
Offering Memorandum

IIAB PCC Ltd – (incorporated in Guernsey as a protected cell company with limited liability)



Offering Memorandum of IIAB PCC Ltd

IIAB PCC LIMITED (incorporated in Guernsey as a protected cell company with limited liability)

This Offering Memorandum of IIAB PCC Limited (the "Company") together with Fund Particulars issued in respect of any Fund of Participating Shares of the Company, comprise scheme particulars as required by and prepared in accordance with The Collective Investment Schemes (Class B Rules) 1990 (the "Class B Rules") as issued by the Guernsey Financial Services Commission (the "Commission") pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (the "Law").

The procedure for application and an application form are set out at the end of the relevant Fund Particulars. Participating Shares are available for subscription and redemption on relevant Dealing Days at a price calculated by reference to the then current Net Asset Value per Participating Share.

This Offering Memorandum includes particulars given in compliance with the Listing Rules of the Channel Islands Stock Exchange (the "CISX") for the purpose of giving information with regard to the Company. The Directors, whose names appear on page 6, accept full responsibility for the information contained in this Offering Memorandum and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

This Offering Memorandum (together with the relevant Fund Particulars) does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised, or to any person to whom it is unlawful to make such an offer or solicitation. No person may treat this Offering Memorandum as constituting an invitation to them, unless in a relevant territory such an invitation could lawfully be made to them without compliance with any registration or any other legal requirements.

The date of this document is 31st December 2007.

Offering Memorandum of IAB PCC Ltd

The Company is an open-ended investment protected cell company governed by the provisions of the Companies Law and the Ordinance. Persons investing and dealing with a cell of the Company shall only have recourse to, and their interests shall be limited to, the assets from time to time attributable to that cell and they shall have no recourse to the assets of any other cell or, except as provided under the Ordinance, against any non-cellular assets of the Company. Under the Ordinance, creditors of a particular cell may have recourse to the non-cellular assets of the Company to the extent that the assets of that particular cell are insufficient in respect of the liability in question.

The Company has been authorised by the Commission as a Class B Scheme under the Law. In giving this authorisation the Commission does not vouch for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

Investors in the Company are not eligible for the payment of any compensation under the Collective Investment Schemes (Compensation of Investors) Rules 1988 made under the Law.

Neither the admission of the Participating Shares on the CISX nor the approval of this document pursuant to the listing requirements of the CISX shall constitute a warranty or representation by the CISX as to the competence of service providers to, or any other party connected with, the Company, the adequacy or accuracy of information contained in this document or the suitability of the Company for investment purposes or for any other purpose.

Ozannes Securities Limited ("OSL") is the listing sponsor of the listing of the Shares on the CISX. Ozannes Securities Limited is acting for the Company and for no one else in respect of the offer of the Shares and the listing of same and will not be responsible to anyone other than the Company for providing the protections afforded to customers of OSL or for affording advice in relation to the contents of this document or any matters referred to herein. OSL is not responsible for the verification of facts, opinions or other information in this Offering Memorandum.

The distribution of these Scheme Particulars and the offering of shares in the Company may be restricted in certain jurisdictions. It is the responsibility of any person wishing to make an application hereunder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection herewith, including the obtaining of any Governmental or other consent that may be required or other formalities needed to be observed or the payment of any transfer or other taxes required to be paid. In particular the shares in the Company have not been registered under the United States Securities Act of 1933, as amended and, except in a transaction which does not violate such Act, or any other applicable United States securities laws (including without limitation any applicable law of any of the states of the United States of America), may not be directly or indirectly offered or sold in the United States of America or any of its territories or possessions or to or for the benefit of a "United States person". For this purpose "United States person" includes a national or resident of the United States of America, a partnership organised or existing in any state, territory or possession of the United States of America, a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which arises from sources outside the United States of America (which is not effectively connected with the conduct of a trade or business within the United States of America) is not included in gross income for the purposes of computing United States federal income tax. The attention of United States persons is drawn to the paragraph headed "Transfers of Participating Shares" on page 31 and the compulsory redemption powers of the Company mentioned there.

Notwithstanding the foregoing, prohibition on offers and sales in the United States of America or to or for the benefit of United States persons, private sales of Participating Shares may be arranged to a limited number of "Accredited Investors" as defined in Regulation D under the Securities Act of 1933, subject to minimum levels of an investment determined by the Directors of the Company. The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended.

The Company is an unregulated collective investment scheme for the purposes of the Financial Services and Markets Act 2000 ("FSMA"). The promotion of Participating Shares of the Company and the distribution of this document in the United Kingdom are accordingly restricted by sections 21 and 238 of FSMA.

All applications for Participating Shares are deemed to be on the basis of the terms of the latest Offering Memorandum, the relevant Fund Particulars and the Company's Memorandum and Articles of Association.

The Directors of the Company may in their discretion decline any application and are not obliged to give reasons for so doing.

The attention of investors is drawn to the section entitled Risk Warnings on pages 16 to 17.

Offering Memorandum of IIAB PCC Ltd

Table of contents

	Page
1. DIRECTORS AND ADMINISTRATION	6
2. DEFINITIONS	7-8
3. INTRODUCTION:	9
i. The Company	9
ii. Funds of Participating Shares	9
4. MANAGEMENT AND ADMINISTRATION:	10
i. The Directors	10
ii. Shari'ah Board	11
iii. The Manager	12
iv. The Administrator and Secretary	13
v. The Custodian	13
vi. Registrar	14
5. CONFLICTS OF INTEREST	14
6. INVESTMENT OBJECTIVE AND POLICY:	15
i. General Investment Restrictions	15
ii. No Borrowing	15
7. RISK WARNINGS	16
8. TAXATION OF THE COMPANY AND SHAREHOLDERS:	18
i. Taxation of the Company in Guernsey	18
ii. The United Kingdom	18
iii. Shareholders	19
9. DEALING PROCEDURES:	20
i. Issue of Participating Shares	20
ii. Prevention of Money Laundering	20
iii. Minimum Investment and Additional Investments	20
iv. Dealing Days	20
v. Valuation	20
vi. Share Prices	21
vii. Conversion of Participating Shares	21
viii. Redemption of Participating Shares	21
ix. Compulsory Redemption	21
x. Suspension of Valuation and Dealing	21
10. CHARGES AND FEES:	22
i. Initial Charge	22
ii. Fees	22

Offering Memorandum of IAB PCC Ltd

	Page
11. EXPENSES	22-23
12. DIVIDENDS POLICY:	24
i. Distribution of Income	24
ii. Reinvestment of Dividends	24
13. REPORT AND ACCOUNTS	24
14. ANNUAL GENERAL MEETING	24
15. GENERAL INFORMATION:	25
i. Incorporation	25
ii. Memorandum and Articles of Association	25
iii. Authorised Share Capital	25
iv. Alteration of Capital	25
v. Management Shares	26
vi. Participating Shares	26
vii. Nominal Shares	26
viii. Variation of shareholder rights	27
ix. Proceedings at general meetings	28
x. Calculation of Net Asset Value	28
xi. Issue of Participating Shares	29
xii. Redemption of Participating Shares	30
xiii. Conversion of Participating Shares	30
xiv. Suspension of determination of Net Asset Value and redemption of Participating Shares	31
xv. Transfer of Participating Shares	31
xvi. Directors	32
xvii. No Borrowing powers	33
xviii. Indemnities and insurance	33
xix. Winding-up procedure	33
xx. Miscellaneous	34
xxi. Material Agreements	34
xxii. Documents available for inspection	35

Offering Memorandum of IIAB PCC Ltd

DIRECTORS AND ADMINISTRATION

The Directors

Keith Dorrian (Chairman)
Carol Goodwin
Ramez Sawabini
Wayne Landing

The Manager

Arab Bank Fund Managers (Guernsey) Limited
c/o Legis Fund Services Limited
1 Le Marchant Street
St Peter Port
Guernsey GY1 4HP
Channel Islands

The Administrator, Secretary & Registrar

Legis Fund
Services Limited
1 Le Marchant Street
St Peter Port
Guernsey GY1 4HP
Channel Islands

The Custodian

Butterfield Bank (Guernsey) Limited
Regency Court
Glategny Esplanade
St Peter Port
Guernsey GY1 3AP
Channel Islands

Bankers

Butterfield Bank (Guernsey) Limited
Regency Court
Glategny Esplanade
St Peter Port
Guernsey GY1 3AP
Channel Islands

Auditors

Deloitte & Touche
Regency Court
Glategny Esplanade
St Peter Port
Guernsey GY1 3HW
Channel Islands

Advisers to the Company on Guernsey Law

Ozannes Advocates and Notaries Public
1 Le Marchant Street
St Peter Port
Guernsey GY1 4HP
Channel Islands

Listing Sponsor

Ozannes Securities Limited
1 Le Marchant Street
St Peter Port
Guernsey GY1 4HP
Channel Islands

Offering Memorandum of IIAB PCC Ltd

DEFINITIONS

“Administrator”	means Legis Fund Services Limited, or such other administrator appointed by the Company from time to time;
“Application Form”	means the application form for shares in a Fund, attached to the Fund Particulars of the relevant Fund;
“Articles”	means the articles of association of the Company as amended from time to time;
“Board”	means the board of Directors of the Company, as constituted from time to time;
“Business Day”	means a day on which the Banks in Guernsey, and London are normally open for business, excluding Saturdays and Sundays;
“Class B Rules”	means the Collective Investment Schemes (Class B) Rules 1990, as amended from time to time and issued by the Commission;
“Commission”	means the Guernsey Financial Services Commission;
“Company”	means IIAB PCC Limited;
“Companies Laws”	means the Companies (Guernsey) Laws, 1994 to 1996 as amended from time to time;
“Custodian”	means Butterfield Bank (Guernsey) Limited, or such other custodian as the Company may appoint from time to time;
“Dealing Day”	means the Business Day on which Participating Shares may be either subscribed for or redeemed in accordance with the Fund Particulars and the Articles;
“Dealing Price”	means the amount for which Participating Shares of a relevant Fund may be subscribed for, or redeemed at, in respect of any particular Dealing Day, calculated by the Administrator in accordance with the Fund Particulars of the relevant Fund, the Offering Memorandum and the Articles;
“Directors”	means any one or more of the directors of the Company for the time being, or the board of directors of the Company, as the context requires;
“Fund” or “Cell”	means the separate pool of assets established in the books of the Company as a protected cell of the Company pursuant to the Ordinance and, where the context requires in the Fund Particulars refers to that particular cell, and “Funds” means any one or more of such protected cells;
“Fund Particulars” or “Cell Particulars”	means the supplement to this Offering Memorandum which, together, constitute the Company’s scheme particulars;
“Initial Charge”	means the initial charge detailed herein or such lesser amount as may be detailed in the relevant Fund Particulars, being an amount, in addition to the Dealing Price, payable by subscribers for Participating Shares;
“Investment Adviser”	AlArabi Investment Group Ltd. Co. (trading as “AB Invest”) or such other investment adviser as may be appointed by or on behalf of the Company in respect of any one or more Funds;
“Management Fee”	means the management fee detailed herein or such lesser amount as may be detailed in the relevant Fund Particulars, being an amount payable by the Company out of the assets of the relevant Fund;

Offering Memorandum of IIAB PCC Ltd

“Manager”	means Arab Bank Fund Managers (Guernsey) Limited, or such other manager as the Company may appoint from time to time;
“Net Asset Value”	means the net asset value of any Fund, or per Participating Share in any Fund, as the context requires, and calculated as described in the Articles and the section headed “General Information”;
“Offering Memorandum”	means this document, or such offering memorandum as the Company may publish from time to time;
“Ordinance”	means the Protected Cell Companies Ordinance, 1997 to 1998 as amended from time to time;
“Participating Shares”	means participating redeemable preference shares in the Company;
“Redemption Notice”	means the notice required by the Company and the Administrator from the shareholder in respect of a redemption of Participating Shares as detailed in the relevant Fund Particulars;
“Registrar”	means Legis Fund Services Limited, or such other registrar as the Company may appoint from time to time;
“Secretary”	means Legis Fund Services Limited, or such other secretary as the Company may appoint from time to time;
“US \$” “US Dollar” or “USD”	means the United States Dollar, the lawful currency of the United States of America; and
“Valuation Point”	means the time on the Business Day immediately prior to the Dealing Day in respect of a particular Fund as the Directors determine from time to time in respect of each Fund, or as disclosed in the relevant Fund Particulars from time to time.

