type: none">(a) Individuals holding financial assets (either singly or jointly with their spouse) of US\$ 100,000 or more;(b) Companies, partnerships, trusts or other commercial undertakings, which have financial assets available for investment of not less than US\$ 100,000; or(c) Governments, supranational organizations, central banks or other national monetary authorities, local authorities and state organizations.
Financial Year	The first Financial Year was on the Closing Date and ended on September 30, 2006. Subsequent Financial Years start October 1, and end September 30.
Fund	Arab Bank MENA Fund.
Fund Company	Arab Bank MENA Fund Company B.S.C.(c), a closed joint stock company incorporated with limited liability under the laws of the Kingdom of Bahrain to create and manage the Fund.
Fund Term	The Fund is an open-ended investment vehicle.
Initial Offer Period	This shall have the meaning given to it in the Instrument, which is Sixteen weeks from June 4, 2005 until September 22, 2005.

Instrument	The instrument created by the Fund Company in relation to the Fund and setting out the terms and conditions of the Units, a copy of which is included in Appendix A.
Investment Management Agreement	The Investment Management Agreement between the Fund Company and the Investment Manager dated May 23, 2005.
Investment Management Fee	A fee payable by the Fund Company as an expense of the Fund to the Investment Manager pursuant to the Investment Management Agreement.
Initial Fund Size	US\$5,000,000
Minimum Initial	The minimum initial subscription amount in the Fund is US\$25,000. The Subscription minimum for any subsequent subscription or redemption for an existing Unit Holder is 100 Units.
Ministry	The Ministry of Industry and Commerce in the Kingdom of Bahrain.
Net Asset Value	The net asset value of the Fund as determined by the Administrator and approved by the Fund Company on each Valuation Day.
Notice of Transfer	The notice of transfer must be completed and signed by the transferor and the transferee as per the instructions set out in Schedule 3 of the Instrument, together with any other documentation as required therein.
Performance Fee	A fee payable by the Fund Company as an expense of the Fund to the Investment Manager pursuant to the Investment Management Agreement.
Placement Agency Agreement	The Placement Agency Agreement between the Fund Company and the Placement Agent.
Prospectus	This prospectus as may be amended from time to time by the

Directors and approved by the CBB.

Quarter	The period commencing on the next Business Day after the Closing Date and ended on the last business day of December 2005, and each consecutive period of three calendar months thereafter ending on the last business day of March, June, September, or December.
Redemption Notice	The redemption notice that must be completed and signed by a Unit Holder as per the instructions set out in Schedule 4 of the Instrument, together with any other documentation as required therein.
Register	The register maintained by the Registrar in relation to the Unit Holders and in accordance with the Registrar Agreement.
Registrar Agreement	The Registrar Agreement between the Registrar and the Fund Company dated May 23, 2005.
Registrar Fee	The fee payable by the Fund Company as an expense of the Fund to the Registrar pursuant to the Registrar Agreement.
Subscription Agreement	The subscription agreement in connection with the Units to be entered into between the Unit Holder and the Fund Company.
Subscription Day	The last Business Day of every month.
Subscription Forms	The form attached to the Subscription Agreement with which Unit Holders request to invest in the Fund following instructions set out in Section 11 of this document, along with required documentation. A copy is included in Appendix B at the end of this document.
Subscription Period	The Initial Offer Period in addition to Subscription Days.
Trading Day	A day on which subscriptions and redemptions are executed. Such day

will usually be two (2) Business Days following final calculation and disclosure of the Fund's Net Asset Value being on the last business day of every month or as per instructions of the Directors.

Unit Holder	Investors who hold units in the Fund.
Units	All of the units issued by the Fund Company in respect of the Fund.
US\$ or US Dollar	United States dollars, the legal currency of the United States of America.
US Person	A US Person as defined in Regulation S of the Securities Act of 1933 as amended and in force from time to time.
Valuation Day	The last Business Day of each month or as otherwise determined by the Directors.
Relevant person	A relevant person for the purpose of this Prospectus, is the: Operator; Fund Manager; Custodian; Fund Administrator; Registrar; Placement Agent; Investment Advisor (if applicable); External Auditor; and CBB Licensee acting as a Placement Agent offering the Fund holdings to investors resident in the Kingdom of Bahrain.

SECTION 3

Summary of Terms

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

The Fund

The Fund is an open-ended expert fund, created by the Fund Company under the Collective Investment Undertaking Module issued by the Central Bank of Bahrain as contained in the CBB Rulebook, Volume 7 (Collective Investment Undertakings). Being an Expert Fund, investment in the Arab Bank MENA Fund is only open to Expert Investors as defined in the section headed "Definitions". No person who does not qualify as an Expert Investor may subscribe for Units in the Fund.

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

The base currency of the Fund is the US dollar.

Units are equal to one ordinary class and are priced at US\$10.00 each. The Minimum Initial Subscription is US\$25,000. The Investment Manager, acting at own discretion, may elect to reduce the amount of the minimum initial subscription. In all cases, the Minimum Initial Subscription shall not be less than US\$10,000

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

Fund Size

The Fund will issue a minimum of 500,000 Units priced at a face value of US\$10.00 per Unit. The Directors reserve the right to change these limits if they, acting at their sole discretion, deem it to be in the best interest of Unit Holders. Units are issued on a fully-paid basis and are placed by the Placement Agent.

Fund Term

The Fund commenced on the Effective Date and is an open-ended fund. The term of the Fund is for an indefinite period. Neither the death, bankruptcy, nor incapacity of a Unit Holder in the Fund will terminate the Fund or in any way affect its continuity.

Fund Company

Arab Bank MENA Fund Company B.S.C. (c), a fund company incorporated in the Kingdom of Bahrain as a Closed Joint Stock Company and approved by the CBB with Commercial Registration No. 56497-1 and with a registered address at Arab Bank MENA Fund Company B.S.C.(c), C/O Gulf Custody Company, P.O. Box 2400, Manama, the Kingdom of Bahrain.

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

Any change to the Prospectus must be made by the Directors and will be subject to the approval of the CBB and will be reported to Unit Holders of the Fund.

Investment Objectives

The Investment Manager seeks to invest primarily in equities with possible investment in bonds aiming to reduce capital erosion during periods of weak equity markets performance, and maximizing capital growth during periods of strong equity market performance. The Fund may distribute dividends on an annual basis, upon the sole discretion of the Directors and subject to the approval of the CBB. Dividends, if any, will be paid out of investment income from dividends and interest earned by the Fund after deducting expenses. The frequency of such distribution shall also be at the sole discretion of the Directors.

Investment Manager and Placement Agent

Al Arabi Investment Group is one of the oldest, full-fledged investment banking firms in the MENA region. Serving institutional, corporate, government, and individual investors, Al Arabi Investment Group is a leading firm providing the full range of financial services, including asset management, corporate finance, brokerage, and research. In 2004, Al Arabi Investment Group was fully acquired by Arab Bank Plc and is now a member of the Arab Bank Group. AB Invest is a limited liability company incorporated under the laws of the Hashemite Kingdom of Jordan with its registered office at Amman, Shmeisani, Esam Ajlouni Street, Building # 3.

Arab Bank Plc has been operating in the Middle East and North Africa region since its inception in 1930. It has a presence on the ground in nearly every country in the region either directly or through affiliates.

Administrator, Custodian and Registrar

The Custodian, Administrator and Registrar, Gulf Custody Company B.S.C. (c) is a Bahraini company that was incorporated in 2003 under Commercial Registration no. 50682 and is a wholly-owned subsidiary of Gulf Custody Company, Kuwait (GCCCK). GCCCK was incorporated in Kuwait in 2001 and is one of the leading fund custody and administration service providers in the region.

Return

There is no guarantee of capital or returns from an investment in this Fund. The Investment Manager is, however, targeting an average total return over a complete investment cycle (bull and bear market) in the range of 10% -15% per annum.

Subscription

The Fund is open to subscription on a monthly basis on each Subscription Day. As such, the actual Subscription Period will be determined by the Directors acting at their sole discretion.

The Investment Manager reserves the right to reject any application for or subscription of Units, in which event the subscription proceeds are returned to the applicant without income earned thereon within a reasonable time. Banking/wiring charges are for the account of the applicant and may be deducted from the transferred amount.

Subscriptions are to be paid in wire transfer, must be in US dollars. Subscriptions during the Initial Offer Period must be made on or before 12 noon seven (7) Business Days before the Closing Date. Subscriptions after the Initial Offer Period must be made at least one (1) Business Day before the relevant Valuation Day. The Directors reserve the right to refuse any subscription in their sole discretion.

Seed Capital

Arab Bank Plc. has subscribed to 500,000 Units during the Initial Offer Period at the initial price per Unit of US\$10.00 for an aggregate Seed Capital value of US\$5,000,000. This seed capital will not be withdrawn - in full or in part - or increased, prior to the CBB's approval, and provided that the same is disclosed to all Unitholders. As of the date of this Prospectus, Arab Bank owns 875,035 Units.

Unit Price and Unit Price Calculations

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

On the Effective Date, each Unit has a face value of US\$10.00.

Thereafter, the Unit price is calculated by the Administrator each month to take into consideration the Net Asset Value of the Fund. The Unit Price is verified by the Auditor on a regular basis in accordance with the Audit Letter.

All distributions and income (including dividends) received by the Fund from investments made by the Investment Manager for the Fund will be reinvested in the Fund.

Redemption

The Fund is open for subscription and redemption in accordance with the terms of this Prospectus. If redemptions in any one period exceed 15% of the Net Asset Value of the Fund, the Board of Directors at its own discretion will decide whether to roll over any such excess to the following redemption day to avoid heavy losses resulting from forced liquidation of holdings.

Minimum Initial Subscription, Additional Subscription, and Redemption

Minimum Initial Subscription is US\$25,000. The minimum for any subsequent subscription or redemption for an existing Unit Holder is one hundred (100) Units. The Fund is open for subscription and redemption on a monthly basis. The Investment Manager, acting at its own discretion, may elect to reduce the amount of the minimum initial subscription. In all cases the Minimum Initial Subscription shall not be less than US\$10,000.

Secondary Market

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

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

Compulsory Redemption

The Fund Company has the right upon seven (7) Business Days' notice to compulsorily redeem any Unit held by a Unit Holder at a redemption price per Unit calculated on the basis of the Fund's Net Asset Value as determined on the Valuation Day immediately preceding the relevant redemption date, for any of the following reasons:

- (a) the Units are held by or for the benefit (directly or indirectly) of (i) any US Person or (ii) any other person whose continued holding would subject the Fund, its Unit Holders and the Investment Manager to regulation deemed burdensome by the Fund or such other party under the laws of the applicable jurisdiction or would result in any adverse tax consequences for the Fund, its Unit Holders and the Investment Manager;
- (b) any of the representations given by a Unit Holder in its Subscription Agreement were not true or have ceased to be true;
- (c) the Articles of Association otherwise require such redemption; or
- (d) for any other reason the Fund Company, acting in its sole discretion, may deem appropriate.

Currency

The Currency of the Fund is the United States dollar.

If the Unit Holder pays for the Units in any currency other than the US dollar, the exchange rate used to convert such currency into US dollars may be subject to change if a fluctuation in the official exchange rate should take place between the date on which payment for the Units is made by the applicant and received by the Fund. Any such exchange rate fluctuation risk is for the Unit Holder only, without any risk or liability on the Administrator, the bank, and/or the Investment Manager.

Reporting

The Investment Manager will publish:

- (a) on a monthly basis, a fact sheet showing the net asset value of the investment unit, asset allocation, the ten largest holdings in the Fund, performances over 1, 3, 6, and 12 months, and yearly returns since inception;

- (b) on a quarterly basis, each of the reports described in (a) above as well as a discussion of market conditions and returns;
- (c) on a semi-annual basis each of the reports described in (a) and (b) above as well as the un-audited financial statements of the Fund; and
- (d) on an annual basis, each of the reports described in (a) and (b) above as well as the audited financial statements of the Fund.

Fees

From the assets of the Fund, the Fund Company will pay the following fees as an expense:

- an Investment Management Fee of 1.5% per annum of Net Asset Value prior to the accrual of the Performance Fees, to be accrued monthly and payable quarterly in arrears with the first payment due on the last Business Day of the Quarter during which the Effective Date occurs, to the Investment Manager pursuant to the terms of the Investment Management Agreement.
- a Performance Fee in respect of each Financial Year (a Performance Period) equal to 15% of any total excess net return above 10% with reference to the Net Asset Value per Unit, inclusive of any cash dividends paid by the Fund to Unit Holders during the Performance Period. Performance Fees are to be paid annually with the first payment due on the last business day of the Financial Year to the Investment Manager. The calculation of Performance will take into consideration the Net Asset Value adjustments in case of any in kind dividend distributions or in kind corporate actions during the Financial Year. The accrual and payment of Performance Fees will be subject to the CBB rules in place from time to time.
- Custody and Administration Fees that are payable each Quarter but accrued on a monthly basis with the first payment due on the last Business Day of the Quarter during which the Effective Date occurs. The following is a breakdown of the Custodian's and Administrator's fees as agreed upon in the Custody Agreement and the Administration Agreement:
 - Investments that are made in the Gulf Cooperation Council countries (GCC): The Fund is charged an annual Custody and Administration Fee of 0.125% of the Net Asset Value that is held under custody in these countries, subject to a minimum annual fee of US\$25,000; and
 - Investments that are made in Levant and North Africa Arab countries: The Fund is charged an annual fee of 0.175% of the Net Asset Value that is held under custody in these countries, subject to a minimum fee of US\$30,000.

The minimum total annual fee for providing custody and administration services is US\$55,000.

- a Registrar Fee of US\$4,000 per annum for up to 50 shareholders, and an additional charge of US\$50.00 per annum per every additional shareholder.

Under the terms of the Registrar Agreement, the Registrar Fee is accrued on each Valuation Day and payable quarterly in arrears within seven Business Days following the last Valuation Day of each Quarter.

- a Representative Fee of \$3,600 per annum.
- a fee of US\$11,100 (approximately) is payable per annum by the Fund as fees to its auditors.

Expenses

The costs and expenses incurred in establishing the Fund Company and the Fund, issuing the Units and preparing and publishing this Prospectus, including audit, legal, advisory, and other costs and expenses is charged to the Fund up to a maximum of US\$150,000, and was expensed during the first year of the Fund's operation.

For a more detailed discussion of fees and expenses, see the "Fund Fees and Expenses" section.

Risk Factors

The Fund does not have its own legal personality. As such, the assets of the Fund may be held in the name of the Fund Company. The Investment Manager may provide investment management services to managed accounts other than the Fund. Neither the Administrator nor the Investment Manager will be devoting their full business efforts to the activities of the Fund. In the event of an actual conflict arising, the Directors will endeavor that such conflict be resolved fairly. The regulatory supervision and or legal infrastructure do not provide the same degree of shareholder protection or information to Unit Holders as would generally exist in more mature or developed markets. The performance of the Fund will depend on the skill of the Investment Manager, which could depend on key personnel and may be affected by changes in economic and political conditions and in legal, regulatory, and tax requirements. The Fund is responsible for paying its own fees and expenses regardless of the level of its profitability or loss.

Potential Unit Holders are urged to consult with their professional advisors as to the legal, tax, and business risks involved in this investment.

Furthermore, detailed accounting, auditing and reporting standards in emerging/frontier markets may not provide the same risk factor information regarding the Fund, as would otherwise be available in more developed/mature markets.

SECTION 4

The Fund and the Fund Company**The Fund**

The Fund is an open-ended investment fund, established by the Fund Company as a collective investment scheme pursuant to the regulations for the operation and marketing of collective investment schemes issued by the CBB as contained in the CBB Rulebook, Volume 7 (Collective Investment Undertakings)

The base currency of the Fund is US dollars. Units are equal to one ordinary class and with an initial offering price of US\$10.00 each. The Minimum Initial Subscription is US\$25,000. The Fund, being open- ended, will offer Units on a continuous basis by the Investment Manager and through distributors authorized by the Placement Agent. The Fund may seek listing on a recognized stock exchange where its Units may be traded, at the discretion of the Fund Company, in the future.

Any change to the Prospectus must be made by the Directors and shall be subject to the approval of the CBB and will be reported to Unit Holders of the Fund. For more information on these and other important matters related to the management and administration of the Fund, see section titled “Management and Professional Services”.

The Fund Company

The Fund Company, Arab Bank MENA Fund Company B.S.C. (c), is a closed joint stock Company incorporated with limited liability under the laws of Bahrain to establish the Fund. The purpose of this company is to, among other things, enter into an Instrument for the creation of an Investment Fund and enter into instruments for the creation and issue of participating investment units.

The Fund Company was approved by the CBB and incorporated with Commercial Registration No. 56497.

The authorized share capital of the Fund Company is BD 1,000 divided into 1,000 shares of BD 1 each. 99% of the Fund Company is owned by Al Arabi Investment Group and 1% is owned by Arab Bank plc. The personal liability of the shareholders in the Fund Company for its debts or obligations is limited to the amounts they have subscribed to the capital of the Fund Company.

Investment Objective

The Investment Manager seeks to invest primarily in equities with possible investment in bonds and money market instruments aiming to reduce capital erosion during periods of weak equity markets performance, and maximizing capital growth during periods of strong equity markets performance. The Fund may distribute dividends on an annual basis, upon the sole discretion of the Directors and subject to the approval of the CBB. Dividends, if any, will be paid out of investment income from dividends and interest earned by the Fund after deducting expenses. The frequency of such distribution shall also be at the sole discretion of the Directors.

To achieve this, the Fund seeks investment opportunities in all the Arab recognized securities exchanges in the Middle East and North Africa. In addition, the Fund may trade in securities listed on other stock exchanges if a significant part of operations of issuers are related to the Middle East and North Africa. The Fund shall invest at least 60% of its assets in MENA listed/traded securities, notwithstanding the policies and limits stated in the Investment Policies and Guidelines. The remaining balance of the Fund assets shall only be held in cash or cash equivalents. The cash position maybe increased to above 40%, if the Investment Manager believes that market conditions are unfavorable for investment, subject to notifying the CBB of the same, and including therein a plan and time frame for the deviation to be rectified.

Research

The Investment Manager has committed substantial resources to generate research internally both at macro and micro levels. Research produced by external sources will also be utilized in this process. In addition, the Investment Manager intends to visit companies on its investment list and maintain dialogue with their management.

Targeted Markets

The Fund targets all the formal and recognized securities related to Arab countries in the Middle East and North Africa. In addition, the Fund may trade in securities listed on other stock exchanges if a significant part of operations of issuers are related to the Middle East and North Africa.

Investment Policies and Guidelines

1. Cash and cash equivalents: Not more than 20% of the total NAV of the Fund may be invested in a single party (or group of connected parties).
2. Equities and debt securities:
 - Not more than 20% of the total NAV of the Fund may be invested in a single party
 - Not more than 30% of the total NAV of the Fund may be invested in a single group of connected parties.
3. Securities which are listed but not regularly traded on a recognized exchange are limited to 10% of the total NAV of the Fund.
4. The maximum holding in any single government or public sector security issued by a GCC issuers is 20% of the total NAV of the Fund.
5. The Fund may invest in other authorized/regulated open ended funds, consistent with its investment objective subject to the following limits:
 - Not more than 30% of the total NAV is invested in other open ended funds.
 - Not more than 20% of the total NAV is invested in a single fund (or a group of connected funds).
6. Not more than 20% of the total NAV may be invested in listed real estate investment trusts (REITS's).
7. The Fund may invest in physical commodities and commodity based investments traded on exchanges subject to the following:
 - Not more than 20% of the total NAV is invested in physical commodities and commodity based securities.
 - Not more than 10% of the total NAV is invested in a single position.
8. The Fund must not acquire securities issued by a relevant person, unless exempted in writing by the CBB.
9. The Fund may invest in approved financial derivatives subject to the following:
 - Underlying assets of the derivatives are any of the above, subject to a maximum exposure of 20% of the total NAV.
 - Exchange traded options – long positions are admissible
 - Long positions in forwards and futures are admissible
 - Sold positions in exchange traded options, forwards and financial futures are admissible, only if matching long positions exist or for hedging purposes.

The Fund shall invest at least 60% of its assets in MENA listed/traded securities, notwithstanding the policies and limits stated in the Investment Policies and Guidelines. The remaining balance of the Fund assets shall only be held in cash or cash equivalents. The cash position maybe increased to above 40%, if the Investment Manager believes that market conditions are unfavorable for investment, subject to notifying the CBB of the same, and including therein a plan and time frame for the deviation to be rectified.

The percentages set out above are based on the market values of the Fund's investments. As the Investment Manager does not have control over any sudden changes in the market values of the Fund's investments on any Valuation Date, and taking into consideration the expected redemptions/subscriptions as of any Valuation Date, marginal breaches to these percentages may happen as of any Valuation Date. If the breach occurs as a result of a market change or movement, the Investment Manager will take all the necessary steps to remedy the situation, if possible, but without jeopardizing the interests of the Unit Holders, and to notify the CBB of the same.

* A group of connected parties is where one party owns, directly or indirectly, more than 49% of the issued shares of the other party.

The Fund may only borrow subject to the following conditions:

- (a) The borrowing is temporary;
- (b) The borrowing is to be repaid out of the assets of the Fund ;
- (c) The assets of the Fund , other than those pledged for the purpose of the borrowing transaction are not pledged;
- (d) The borrowing does not at any time exceed 20% of the total NAV;
- (e) The circumstances for such borrowing are disclosed in the prospectus ; and
- (f) The borrowing is made on an exceptional basis to assist with liquidity management, rather than to leverage returns.

Life and Liquidation of the Fund

The Fund Company or the Investment Manager, acting for the Fund Company, reserves the right to liquidate the Fund at any time without penalty to any party involved. Under Bahrain law, liquidation of the Fund requires the prior written consent of the CBB and at least one month prior written notice given by the Fund Company to Unit Holders.

Liquidation process, under effective Bahrain laws, consist of the following:

- An intention to liquidate the Fund must first be notified to the CBB by the operator together with reasons for having such intent. Notification must be made before entering into any other legally binding commitment to liquidate.
- Following CBB's receipt and acknowledgment of the notification, the operator may then seek the formal approvals needed from any person(s) other than the CBB, as required by law, before the liquidation process can be commenced.
- Upon finalizing the decision to liquidate, the Operator must seek in writing, the CBB's prior written approval to liquidate.
- The liquidation must be subject to the terms of the instrument constituting the Fund and any other applicable laws.
- The written request must be supported by a Board Resolution ratifying the decision, subject to CBB approval.
- The Fund must give at least one month's written notice, as a minimum, to Unit Holders of its intention to liquidate the Fund, together with an explanation for such intention. A copy of this notice must be provided to the CBB at the time it is issued to Unit Holders
- Subsequent to obtaining CBB approval for the liquidation, the board must hold an Extraordinary General Meeting (EGM) to resolve the following:
 - (a) The date upon which the operations of the Fund and Fund company will cease and the final accounts will be prepared;
 - (b) The appointment of a liquidator, acceptable to the CBB, responsible for liquidating the Fund and Fund company; and
 - (c) The appointment of an external auditor, acceptable to the CBB, responsible for preparing the final accounts of the Fund.
- Upon completion of the liquidation process, the operator must submit the following to the CBB:
 - (a) The final report from the liquidator confirming the completion of the liquidation process and the final audited accounts of the Fund and Fund Company;
 - (b) Evidence that the Commercial Registration of the Fund Company, provided by the Ministry of Industry and Commerce, has been cancelled;
 - (c) An independent verification by the external auditor that the Fund's assets have been distributed to the Fund Unit holders in accordance with the instrument constituting the Fund; and
 - (d) A request for the Fund to be removed from the CBB's register of authorized/registered Funds.