In this document, and the Fund Particulars, terms not otherwise defined herein shall bear the same meaning as in the Articles, the Companies Laws, or the Class B Rules as the context requires. The singular shall include the plural and vice versa.

Offering Memorandum of IIAB PCC Ltd

INTRODUCTION

THE COMPANY

IIAB PCC Limited (the "Company") is a Guernsey based open-ended investment company established as a protected cell company on 24th December 2007.

The registered address of the Company is at 1 Le Marchant Street, St Peter Port, Guernsey GY1 4HP, Channel Islands, and is the address at which the Directors may be contacted.

The Company is a collective investment scheme in the form of an open-ended protected cell investment company which is registered in Guernsey. The Company may create one or more Funds for the purpose of segregating and protecting cellular assets and may issue Participating Shares in respect of each such Fund. The capital structure enables the Company to operate in a similar way to a unit trust so that Participating Shares of the various Funds may be issued at prices based on the underlying net asset values on each Dealing Day. The protected cell structure aims to add another layer of protection for investors by protecting assets attributable to one Fund of the Company from the creditors of another.

The register of the Company may be inspected at the offices of the Manager at the following address: 1 Le Marchant Street, St Peter Port, Guernsey GY1 4HP, Channel Islands.

FUNDS OF PARTICIPATING SHARES

As of the date of this document the Company comprises one Funds designated as follows:

- a) IIAB Sukuk & Murabaha MENA Fund.

Information relating to the Company as a whole and common to all Funds is contained in this document. Information specific to each Fund, including investment objective, policy and restrictions, borrowing limits and dealing information, is contained in the Fund Particulars issued for that Fund of Participating Shares. Investors in one or more Funds must read the relevant Fund Particulars for each such Fund in conjunction with this document.

Additional Funds may be created with different investment objectives and/or on different terms.

Offering Memorandum of IIAB PCC Ltd

MANAGEMENT AND ADMINISTRATION

THE DIRECTORS

The Directors of the Company (the "Directors") all of whom are non-executive Directors are:

Keith Dorrian

Keith Dorrian (Chairman) was born in Guernsey in 1946. He has over 30 years experience in the offshore finance industry. Joining Manufacturers Hanover in 1973 he moved to First National Bank of Chicago in 1984. In 1989 he joined ANZ Bank (Guernsey) where, as a Director of the Bank and Fund Management company, he was closely involved in the banking and fund management services of the Group. He took up the position of Manager, Corporate Clients in Bank of Bermuda (Guernsey) Limited in 1999 and was appointed Head of Global Fund Services and Managing Director of the Bank's Guernsey Fund Administration company in 2001 retiring on the 31st December 2003. He is currently a Director of a number of Fund and Fund Management companies and holds the Institute of Directors Diploma in Company Direction. He is resident in Guernsey.

Carol Goodwin

Carol Goodwin was born in the UK in 1944. She has extensive experience in the finance industry and has held senior executive positions with several European and North American banks, managing businesses in London, Toronto, Montreal, Amsterdam, Nassau and Guernsey. She was responsible for establishing and launching a new full-service bank in Holland in 1992 and since moving to Guernsey in 1994 has been instrumental in the ten-fold expansion of Investec Bank's business and profitability during her five-year term as managing director. Carol is currently a director of Investec Bank (Channel Islands) Limited and during the periods 1994-1996 and 1998-2001 previously held the position of managing director. She also acts as a director for several other subsidiary and associated Investec companies. In addition she acts as a non-executive director for a number of other financial services entities, including a variety of listed and unlisted investment funds. Carol is also a Lay Member of the GFSC Tribunal, a Commissioner of the Guernsey Gambling Control Commission; a member of the Guernsey Branch of the IoD Committee and is involved in several local voluntary organisations. Ms. Goodwin is a Fellow of the Institute of Canadian Bankers (FICB), a Trust and Estate Practitioner (TEP) and a Chartered Director (C.Dir.) of the Institute of Directors. She is resident in Guernsey.

Ramez Sawabini

Ramez Sawabini (British) was born in Baghdad in 1956. He has a broad experience in the Private and Investment banking industry. Mr. Sawabini joined Kidder Peabody International Ltd –London in 1982 where he advised institutional investors in Europe and the Gulf on Investment Strategy and asset allocation. In 1985, Al Mal international Ltd –London one of his institutional investors hired him to set up and grow their portfolio management service. He then moved to Citibank NA-London in 1987 where he held senior positions in the EMEA Portfolio management team. In 1993 Ramez moved to Saudi American Bank- Riyadh then a Citibank managed bank, acting as Assistant General Manager and Head of Investment Products. Mr. Sawabini in 1998 joined Shamil Bank of Bahrain and was appointed Head of Investment Management and Treasury. In 2001, he moved to the National Commercial Bank in Jeddah and took up the position of Chief Investment Officer. Mr. Sawabini joined the Arab Bank-Bahrain since March 2007 and is currently the Global Chief Investment Officer of the Arab Bank plc. He is a board member of a number of Fund Management companies and holds a B.Sc. International Business from the American Business School of Switzerland.

Wayne Landing

Wayne Landing (British) was born in South Africa in 1965 and has 20 years of wide ranging experience in the Banking and Financial industry. Mr. Landing underwent four years of general banking training at Barclays Bank in South Africa on their undergraduate scheme where he studied towards a B. Commerce at the University of South Africa. In 1992 he joined Tullett & Tokyo Liberty plc in London where he was instrumental in the business planning for the Tullett Group's Mergers and Acquisitions and also gained valuable experience of the Communications industry. In 1999 Mr. Landing was awarded an M.B.A. by the London Guildhall University and in 2000 he joined Phillip Securities (UK) Limited, a Wealth Manager and Stock Broker where he was Head of Finance and Operations until joining Arab Bank plc's London based Wealth Management Unit in 2003, where he manages the Wealth Management and Private Banking business of the Arab Bank plc in the UK. He is resident in the UK.

Offering Memorandum of IAB PCC Ltd

THE SHARI'AH BOARD

With respect to Shari'ah matters, the Company will be advised by the Shari'ah Board, the composition of which is set forth below. The Shari'ah Board will establish general investment guidelines, which are consistent with the principles of Shari'ah. Primarily, Shari'ah prohibits the paying or receiving of interest, although the receipt of dividends and capital gains from equity investment in Shari'ah compliant companies is acceptable.

The Company and the Directors will all be entitled to rely completely on the directions and decisions of the Shari'ah Board to ensure that the principles of Shari'ah are observed in relation to proposed or actually implemented investments.

The investment process of each Fund will be reviewed by the Shari'ah Board, who will issue an opinion with respect to conformity of the same with Shari'ah. The Shari'ah Board has a proven track record in the implementation of Shari'ah law, and is comprised of the following prominent scholars:

Dr. Hamdi Moh'd Murad

Dr. Murad is currently a Professor in the faculty of Shari'ah, Albalqa'a University, and a Member of Islamic Shari'ah Committee in the Islamic International Arab Bank. Prior to that Dr. Murad worked as the Secretary-General of the Islamic University and Dean of Shari'ah and Law Faculty. Dr. Murad was leading a number of committees that were responsible for the placement of curriculums, for both undergraduate and postgraduate levels in the following departments: Islamic Economy, Islamic Law, Islamic Media, Fiqh and Jurisprudence, and Islamic Origins. In addition, Dr. Murad supervised numerous number of dissertation projects and appraisal researches. He also participated in the preparation for a number of scientific and Shari'ah encyclopedias, such as: the Golden Encyclopedia, Ethics Encyclopedia, etc. Dr. Murad was delegated from his university to work in the Ministry of Awqaf "Endowments", Islamic Affairs and Holy Places. Also he occupied the position of Secretary-General Assistant, and Zakah Fund General Manager. Dr. Murad is a Member in the Annual Summit Conference for International Religious and Political Leaders for the sake of International Peace. Dr. Murad is also a permanent member in the Religions, Development, and Peace Respect Conference. Appreciating his essential efforts, Dr. Murad was awarded the certificate of "International Peace Ambassador". Dr. Murad is an expert in presenting studies, research work, and different activities with several domestic and exterior institutions, such as UNISCO and UNISEF. Dr. Murad participated in many national, Arabian, and International Conferences and Seminars. Dr. Murad received his PHD Degree in Islamic Shari'ah.

Dr. Abdel Salam Al-Abadi

Dr. Abadi is currently The Vice President of Islamic International Jurisprudence Assembly, also he is the state councilor for Islamic and Religious Affairs, and the Secretary General of the Jordanian Hashemite Agency for Relief and the General Executive Director since 1999 up to present time, he is also the president of Al-AlBayt University since 8/1/2006, and a Member of Islamic Shari'ah Committee in the Islamic International Arab Bank since 1998 up to present time. In addition to that Dr. Abadi chaired several Councils, Council of the Rehabilitation of Preachers and Imams, Council of Islamic Charity-Zakah and others. Prior to that Dr. Abadi was the President of Al Al-Bayt University. Dr. Abadi was appointed as the Minister of Awqaf "Endowments", Islamic Affairs and Holy places for several times during the years 1993-2005. Dr. Abadi worked also as the General Director of the Orphans Funds Management and Development Corporation. Before he worked in the Ministry of Awqaf, Dr. Abadi was the Dean of Students Affairs, a Chairperson of Dept of Jurisprudence and Legislation in Jordan University. During his career path, Dr. Abadi held many positions such as: Board of Directors Member and Vice President of National Islamic Bank, a Member of the Board of Trustees for Jerash Private University, and Al Al-Bayt University. Dr. Abadi still holds many Positions and Memberships such as: Member in Al Al-Bayt Islamic Thought since 1986, Member in Islamic International Jurisprudence Assembly as a representative of Jordan since its foundation in 1983 and Vice President until 1989, and he was re-elected as vice president in 2006, a Member of the Islamic Jurisprudence Assembly Associated with International Islamic Union in Mecca in 2004. Dr. Abadi also participated in many public and scientific missions, Islamic conferences, academic seminars, and supervised and paneled several PHD and MA dissertations in several Jordanian Universities. Dr. Abadi has numerous numbers of Publications, Articles and Researches, which include a very important Publication, (Property) in Islamic Shari'ah. Dr. Abadi received his PHD and Master degree in comparative Jurisprudence from Al-Azhar University, Higher Diploma in Islamic History-University of Cairo, and a Bachelor degree in Islamic Shari'ah from Damascus University.