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

The Fund acknowledges the authority of the CBB to request a Bahrain domiciled fund to undergo liquidation or to de-register at any time and/or, acting by way of Directive, order its compulsory liquidation. The Fund also acknowledges that the courts of Bahrain have the authority to order the compulsory liquidation of Bahrain domiciled fund.

Tax Position of the Fund

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

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

Unit Holders **MUST IN ANY CASE** consult their professional advisors on the possible tax consequences of their subscribing for, purchasing, holding, or selling of Units under the laws of their countries of citizenship, residence, ordinary residence, or domicile.

Bahrain Tax Considerations

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

Unit Holder Taxation

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

SECTION 5

Management and Professional Services**The Directors**

The Directors of the Fund Company have overall authority over, and responsibility for, the operations and management of the Fund and will exercise supervision and control of the Fund and the Fund Company including deciding matters of general policy and reviewing the actions of Investment Manager, the Custodian, and the Administrator. The Fund Company may appoint new Directors or remove them from time to time with the prior consent of the CBB.

The following have been appointed as Directors and have accepted to serve on the board for a fee that may be included in the Investment Management Fee with respect to Mr. Mohammad Ghanameh, Mr. Firas Zayyad, Mr. Ammar Saifi and Mr. Guy Khouri. Aggregate compensations of Board Members are not expected to exceed US\$40,000 annually and if applicable will be borne by the Fund.

Mr. Mohammad Ghanameh

Mr. Ghanameh is the EVP at Arab Bank, heading the Corporate and Investment Banking division. Mr. Ghanameh holds a bachelor degree of Science in Mathematics from Riyadh University. He is a career banker with over 33 years of experience in Corporate, Commercial, Retail, Corporate Finance

Mr. Guy E. Khouri

Mr. Guy Khouri has been the Regional Head/SVP of AB Private Banking for the Levant & North Africa at Arab Bank plc since 2003, as part of the team that was recruited to restructure the Private Banking globally. In addition, he restructured the FX & Precious Metals Brokerage desk and headed it for five years continuously. Mr. Khouri was Vice President at E F Hutton International in London, a n d head of the UK and European desk at Mito Europe ltd, as well at the corporate desk at the United Bank of Kuwait in London, First Vice President at BNP PARIBAS - London, and Director at UBS AG Private Banking London - UK. He was appointed as a member of the board at the Arabia Insurance Company in Beirut - Lebanon in 2007. Mr. Khoury passed many professional banking qualifications, and he was a member of the US National Association of Securities dealers, IMRO, SFA among others. Mr Khouri studied the French Law at the Faculté de Droit et D'économie in Nice, France, and did Electrical & Mechanical Engineering at the Academie de Sciences in Lebanon.

Mr. Firas Zayyad

Mr. Firas Zayyad has been the Head of Global Corporate Investments at Arab Bank PLC since June 2011. He is in charge to evaluate and manage Arab Bank's equity portfolio, and oversees Arab Bank investments (Subsidiaries and Associates) and board related matters, providing top management with executive summaries and recommendations. Mr. Zayyad previously held several positions including Chief Financial Officer of Derayah Financials – Saudi Arabia, Regional Controller Middle East and Africa at International Air Transportation, and Regional Finance Director at Aramark (Fortune 500) in the United States. Mr. Zayyad holds a Master of Business Administration (Finance & Accounting) from Illinois University. He is also a Certified Public Accountant (CPA), a Certified Financial Manager, and a Certified Managerial Accountant.

Mr. Ammar Saifi

Ammar Saifi is the country head of Elite/Consumer Banking Group at Arab Bank since February 2012. After serving in several senior level positions at Arab Bank, Mr. Saifi is now in charge of managing the elite team, develop sales strategies, ensuring strict adherence to internal policies and procedures and compliance guidelines. Mr. Saifi holds B.A in Business Administration. He also holds International Investment Advice Certificate (IIAC) and International Capital Market Qualification (ICMQ).

Investment Manager, Operator and 99% shareholder of the Fund Company

The Fund has appointed Al Arabi Investment Group, a wholly-owned subsidiary of Arab Bank Plc., as Investment Manager pursuant to the Investment Management Agreement dated May 23, 2005.

Al Arabi Investment Group is a premier regional investment banking firm playing a leading role in the development of MENA capital markets. Serving institutional, corporate, government, and individual clients, Al Arabi Investment Group provides the full range of financial services, including corporate finance, asset management, brokerage, and research. In 2004, Al Arabi Investment Group was acquired by Arab Bank Plc and became a member of the Arab Bank Group, one of the principal financial institutions in the Middle East.

As an asset manager, Al Arabi Investment Group manages, among others, funds, discretionary portfolios; provident funds/pension plans, and endowment funds.

Arab Bank Plc has been operating in the Middle East and North Africa region since its inception in 1930. With an unrivalled franchise, the Arab Bank has a presence on the ground in nearly every country in the region, either directly or through affiliates.

In performing its duties and obligations under the Investment Management Agreement, the Investment Manager will be supervised by the Directors. The Investment Manager is responsible for the Fund's investments and management. This includes overseeing the efficient operation of the Fund and the proper provision of services by the counterparties.

Administrator, Custodian, and Registrar

The Fund has appointed Gulf Custody Company (GCC) as the Fund Administrator, Custodian, and Registrar in Bahrain pursuant to an Administration Agreement dated May 23, 2005, a Custody Agreement dated May 23, 2005, and a Registrar Agreement dated May 23, 2005. The Agreements provide that GCC is responsible for acting as the Administrator, Custodian, and Registrar of the Fund. The services provided by GCC include acting as the registrar and transfer agent, which includes the provision by it of redemption and transfer services (if any), allocation of Units to investors, distribution of notices, and certain other services such as calculation of the net assets in accordance with the terms of the Agreement(s) and the Prospectus.

GCC has been appointed custodian of the Fund under the following terms of the Custody Agreement:

- The Custodian holds, either by itself or through its agents or delegates, all assets of the Fund and all documents of title to such assets for the markets where the Custodian represents the Fund but has no responsibility for selecting the Investments of the Fund.
- The Custodian may appoint sub-custodians, nominees, and agents to perform its duties provided that, subject to the specific exemptions in the Custody Agreement, it remains liable for any acts or omissions of, or loss directly or indirectly caused by, any such sub-custodians.

The Custodian, Administrator, and Registrar, Gulf Custody Company B.S.C. (c) is a Bahraini company that was incorporated in 2003 under Commercial Registration no. 50682 and is a wholly-owned subsidiary of Gulf Custody Company, Kuwait (GCCCK). GCCCK was incorporated in Kuwait in 2001 and is one of the leading fund custody and administration service providers in the region.

Auditors

Deloitte and Touche Bahrain has been appointed as the auditor of the Fund.

Legal Counsel

The Fund Company has appointed Qays H. Zu'bi Attorneys & Legal Consultants – Bahrain as the legal counsel of the Fund Company and the Fund.

Financial Year

The financial year ends on September 30 of every year with the first financial year ending September 30, 2006.

Alternative Service Providers

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

SECTION 6

Subscription**Units**

Units do not carry any voting rights with respect to the Fund. Units represent the ownership rights of the Unit Holders in connection with the Fund but not in the Company or any other investment funds launched by the Company other than the Fund.

Units can be subscribed for on each monthly Valuation Day. Units will be offered at the Net Asset Value per Unit, as calculated on the Valuation Day, subject to the Minimum Initial Subscription.

The Minimum Initial Subscription is US\$25,000. The Investment Manager, acting at its own discretion, may elect to reduce the amount of the minimum initial subscription. In all cases the Minimum Initial Subscription shall not be less than US\$10,000. Subsequent Subscription for existing Unit Holders is permitted at a minimum of 100 units.

Unit Allocation

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

Subscription Agreement

Prospective Unit Holders will be required to complete and return a Subscription Agreement in the form attached. The completed Subscription Agreement should be sent to Al Arabi Investment Group or one of its delegates, at the address shown on the Subscription Agreement, details of which are provided in the Subscription Agreement, and must be received at least one (1) Business Day prior to the relevant Valuation Day. The subscription monies in cleared funds must be paid by 12 noon on the business day immediately preceding the relevant Trading Day. If the Subscription Agreement and/or cleared funds are received after the deadline, it will (unless otherwise determined by the Fund Company/Investment Manager) be treated as a request for subscription on the next Trading Day.

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

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

Confirmations will be sent to applicants on approval of their application (i) soon after the relevant Trading Day and (ii) once Net Asset Value has been calculated (other than during the Subscription Period) setting out details of the Units they have been allotted.

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

Redemption

Redeeming Unit Holders will be required to complete and return a Redemption Notice in the form set out in Schedule 4 to the Instrument. The completed Redemption Notice should be sent to Al Arabi Investment Group or one of its delegates, at the address shown on the Redemption Notice, and must be received at least four (4) Business Days prior to the relevant Valuation Day. If the Redemption Notice is received after the deadline, it will (unless otherwise determined by the Fund Company/Investment Manager) be treated as a request for redemption on the next Trading Day.

The completed Redemption Notice may be sent by facsimile at the risk of the Unit holder. The originals of any Redemption Notice sent by facsimile should be sent immediately by post or by internationally recognized courier. Failure to provide the original completed Redemption Notice along with other documents that might be detailed in the Redemption Notice including any issued certificates representing units before the deadline may, at the discretion of the Directors/Investment Manager, result in cancellation of the redemption request. Redemptions shall be paid into the account from which the original investment was wired. In the event that the redeeming Unit Holder requests that redemption proceeds be paid into an account different from that which the investment was paid, the redeeming Unit Holder would normally be asked to confirm in writing the reason(s) for the request.

Any amount redeemed shall be paid within fifteen (15) Business Days of the applicable Trading Day.

Partial Redemption

Partial redemptions will be declined if they are for less than one hundred (100) Units. The Fund has the right upon four (4) Business Days' notice to compulsorily redeem on a Trading Day any Unit held by a Unit Holder at the redemption price per Unit as at the Valuation Day immediately prior to such Trading Day for the following reasons:

- (a) the Units are held by or for the benefit (directly or indirectly) of (i) any restricted person or (ii) any other person whose continued holding would subject the Fund, its Unit Holders, or the Investment Manager to regulation deemed burdensome by the Fund or such other party under the laws of the applicable jurisdiction, or would result in any adverse tax consequences for the Fund, its Unit Holders, or the Investment Manager;
- (b) any of the representations given by a Unit Holder in its Subscription Agreement were not true or have ceased to be true;
- (c) the Articles of Association otherwise require such redemption; or
- (d) for any other reason the Investment Manager or the Directors, acting at their sole discretion, may deem appropriate.

Redemption Price

The redemption price for Units in each offering subsequent to the Initial Offer Period will be equal to the Net Asset Value as determined below in ("Calculation of Net Asset Value"). A 1% redemption fee will be retained by the Fund if the Units are redeemed within 12 months of the initial subscription.