Dr. Sheikh Izziddin Al-Khatib Al-Tamimi

His Eminence Sheikh Izziddin Al-Khatib Al-Tamimi is currently a Senator Member in the Parliament and a Member of Shari'ah Advisory Committee of Islamic International Arab Bank. Prior to that, since September 1993 he has been appointed as The Supreme Judge along with his position as the Advisor to his Majesty the King for Islamic Affairs which he fulfilled until November 20, 2005, in addition to his position as the Chairman of The Board of Directors of Orphans Funds Management and Development Corporation. Prior to that his Eminence was appointed as a Minister of Awqaf "Endowments", Islamic Affairs and Holy Places two times. His Eminence Sheikh Izziddin worked for more than 20 years in the Ministry of Awqaf "Endowments",

Offering Memorandum of IIAB PCC Ltd

Islamic Affairs and Holy Places and was appointed as the Director of Preaching and Guidance for 13 years, after that he was appointed as the Deputy of the Minister for 7 years. His Eminence Sheikh Izziddin still holds the following positions: Chairman of the Board of Trustees of Al Al-Bayt University, Member of The Board of Trustees of the Hashemite Jordanian Charitable Organization, Member of the Board of Trustees of Al Al-Bayt Foundation, Member of the Royal Committee for Human Rights, Chairman of the Legal Opinion Providing Council and Deputy Chairman of The Council of Education. Furthermore, in the field of scholarly production, his Eminence has written more than 20 books and has participated in numerous Islamic conferences. His Eminence joined the faculty of Shari'ah at Al-Azhar Al-Sharif and received the Scholarly Certificate along with the license in the Shari'ah Judiciary.

In particular, the Shari'ah Board shall be responsible for the following activities:

- (i) studying and reviewing each Fund's investment objectives and policies to ensure their compliance with Shari'ah;
- (ii) advising the Company regarding compliance with Shari'ah;
- (iii) determining appropriate guidelines for the selection of companies in whose securities each Fund may invest;
- (iv) providing appropriate guidelines for purification deductions;
- (v) monitoring the underlying investments against the Shari'ah guidelines prescribed to the Investment Adviser; and
- (vi) providing an opinion on the Fund's compliance with Shari'ah for inclusion in the Company's audited annual financial report.

The Directors shall ensure that any written recommendations of the Shari'ah Board to liquidate investments in accordance with the requirements of Shari'ah shall be timely implemented by or on behalf of the Company and its Funds.

THE MANAGER

The Directors of the Company, details of whom are set out in the section above, are responsible for the Company's investment policy and the supervision of its implementation. Under the terms of the Management Agreement described on page 34 Arab Bank Fund Managers (Guernsey) Limited (the Manager) has been appointed by the Company to perform the day-to-day management of the Company's investments. The Manager was incorporated in Guernsey on 19th April 1989 and is, ultimately, wholly owned by Arab Bank plc, a corporation incorporated in Jordan. Arab Bank plc became one of the first Arab-owned commercial banks when it was established by Abdul Hamid Shoman in Jerusalem (then Palestine) in 1930. Its global network covers the Middle East, Europe, North America, Africa, the Far East and Australia.

The Directors of the Manager are those of the Company, details of whom are set out in the section above, plus Matthias Oettli and Wulf Haasner. The registered address of the Manager is set out in the Directory on page 6.

Under the terms of an Administration and Secretarial Agreement, the Manager has delegated the day-to-day administration of the Company to the Administrator. The Manager may also delegate its investment advisory and/or investment management duties to any one or more investment advisers or investment managers, as detailed in the relevant Fund Particulars.

Details of the fees payable by the Company to the Manager (and to any of its delegates) in respect of each Fund are set out in the Fund Particulars issued in respect of each Fund.

The Manager is permitted to trade for its own account in Participating Shares and to satisfy any investors' applications for Participating Shares either from its own holding of Participating Shares or by requesting the Company to create such Participating Shares. Conversely, upon a holder wishing to redeem his Participating Shares, the Manager may acquire such Participating Shares for its own account or alternatively ask the Company to cancel such Participating Shares. Whilst the Manager may only trade in such Participating Shares on a Dealing Day and at prices calculated in accordance with the Articles of Association, it is under no obligation to account to the Company or to any holder of shares in the Company for any profit it makes on the issue of Participating Shares or the re-issue or cancellation of Participating Shares which the Manager has purchased. Such prices shall be the same as those available for direct subscriptions and redemptions.

Offering Memorandum of IAB PCC Ltd

THE ADMINISTRATOR AND SECRETARY

The Manager has appointed Legis Fund Services Limited to act as Administrator to the Company pursuant to the Administration and Secretarial Agreement described on page 37. In addition to its appointment as administrator to the Company, the Administrator has been appointed pursuant to the Administration and Registrar Agreement described on page 35 by the Company to act as Secretary of the Company and by the Custodian to act as registrar to the Company.

The Administrator, Legis Fund Services Limited was registered in Guernsey on 19 October 1988 and is a wholly owned subsidiary of Legis Group Limited, a company incorporated in Guernsey. The Administrator's registered office is at 1 Le Marchant Street, St Peter Port, Guernsey, GY1 4HP.

The Administrator is licensed by the Commission under the provisions of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 to conduct certain restricted investment activities in relation to collective investment schemes.

The Administrator is responsible inter alia for processing subscriptions for, conversions and redemption of, Shares, preparing valuations of each Fund and calculating Dealing Prices and maintaining the accounts and records of the Funds and for acting as company secretary to the Company. The function of registrar of the Company in respect of the Funds was delegated by the Custodian to Legis Fund Services Limited as administrator of the Funds.

The Administrator is required to operate a client money account in respect of money received from subscribers or payable to redeeming investors, such account will not be interest bearing but may constitute a murabaha account earning shari'ah compliant yield.

The fees of the Administrator are set out in the Fund Particulars issued in respect of each Fund. The Administrator is not separately remunerated for its roles as Secretary and Registrar to the Company.

THE CUSTODIAN

Butterfield Bank (Guernsey) Limited has been appointed by the Company under the terms of the Custodian Agreement described on page 34 to act as Custodian and to hold in safekeeping the assets of the Company and of each Fund. The Custodian is a company incorporated with limited liability in Guernsey on 26 July 1989, having its registered office at Regency Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 3AP. The Custodian is licensed by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law 1987 to carry on the business of a trustee of a Collective Investment Scheme.

The Custodian is a bank licensed by the Commission under the provisions of the Banking Supervision (Bailiwick of Guernsey) Law, 1994 and is also licensed to engage in certain investment activities, including acting as custodian of investments, in relation to collective investment schemes and general securities. The Custodian had an issued and fully paid-up share capital of £38.75 million and had approximately US\$5.7 billion in assets under custody, as at 31 December 2005. The principal activities of the Custodian include the provision of banking, safe-custody and trustee services to private and corporate clients. The ultimate holding company of the Custodian is The Bank of N.T. Butterfield & Son Limited, a company incorporated in Bermuda.

The Custodian may appoint sub-custodians to hold the assets of the Company. The Custodian will exercise reasonable skill, care and diligence in the selection, appointment and monitoring of such sub-custodians and will be responsible to the Company, for the duration of any agreement with a sub-custodian for satisfying itself as to the ongoing suitability of the sub-custodian to provide custodial services to the Company.

The Custodian will maintain an appropriate level of supervision over any sub-custodian and will make appropriate enquiries periodically to confirm that the obligations of any sub-custodian continue to be competently discharged. The Custodian will at all times remain responsible to the Company for any acts or omissions of any sub-custodian but will not be liable for any loss occasioned by reason only of the liquidation, bankruptcy or insolvency of such sub-custodian.

The Custodian shall not be removed or be entitled to retire except in circumstances where a replacement custodian having the qualifications required by the Articles to be custodian of the Company has agreed so to act.

The fees of the Custodian are set out in the Fund Particulars issued in respect of each Fund.

Offering Memorandum of IIAB PCC Ltd

THE REGISTRAR

The Administrator has been appointed by the Custodian pursuant to the Registrar Agreement described on page 35 to act as registrar of the Company.

The Register may be inspected during normal business hours at the office of the Administrator, which is at 1 Le Marchant Street, St. Peter Port, Guernsey, Channel Islands.

CONFLICTS OF INTEREST

The Manager, the Administrator, the Custodian and any of their directors, holding companies or subsidiaries of such holding companies ("Associated Persons") may deal with the Company as beneficial owner on the sale or purchase of investments to or from the Company as principal only in accordance with the Class B Rules.

Notwithstanding the foregoing, the Manager, the Administrator and the Custodian and any of their Associated Persons may deal in any investments upon their individual account notwithstanding that similar investments may be held by the Company, may become the owner of Participating Shares and may hold, dispose or otherwise deal with the same as they think fit and may deal with the Company as agent provided that any such dealings are on terms no less favourable to the Company than could reasonably have been obtained had the dealing been effected with an independent third party and may charge and retain a commission or fee in respect of any such dealing provided such fee or commission is not in excess of rates commonly payable in respect of such dealings.

The services of the Directors, the Manager, the Administrator and the Custodian are not exclusive and each such party is free to render similar services to others, so long as the services to be performed by it are not impaired thereby, and to retain for its own use and benefit all fees or monies payable thereby.

None of the Directors, the Manager, the Administrator, the Custodian, nor any Associated Person is under any obligation to offer investment opportunities to the Company or share with the Company or inform the Company of any such transaction. If any Director or the Manager, the Administrator or the Custodian faces a conflict of interest it is required to disclose, to the extent it is able to do so, the conflict to the Company in giving its advice or rendering their services. Each will also use reasonable endeavours to ensure that such conflict will not have a material adverse effect upon the economic interests of the Participating Shares.

The Directors will endeavour to ensure that any conflicts of interest that may arise will be resolved fairly and will take into account the best interests of the Company and its Participating Shareholders.

Offering Memorandum of IAB PCC Ltd

INVESTMENT OBJECTIVE AND POLICY

The investment objective and policy of each Fund is set out in the Fund Particulars issued in respect of each Fund.

GENERAL INVESTMENT RESTRICTIONS

The Articles do not contain any restrictions on the investment of the Company's assets, save that the Directors must act only in accordance with Islamic Shari'ah. Participating Shares in the Company are intended for Islamic Investors. The business of the Company, and of the respective Funds, shall at all times be conducted in a manner that complies with written guidelines related to Islamic Shari'ah criteria furnished by the Investment Adviser.

While each Fund's activities shall at all times comply with Sharia guidelines, the applicable restrictions will vary based on the nature of the relevant Fund's activities. The requirements of Shari'ah are broadly that it is not permissible to pay or receive interest, although the receipt and payment of dividends from certain equity securities is acceptable. Other activities, as set forth in the relevant Fund Particulars, are also not permissible.

Moreover, it is not permitted for any Fund of the Company to invest directly into any other Fund of the Company but nothing contained herein or in any Fund Particulars shall prevent any Fund from investing in the same investment as may be held in the portfolio of any other Fund of the Company subject to, for the purposes of these restrictions, the holdings of the Company shall be the aggregate of the holdings of all the Funds.