Suspension of Subscription and Redemption of Units

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

- (a) when the market in which a substantial portion of the Fund's investments are invested or traded is closed other than for ordinary holidays, or during which dealings therein are restricted or suspended in a way that affects the valuation of the Fund's assets;
- (b) the existence of any state of affairs which constitutes, in the opinion of the Directors, an emergency as a result of which disposal or the valuation of the Fund's assets would be impractical;
- (c) any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments made by the Fund;
- (d) upon issuing restrictions affecting the transfer of funds, transactions on behalf of the Fund are rendered impracticable or if purchase, sale, deposits, and withdrawals of assets of the Fund cannot be affected in the normal course of business; or
- (e) if an order by a court or regulatory body with appropriate jurisdiction in Bahrain, including the CBB, is issued requiring such suspension.

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

The Administrator and the Fund shall notify the CBB and all Unit Holders upon the suspension of dealing in the Fund holdings and provide the rationale for such decision. The Administrator and the Fund shall notify the CBB and all Unit Holders upon the resumption of dealing in the Fund holdings and provide the date on which the dealing was resumed.

Furthermore, the Administrator must notify the CBB in writing, if:

- (i) The NAV per unit falls below 60% of the initial value per unit, at any valuation date
- (ii) The total NAV falls below 60% of the total NAV reported in the last audited financial statements; or
- (iii) The total NAV falls below 50% of the total NAV relative to the previous Valuation Day.

Listing and Transfer of Units

The Fund does not intend to seek listing on any stock exchange, although the Investment Manager and the Directors may elect to do so.

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

Units in the Fund may be transferred by submitting to the Registrar a Notice of Transfer in substantially the form set out in Schedule 3 to the Instrument, executed by the transferor and the transferee. The Registrar will update the Register in accordance with the terms of the Notice of Transfer within three (3) Business Days of receipt of such Notice of Transfer.

Ownership Restrictions and Compulsory Redemption

Unit Holders may subscribe provided that legislation or regulations in Bahrain and in their country of citizenship, residence, domicile, or incorporation permit them to do so.

Persons under 21 years of age are not allowed to subscribe.

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

The Fund may compulsorily redeem any Unit, at the prevailing Net Asset Value per Unit net of applicable redemption fees, if the Investment Manager, in its sole discretion, determines that the holding of any Unit by the relevant Unit Holder is in contravention of any applicable laws or regulations or would result in adverse tax consequences to the Fund.

Calculation of Net Asset Value

The calculation of the Net Asset Value is the responsibility of the Fund Company, which has delegated this function to the Administrator. The Net Asset Value calculation is verified by the Auditor on a regular basis in accordance with the Audit Letter.

The Net Asset Value is calculated within seven (7) Business Days of the Valuation Day, using the closing prices of securities in each market on Valuation Day.

The Net Asset Value of the Units is calculated by the Administrator in accordance with generally accepted international accounting standards, using the formula: (a) the total assets of the Fund less the total liabilities/provisions divided by (b) the total number of outstanding Units of the Fund prior to each Valuation Day. The Administrator will communicate to the Fund Company and to the Investment Manager the Net Asset Value per Unit normally no later than seven (7) Business Days following a Valuation Day. The assets of the Fund shall be valued on the Valuation Day as follows (as applicable):

- (a) the value of any cash on hand or on Shari'ah compliant cash transactions, accounts receivable, prepaid expenses, cash dividends, accrued interest and Murabaha yield declared or accrued and not yet received shall be deemed to be the full amount thereof, unless the Directors shall have in their reasonable judgment determined that any such cash transactions or account receivable is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Directors shall deem to be the reasonable value thereof;

- (b) listed equities are valued at the closing price of each securities in each market;
- (c) unlisted equities are valued at the price extract from a reliable data provider such as Bloomberg or Reuters. In the absence of a quote from such data provider, pricing shall be the average bid price of two market makers in this security;
- (d) investments in funds or similar investment vehicles are valued on the basis of the most recent NAV or valuation provided by the manager or administrator of the relevant fund; and
- (e) generally, a security for which a representative price is not readily available or is not regularly traded, is valued on the estimated realizable value provided by the Administrator based on recognized international equity valuation guidelines.

For other types of assets, the Administrator will determine the method of valuation. The Investment Manager/Operator will not determine the value of any of the Fund's investments.

The Administrator will communicate to the Fund Company and to the Investment Manager the Net Asset Value per Unit normally no later than seven (7) Business Days following a Valuation Day.

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

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

The Net Asset Value of the Fund and the Units are expressed in United States dollars and any items denominated in other currencies are translated at prevailing exchange rates as determined by the Administrator. The value of all assets and liabilities denominated in a currency other than US dollars will be converted to US dollars at the exchange rate on the relevant Valuation Day.

Reporting

The Investment Manager will publish:

- (a) on a monthly basis, a fact sheet showing the Net Asset Value of the investment unit, asset allocation, the ten largest holdings in the Fund, performances over 1, 3, 6, and 12 months, and yearly returns since inception;
- (b) on a quarterly basis, each of the reports described in (a) above, as well as a discussion of market conditions and returns;
- (c) on a semi-annual basis each of the reports described in (a) and (b) above, as well as the un-audited

financial statements of the Fund; and

- (d) on an annual basis, each of the reports described in (a) and (b) above, as well as the audited financial statements of the Fund.

Fund Size

The Fund issued an initial 500,000 Units priced at a face value of US\$10.00 per Unit. Units are issued on a fully paid basis and are placed by the Placement Agent.

Seed Capital

Arab Bank Plc will subscribe for 500,000 Units during the Initial Offer Period at the initial price per unit of US\$10.00 for an aggregate seed capital value of US\$5,000,000. Arab Bank Plc will not increase and/or seek partial redemption, full redemption or buy back the seed capital/investment without the prior written approval of the CBB, and provided that the same is disclosed to all Unitholders. As of the date of this Prospectus, Arab Bank owns 875,035 Units.

SECTION 7

Fund Fees and Expenses

The Fund bears fees and expenses incidental to its operation. These include:

Launching Cost

The costs and expenses incurred in establishing the Fund Company and the Fund, issuing the Units and preparing and publishing the Prospectus, including audit, legal, advisory, and other costs and expenses were charged to the Fund up to a maximum of US\$150,000, and were expensed during the first year of the Fund's operation.

The Fund will also pay, out of its assets, all expenses in connection with the offering of Units and all of operating costs throughout the duration of the Fund, which include but are not limited to: brokerage commissions; legal fees; company secretarial fees; Fund registration fees; statutory fees; auditing, translation, legal and accounting expenses; taxes and governmental expenses; costs of preparation, printing, and distribution of reports and notices; costs of all marketing material and advertisements; costs of periodic update of the Prospectus; custody and transfer expenses; all expenses in connection with registration and distribution of the Units issued or to be issued; expenses of Unit Holders meetings; expenses of any publication and distribution of the Net Asset Value, including clerical costs of issue or redemption of shares and any other fees and expenses relating to the management and administration of the Fund or attributable to the Fund's investments and operation.

The above costs, was capitalized and amortized over a period not exceeding one (1) year, otherwise, such costs were expensed as incurred.

Placement Fees

The Placement Agent may, in its sole discretion, charge the Placement Fee which is up to two percent (2%) of the value of each Subscription.

Investment Management Fee

Under the Investment Management Agreement, the Fund will pay the Investment Manager a total annual Investment Management Fee of 1.5% per annum of the Net Asset Value of the Fund prior to the accrual/provision of the Performance Fee (if any).

The Investment Management Fee will accrue monthly and be payable quarterly in arrears by the Fund with the first payment due on the last Business Day of the Quarter during which the Effective Date occurs.

Performance Fee

The Fund will pay from its own assets a Performance Fee in respect of each Financial Year (a Performance Period) equal to 15% of any total excess net return above 10% with reference to the Net Asset Value per Unit, inclusive of any cash dividends paid by the Fund to Unit Holders during the Performance Period. Performance Fees are to be paid annually with the first payment due on the last business day of the Financial Year to the Investment Manager. The calculation of Performance will take into consideration the Net Asset Value adjustments in case of any in kind dividend distributions or in kind corporate actions during the Financial Year. The accrual and payment of Performance Fees will be subject to the CBB rules in place from time to time.

Custody and Administration Fees

Pursuant to the terms of the Custody Agreement and the Administration Agreement, a Custody and Administration Fee is payable each Quarter but accrued on a monthly basis with the first payment due on the last Business Day of the Quarter during which the Effective Date occurs to the Custodian and Administrator. The following is a breakdown of such fees as agreed upon in the Custody Agreement and the Administration Agreement:

- (a) Investments that are made in the Gulf Cooperation Council countries (GCC): The Fund is charged an annual Custody and Administration Fee of 0.125% of the Net Asset Value that is held under custody in these countries, subject to a minimum annual fee of US\$25,000.

- (b) Investments that are made in Levant and North Africa Arab countries: The Fund is charged an annual fee of 0.175% of the Net Asset Value that is held under custody in these countries, subject to a minimum fee of US\$30,000.

The annual minimum total fee for providing custody and administration services is US\$55,000.

The terms of the Custody Agreement and the Administration Agreement specify that all out of pocket expenses incurred on behalf of the Fund or the Fund Company shall be charged to the Fund. These expenses include the cost of communications, postage, printing, and out-of-pocket expenses involved in the course of duties, e.g. stamp duty and correspondent bank charges.

The administration fees are accrued on each Valuation Day. Out of pocket expenses are charged as incurred, all other fees are payable quarterly in arrears within seven (7) Business Days following the last Valuation Day of each Quarter.

Custody services include the safekeeping of assets and the settling of trades. The Custodian shall have the right to recover all sub-custodian and any additional charges incurred in the settlement of trades. All such charges are charged to the Fund at cost.

The Custody Fee is accrued on each Valuation Day. Out of pocket expenses will be charged as incurred, all other fees are payable quarterly in arrears within seven (7) Business Days following the last Valuation Day of each Quarter.

Registrar's Fees

Under the terms of the Registrar Agreement, the fee payable by the Fund for the provision of such service is US\$4,000 per annum for up to 50 shareholders, and an additional charge of US\$50 per annum per every additional shareholder.

The Registrar Fee is accrued on each Valuation Day and payable quarterly in arrears within seven (7) Business Days following the last Valuation Day of each Quarter.

Representative Fees

Under the term of the Representative Agreement, the Representative is entitled to an annual fee of US 3,600, to be accrued on a monthly basis, and paid annually.

Other Operating Costs

- (a) all transactional costs including brokerage, banking, sales, foreign exchange and purchase commissions, and exchange fees;
- (b) fees and charges of Auditor and General Counsel;
- (c) all government charges and duties including withholding taxes on dividends if any;
- (d) expenses related to board meetings of the Fund Company with a cap of US\$50,000 annually;
- (e) board insurance expenses if any; and
- (f) costs of borrowing if any.

SECTION 8

Anti-Money Laundering

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

“Know your Customer” and Combating Money Laundering

As a result of the applicable anti-money laundering regulations, verification of documentation of every potential investor's identity and KYC documents will be required along with the subscription request for Units. The Placement Agent and the Investment Manager reserve the absolute right to require further verification of the identity of the Unit Holder or that of the person or entity on whose behalf the Unit Holder is applying for the purchase of the Units and/or the source of funds. Each Unit Holder must provide satisfactory evidence of identity and if so required, the source of funds within a reasonable timeframe as determined by the Investment Manager. Pending the provision of such evidence, application for Units will be postponed. If the Unit Holder fails to provide satisfactory evidence within the time specified, or if the Unit Holder provides evidence but the Placement Agent and Investment Manager are not satisfied therewith, the application may be rejected immediately, in which event the money received on application, if any, will be returned without interest.