The investment objective and policy applicable to each Fund is set out in the Fund Particulars issued in respect of the relevant Fund.

If, as a result of market appreciation, depreciation, or redemption activity the value of any investment shall breach the limits set out in the relevant Fund Particulars, the Manager shall take such permitted actions as are necessary to ensure that, so far as is reasonably possible, the position is regularised within 30 days of the Manager being made aware of the occurrence of the breach.

NO BORROWING

Borrowing with interest is prohibited under the Company's investment policy, and accordingly the Directors do not intend that the Company will borrow money in the name or on behalf of any Fund.

Offering Memorandum of IIAB PCC Ltd

RISK WARNINGS

These risk warnings set out below are noted for your protection and should be read and carefully noted together with any specific risk factors associated with any relevant Fund set out in the relevant Fund Supplement. If you are in any doubt about the contents of this document or whether investment in the Company is a suitable investment for you, you should consult your stockbroker or other financial adviser authorised to provide independent advice on the acquisition of Participating Shares. Unless you fully consider and understand the risks of investments you should not invest in the Company's Participating Shares.

- Realisation of Investment

Investment in the Participating Shares should be viewed as a medium to long term investment. Participating Shares may not be redeemed otherwise than on any Dealing Day. The Participating Shares of the Company are not listed on any stock exchange and it is not anticipated that there will be any secondary market in the Participating Shares.

- Currency Risk

Investments acquired by the Funds of the Company may be denominated in currencies other than the Base Currency of the investing Fund and currency fluctuations may result in a loss being sustained by the Fund. Although the Manager will seek to manage the Company's foreign exchange positions, there is no assurance that this can be performed effectively. The costs, expenses and profits of currency hedging may affect the Manager's ability to manage the portfolios of the Funds and will also contribute to changes in the value of the portfolios themselves.

Currency hedging may give rise to cash payments to counterparties for hedging contracts. To the extent that such payments are significant, the Manager may be obliged to realise part of that Fund's portfolio in order to fund such payments. Underlying assets may be relatively illiquid and redemption charges may be incurred on such realisations. In addition, asset realisation decisions may be affected unduly by the short-term ease or difficulty of their redemption.

- Interest Rate Fluctuations

The prices of securities tend to be sensitive to interest rate fluctuations. Unexpected fluctuations in interest rates could cause the corresponding prices of adopted positions to move in directions which were not originally anticipated.

- Other Instruments and Future Developments

Subject to the provisions of Sharia law, the Funds may take advantage of opportunities with respect to certain other "synthetic" or derivative instruments which are not presently contemplated for use by the Fund or which are currently not available, but which may be developed, to the extent such opportunities are consistent with the investment objective of the Fund. Special risks which are not detailed herein or within the relevant Fund Particulars may apply to such future investments.

- Investment Management and Market Risk

The success of each Fund's investment programme is significantly dependent upon the expertise of the Manager and its ability to initiate and monitor the investment strategy of each Fund and the performance of any adviser which the Manager may appoint. The past performance of the Company or of funds managed by the Manager is not necessarily indicative of the future performance of a Fund.

The securities markets have, in recent years, been characterised by increased volatility and unpredictability. Investors should note that there is always some, and occasionally a significant, degree of market risk. Certain of the Company's Funds may operate a more volatile strategy than other Funds and these additional risks are set out in the relevant Fund Particulars.

- Unregulated Securities Markets

Investing in securities domiciled or operating in one or more unregulated environments involves considerations and possible risks not typically involved in investing in securities of companies domiciled and operating in more regulated environments. Unregulated securities markets may be less liquid, more volatile and less subject to governmental supervision than in more regulated environments. Investments in securities of companies or funds in unregulated environments could be effected by other factors not present in regulated environments, including lack of uniform accounting, auditing and financial reporting standards, potential difficulties in enforcing contractual obligations and uncertainty with regard to the ownership of assets.

- Difficulty in Locating Suitable Investments

Although the Investment Adviser may have been successful in identifying suitable investments in the past, they may not be able to do so in the future and may not be able to find a sufficient number of attractive opportunities to meet their investment objectives or to generate returns for Shareholders.

Offering Memorandum of IAB PCC Ltd

- Cross Portfolio Liability

The Company has been constituted as a protected cell company under the Ordinance. A protected cell company is a multi-cellular company whose principal feature is that each cell has its own distinct assets which are not available to creditors of other cells of that company or the company as a whole.

Jurisdictions other than Guernsey may not be prepared to accept that creditors of a particular cell are prevented from gaining access to the cellular assets of other cells, or that creditors of the company as a whole do not have access to those assets specifically designated as cellular assets. In order to minimise this risk (i) service providers to the Company will generally be required to agree that their fees will be paid solely from the assets of the particular Fund to which the services relate and (ii) each Shareholder will be required to agree when subscribing for Participating Shares that any liability to the Shareholder will be satisfied only out of the particular Fund to which the liability relates. However, a court could determine that such agreements are not enforceable. Further, because the Ordinance is relatively newly enacted law, it has not yet been tested in the courts and there can be no assurance that foreign jurisdictions will apply the same principles.

- Realisation of underlying assets

Any substantial redemption transfer or sale of Participating Shares may require the relevant Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Fund and of the Participating Shares. The ability of a Fund to liquidate its investments at prices reflecting the Net Asset Value of that Fund will also depend on the nature of those investments, some of which may be illiquid or at least traded at a different time to the Fund's Dealing Day. The Manager shall exercise discretion with regard to the desirability of realising more than 5% of the asset of each Fund (or such greater percentage as may be detailed in the relevant Fund Particulars) on any one dealing day and investors should read carefully the redemption terms in this document and the Fund Particulars of the relevant Fund in this respect.

In the event that the Shari'ah Board advises that an investment has breached any applicable Shari'ah guidelines, a purification of the investment will be implemented by whatever means necessary or suggested by the Shari'ah Board including, for example, the sale of the investment at a loss or the donation of any profits to charity.

- Economic conditions

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, physical and diplomatic events and trends, tax laws and other factors can substantially and adversely effect the Company's prospects.

- Other Risks

Prospective investors should be aware that the principal investment amount of their investment in a Fund is not guaranteed and that the value of Participating Shares and the income (if any) from them can go up and down. Past performance is not a guarantee of future performance and investors may not recover the full or any amount of the sum initially invested. The market price of a Fund's investments can fluctuate and there is no guarantee that the market price realised for Participating Shares will reflect fully their underlying net asset value at the time of a request for a subscription redemption transfer or sale.

If the actual expenses payable by a Fund exceed those estimates outlined in this document then the return to Shareholders may be adversely affected.

A non-exhaustive list and explanation of additional risks (if any) that are specific to particular Fund, will be set out in the relevant Fund Particulars.

Offering Memorandum of IIAB PCC Ltd

TAXATION OF THE COMPANY AND SHAREHOLDERS

The taxation of the income and capital gains of the Company will be subject to the fiscal laws and practice of the various countries in which the Company invests. The Directors intend to conduct the affairs of the Company in such a manner so as to minimise, as far as they consider reasonably practicable, taxation suffered by the Company. The following summary relates only to the taxation of the Company in Guernsey and the United Kingdom and is based on the taxation law in force at the date of this document.

Investors and prospective investors should consult their professional advisers on the tax consequences of acquiring, holding, disposing of, transferring or redeeming Participating Shares which will depend upon their country of citizenship, residence, ordinary residence or domicile.

TAXATION OF THE COMPANY IN GUERNSEY

The following is based on the Company's understanding of and advice received on certain aspects of the law and practice currently in force in the Guernsey.

The Company has been granted exemption from income tax in Guernsey under The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989. Under the provisions of the Ordinance the Company pays an annual fee to the Guernsey Income Tax Authority which is currently fixed at £600 but will not be liable to Guernsey Income Tax. It is the intention of the Manager to conduct the affairs of the Company so as to ensure that it retains such exempt status which is granted on an annual basis. It is a condition of the exemption that no investment or other property situated in Guernsey, other than a relevant bank deposit or an interest in another body to which an exemption from tax has been granted, is acquired or held.

On 25 November 2002, the Advisory and Finance Committee (now the Policy Council) of the States of Guernsey (the Government) announced a proposed framework for a structure of corporate tax reform within an indicative timescale. At the end of September 2005, the Fiscal and Economic Policy Steering Group published a second consultation document on Guernsey's future economic and taxation strategy. That document confirmed the earlier recommendation that the general rate of income tax paid by Guernsey companies would be reduced to 0 per cent. in respect of tax year 2008 and subsequent years. The changes are not expected to have any material impact upon the Company. No further changes are proposed that would impact upon the position of non-Guernsey resident holders of Participating Shares. Such holders will not be subject to Guernsey tax on the redemption or disposal of their holding of Participating Shares.

Guernsey does not levy taxes upon capital inheritances, capital gains (with the exception of a Dwellings Profit Tax), gifts, sales or turnover, nor are there any estate duties.

Document duty is payable on the creation or increase of authorised share capital at the rate of one half of one per cent up to a maximum of £5,000. No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of shares.

THE UNITED KINGDOM

The following is based on the Company's understanding of and advice received on certain aspects of the law and practice currently in force in the United Kingdom. There can be no guarantee that the tax position or proposed tax position at the date of this document or at the time of an investment will endure indefinitely.

The Directors intend that the affairs of the Company should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a branch or agency situated therein that constitutes an assessable "UK representative" for United Kingdom taxation purposes, the Company will not be subject to United Kingdom corporation tax on its income and capital gains. The Directors intend that the respective affairs of the Company are conducted so that no such assessable "UK representative" will arise insofar as this is within their respective control, but it cannot be guaranteed that the conditions necessary to prevent any such "UK representative" coming into being will at all times be satisfied.

Offering Memorandum of IAB PCC Ltd

SHAREHOLDERS

Shareholders should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, or disposing of Shares under the relevant laws of the jurisdiction to which they are subject, including the tax consequences and any exchange control requirements.

Guernsey does not, at present, levy capital gains tax (with the exception of a dwellings profit tax) and, therefore, neither the Company nor any non-Guernsey resident shareholders will suffer any tax in Guernsey on capital gains. Payments made by the Company to non-Guernsey resident shareholders, whether made during the life of the Company or by distribution on the liquidation of the Company, will not be subject to Guernsey tax. Whilst the Company is no longer required to deduct Guernsey income tax from dividends on any participating share (if applicable) paid to Guernsey residents, the Company is required to make a return to the Administrator of Income Tax, on an annual basis, when renewing the Company's exempt tax status, as described above, of the names, addresses and gross amounts of income distributions paid to Guernsey resident shareholders during the previous year.

The Company will not be regarded as an undertaking that is equivalent to a UCITS authorised in accordance with EC directive 85/611/EEC for the purposes of the bi-lateral agreements entered into by Guernsey with EU Member States with the result that, where the Company's paying agent (as defined for these purposes) is located in Guernsey the paying agent would not be required to retain tax from, or exchange information regarding; distributions made by the Company, and/or the proceeds of the sale refund or redemption of shares in the Company.

Offering Memorandum of IIAB PCC Ltd

DEALING PROCEDURES

ISSUE OF PARTICIPATING SHARES

Participating Shares of each Fund will normally be issued at the prevailing Subscription Price (plus any applicable Initial Charge) on the Dealing Day for the relevant Fund. The application procedures are described in further detail in the section entitled "Application Procedures" in the Fund Particulars issued for each Fund.