The Fund, the Fund Company and the Placement Agent will comply with Bahrain's Legislative Decree Law No. (4) of the year 2001 with respect to Prohibition of and Combating Money Laundering, Decree Law No. 58 of 2006 with Respect to the Protection of Society from Terrorism Activities and the various Ministerial Orders issued thereunder from time to time including, but not limited to, Ministerial Order No. 7 of 2001 with respect to the Institutions' Obligations Concerning the Prohibition of and Combating Money Laundering.

Records

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

Indemnity

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

SECTION 9

Risk Factors

An investment in the Units involves certain known and unknown risks relating to the investment strategies of the Fund Company and the Investment Manager. No representation is hereby made that the Fund's investment objective will be achieved. The value of Units may go down as well as up and there can be no assurance that on any redemption, or otherwise, Investors will receive the amount originally invested. Each Unit Holder understands that Expert Funds are subject to less restrictive requirements than retail Funds: specifically, expert funds have greater investment flexibility, notably in terms of asset classes and risk concentration limits. They therefore, potentially offer higher risks and are only suitable for expert investors, who are better able to assess those risks than less sophisticated investors. Each Unit Holder should give careful consideration to the following risk factors, which are not exhaustive, in evaluating the merits and suitability of an investment in the Fund.

Legal Status

The Fund is an investment fund of the Fund Company. The Fund has been contractually structured with the intent that it exists separately from the Fund Company and from other funds created or marketed by the Fund Company. The Fund is a contractual arrangement between the Unit Holders and the Fund Company. Such contractual arrangement is approved, governed, and supervised by the CBB. The Fund does not have its own legal personality as such and the extent to which a Bahraini government agency or a Bahraini Court would up-hold such distinction between the legal status of the Fund and that of the Fund Company is unclear and to our best knowledge untested. Additionally, the assets of the Fund are held by the Custodian in the name of the Fund Company.

The assets comprising the Fund will at all times be owned by the Fund Company and will at no time become assets of the Investment Manager.

Regulatory Framework

The regulatory supervision, legal infrastructure and accounting, auditing and reporting standards in emerging/frontier markets may not provide the same degree of shareholder protection or information to Unit Holders as would generally exist in more mature or developed markets. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities, and consolidation may be treated differently from international accounting standards. This may affect the valuation of the assets in which the Fund invests.

Economic and Political Stability

The performance of the Fund may be affected by changes in economic and political conditions and in legal, regulatory, and tax requirements. The Fund is responsible for paying its own fees and expenses regardless of the level of its profitability.

Reliance on Management

Unit Holders will not be entitled to participate in the management of the Fund. Accordingly, Unit Holders must be prepared to entrust management of the Fund to the Investment Manager. The success of the Fund depends, in part, on the quality, skill, and expertise of the individuals employed by the Investment Manager. The loss of key personnel from the Investment Manager could adversely affect the Fund.

Valuation of Investments

The valuation of some securities may depend on subjective factors, especially where securities are unlisted and values can be difficult to establish with accuracy. In such circumstances, the Administrator may rely on assistance proposed by the Investment Manager. This could lead to potential conflicts of interest on the part of the Investment Manager, whose fees will increase as the value of the Fund increases.

When calculating the Net Asset Value of the Units in accordance with any of the provisions of this Prospectus, or approving any methods of valuation proposed by the Directors, or accepting assistance by the Investment Manager, the Administrator and Custodian will not be liable to any person for any loss, liability, claim, cost, or expense suffered by any person as a result of the Administrator or the Custodian having relied upon any information, or the accuracy or completeness of information supplied to it either by the Directors, the Investment Manager or their directors, officers, employees or agents, or should the availability of the pricing

information be delayed or not be provided by any third parties.

Fees and Expenses Charged to Capital

The payment of fees and expenses may result in the erosion of the capital of the Fund and thus, on redemption or winding up, Unit Holders may not receive back the full amount invested.

Performance Fees

Included in the calculation of the Performance Fee are net realized and unrealized capital gains plus net realized and unrealized capital losses as at the end of the relevant Financial Year. As a result, Performance Fees may be paid on unrealized gains, which may subsequently never be realized.

Conflicts of Interest

Under Bahrain law, an investment manager is obligated to act for the benefit of the Fund with respect to matters within the scope of the Investment Management Agreement.

Due to the widespread operations undertaken by the Investment Manager, the Administrator and the Custodian and their respective holding companies, subsidiaries, and affiliates, (each a Relevant Person), conflicts of interest may arise.

The Investment Manager may act as investment manager to, or be otherwise involved in, other funds or accounts including those, which have similar investment objectives to those of the Fund.

A relevant person may acquire or dispose of any investment notwithstanding that the same or similar investments may be owned by or for the account of or otherwise connected with the Fund. In particular, the Investment Manager is in a potential conflict of interest on the one hand in so far as it receives management and performance fees based on the Net Asset Value of the Fund and on the other in that it may assist the Administrator, for the purposes of calculating the Net Asset Value of the Fund, with the valuation of the securities in which the Fund invests. However, the Investment Manager will endeavor to resolve such conflict by valuing all of the securities in which it has invested on behalf of the Fund based on their probable realization values with prudence and good faith and by also taking into account guidelines and principles of the CBB to the extent relevant and as per the latest Valuation Guidelines that are adopted from time to time by the Investment Manager with regards to securities under its management.

The Fund must not enter into a transaction where one of the relevant persons is a counterparty to the transaction.

The aforementioned is not a comprehensive list of investment risk factors, and potential Unit Holders are urged to consult with their professional advisors as to the legal, tax, and business risks involved in this investment. The performance of the Fund may be affected by changes in economic, political, and market conditions and in legal, regulatory, and tax requirements in the country of the residence of the Unit Holder.

SECTION 10

Summary of Material Contracts

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

Investment Management Agreement

The Fund Company appointed Al Arabi Investment Group to provide investment management services in relation to the Fund. The duties, functions, and responsibilities of the Investment Manager include: managing the day to day affairs of the Fund; determining the cash needs of the Fund; arranging for the investment and realization of the Fund's assets; monitoring investments held by the Fund; making decisions relating to the selection, timing, size, manner, and disposal of investments of the Fund; providing the monthly and quarterly reports; supplying the Fund Company and the Auditor with such information as they may request; liaising with the Fund Company's professional advisors and reporting to the Directors of the Fund Company in relation to the activities of these professional advisors.

Administration Agreement

The Fund Company appointed Gulf Custody Company B.S.C. (C) to provide administrative services to the Fund Company including: calculating the Net Asset Value of the Fund; liaising with the Auditor and providing the Auditor with all information necessary for the preparation of the financial statements; arranging for the payment or deposit of all monies and securities received on behalf of the Fund; keeping the accounts of the Fund and any other books and records required by law; supervising the administration of the Fund and the procedure for the issue, transfer, allotment, redemption, and purchase of units in accordance with this Prospectus; dealing with correspondence from the Unit Holders and performing all of the duties usually performed by the administrator, transfer agent, and paying agent including making all necessary statutory returns.

Registrar Agreement

The Fund Company appointed Gulf Custody Company B.S.C. (C) to provide registrar and transfer agency services in relation to the Fund. The duties of the Registrar include: creating an electronic register of the Unit Holders containing the names and addresses, number of units held, and the date of acquisition of units by a Unit Holder; sending copies of the Register to the Investment Manager; providing access to the register and maintaining a record of instructions in respect of the Fund.

Custodian Agreement

The Fund Company appointed Gulf Custody Company B.S.C. (C) to provide custodial services in relation to the Fund. The duties of the Custodian include: holding in safe custody such securities, investments, financial instruments, and other items belonging to the Fund; opening and maintaining accounts in the name of the Fund; receiving all income and other payments and distributions in respect of the Fund's assets; taking necessary actions in respect of the receipt of such payments; receiving and holding securities for the account of the Fund and making available all relevant information to the Investment Manager, the Fund Company and the Auditor.

Placement Agency Agreement

The Fund Company appointed Al Arabi Investment Group to provide placement services in relation to the Fund. The Placement Agent shall place Units at the Subscription Price plus a Placement Fee at its own discretion. The duties and functions of the Placement Agent include, but are not limited to, the promotion and sale of the Fund's Units to procure subscriptions and shall make available the requested documentation to potential investors.

Representative Agreement

Under the term of the Representative Agreement, the Representative is entitled to an annual fee of US 3,600, to accrued on a monthly basis, and paid annually.

SECTION 11

Subscription Instructions**Subscription Applications**

Applications may be made only by using the accompanying Subscription Agreement. All applications should be directed to Al Arabi Investment Group, at the address shown on the Subscription Agreement, or to an authorized placement agent who will process applications on behalf of Unit Holders. The Fund reserves the right to require additional information and certification to comply with anti-money laundering regulations or to reject subscriptions in whole or in part, in which event subscription payments will be refunded at the applicant's risk, without interest. A properly completed and signed copy of a Subscription Agreement may be submitted to Gulf Custody Company B.S.C. (c) by fax at +973 17 210 010 in advance of submitting the original in order to expedite processing of the application. However, the signed original must be submitted as soon as practicable.

Subscription Payments

Payments in full for the amount subscribed should be made by bank telegraphic transfer as follows:

Beneficiary Bank: Arab Bank
SWIFT Address: ARABHBMAN
Account No: 002-606050-511
Beneficiary: Arab Bank MENA Fund Company
IBAN: BH62ARAB02002606050511

In order to facilitate prompt and accurate credit of subscription payments, Unit Holders must notify the Administrator and Registrar prior to remitting payment, of the details of the subscription payment indicating:

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

Confirmations

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

SECTION 12

General Information**Units**

All Units shall, when issued, be fully paid. The liability of Unit Holders shall be limited to their Subscription and shall have no personal liability for the debts, if any, of the Fund.

The Units carry no voting rights at meetings of the general assembly of the Fund Company.

Dividends Distribution

The Fund may distribute dividends on an annual basis, upon the sole discretion of the Directors and subject to the approval of the CBB. Dividends, if any, will be paid out of investment income from dividends and interest earned by the Fund after deducting expenses. The frequency of such distribution shall also be at the sole discretion of the Directors.

Reporting

The Fund will prepare annual accounts with the year ending being 30 September. Un-audited interim accounts will be prepared in respect of the first six months of each annual accounting period of the Fund. Unit Holders will be sent a copy of the Fund Company's annual report and audited financial statements within four months of the end of the period to which they relate. Unaudited interim accounts will be sent to Unit Holders within two months of the end of the period to which they relate. Any such financial information will be sent to prospective Unit Holders in the Fund upon request.

An annual report including the year's activities/results and the audited financial statements showing the assets, gross income, liabilities and expenses incurred, net income, the NAV and the NAV per Unit will be prepared, by the Administrator of the Fund, within four months of the Fund's financial year-end. These shall be circulated to the Unit Holders within four months of the financial year-end. The first audited financial reports shall be prepared for the financial year ending 30 September 2006.

Changes to the Prospectus

A prior approval must be obtained from the CBB for any subsequent material changes to the prospectus. An updated copy of the prospectus must be made available to CBB within 30 calendar days of the revision being agreed, and the Fund Unit Holders must be notified of the changes at least 30 calendar days before they take effect, given that a window for redemption is made available to the Fund Unit Holders within this timeframe. Prospectus material changes include, but are not limited to:

- (a) Changes in the relevant persons ;
- (b) A change in legal structure;
- (c) A change to the investment strategy; or
- (d) A change in fees.

Documents for Inspection

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

- (a) the Prospectus and Articles of Association of the Fund;
- (b) this Prospectus and any other offering or placing documents produced from time to time by the Fund;
- (c) the material contracts referred to in the section headed "Summary of Material Contracts";
- (d) the most recent annual report and accounts of the Fund;
- (e) the Bahrain Commercial Companies Law Decree No. 21 of the year 2001;

- (f) regulations for the operation and marketing of collective investment schemes issued by the CBB as contained in the CBB rulebook, Volume 7 (Collective Investment Undertaking); and
- (g) any interim or periodic accounts and/or reports in respect of the Fund sent to Unit Holders.

Governing Law

This Prospectus, the Material Contracts and the Fund's operations are governed by and shall be construed in accordance with the laws of Bahrain. The Fund is subject to the laws of Bahrain and the regulations of the CBB as issued and amended from time to time.

Appendix A

FORM OF INSTRUMENT

THIS INSTRUMENT is made this May 21, 2005.

By Arab Bank MENA Fund Company B.S.C. (C) (the "Fund Company") whose registered office is at c/o-Qays H. Zu'bi Attorneys and Legal Consultants, P.O. Box 2397, Manama, Kingdom of Bahrain.

WHEREAS the Fund Company has by a resolution of its Board of Directors passed on 21 May, 2005 resolved to establish the Arab Bank MENA Fund (the "Fund"), as unsubordinated obligations of the Fund Company to be constituted as hereinafter provided.

NOW THIS INSTRUMENT WITNESSETH and the Fund Company HEREBY DECLARES as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Instrument and the Schedules hereto, unless the subject or context otherwise requires, the following expressions shall have the following meanings:

"Actual Unit Price" means the value of a Unit at any point in time calculated by dividing the NAV by the number of Units held by Unit Holders.

"Administrator" means Gulf Custody Company B.S.C. (C) or any other administrator appointed by the Fund Company in relation to the Fund.

"Articles" means, collectively, the Articles of Association and Memorandum of Association of the Fund Company, for the time being in force.

"BMA" means the Bahrain Monetary Agency.

"Business Day" means a day on which banks and financial institutions are open for general business in Bahrain.

"Conditions" means the conditions set out in Schedule 2 together with schedules thereto as the same may from time to time be modified in accordance with the terms of this Instrument.

"Date of Allocation" means the date on which Units are allocated to a Unit Holder. "Directors" means the board of directors for the time being of the Fund Company.

"Initial Offer Period" means Sixteen weeks from June 4, 2005 until September 22, 2005. "Initial Offer Price" means US\$10.00 (ten U.S. Dollars).

"Investment Manager" means Atlas Investment Group or any other investment manager appointed by the Fund Company in relation to the Fund.

"Net Asset Value" and "NAV" mean the net asset value of the Fund as determined by the Administrator and approved by the Fund Company on each Valuation Day.

"Notice of Transfer" means the Notice of Transfer as set out in Schedule 3 to this Instrument.

"Private Placement Memorandum" means the Private Placement Memorandum of the Fund dated on or about the date hereof, together with any amendment or supplement at any time published by the Fund.

"Redemption Notice" means the redemption notice as set out in Schedule 4 to this Instrument.

"Registrar" means Gulf Custody Company or any other registrar appointed by the Fund Company in relation to the Fund.

"Trading Day" means a day on which subscriptions and redemptions are executed. Such day will usually be two (2) Business Days following final calculation of the Fund's Net Asset Value at the last

business day of every month or as per instructions of the Directors.

“Unit” means a unit in the Fund and “Units” means all of them.

“Unit Holder” means each holder of a Unit and “Unit Holders” means all of them.

“Unit Holder’s Statement” means a statement substantially in the form set out in Schedule 1. “Unit Price” means, in relation to each Unit, either the Initial Offer Price or the Actual Unit Price.

“U.S. Dollars” or “US\$” means the lawful currency of United States of America.

“US Person” means a “US Person” as defined in Regulation 5 of the Securities Act (US) as amended and in force from time to time

“Valuation Day” means the last Business Day of each month or as otherwise determined by the Directors.

- 1.2 Words denoting persons shall include corporations, the masculine gender shall include the feminine, and the singular shall include plural and vice versa. Reference to a schedule is to a schedule to this Instrument.
- 1.3 Capitalized, but not defined, terms in this Instrument shall be given the meaning assigned to them in this Private Placement Memorandum.
2. TERMS AND CONDITIONS
- 2.1 The Units, the Unit Holders and the Fund will be subject to the Conditions.
- 2.2 Units was issued during the Initial Offer Period at the Initial Offer Price.
- 2.3 Units purchased after the Initial Offer Period will be issued at the Actual Unit Price as at the Date of Allocation.
- 2.4 The Units will be issued in uncertificated form in whole numbers only.
- 2.5 The rights of each Unit Holder in respect of Units held by it will rank pari passu with all other Unit Holders.
- 2.6 All distributions paid to the Fund from investments made by the Investment Manager will be re-invested by the Fund with the exception of 2.7 below.
- 2.7 The Fund may make distributions to Unit holders at the discretion of the Directors, which may be received in cash or by way of additional Units in the Fund.
- 2.8 Unit Holders will receive a Unit Holder’s Statement on a quarterly basis from the Investment Manager.
- 2.9 The NAV payable in respect of Units redeemed by a Unit Holder will be calculated on the Valuation Day.
- 2.10 Monies representing the NAV, payable in respect of the Units, shall be payable on receipt of a Redemption Notice in accordance with this Instrument, at the principal place of business of the Administrator, or such other place as may be notified to Unit Holders from time to time.
- 2.11 The provisions of this Instrument shall be for the benefit of and shall be binding upon Unit Holders as the same may be registered from time to time.

Dates and periods of time are according to the Gregorian calendar.

This Instrument shall be governed by and construed in accordance with the laws of the Kingdom of Bahrain and any dispute in connection with the enforceability or interpretation of the Instrument shall be referred to arbitration in accordance with Bahrain’s arbitration laws in force at the time of such dispute.

IN WITNESS whereof this Instrument has been executed the day and the year first above written

Omar M. Masri, Director

Eyad I. Mashal, Director

ARAB BANK MENA FUND COMPANY B.S.C. (C)
B.S.C.(C)

ARAB BANK MENA FUND COMPANY

SCHEDULE 1

Unit Holder's Statement

ADDRESS OF UNIT HOLDER	Unit Holder ID []
	A/C no. []
	Date []

We are pleased to advise of your holding in the Arab Bank MENA Fund as at the period ended [].

Distribution Summary	Gross Distribution	[]						
Distribution Details	Distribution Period	[]						
	Units held as at Statement Date	[]						
	Distribution	[]						
Distribution Payment Details	Reinvestment Date	Reinvestment Amount		Units Allocated		Reinvestment Price		Amount
		[]		[]		[]		[]
Closing Balance		Units Held		Exit Price		As At Date		Amount
		[]		[]		[]		[]

SCHEDULE 2

Conditions of the Units**1. Register**

- 1.1 A Register of the Unit Holders (the "Register") is kept by the Registrar, as appointed by the Fund Company from time to time, and the Register shall contain the following:
- (a) the number of Units held by each Unit Holder;
 - (b) the date upon which the name of each such Unit Holder is entered in the Register and, where that person became a Unit Holder by virtue of an instrument of transfer, a sufficient reference to enable the name and address of the transferor to be identified; and
 - (c) the date on which any transfer was registered and the name and address of the transferee.
- 1.2 Any change of the name or address of any Unit Holder shall forthwith be notified to the Registrar and thereupon the Register shall be altered accordingly.
- 1.3 Except as required by law, the Fund Company will recognize each Unit Holder as the absolute owner of the Units registered in its name, and shall not be bound to take notice or seek execution of any trust whether express, implied or constructive, to which any Unit may be subject. A receipt duly given in accordance with the provisions of this Instrument, for any monies payable in respect of any Unit, shall be a good discharge to the Fund Company notwithstanding any notice it may have, whether express or otherwise, of the right, title, interest or claim of any other person to, or in such Unit or monies. No notice of any trust, whether express, implied or constructive, shall be entered in the Register in respect of any Unit.
- 1.4 Every Unit Holder will be recognized by the Fund Company as entitled to the Units registered in its name free from any equity, set-off or counter-claim on the part of the Fund Company against the original, or any intermediate holder of such Units.

2. Units

Each Unit is in registered form and may be transferred, subject to the provisions of this Instrument and the Prospectus.

3. Transfer of Units

- 3.1 The Fund does not intend to seek listing on the stock exchanges of any of the GCC Countries although the Investment Manager and the Director may elect to do so at some time in the future. In such circumstances reasonable notice will be given to the Unit Holders.
- 3.2 The Investment Manager does not intend at this time to make a secondary market in the Units, but may do so in the future.
- 3.3 Units in the Fund may be transferred by submitting to the Registrar a Notice of Transfer in substantially the form set out in Schedule 3 to these Conditions and executed by the transferor and the transferee. The Registrar will update the Register in accordance with the terms of the Notice of Transfer within three (3) Business Days of receipt of such Notice of Transfer.

4. Redemption

- 4.1 The Fund will be open for subscription and redemption in accordance with the terms of the Prospectus and Instrument. If redemptions in any one period exceed 15% of the Net Asset Value of the Fund, the board of directors at its own discretion will decide whether to roll over any such excess to the following redemption day to avoid heavy losses resulting from forced liquidation of holdings.
- 4.2 The minimum subsequent subscription or redemption for an existing Unit Holder will be 100 units. The Fund will be open for subscription and redemption on a monthly basis.

- 4.3 The Fund Company has the right upon (7) seven Business Days' notice to compulsorily redeem any Unit held by a Unit Holder at a redemption price per Unit calculated on the basis of the Fund's aggregate Net Asset Value as determined on the Valuation Day immediately preceding the relevant redemption date, for any of the following reasons:
- (a) the Units are held by or for the benefit (directly or indirectly) of (i) any US Person or (ii) any other person whose continued holding would subject the Fund, its Unit Holders, the Investment Manager to regulation deemed burdensome by the Fund or such other party under the laws of the applicable jurisdiction or would result in any adverse tax consequences for the Fund, its Unit Holders, the Investment Manager and/or the Administrator.
 - (b) any of the representations given by the Unit Holders in its Subscription
 - (c) Agreement were not true or have ceased to be true;
 - (d) by operation of law or as otherwise determined by governmental or regulatory authority having appropriate jurisdiction;
 - (e) the Articles of Association otherwise require such redemption; or
 - (f) for any other reason the Fund Company, acting in its sole discretion, may deem appropriate. Where a suspension occurs as described above, the Fund Company will notify the CBB, as soon as practicable together with the reasons therefore.
- 4.4 Redeeming Unit Holders will be required to complete and return a Redemption Notice in the form set out in Schedule 4 to these Conditions. The completed Redemption Notice should be sent to Al Arabi Investment Group or one of its delegates, at the address shown on the Redemption Notice, and must be received at least four (4) Business Days prior to the relevant Valuation Day. If the Redemption Notice is received after the deadline, it will (unless otherwise determined by the Fund Company) be treated as a request for redemption on the next Trading Day.
- 4.5 The completed Redemption Notice may be sent by facsimile at the risk of the applicant. The originals of any Redemption Notice sent by facsimile should be sent immediately by post or by internationally recognized courier. Failure to provide the original completed Redemption Notice along with other documents that might be detailed in the Redemption Notice including any issued certificates representing units before the deadline may, at the discretion of the Directors/Investment Manager, result in cancellation of the redemption request.
- 4.6 Any amount redeemed shall be paid within 15 business days of the applicable Trading Day.
- 4.7 Partial redemptions will be declined if they are for less than one hundred (100) units. The Fund has the right upon ten (10) Business Days' notice to compulsorily redeem on a Trading Day any Unit held by a Unit Holder at the redemption price per Unit as at the Valuation Day immediately prior to such Trading Day for the following reasons:
- (a) the Units are held by or for the benefit (directly or indirectly) of (i) any US person or (ii) any other person whose continued holding would subject the Fund, the Unit Holders or the Investment Manager to regulation deemed burdensome by the Fund or such other party under the laws of the applicable jurisdiction or would result in any adverse tax consequences for the Fund, its Unit Holders, or the Investment Manager.
 - (b) any of the representations given by the Unit Holders in its Subscription
 - (c) Agreement were not true or have ceased to be true;
 - (d) by operation of law or as otherwise as determined by governmental or regulatory authority having appropriate jurisdiction;
 - (e) the Articles of Association otherwise require such redemption; or
 - (f) for any other reason the Investment Manager or the Directors, acting at their sole discretion, may deem appropriate.