Applications for Participating Shares are irrevocable once received by or on behalf of the Company. The Manager may, at its discretion, refuse to accept any application. It will refuse an application from any investor who fails to provide the information required by the Administrator in accordance with prevention of money laundering procedures described below or if an investor fails to complete the Application Form in a manner sufficient to satisfy the Manager as to whether the investor or the person(s) represented by that investor (as the case may be) is a United States person.

Participating Shares will only be issued in registered form. No certificates will be issued. Title to the Participating Shares will be evidenced by entries on the register of members. Shareholders can produce evidence of title to their Participating Shares by requesting the Manager to provide a statement of holdings.

PREVENTION OF MONEY LAUNDERING

Measures aimed towards the prevention of money laundering will require a subscriber to verify their identity to the Administrator.

By way of example, an individual will be required to produce a copy of a passport or identification card duly certified by a public authority, such as a Notary Public, together with evidence of their address such as a utility bill or bank statement. In the case of corporate applicants this may require production of a certified copy of the Certificate of Incorporation (and any change of name), Memorandum and Articles of Association (or equivalent) and the names and addresses of all Directors and/or beneficial owners. The details given above are by way of example only and the Directors reserve the right to request such documentation as they deem necessary to verify the identity of the applicant.

The Administrator also reserves the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator or the Company may refuse to accept the application and the subscription monies.

MINIMUM INVESTMENT AND ADDITIONAL INVESTMENT

The minimum investment and additional investment requirements for each Fund are contained in the Fund Particulars for that Fund.

DEALING DAYS

The Dealing Days for each Fund are contained in the Fund Particulars for that Fund.

VALUATION

The prices of Participating Shares on allotment, redemption and conversion are calculated with reference to the underlying net assets of each Fund of Participating Shares valued as at the time on the Business Day immediately prior to the Dealing Day in respect of a particular Fund as the Directors determine from time to time in respect of each Fund, or as disclosed in the relevant Fund Particulars from time to time. Details of how Net Asset Value is calculated are set out in the General Information section.

Offering Memorandum of IAB PCC Ltd

SHARE PRICES

The Dealing Prices for subscription and redemption of Participating Shares of each Fund are available from the Manager. The Dealing Prices quoted or published by the Manager will not include any applicable Initial Charge.

Details of how the Dealing Prices are calculated are set out in the General Information section.

It should be noted that the Company has adopted "forward pricing" i.e. Share prices are not calculated until after the closing time for receipt of notice by the Manager for subscription, conversion or redemption of Shares. As a result, investors will not be advised of the prices at which they have dealt until after the relevant transaction has been completed.

CONVERSION OF PARTICIPATING SHARES

Subject to notice being received by 3.00 p.m. Guernsey time on the Business Day before conversion is to take place, shareholders may instruct the Manager to convert on any Dealing Day their holdings of Participating Shares from one Fund into another. Such conversion will be made at the relevant Dealing Prices in respect of the relevant Funds. Although no Initial Charge will be made on conversions between different Funds, the Manager may deduct at its discretion, from the existing holding, a conversion fee not exceeding US\$50 to cover administration costs. Details on the procedure for conversion are contained in the Fund Particulars issued for each Fund. The Articles make provision for the formula to be used on conversion and this is summarised in the General Information section on page 25.

Fractions of Participating Shares will be issued where, on conversion, the number of Participating Shares of the new Fund to be allotted is not a whole number.

A conversion notice, once given, may not be subsequently withdrawn.

REDEMPTION OF PARTICIPATING SHARES

The redemption procedures for each Fund are contained in the Fund Particulars for that Fund.

COMPULSORY REDEMPTION

If the value of the net assets of the Company at any time after the first anniversary of the date of registration of the Company shall, on each Dealing Day within a period of 12 consecutive weeks, have been less than US\$10 million (or its relevant currency equivalent), the Company may redeem all the Participating Shares of the Company then in issue at the relevant Redemption Price. Notwithstanding the above, in the event that on each Dealing Day within a period of 12 consecutive weeks the Net Asset Value of a particular Fund has been less than US\$2.5 million (or its currency equivalent) the Directors may determine to compulsorily redeem all Participating Shares in the relevant Fund.

All Participating Shares not previously redeemed will be redeemed by the Company on the last Dealing Day in December 2088, at the respective Redemption Prices ruling on the Dealing Day in question.

SUSPENSION OF VALUATION AND DEALING

The Directors may, however, suspend valuation of a Fund if, inter alia, circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable for the Company to realise or to dispose of investments in the relevant Fund or fairly to determine the value of the net assets of such Fund or if a breakdown occurs in any of the means normally employed to ascertain such value. No Participating Shares of the Fund so affected will be issued, redeemed or converted during such a suspension.

Offering Memorandum of IIAB PCC Ltd

CHARGES AND FEES

INITIAL CHARGE

The Directors may require payment to the Manager of an Initial Charge upon the issue of Participating Shares for each Fund as may be specified in the Fund Particulars issued for that Fund.

FEES

The fees applicable to each Fund are contained in the Fund Particulars issued in respect of that Fund. Each Fund bears any transaction costs involved in the purchase and sale of its underlying assets and its pro rata basis share of the Company's continuing expenses.

The Manager is responsible for the fees and expenses of any adviser it appoints pursuant to the Management Agreement (including the fees of any investment and/or Shari'ah advisers).

EXPENSES

The Company will bear and apportion its expenses as set out below. Where such expenses are attributable to a particular Fund they will be charged to such Fund. Fund specific expenses are set out in the Fund Particulars issued for each Fund. Where such expenses are not attributable to any particular Fund, they shall be apportioned between the Funds to which they are attributable pro rata to their respective Net Asset Values.

- (i) The costs of dealing in the investments of the Fund.
- (ii) Taxation, corporate fees and governmental charges and duties payable in respect of the investments of the Funds and the issue and redemption of Participating Shares.
- (iii) Any costs incurred in modifying the principal documents by which the Company is constituted or to which it is a party, unless such modification is solely for the benefit of the Manager.
- (iv) Any costs incurred in respect of meeting of shareholders and issuing notices, circulars, reports and accounts to and otherwise communicating with shareholders.
- (v) The fees of the Commission and any regulatory authority in a country or territory outside Guernsey in which Participating Shares in the Company are or may be marketed.
- (vi) The costs incurred in printing and publishing this Offering Memorandum, Fund Particulars and any amendments to those documents and the Annual and Interim Reports.
- (vii) The out of pocket expenses of the Custodian in performing its duties including in convening a meeting of shareholders convened by the Custodian alone.
- (viii) Expenses (other than the Administrator's remuneration) incurred in keeping the Register of shareholders.
- (ix) Expenses incurred in the preparation of the printing of certificates, tax vouchers, warrants, proxy cards and contract notes.
- (x) Fees and expenses of the Directors are paid by the Company and the fees applicable to each Fund are detailed in the Fund Particulars. Additional Fees will become payable upon the creation of new Funds and, if the Directors projections for the creation of new Funds within the near future are realised, the Directors fees paid by the Company will not exceed in aggregate £80,000 per annum.
- (xi) The cost of insurance permitted to be purchased by the Company by the Articles including the cost of Directors' and Officers' insurance.
- (xii) Fees and expenses incurred in publishing the net asset value and/or prices of Participating Shares.

Offering Memorandum of IAB PCC Ltd

- (xiii) All professional and accounting fees (other than in respect of investment advice and management) including those relating to taxation.
- (xiv) Expenses incurred in respect of insurance and safe custody of documents of title and the registration of title in the name of the Custodian, its nominee or the Company.
- (xv) Expenses incurred in the collection and distribution of income.
- (xvi) Expenses incurred by the Manager, the Administrator and the Custodian (or their delegates) in respect of communications made in the course of carrying out their duties.
- (xvii) All other out of pocket expenses incurred by the Manager, the Administrator and the Custodian (and their delegates) in carrying out their duties including but not limited to:
 - (a) the costs of dealing in the property of the Company;
 - (b) taxation and duties payable in respect of the property of the Company and the issuance of Participating Shares;
 - (c) the fees and expenses of any consultants to the Company appointed with the approval of the Manager and the Custodian, such expenses to include the expenses of Sharia advisors who consider it necessary to attend meetings of the Company or its Board;
 - (d) formation expenses of the Company relating to any new Fund which may be established which will be amortised and borne by the relevant Fund over its first accounting period;
 - (e) the costs of translating documentation and of obtaining legal and tax advice in connection with the foreign marketing of the Fund;
 - (f) the costs incurred in publishing and distributing information concerning the Company on the internet;
 - (g) fees and expenses arising from registering the Company in foreign countries or territories;
 - (h) the estimated amount of expenses of the issue, and the application for listing on the CISX estimated at US\$80,000; and
 - (i) the costs of obtaining and maintaining a listing on any Stock Exchange.

Offering Memorandum of IIAB PCC Ltd

DIVIDENDS POLICY

DISTRIBUTION OF INCOME

The Distribution policy, if any, for each Fund is contained in the Fund Particulars for that Fund. It must be noted that it is NOT the intention of the Directors to apply to the UK Authorities for distributor fund status.

REINVESTMENT OF DIVIDENDS

The cash distribution/dividend policy applicable to each Fund is contained in the relevant Fund Particulars, and where applicable, investors wishing dividends to be reinvested in further Participating Shares should complete the appropriate box in the Application Form. Dividends will normally be reinvested in the same class of Participating Shares. Where a conversion is effected which reduces a Shareholder's entitlement to a particular class of Participating Shares to nil and subsequently a dividend is paid in respect of the holding which was subject to conversion, unless contrary written instructions have been received, such dividend will be reinvested in whichever is the largest class holding by value at reinvestment. No Initial Charge will be made in relation to dividends reinvested. Any dividends so reinvested will be paid out of the Company's bank account and then will automatically be invested on the Shareholder's behalf in Participating Shares of the appropriate class on the Subscription Day next following receipt of the dividend.

Investors who become resident in the United Kingdom for tax purposes are liable to United Kingdom tax or corporation tax on dividends, whether distributed or reinvested.

All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a Participating Share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of six years from the date of declaration shall be forfeited and shall revert to the Company.

REPORT AND ACCOUNTS

The Company's financial year ends on 31st December. Copies of the audited accounts of the Company made up to 31st December in each year will be sent to Shareholders at their registered addresses within six months of such year end. Shareholders will also normally be sent by the end of each year a half yearly report as at the end of the preceding June.

The Company's statutory accounts consist of a revenue account and a balance sheet expressed in US dollars. For the convenience of investors, separate revenue accounts, balance sheets and details of investment portfolios will be produced in respect of each Fund.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held in Guernsey each year and due notice thereof will be sent to Shareholders in accordance with the Articles.

Offering Memorandum of IAB PCC Ltd

GENERAL INFORMATION

This section contains general information on the Company and its capital structure and includes summaries and/or extracts from certain of the provisions of the Articles which should be consulted for the full text of these provisions and details of the full meaning of the relevant definitions.

INCORPORATION

The Company was incorporated in Guernsey under the provisions of the Companies Law as a limited company on 24th December 2007 with registered number 48260.

MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company is established as a protected cell company for the purposes of the Ordinance. The principal object for which the company is established is to carry on business as an investment company. The principal objects of the Company are set out in full in Clause 3 of the Memorandum of Association of the Company. No amendment may be made to the Memorandum and Articles of Association of the Company without the approval of a special resolution of the holders of Participating Shares.

AUTHORISED SHARE CAPITAL

As at the date of this document the authorised and issued share capital of the Company was as follows:

Authorised Share Capital	Issued Share Capital	Par value
1,000 Management shares	1,000	US\$1.00
100,000,000 Unclassified Shares	None	US\$0.01

The Unclassified Shares may be issued as Participating Shares of a Fund or as Nominal Shares. At a general meeting every holder of Management Shares present is entitled to one vote. The 1,000 Management Shares have been issued to the Manager and its nominee.

Application has been made to the CISX by way of an offer for subscription of up to 5,000,000 Participating Shares to be admitted for listing on the CISX.

The entitlement of each holder of Participating Shares to participate in the scheme property is pro-rata to the number of Participating Shares held by that holder in the Fund to the number of Participating Shares in issue of the Fund at any one time. All shares will be issued in registered form. Certificates will not be issued.

The rights attaching to the various classes of share capital of the Company are set out below.

ALTERATION OF CAPITAL

The Company may at any time by ordinary resolution increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.

The Company may by special resolution from time to time alter (without reducing) its share capital by:

- (i) consolidating and dividing all or any of its share capital into shares of a larger amount than its existing shares; and
- (iii) subdividing all or any of its shares into shares of a smaller amount than is fixed by the Memorandum of Association; and
- (iv) cancelling any shares, which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner subject to any confirmation or consent required by the provisions of the Companies Law.

Offering Memorandum of IIAB PCC Ltd

MANAGEMENT SHARES

The Management Shares have been created so that Participating Shares may be issued. Management Shares may only be issued to and held by the Manager. To qualify as Redeemable Participating Shares, the Participating Shares are required under Guernsey Law, to have a preference over some other class of share capital. The Management Shares are not redeemable, carry one vote each on a poll and do not carry any right to dividends.

Assets not attributable to Funds of Participating Shares constitute the non-cellular assets of the Company for the purposes of the Ordinance. In a winding-up, the surplus of any such assets shall be distributed among the holders of Management Shares pro rata to their respective holdings.

PARTICIPATING SHARES

The Company currently comprises two Funds. The Company may create further Funds of Participating Shares for the purpose of protecting and segregating the assets of each such Fund in the manner provided by the Ordinance.

The proceeds from the allotment and issue of each Fund of Participating Shares will be applied in the books of the Company to the fund established for the relevant Fund and the assets, income, earning, liabilities, expenses and costs attributable thereto are applied to each such Fund.

The Participating Shares carry a right to dividends, if any, declared by the Company in general meeting or by the Directors. Participating Shares entitle each holder, on a poll, to one vote (or fraction thereof) for each Participating Share held. Each Participating Share represents one undivided share in the property of the Fund in respect of which it is issued.

In a winding-up, the cellular assets available for distribution in respect of each Fund shall be applied in repayment of the nominal amount paid up: firstly on Participating Shares and secondly, on Nominal Shares issued in the Fund in question. Any surplus of cellular assets then remaining shall be distributed among the holders of Participating Shares of the Fund in question pro rata to their respective holding in that Fund. A fraction of a Participating Share will rank *pari passu* and proportionately with a whole Participating Share.

NOMINAL SHARES

Nominal Shares may only be issued at par and for the purpose of providing funds for the repayment of the nominal amount of Participating Shares redeemed. They carry no right to dividend. Each holder of Nominal Shares is entitled, on a poll, to one vote irrespective of the number of Nominal Shares held. In a winding-up, holders of Nominal Shares have the right to repayment of paid-up capital only after repayment of the paid-up capital on the Participating Shares.

The Manager is obliged to subscribe for Nominal Shares for cash at par when Participating Shares are redeemed unless the Directors decide that the nominal amount of such Participating Shares is to be redeemed out of profits. Nominal Shares may be converted into Participating Shares by the Manager for sale to investors.

Nominal Shares issued for the purpose of redemption of Participating Shares of a Fund shall constitute Nominal Shares in that Fund and the proceeds of such Nominal Shares shall constitute cellular assets of the Fund in question. Nominal Shares in respect of a Fund may be converted into Participating Shares of the same Fund by the Manager for sale to investors. Such conversion may take place on any Dealing Day provided that the determination of the net asset value for the relevant Fund has not been suspended.

The Directors have resolved that Nominal Shares will only be issued to the Manager.

Offering Memorandum of IAB PCC Ltd

VARIATION OF SHAREHOLDER RIGHTS

The Articles provide that the rights attached to any class of share (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least three-fourths of the issued shares of that class or with the sanction of a extraordinary resolution passed at a separate general meeting of the holders of the shares of that class. To any such separate class meeting all the provisions of the Articles as to general meetings of the Company shall apply save that:

- (i) the necessary quorum shall be two persons at least holding or representing by proxy not less than one-tenth of the issued shares of the class;
- (ii) every holder of shares (including fractions thereof) of the class shall be entitled on a poll to one vote for every such Share (or fraction of a Share) held;
- (iii) any holder of shares present in person may demand a poll; and
- (iv) if at any adjourned meeting of such holders a quorum as required in (i) above is not present, those holders present shall be a quorum.

The special rights and privileges attached to any class of shares shall be deemed to be varied by:-

- i) any amendment to article 65 or 66 of the Articles;
- ii) by any reduction of issued non-cellular share capital;
- iii) by any merger, reconstruction or amalgamation affecting the Company or its share capital;
- iv) by any discontinuance of or change in the nature of the business of the Company as described in any prospectus or similar document;
- v) in respect of Participating Shares by the creation or issue of any further shares whether now in existence or hereafter created ranking pari passu with or in priority to them as respects participation in the profits or assets of the Company; or
- vi) by any change in the status of the Company as a protected cell company.

The special rights attached to any class of shares having preferred right shall (unless expressly provided by the conditions of issue of such shares) be deemed not to be varied by:

- (i) the creation, allotment, issue, redemption or conversion of further shares ranking pari passu with them;
- (ii) the creation, allotment or issue of Management Shares; or
- (iii) the creation of Unclassified Shares; or
- (iv) the creation, allotment issue or redemption of Participating Shares of any Fund;
- (v) the conversion of Participating Shares of any Fund into Participating Shares of another Fund; or
- (vi) the creation, allotment, issue or redemption of Nominal Shares; or
- (vii) the conversion of Nominal Shares into Participating Shares; or
- (viii) the payment of a dividend on the Participating Shares of any other Fund; or
- (ix) the exercise by the Directors of certain of their discretions under the Articles (including the designation of Participating Shares of any Fund) or, if the Company should be wound up, the exercise by the liquidator of his powers under the Articles; or
- (x) any application for listing or permission to deal in Participating Shares of any other Fund.

The Company is authorised under its Articles to purchase any of its own shares whether or not they are redeemable and may pay in respect of such purchase otherwise than out of its distributable profits or the proceeds of a fresh issue of shares.

Offering Memorandum of IIAB PCC Ltd

PROCEEDINGS AT GENERAL MEETINGS

The Company will hold a general meeting in each year in Guernsey. All other general meetings are called Extraordinary General Meetings. At least fourteen clear days' notice is required for any general meeting. Any of the Custodian, the Manager and the Auditors are entitled to attend and speak at any general meetings of the Company.

Participating Shares entitle holders of such shares to receive notice of and to attend at general meetings of the Company and, on a poll, to one vote for each Participating Share held. Only shareholders entitled to vote, or their proxies, may vote at general meetings of the Company.

At any meeting of shareholders of the Company, resolutions may be passed by a show of hands at the meeting unless a poll is required. A poll of shareholders may be demanded by the Chairman of the meeting or by one or more shareholders holding not less than one-tenth in value of any Participating Shares and/or Management Shares for the time being in issue.

Shareholders representing not less than one-tenth in value of the Participating Shares in issue may request the Directors to convene a meeting.

The quorum for a meeting of shareholders is two shareholders present in person or by proxy.

The Class B Rules provide that a meeting of holders duly convened and held in accordance with the provisions set out in the Articles shall be competent to:

- (i) sanction any modification, alternation or addition to the provisions of the principal documents which shall be agreed by the Custodian and the Manager;
- (ii) approve an amendment to the published investment policy;
- (iii) remove the Manager;
- (iv) remove the Custodian;
- (v) approve an arrangement for the reconstruction or amalgamation of the Company with another body or scheme whether or not that other scheme is a collective investment scheme; or
- (vi) increase the maximum of the Management Fee provided that any such increase shall become effective at a specified date not earlier than 90 days after the date on which the resolution is passed.

CALCULATION OF NET ASSET VALUE

The underlying net assets of each Fund are valued as at the relevant Valuation Point, and shall be equal to the value as at the Valuation Point to all the assets, less all the liabilities, of the Company in respect of the Fund of Participating Shares in question as at such Valuation Point.

The Articles provide that investments of a Fund shall be valued as follows:

- (i) Sharia compliant cash transactions shall be valued at their principal amount plus accrued yield from the date of acquisition;
- (ii) certificates of deposit acquired at their nominal value shall be valued at cost plus accrued yield from the date of acquisition on the nominal value at the yield rate;
- (iii) Sharia compliant Sukuks acquired at a discount or premium to their nominal values and accrued yield at the date of acquisition shall be valued either: a) at their cost plus accrued yield from the date of acquisition on the nominal value at the yield rate, and adjusted by an amount equal to the discount or premium at which they were acquired divided by the number of days unexpired at the date of acquisition and multiplied by the number of days elapsed from the date of acquisition to the date as of which the assets are being valued or, in the Directors' absolute discretion b) the value shall be attained by seeking prices from recognised investment or commercial banks, market makers or brokers;
- (iv) units in collective investment schemes shall be valued by reference to their most recently published net asset value;
- (v) assets listed or quoted on a stock exchange shall be valued at either the bid, offer or middle market price as the Directors shall from time to time determine (and the Directors may determine to use different bases of pricing for different purposes and in different circumstances). All valuations of securities shall be assessed at the latest available prices on the relevant stock exchange at the relevant Valuation Point provided always that if such assets shall be listed or dealt in upon more than one stock exchange the Directors may in their discretion select one of such stock exchanges for the foregoing purposes;
- (vi) the value of any interests in limited partnerships shall, so far as practicable, be made in accordance with the Fund's accounting policies from time to time but subject thereto shall be such as the Directors may decide having regard, inter alia, to such valuations of the net assets of each limited partnership as are available to the Directors;

Offering Memorandum of IAB PCC Ltd

- (vii) subject to paragraph (viii) below the value of any stock or security which is not listed or dealt in on any stock exchange or other market shall, so far as practicable, be made in accordance with the Fund's accounting policies from time to time but subject thereto be such as the Directors may decide having regard to such valuations as may be available to the Directors; and
- (viii) if none of the methods of valuation set out above is appropriate for any investment or if in any case a particular value is not ascertainable as above provided or if the Directors shall having first sought appropriate advice consider that some other method of valuation better reflects the fair value of the relevant investment then in any such case the method of valuation of the relevant investment shall be such as the Directors shall decide having regard to the circumstances and/or the nature of the investment.