- 4.8 The redemption price for Units in each offering subsequent to the Initial Offer Period will be equal to the Net Asset Value as determined by the Administrator in accordance with the Private Placement Memorandum. A redemption fee of 1% will be retained by the Fund, if any Units are redeemed by a Unit Holder within one year of allocation of such Units to such Unit Holder by the Fund Company at the time of redemption.
- 4.9 The Fund may temporarily suspend the determination of the Net Asset Value per Unit upon the occurrence of one or more of the following events:
- (a) when the market in which a substantial portion of the Fund's investments are invested or traded is closed other than for ordinary holidays, or during which dealings therein are restricted or suspended in a way that affects the valuation of the Fund's assets;
 - (b) the existence of any state of affairs which constitutes in the opinion of the Directors an emergency as a result of which disposal or the valuation of the Fund's assets would be impractical;
 - (c) any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments made by the Fund;
 - (d) upon issuing restrictions affecting the transfer of funds, transactions on behalf of the Fund are rendered impracticable or if purchase, sale, deposits and withdrawals of assets of the Fund cannot be affected in the normal course of business; or;
 - (e) if an order by a court or regulatory body with appropriate jurisdiction in Bahrain, including the CBB, is issued requiring such suspension.

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

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

5. Payments

- 5.1 Any monies payable on or in respect of any Units may be paid by wire transfer in U.S. Dollars where specific written instructions to this effect, from the Unit Holder, are received by the Fund at least five (5) days before the date of distribution of the said monies. Every wire transfer shall be made payable to the order of the Unit Holder and payment through wire transfer shall be in satisfaction of the monies represented thereby.
- 5.2 All payments will be made by the Fund Company after the deduction or withholding of any amounts, which the Fund Company is required to deduct or withhold for, or on account of, any present or future tax.
- 5.3 If any Unit Holder fails or refuses to accept payment of the monies repayable in respect of Units held by him, the Fund Company shall be at liberty to deposit in the Unit Holder's bank account or if not available in the account of the Fund Company acting on behalf of the Fund, the amount due to such Unit Holder and, upon such deposit or payment being made, those Units shall be deemed to have been repaid and satisfied in accordance with the provisions hereof. Such amount deposited shall not bear interest.

6. Meetings of Unit Holders

- 6.1 The Fund Company shall have the right to hold meeting of the Unit Holders in respect of the Fund.
- 6.2 All meetings in respect of the Fund shall be conducted in accordance with the terms set out in Schedule 5 to the Conditions.

7. Notices

- 7.1 Any notice or other documents shall be given or sent to any Unit Holder by sending the same through the post in a prepaid letter addressed to such Unit Holder at his address appearing in the register. Any notice given by post shall be deemed to have been served twenty-four hours (five days if by airmail) after the time when it is posted and, in proving such service shall be sufficient to prove that the

envelope containing the notice was properly addressed, stamped, and posted.

- 7.2 Notwithstanding Condition 7.1 above, notices regarding the Units will be valid if published in one local Arabic and one local English daily newspaper printed in Bahrain. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication.

SCHEDULE 3

Notice of Transfer

To: AL ARABI INVESTMENT GROUP

P.O. Box 143156, Amman 11814

Jordan Fax: +962 6 552 6498

[Date]

Arab Bank MENA Fund Company B.S.C. (C): Notice of Transfer of Units

This Notice of Transfer is given in respect of Units issued pursuant to a subscription agreement executed by the Arab Bank MENA Fund Company B.S.C. (C) (the "Fund Company") on or about [·].

Details of Units to be transferred: _____

Name of Transferor of Units: _____

Name of Transferee of Units: _____

Date of transfer of Units: _____

Details of Transferee:

Full Name: _____

Address: _____

Telephone: _____

E-mail: _____

Bank Account Details (IBAN): _____

The Transferee hereby notifies the Administrator that the above Units have been transferred by the Transferor to the Transferee of the Units.

Executed on [Date]

Transferee

Transferor

SCHEDULE 4

Redemption Notice

ARAB BANK MENA FUND

REDEMPTION NOTICE FOR UNITS IN ARAB BANK MENA FUND

Please fax and mail the original to: AL ARABI INVESTMENT GROUP P.O. Box 143156, Amman
11814 Jordan

Fax: +962 6 552 6498

I/We _____

of _____

give notice that I/we wish to redeem my/our following Units in the Arab Bank MENA Fund:

_____ Number of Units, to be redeemed.

Please wire transfer funds to:

Bank name:**Bank address ABA#/Sort Code:****Account name:****Account number:*****Sub-account name:*****Sub-account number:****IBAN:**

*if required

NB: the above bank details must be in the name of the registered Unit Holder

PLEASE SIGN HERE

Please ensure that all the registered Unit Holders or authorized signatories sign this Redemption Notice.

Name of signatory/signatories

Signature

Date: _____

REDEMPTION INSTRUCTIONS:

1. Al Arabi Investment Group or any of its delegates shall not process this Redemption Notice unless and until (i) the original signed Application Form has been received (rather than a fax copy) in respect of the Units which are the subject of this Redemption Notice and (ii) the Redemption Notice is received four Business Days before the Valuation Day.
2. To be valid, joint Redemption Notices must be signed by each Unit Holder if more than one Unit Holder.
3. Partnership Redemption Notices should be in the name(s) of and signed by all the partners.
4. Unit Holders which are corporations must submit certified corporate resolutions authorizing the redemption and identifying the corporate officer empowered to sign this Redemption Notice. Partnerships must submit a certified copy of the partnership certificate (in the case of limited partnerships) or partnership agreement identifying the partners if such documents have changed since the partnership's subscription to the Fund. Employee benefit plans must submit a certificate of an appropriate officer certifying that the redemption has been authorized and identifying the individual empowered to sign the redemption documents.
5. If this Redemption Notice is signed under a Power of Attorney, such Power of Attorney or a duly certified copy thereof must accompany this application form.
6. Redemption shall be paid into the account from which the original subscription was wired. In the event that you requests that redemption proceeds be paid into an account you hold, but different from that which the investment was paid, you would be asked to confirm in writing reason(s) for such request
7. If this Redemption Notice is not fully completed to the satisfaction of the Administrator, the notice may not be accepted.

SCHEDULE 5

Unit Holders Meetings

1. The Directors may at any time and in their sole discretion (not mandatory), with the approval of the Central Bank of Bahrain and the Ministry of Industry and Commerce to the extent applicable, convene a meeting of the Unit Holders at such place as the Directors shall determine, for the following purposes only:
 - (a) to sanction any scheme of arrangement or for the reconstruction of the Fund or for the amalgamation of the Fund with any other Fund;
 - (b) to sanction the exchange of the Units for or the conversion of the Units into shares, stock, debentures, debenture stock or other obligations or securities of the Fund or any other company formed or to be formed;
 - (c) to sanction the release of the Fund from all or any part of the principal monies owing upon the Units;
 - (d) to sanction any modification or compromise of the rights of the Unit Holders against the Fund proposed or agreed to by the Fund, whether such rights arise under this Instrument or otherwise; and/or
 - (e) to assent to any modification of the provisions of this Instrument (including this Schedule) proposed or agreed to by the Fund.
2. At least fifteen days' written notice (exclusive of the day on which the notice is served or deemed to be served and of the day of the meeting for which the notice is given) of every meeting shall be given to the Unit Holders. The notice shall specify the place, day or hour of the meeting and the general nature of the business to be transacted. The accidental omission to give notice to, or the non-receipt of notice by, any of the Unit Holders shall not invalidate the proceedings at any meeting.
3. The quorum for a general meeting of Unit Holders shall be the attendance in person or by proxy of Unit Holders who together hold more than half the issued and unredeemed Units. A resolution of the general meeting shall only be valid if Unit Holders representing more than one half of the issued and unredeemed Units approve it. If the quorum shall not be obtained the Unit Holders may be summoned for another meeting to be held within thirty days following the date of the first meeting. The said second meeting shall be valid irrespective of the number or the issued Unit holding of the Unit Holders present. Resolutions of the second meeting shall be passed by a majority of Unit Holders present in person or by proxy.
4. The person nominated in writing by the Fund Company shall preside at every meeting as Chairman. Any Director and the Secretary, Auditors and Solicitors of the Fund and any other person authorized by the Fund Company may attend.
5. The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting, except business which might lawfully have been transacted at the meeting from which the adjournment took place.
6. At any meeting a resolution put to the vote of the meeting shall be decided on a poll of all those Unit Holders present at such a meeting. Each Unit Holder will be entitled to one vote per Unit held.
7. The instrument appointing a proxy shall be in writing under the hand of the appointer, or of his attorney, duly authorized in writing or, if the appointer is a corporation, either under the seal or under the hand of an officer or attorney so authorized.
8. A person appointed to act as a proxy need not be a Unit Holder.
9. An instrument of proxy may be in the usual or common form, or in any other form, which the Directors shall approve. A proxy shall be deemed to include the right to demand or join in the demanding of a poll. A proxy whether in the usual or common form or not, shall, unless the contrary is stated thereon, be valid for any adjournment of the meeting as well as for the meeting, and need not be witnessed and shall be lodged with the Administrator not less than forty eight hours before the meeting, adjourned

meeting or poll, as the case may be, and shall be valid only for the meeting, adjourned meeting or poll referred to therein.

10. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy, or of the authority under which the proxy was executed, provided that no notice in writing of such death, insanity or revocation shall have been received by the Administrator before the commencement of the meeting or adjourned meeting at which the proxy is used.
11. Any company or corporation which is a registered holder of any of the Units may by resolution of its directors, or other governing body, authorize any person to act as its representative at any meeting of the Unit Holders and such representative shall be entitled to exercise the same powers on behalf of the company, or corporation which he represents as if he were the registered holder of the Units.
12. It is made clear that except for the matters listed in Section 1 above and subject to the sole discretion of the Directors, the Unit Holders shall have no right whatsoever to vote on any matters other than the ones listed in Section 1 above. Any resolution passed at a meeting of the Unit Holders, duly convened and held in accordance with this Instrument, shall be binding upon all the Unit Holders whether or not present at the meeting, and each of the Unit Holders shall be bound to give effect thereto accordingly.
13. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be provided for that purpose by the Administrator. Any such minutes, if purporting to be signed by the Chairman of the meeting, shall be conclusive evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceeding of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.

APPENDIX B

Subscription Agreement

By signing below I/we confirm and acknowledge having received and read a copy of the Prospectus dated 18/4/2017 (the "Prospectus") and relating to the Arab Bank MENA Fund (the "Fund"). I/we also confirm having read the section "Representations and Warranties of the Subscriber" at the end of this Subscription Agreement and confirm that the information set out herein is true and correct. Capitalized terms in this Subscription Agreement will have the same meaning given to them in the Prospectus

To
Al Arabi Investment Group
P.O. Box 143156, Amman 11814, Jordan
Fax: +962 6 5526498

1. Registration

	Individual	Institution
First Applicant:		
Full Name:		
Nationality:		
Passport/Iqama/CPR/C.R. No:		
Registered Address:		
Mailing Address:		
Telephone:		
Fax:		
E-mail:		
Second Applicant:		
Full Name:		
Nationality:		
Passport/Iqama/CPR/C.R. No:		
Registered Address:		
Mailing Address:		
Telephone:		
Fax:		
E-mail:		

2. Subscription

Subscription Amount:

Add Placement Fee (2%):

Total Amount:

Please tick one of the following boxes: Reinvest dividends Pay dividends in cash

3. Details of Payment

Wire Transfer Bank Name: Arab Bank
SWIFT Address: ARABHBMMAN
Account Number: 2002-606050-511
IBAN: BH62ARAB02002606050511

4. Money Laundering Protection

The Fund, in order to comply with Bahrain's Legislative Decree No. (4) of the year 2001 with respect to Prohibition and of Combating Money Laundering, and Decree Law No. 58 of 2006 with Respect to the Protection of Society from Terrorism Activities and the various Ministerial Orders issued from time to time, including, but not limited to, Ministerial Order No. (7) of 2001 with respect to the Institutions' Obligations Concerning the Prohibition of and Combating Money Laundering, requires additional documentation along with the subscription request for Units.

I/We hereby attach the following certified documents in support of this application for Subscription in Units:

For individual applicants:

- Two government-issued forms of identification (e.g., passport, Iqama or driver's license) provided that one, at least, is a picture identification.
- Proof of the individual's current address (e.g., current utility bill), if not included in the form of picture identification.

For financial institutions within Bahrain:

- Documentary evidence that the entity is registered with BMA, BSE, or the Ministry of Commerce as a financial institution.
- Certified copy of commercial registration certificate.
- Names and addresses of all directors or partners and authorized signatories.

For non-financial institutions within Bahrain and all institutional Investors outside of Bahrain:

- Certified copy of Incorporation.
- Certified copy of Memorandum and Articles of Association. Certified copy of commercial registration certificate.
- Names and addresses of all directors or partners and authorized signatories. ID documents of majority owners if the entity is not listed.

5. Representations and Warranties of the Subscriber

Upon signature of section 13 titled Signature(s), I/we hereby undertake, represent and warrant to the Fund and to the Fund Company:

1. I/we have had the opportunity to review the Prospectus (including the section headed "Risk Factors") and to ask questions and receive answers concerning the Fund and the terms and conditions of this offering from authorized representatives of the Fund Company and the Placement Agent and agree to be bound by the terms of this Subscription Agreement and the Prospectus from time to time. I/we acknowledge that in making a decision to subscribe for Units, I/we have relied solely upon the Prospectus and this Subscription Agreement.
2. I am/we are aware of and understand the risks involved in investing in the Fund.
3. In the case of individual investors - I am/we are 21 years of age or over.
4. I/we have the legal capacity and authority and I am/we are permitted by applicable law to execute and deliver this Subscription Agreement.
5. I/we have such knowledge and experience in financial and business matters that I am/we are capable of evaluating the merits and risks of my/our acquisition of the Units.
6.
 - (a) I am/we are not a U.S. Person and I am/we are not acquiring Units on behalf of or for the benefit of, any U.S. Person nor do I/we intend to sell or transfer any Units which I/we may purchase to any person who is any U.S. Person under the laws and regulations in force in the United States. I was/we were not in the U.S. at the time any Units were offered to me/us or at the time I/we executed this Subscription Agreement.
 - (b) I/we agree that I/we will promptly notify the Fund Company if at any time I/we become a U.S. person and I/we agree that in such event the Fund will be entitled to (but will not be obliged to) repurchase or to require me/us to redeem at a price equal to the redemption price per Unit as calculated by the Administrator, as at the date of the repurchase or sale or as at the date of any unauthorized transfer giving rise to such repurchase or sale.
 - (c) I/we will supply the Fund Company with such other facts as from time to time are deemed
7. reasonably necessary or desirable by the Fund Company to enable the Fund Company to determine that I am/we are not U.S. Person(s).
8. All consents required to be obtained and all legal requirements necessary to be complied with or observed in order for this Subscription Agreement or the issuance of the Units to be lawful and valid under the laws of any jurisdiction to which I am/we are subject have been obtained, complied with and observed.

9. I/we understand that my/our subscription cannot be withdrawn from the Fund except by way of redemption of the Units in accordance with the terms outlined in the Prospectus, and that a portion of my/our subscription may be invested in securities that are illiquid.
10. I/we will repeat these undertakings, representations and warranties to the Fund and the Fund Company on such future occasions as the Fund Company may request and I/we will provide on request such certificates, documents or other evidence as the Fund may reasonably require to substantiate such undertakings, representations and warranties.
11. I/we will notify the Fund immediately if I/we become aware that any of these undertakings, representations and warranties are no longer accurate and complete in all respects, and agree immediately either to sell or to tender to the Fund Company for redemption a sufficient number of Units to allow the undertaking, representation or warranty to be made.
12. I/we understand that if any of the representations, warranties, agreements or certifications given by me/us in this Subscription Agreement are untrue, the Directors in their sole discretion may require a retroactive redemption of all or part of the Units.
13. I/we understand that the Units have no voting rights and, therefore, I/we will not be able to exercise any management or control functions with respect to the Fund or the Fund Company's operations.
14. I/we will not duplicate or furnish copies of the Prospectus, or divulge any of its contents to any other person other than to my/our investment, legal or tax advisers (who may use such documents solely for purposes related to my/our investment in the Fund).
15. The acceptance of my/our application for subscription in Units together with the appropriate remittance will not breach any applicable money laundering rules and regulations and I/we undertake to provide verification of our identity and source of funds reasonably satisfactory (on a confidential basis) to the Fund Company, the Placement Agent or the Registrar promptly on request and I/we agree to the release of any information provided by me/us to the Bahraini authorities by the Fund Company, the Placement Agent, the Registrar or its delegate.
16. The person signing this Subscription Agreement on my/our behalf has full power and authority to do so.
17. I/we understand that the Units will be issued on a fully paid basis only in book-entry form. The Registrar will issue a notice confirming the investment upon receipt of subscription confirmation from the Administrator and no physical share certificates will be issued. Records will be maintained in book form in the Register held at the offices of the Registrar, and such Register will be and will remain the sole and conclusive proof of ownership of the Units.
18. I/we acknowledge that due to money laundering requirements operating within their respective jurisdictions, the Fund, the Fund Company, the Placement Agent, the Registrar, the Investment Manager, the Custodian and the Administrator may require further identification of the applicant(s) and source of funds before applications for subscription in Units can be processed.
19. I/we have been advised of, and hereby consent to, the compensation arrangements payable to any placement agent including the Placement Agent, in respect of my subscription for Units.
20. If I am/we are a non-U.S. banking institution (a Foreign Bank) or if I/we receive deposits from, make payments on behalf of or handle other financial transactions related to a Foreign Bank, I/we represent and warrant to the Fund that:
 - (a) the Foreign Bank has a fixed address, other than solely an electronic address, in a country in which banking activities take place;
 - (b) the Foreign Bank employs one or more individuals on a full-time basis;
 - (c) the Foreign Bank maintains operating records related to its banking activities; and
 - (d) the Foreign Bank is subject to inspection by the regulatory authority that licensed

the Foreign Bank to conduct banking activities.

21. I am/we are Expert Investor as defined in the section headed "Definitions".
22. I/we understand that expert funds are subject to less restrictive requirements than retail funds: specifically, expert funds have greater investment flexibility, notably in terms of asset classes and risk concentration limits. I/We understand that expert funds potentially offer higher risks and are only suitable for expert investors, who are better able to assess those risks than less sophisticated investors.

6. Indemnity

I/we agree to indemnify and hold harmless the Fund, the Fund Company, the Directors, the Placement Agent, the Registrar, the Investment Manager, the Custodian, the Administrator, their affiliates and each other person, if any, who controls or is controlled by any thereof, against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses and costs (including attorneys' fees) reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based on:

- (a) any false representation or warranty or breach or failure by me/us to comply with any covenant or agreement made by the undersigned herein or in any other document furnished by the undersigned to any of the foregoing in connection with the transaction; or
- (b) any actions for securities or money laundering laws violations instituted by or against me/us which is resolved by judgment against the undersigned; or
- (c) my/our failure to provide source of funds information.

7. Additional Know Your Customer and Combat of Money Laundering Considerations

I/we represent and warrant and agree that the following representations and warranties are deemed to be continuous for this investment and for any subsequent purchase of Units:

- i. I/we are purchasing the Units with lawfully acquired funds for investment.
- ii. To the extent that I/we offer interests in the Units to my/our clients, or holds such shares for the benefit of such clients, I/we represent and warrant with respect to the Units subscribed for hereby and all other shares subsequently acquired by me/us:
 - (a) that each such client could make the representations in (i) and (ii) above;
 - (b) that due to the application of money laundering, tax or similar requirements, or otherwise, upon request from time to time by or on behalf of the Fund, the Fund Company, the Registrar, the Investment Manager, the Placement Agent, the Administrator or the Custodian, I/we will, with respect to such clients, provide such certifications, documents or other evidence as may be reasonably required to substantiate the representations made herein; and
 - (c) that I/we satisfied myself/ourselves that all legal requirements in the country in which each relevant client is a resident have been fully observed in connection with the purchase of Units, including obtaining any governmental or other consents which may be required and that it has otherwise complied with all necessary formalities.

8. Authorization

The Registrar, the Placement Agent and the Fund Company are each hereby authorized and instructed to accept and execute any instructions in respect of the Units to which this Subscription Agreement relates. If the instructions are given by me/us by facsimile, I/we undertake to confirm them in writing by post. I/we hereby agree to indemnify each of the Registrar, the Placement Agent, the Fund Company and the Fund and agree to keep each of them indemnified against any loss of any nature whatsoever arising to any of them as a result of any of them acting upon facsimile instructions.

9. Registration of Units

I/we request that the Units issued pursuant to this Subscription Agreement are registered in the name and address set out above.

10. Confidentiality

Information provided in this Subscription Agreement will be treated confidentially by the Fund Company, the Directors, the Placement Agent, the Registrar, the Investment Manager, the Administrator and the Custodian provided that they may present this Subscription Agreement and the information provided herein to such parties as deemed advisable if:

- (a) called upon to establish that the offer and sale of the Units is exempt from registration under applicable law;
- (b) the information is requested by any regulatory agency with jurisdiction over the Fund, the Fund Company, the Directors, the Placement Agent, the Registrar, the Investment Manager, the Administrator or the Custodian; or
- (c) the information is relevant to an issue in any action, suit or proceeding to which the Fund, the Fund Company, the Directors, the Placement Agent, the Registrar, the Investment Manager, the Administrator and the Custodian or any of their affiliates is a party or by which they are or may be bound.

11. Choice of Law and Forum

I/we agree to be bound by the laws in force in the Kingdom of Bahrain and in addition to the non-exclusive jurisdiction of the relevant courts of the Kingdom of Bahrain subject to which laws this Subscription Agreement will be governed and interpreted.

12. Joint Account

In case we are joint account holders, our subscription shall be held by us jointly. Each of us shall be liable, jointly and severally, for any obligations due to you pursuant to this Subscription Agreement. We understand that joint accounts will be subject to the laws of Bahrain.

13. Signature(s)

Name: _____

Title*: _____

Name of Entity*: _____

Capacity*: _____

Signed: _____ Date: _____

*Not applicable in case of individuals

Name: _____

Title*: _____

Name of Entity*: _____

Capacity*: _____

Signed: _____ Date: _____

*Not applicable in case of individuals