Any valuations made pursuant to the Articles shall be binding on all persons. Such valuations will be communicated to the CISX as soon as practicable after calculation.

ISSUE OF PARTICIPATING SHARES

Subject to any resolution of the Company in a general meeting to the contrary, the unissued shares (whether forming part of the original or any increased share capital) shall be under the control of the Directors, who may create new Funds classes or series of Participating Shares therein, issue, allot and dispose of or grant options over the same or fractions thereof to such persons, at such times on such terms and in such manner as they think fit.

The Articles provide that any issue of Participating Shares of a particular Fund shall not be allotted at a subscription price per share of less than a sum calculated by:

- (i) ascertaining the mid-market value of the net assets of the relevant Fund as at the Valuation Point and adding thereto either such sum as the Manager may consider represents the appropriate provisions for all duties, charges and dealing spreads which would be incurred if all assets held by the Company in respect of the relevant Fund were being acquired at the date of such issue or such lesser sum as the Manager may determine;
- (ii) dividing the resultant amount by the number of Participating Shares of the relevant Fund then in issue and deemed to be in issue; and
- (iii) adding, where the Directors so require for the benefit of the relevant Fund, a sum in order to adjust the resultant sum upwards to the nearest whole cent.

Currently the Manager normally intends to exercise its discretion referred to in paragraph (i) above so that the deduction referred to in that paragraph is not normally greater than approximately one per cent of the value of the securities component within the net assets of the relevant Fund as at the Valuation Point (i.e. excluding cash). In circumstances of exception subscription volumes, a full allowance for all duties, charges and dealing spread may be made.

Offering Memorandum of IIAB PCC Ltd

REDEMPTION OF PARTICIPATING SHARE

The Redemption Price of each Participating Share of a particular Fund is determined by:

- (i) ascertaining the mid-market value of the net assets of the relevant Fund as at the Valuation Point;
- (ii) deducting therefrom either: a) such sum as the Manager may consider represents an appropriate allowance for all duties charges and dealing spread which would be incurred if all assets held by the Company were being realized at the date of such redemption, or b) such lesser sum as the Manager may determine;
- (iii) dividing the resultant amount by the number of Participating Shares of the relevant Fund then in issue and deemed to be in issue; and
- (iv) in addition, the Directors may deduct a sum in order to adjust the sum downwards to the nearest whole cent.

Currently the Manager normally intends to exercise its discretion referred to in paragraph (ii) above so that the deduction referred to in that paragraph is not normally greater than approximately one per cent of the value of the securities component within the net assets of the relevant Fund as at the Valuation Point (i.e. excluding cash). In circumstances of exceptional redemption volumes, a full allowance for all duties, charges and dealing spread may be made.

The Articles provide that, in circumstances where the redemption value of Participating Shares presented for redemption on any one Dealing Day exceeds the maximum redemption value (if any) for the cell as noted in the relevant Fund Particulars, the Directors may in respect of any one or more Funds of Participating Shares determine the maximum amount of Participating Shares to be redeemed and, in accordance with the provisions detailed in the relevant Fund Particulars, redemption requests may be drawn by ballot or reduced on a pro rata basis, paying any balance remaining outstanding on the next available Dealing Day(s).

CONVERSION OF PARTICIPATING SHARES

The terms on which all or any part of a holding of Participating Shares of any Fund (the "original Fund") will be converted on any Dealing Day into Participating Shares of another Fund (the "new Fund") either existing or determined to be brought into existence will be determined in accordance (or as nearly as may be in accordance) with the following formula:

$$N = \frac{(K \times RP) - Y}{SP}$$

where:

N is the number of Participating Shares of the new Fund to be issued; and

K is the number of Participating Shares of the original Fund to be converted; and

RP is the Dealing Price per Participating Share of the original Fund ruling on the relevant Dealing Day; and

Y is the conversion charge (if charged) of up to \$50; and

SP is the Dealing Price per Participating Share of the new Fund ruling on the relevant Dealing Day.

The charge, if any, for conversion of Participating Shares to or from Funds shall be as stated in the relevant Fund Particulars.

Offering Memorandum of IAB PCC Ltd

SUSPENSION OF DETERMINATION OF NET ASSET VALUE AND REDEMPTION OF PARTICIPATING SHARES

The Articles provide that the Directors may in respect of any one or more Funds of Participating Shares declare a suspension of the determination as at any Valuation Point of the Net Asset Value in the event, inter alia, that:-

- (i) by reason of the closure of, or the suspension of trading on, any futures exchange money market or securities market or for any other reason circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable at that Valuation Point fairly to determine the Net Asset Value for Participating Shares of the Fund or Funds in question or it is likely that at some time on or before the Settlement Day it will not be reasonably practicable for the Company to realise or dispose of investments held for such Fund or Funds; or
- (ii) a breakdown occurs in any of the means normally employed by the Directors in assessing the value of investments comprised within the relevant Fund.

TRANSFER OF PARTICIPATING SHARES

Subject to such of the restrictions noted below, any member may transfer in writing all or any of his Participating Shares in any form which the Directors may accept.

Participating Shares may not be offered, sold, transferred, acquired or delivered, directly or indirectly, in the United States of America or any of its territories, possessions or areas subject to its jurisdiction or to, or for the account of, a US person at any time without the prior consent of the Board, which consent may be given for a particular transfer or for transfers generally and may be unconditional or subject to conditions.

If it shall come to the notice of the Directors that any person (i) who is a US person (unless such person is a US person who acquired Participating Shares pursuant to a transaction in respect of which the Directors are satisfied is exempt from registration under the US Securities Act of 1933 and state securities laws and that such transaction would not require the Company to register under the US Investment Company Act of 1940) or (ii) who is in breach of any of the laws or regulations of any jurisdiction by virtue of his holding of Participating Shares or (iii) whose ownership of Participating Shares may in the opinion of the Directors and the Manager subject the Company or its shareholders to adverse tax or regulatory consequences or other pecuniary disadvantage. The Directors may service a notice (a "Redemption Notice") upon the person (or any one of such persons where shares are registered in joint names) appearing in the register of members as the holder of the Participating Shares requiring the holder within 14 days (or such extended time as in all the circumstances the Directors shall consider reasonable) to redeem or transfer the relevant Participating Shares to another person who would not cause any of the conditions described in item (iii) above to exist.

If within 14 days after the giving of a Redemption Notice (or such extended time as the Board considers reasonable) the Redemption Notice has not been complied with, the Board may arrange for the Company to redeem the relevant Participating Shares. For this purpose the Board may authorise in writing any officer or employee of the Company to execute on behalf of the Member an irrevocable redemption request in respect of relevant Participating Shares.

Offering Memorandum of IIAB PCC Ltd

DIRECTORS

Unless otherwise determined by the Board, the number of Directors shall be not less than two.

The Directors have the power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election.

No share qualification for Directors is required.

The Directors shall be entitled to such remuneration as may be agreed by the board of Directors up to an aggregate of £80,000 per annum or such higher amount voted to them by the Company in general meeting. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors and of the Company or in connection with the business of the Company.

If any Director, having been requested by the Board, shall render or perform extra or special services for the Company, he shall be entitled to receive special remuneration in such sum as payable in such manner as the Board may think fit in addition to, or in substitution for, any other remuneration which he may be entitled to receive.

A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.

No Director or intending Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested render the Director liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established but the nature of his interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or agreement is first taken into consideration or, if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he becomes so interested.

A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm shall (if the Director shall give the same at a meeting of the Directors or shall take reasonable steps to procure that the same is brought up and read at the next meeting of the Directors after it is given) be deemed a sufficient declaration of interest in relation to any contract or arrangement so made.

Provided that he shall have given notice of his interest as required by the paragraph above, a Director may vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise through the Company and be counted in the quorum at the meeting at which such matter is voted.

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent or more of the issued shares of any class of such company or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of the Articles to be a material interest in all circumstances).

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested the Director may be counted in the quorum for the consideration of such proposals and such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under the paragraphs above) shall be entitled to vote in respect of each resolution except that concerning his own appointment.

The office of a Director shall be vacated in the event that:-

- (i) he resigns his office by notice in writing by him and left at the registered office of the Company;
- (ii) he becomes bankrupt or makes any arrangements or composition with his creditors generally;

Offering Memorandum of IAB PCC Ltd

- (iii) he becomes of unsound mind;
- (iv) he is absent from meetings of the Directors for four successive meetings without leave expressed by a resolution of the board and the Directors resolve that he vacate his office;
- (v) he becomes resident in the United Kingdom and but for the provisions of the Articles a majority of the Directors would not have been resident in the United Kingdom; or
- (vi) he is removed from office by an Ordinary Resolution of the Company in general meeting.

The Directors are not required to retire by rotation or at any specified age.

NO BORROWING POWERS

The Board is not permitted to exercise any powers of the Company to borrow money, to give guarantees nor to mortgage, pledge or charge all or part of its undertaking, property and uncalled capital nor to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company, any one or more Funds, or any third party.

INDEMNITIES AND INSURANCE

Every Director, Secretary, Manager, Auditor, Custodian and other officer or servant of the Company shall (subject to the Ordinance) be indemnified by the Company and it shall be the duty of the Directors out of the assets of the relevant Fund of the Company to pay all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or in any way in discharge of his duties including legal expenses and the amount for which such indemnity is provided it shall immediately attach as a lien on the property of the Company and have priority as between the shareholders over all other claims.

The Articles provide that the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company including insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and discretions and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body.

WINDING-UP PROCEDURE

The Company may be wound up at any time by a Special Resolution passed in accordance with the Companies Laws and the Directors shall call an Extraordinary General Meeting for the purpose of considering a Special Resolution for the winding up of the Company within one month of the authorisation of the Company under the Investors Law being revoked (unless the Commission otherwise directs).

The Company will be wound up in accordance with the Articles of Association of the Company and any applicable Guernsey laws and regulations (including without limitation the Ordinance). In the event that all Participating Shares of the Company are redeemed, the Directors will propose a special resolution that the Company be wound up. The Articles provide that all Participating Shares not previously redeemed shall be redeemed by the Company at the respective Redemption Price calculated on the last Dealing Day in December 2088. As soon as practicable after the Company agrees to be wound up, the Custodian will realise all the property of the Company and, after payment of all liabilities and costs, distribute the proceeds of the realisation to the holders of Participating Shares and the holders of Management Shares in proportion to their respective interests.

Holders of Participating Shares will be entitled to participate to the exclusion of the holders of the Management Shares in the proceeds of assets held for a Fund. Holders of Management Shares are only entitled to participate in the proceeds of non-cellular assets, which are expected to be limited to the value of capital paid up in respect of the Management Shares.

Offering Memorandum of IIAB PCC Ltd

MISCELLANEOUS

- (i) No share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.
- (ii) There are no provisions of Guernsey law which confer pre-emption rights on existing shareholders on the allotment of equity securities for cash.
- (iii) Participating Shares are in registered form. Temporary documents of title will not be issued.
- (iv) None of the Directors nor any connected person has any interest in or entitlement to the share or loan capital of the Company the existence of which is known to, or could with reasonable diligence be ascertained by, the relevant Director.
- (v) None of the Directors has a service contract with the Company, and no such contract is proposed.
- (vi) No loan or guarantee has been granted or provided by the Company to or for the benefit of any Director.
- (vii) None of the Directors nor any member of their respective immediate families has or has had any interest in any transaction or transactions which are or were unusual in their nature or conditions or significant to the business of the Company and which were effected by the Company since its incorporation.
- (viii) The Company is not engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.

MATERIAL AGREEMENTS

The Company has entered into or is a party to the following contracts, which are or may be considered to be material.

- Management Agreement

Pursuant to the Management Agreement between the Company, the Manager and the Custodian dated 31st December 2007, the Manager has been appointed as Manager to the Company. This Agreement provides for a fee payable by the Company out of the assets of the relevant Fund to the Manager and may be terminated by either the Company or the Manager giving twelve months' notice to the other or, subject to the Class B Rules, if for good and sufficient reason the Company and the Custodian are of the opinion (and so state in writing) that a change of Manager is desirable in the interests of the holders of Participating Shares, subject to the right of the Manager to refer the matter to arbitration.

The Management Agreement provides that in the absence of fraud, negligence or wilful default, the Manager shall not be liable in respect of any loss or damage which the Company may sustain or suffer as a result or in the course of discharge by the Manager of its duties thereunder.

The Company indemnifies the Manager (out of the assets of the relevant Fund) and holds it harmless against all claims and demands (including costs and expenses arising therefrom or incidental thereto) which may be made against the Manager or any person in respect of any loss or damage sustained or suffered by any third party, otherwise than by reason of the Manager's fraud, negligence or wilful default.

- Custodian Agreement

Pursuant to a Custodian Agreement between the Company and the Custodian dated 31st December 2007, the Custodian has been appointed as custodian of the assets of the Company. The Custodian Agreement provides for a fee to be payable by the Company out of the assets of each relevant Fund to the Custodian and is terminable by either the Company or the Custodian upon giving three months' notice or in accordance with the Class B Rules.

The Custodian Agreement provides that in the absence of negligence, fraud, wilful default or breach of the Custodian Agreement on the part of the Custodian or any person appointed by it, the Custodian shall not be liable to the Company, any cell or to any shareholder for any loss or damage which the Company, a Fund or any shareholder may suffer arising directly or indirectly as a result of the discharge by the Custodian of its duties thereunder.

The Company indemnifies the Custodian out of the assets of the relevant Fund against all actions, proceedings, claims and demands which may be made against the Custodian in connection with the performance of the Custodian's duties otherwise

Offering Memorandum of IAB PCC Ltd

than as a result of any negligence, fraud, wilful default or breach of the Custodian Agreement by the Custodian or any person appoint by it.

The Custodian shall not be removed or be entitled to retire except in circumstances where a replacement Custodian having the qualifications required by the Articles to be custodian of the Company has agreed so to act.

- Administration Agreement

Pursuant to the Administration Agreement between the Company, the Manager and the Administrator dated 31st December 2007, the Administrator has been appointed to provide administration and secretarial functions to the Company. This Agreement provides a fee to be payable by the Company out of the assets of each relevant Fund to the Administrator and is terminable by either the Company or the Administrator upon giving three months' notice or forthwith in the event of certain material breaches of the Agreement (such breaches not having been remedied within 30 days of the relevant party being required to do so) or the insolvency of a party. This Agreement may also be terminated by the Custodian in accordance with and subject to the Class B Rules.

The Administration Agreement provides that in the absence of fraud, bad faith, negligence or wilful default on the part of the Administrator the Administrator shall not be liable to the Company for any loss or damage arising in connection with the Administrator's services thereunder.

The Company indemnifies the Administrator out of the assets of the relevant Fund against all claims and demands (including costs and expenses arising therefrom or incidental thereto) which may be made against the Administrator in respect of any loss or damage sustained or suffered or alleged to have been sustained or suffered by any third party otherwise than by reason of the fraud, wilful default or negligence of the Administrator.

- Registrar Agreement

Pursuant to the Registrar Agreement between the Company, the Custodian and the Administrator dated 31st December 2007, the Custodian has delegated to the Administrator the registrar function under the Custodian Agreement. The Administrator is not separately remunerated for performance of its duties as Registrar. The Registrar Agreement will continue in force until determined by any party giving the others three months' notice, or forthwith in certain other circumstances including material breach of the Agreement or the insolvency of a party.

The Registrar Agreement provides that in the absence of fraud, negligence or wilful default on the part of the Registrar in the performance of its obligations and functions, the Registrar will not be liable to the Custodian or to the Company for any loss or damage howsoever incurred arising from the performance of the Register's obligations or functions.

- Shari'ah Advisory Agreement

Pursuant to the Shari'ah Supervisory Agreement between the Company, the Manager and each of the members of the Shari'ah Board dated 31st December 2007, the Company has appointed the Shari'ah Board to provide advice in respect of Shari'ah compliance. The Shari'ah Supervisory Agreement will continue until determined by any party giving the others three months' notice.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at and obtained from the registered office of the Manager and Administrator:

- (i) the Offering Memorandum;
- (ii) the Memorandum and Articles of Association;
- (iii) each of the material contracts referred to above;
- (iv) the Companies Law and the Ordinance;
- (v) the most recent Annual Report; and
- (vi) the register of members of the Company.

Offering Memorandum of IIAB PCC Ltd

Offering Memorandum of IIAB PCC Ltd

Offering Memorandum of IIAB PCC Ltd

CONTACTS

Arab Bank plc

Head office

Jordan
P.O. Box 950545
Amman 11195
Jordan
Tel: 00962 (6) 560 0000
Fax: 00962 (6) 560 6793

Bahrain

Manama
P.O. Box 813
Building No. 540/542
Road 1706
Diplomatic Area
Manama 317
Tel: 00973 (1) 754 9000
Fax: 00973 (1) 754 1116

Egypt

Cairo
28 Talaat Harb Street
Cairo
Tel: 0020 (2) 2576 7019
Fax: 0020 (2) 2574 6165

Lebanon

Beirut
P.O. Box 11-1015
Riad El-Solh Square
Banks Street
Beirut 1107 2070
Tel: 00961 (1) 980153
Fax: 00961 (1) 980803

Palestine

Al-Balad
P.O. Box 1481
Ramallah - Al-Balad
Palestine
Tel: 00970 (2) 298 6480
Fax: 00970 (2) 298 6486

Singapore

Singapore
80 Raffles Place
32-20 UOB Plaza 2
Singapore 048624
Tel: 0065 6533 0055
Fax: 0065 6532 2150

United Arab Emirates

Abu Dhabi
P.O. Box 875
Sh. Tahnoun Bin Mohammad
Building, Naser Street
Abu Dhabi
Tel: 00971 (2) 639 2225
Fax: 00971 (2) 621 2370

Dubai

P.O. Box 11364
Al-Ittihad Street
Dubai
Tel: 00971 (4) 295 0845
Fax: 00971 (4) 295 5974

Arab Bank Australia Ltd

Australia

Sydney
P.O. Box N645
Grosvenor Place NSW 1220
Level 9
200 George Street
Sydney NSW 2000
Tel: 0061 (2) 9377 8900
Fax: 0061 (2) 9221 5428

Arab Bank (Switzerland)

Switzerland

Zurich
Claridenstrasse 26
P.O. Box 2023
CH-8022 Zurich
Tel: 0041 (44) 265 7111
Fax: 0041 (44) 265 7330

Geneva

Place Longemalle 10-12
P.O. Box 3575
CH-1211 Geneva 3
Tel: 0041 (22) 715 1211
Fax: 0041 (22) 715 1311

Europe Arab Bank plc

Austria

Vienna
P.O. Box 100
Seilerstätte 11
A-1015 Vienna
Tel: 00431 513 42 40
Fax: 00431 513 42 409

France

Paris
P.O. Box 319
75365 Paris Cedex 08
26 Avenue des Champs Elysées
75008 Paris
Tel: 0033 (0) 1 45 61 60 00
Fax: 0033 (0) 1 42 89 09 78

Cannes

44/47 La Croisette
06400 Cannes
Tel: 0033 (0) 4 93 38 01 01
Fax: 0033 (0) 4 93 99 59 39

United Kingdom

London
73 Brook Street
Mayfair
London W1K 4HX
United Kingdom
Tel: 0044 (0) 20 7315 8600
Fax: 0044 (0) 20 7499 4193



AB PRIVATE BANKING

IIAB PCC LIMITED

ADDENDUM TO THE OFFERING MEMORANDUM DATED 1 DECEMBER 2007

This Addendum forms part of the Offering Memorandum for IIAB PCC Limited, dated 1 December 2007, which should be read as amended by this Addendum.

Change to Sharia Board

New Sharia Board members have been appointed effective as of 7th August 2008. The new Sharia Board members are as follows:

His Eminence Sheikh Professor Dr. Ahmad Mohammed Helayyel

Sheikh Dr. Helayyel is currently the Supreme Judge and Imam (Prayer Leader) of the Hashemite Royal Family, chairman of the Orphans Funds Development Foundation (Jordan), chairman of Islamic Education Curricula Committee at the ministry of Education in Jordan; and vice chairman of the Council of Education (Jordan). He is also member of the Board of Trustees of Aal al Bayt Foundation for Islamic Thought, member of the Foundation Council, Islamic World League, member of the Foundation Assembly, International League for graduates of Al Azhar. Sheikh Dr. Helayyel holds a PhD from Al Azhar University, a Master's degree from Al Azhar University and a Bachelor's degree from the Islamic University in the Madina Munawara. In addition to being a lecturer at the University of Jordan and the International Islamic University in Jordan, Sheikh Dr. Helayyel has issued over twenty research papers (Globalization from an Islamic Perspective, Unity in the Islamic World and History of the Quran). Sheikh Dr. Helayyel participated in many national, regional and international conferences and seminars.

His Eminence Sheikh Abdul Hafeeth As'ad Al Hijjawi

Sheikh Al Hijjawi is currently senior researcher at the Royal Aal al- Bayt Institute for Islamic Thought, prior to that he was the Grand Mufti of the Hashemite Kingdom of Jordan and researcher in the General Fatwa Bureau at the Ministry of Awqaf and Islamic Affairs in Jordan. Sheikh Al Hijjawi participated in many national, regional and international conferences and seminars. He published many research papers (The Book of Hajj, Islamic Waqf and its Role in Serving Society). Sheikh Al-Hijjawi obtained a B.A. in Islamic Sharia from the University of Jordan and a Higher Diploma in Education from the University of Jordan.

Dr. Ahmad Subhi Ahmad Al Ayyadi

Dr. Al Ayyadi is currently Associate Professor of Islamic Studies at Educational Sciences Faculty-UNRWA/Jordan, prior to that he was a lecturer at the University of Yarmouk. Dr. Al Ayyadi has many professional licenses which include religious lawyer permit and chief Islamic justice department. Dr. Al Ayyadi has many publications (Special Policies Governing Simple and Multifaceted Profit Selling in Islamic Economy; Monetary and Financial Policies in Islam Used for Combating Inflation; The Comprehensive Concept of Profit and its Applications in Islamic Banks; Risks of Islamic Investment Means). Dr. Al Ayyadi has participated in many national, regional, and international conferences and seminars. Dr. Al Ayyadi obtained his PhD from Al Quran Al Kareem University, Master's degree from the Yarmouk University and Bachelor's degree from the University of Jordan.

September 2008