



SUPPLEMENTARY INFORMATION

Appendix ARR- (ii)

Prospectus



Prospectus

Change Date	Description of Changes
April 2012	Initial Launch



Appendix ARR-(ii): Prospectus

The prospectus of the CIU must contain the following information as a minimum:

- (a) Constitution of the CIU:
 - (i) Name;
 - (ii) Registered address;
 - (iii) Legal structure;
 - (iv) If in the form of a company, particulars of its capital shareholding structure;
 - (v) Date of incorporation (in the case of a company)/declaration of trust (in the case of a trust);
 - (vi) Place of incorporation;
 - (vii) Duration (if limited); and
 - (viii) Type of CIU (retail, expert, or exempt);
- (b) Details of any tax levied on the income and capital of the CIU, including tax deducted on distributions to CIU participants (if applicable);
- (c) Investment objectives and restrictions:
 - (i) Details of investment objectives and policy;
 - (ii) A summary of the different asset classes that may be held;
 - (iii) The extent to which derivatives, borrowings, leveraging and stock lending may be undertaken;
 - (iv) A summary of the risk management policy, processes and limits structure to be applied;
 - (v) If Sharia compliant, details of how the CIU will achieve Sharia compliance;
- (d) A detailed assessment of the risks that the CIU may incur, and its overall risk profile;
- (e) Relevant parties to the CIU:
 - (i) Names and registered addresses of the Directors or Trustees (as appropriate) of the CIU, including a summary of their professional experience and other positions held;
 - (ii) Names and registered addresses of the operator, fund manager, fund administrator, custodian, placement agent and registrar, in addition to the following information:
 - (1) Legal structure;
 - (2) If a subsidiary, the name of their ultimate holding company and the country or territory where the holding company is incorporated;



Appendix ARR-(ii): Prospectus (continued)

- (3) The address of their registered office;
 - (4) The nature of license held, and the name of the lead regulator; and
 - (5) A description of their principal business activity permitted by virtue of the license held.
 - (iii) The investment advisor (if applicable)
 - 1) Their function;
 - 2) The nature of license held, and the name of the lead regulator (if any);
 - 3) Nature of relationship with other relevant persons of the CIU; and
 - 4) Main terms of any agreement or arrangement between the investment advisor and the operator;
 - (iv) Name and address of the external auditor;
 - (v) In the case of Sharia compliant CIUs, the names of the Sharia Advisors and a summary of their professional experience; and
 - (vi) Name and address, including contact details, of the CIU representative.
- (f) Characteristics of holdings:
- (i) Minimum investment and subsequent investment requirements (if any);
 - (ii) A description of the different types of holdings, including their currency of denomination, their nominal value and any applicable requirements for minimum level of holdings;
 - (iii) The voting rights that are exercisable at meetings of CIU participants by the CIU participants and, if different rights attach to different classes of holdings, what those rights are; and
 - (iv) Form of certification confirming the holding of units.
- (g) Valuation:
- (i) How frequently and at what time of day in a specified country or territory the assets of the CIU will be valued for the purpose of determining prices at which units in the CIU may be subscribed to or redeemed;
 - (ii) The method of valuation of assets and liabilities of the CIU and the method of pricing and determination of investment returns of the CIU;
 - (iii) The method of valuation of the CIU's assets, which are acquired or disposed of; and
 - (iv) The circumstances under which the method of valuation and pricing may change for a CIU.



Appendix ARR-(ii): Prospectus (continued)

- (h) Seed Capital/Investment:
 - (i) The amount of any seed capital/investment invested in the CIU (if any), by who, and the investor's proposed intention regarding retaining the seed capital/investment in the CIU or redeeming it; and
 - (ii) A statement that any redemption of seed capital/investment, is subject to the CBB's prior approval/notification (as appropriate);
- (i) Subscription and redemption procedures:
 - (i) Details of sources where prices may be published (e.g. newspapers, tickers, website), as applicable.
 - (ii) Procedure for subscribing/redeeming of holdings and frequency;
 - (iii) The maximum interval between the request for redemption and the dispatch of the redemption proceeds;
 - (iv) A summary of the circumstances under which dealings in holdings may be deferred or suspended; and
 - (v) A statement that redemption proceeds will only be paid in the CIU participants' account held with a licensed institution.
- (j) Distribution policy:

The distribution policy and the frequency and/or approximate dates on which dividends (if any) or capital returns (if applicable), will be paid.
- (k) Fees and charges:
 - (i) The level of all fees and charges payable by a CIU participant, including all charges levied on subscription and redemption;
 - (ii) The level and frequency of all fees and charges payable by the CIU, including management fees, fees to relevant persons, performance fees and limit of pre-operating expenses; and
 - (iii) The notice period for fee increases.
- (l) Reports and accounts:
 - (i) The financial year end of the CIU;
 - (ii) Particulars of type and frequency of reports to be sent to CIU participants; and
 - (iii) Dates of publishing the CIU's annual and semi-annual reports.



Appendix ARR-(ii): Prospectus (continued)

- (m) Warnings:
- (i) The following statements should be predominantly displayed in the offering document:
“Important – if you are in any doubt about the contents of this prospectus, you should seek independent professional financial advice. Remember that all investments carry varying levels of risk and that the value of your investment may go down as well as up. Investments in this collective investment undertaking are not considered deposits and are therefore not covered by the Kingdom of Bahrain’s deposit protection scheme. The fact that this collective investment undertaking has been authorised/registered, by the Central Bank of Bahrain, does not mean that the CBB takes responsibility for the performance of these investments, nor for the correctness of any statements or representations made by the operator of this collective investment undertaking;”and
 - (ii) A statement that the directors or trustees (as appropriate) of the CIU, together with the CIU operator, accept responsibility for the information contained in the offering document as being accurate at the date of publication.
- (n) General information:
- (i) A list of the documents constituting the CIU and an address in the Kingdom of Bahrain where they can be inspected free of charge by any member of the public.
 - (ii) The date of publication of the offering document.
 - (iii) A statement that CIU participants will be notified, at least 30 calendar days before the changes take effect, in the following circumstances:
 - (a) Any changes in the investment policy;
 - (b) Any changes in the operator, fund manager, fund administrator or custodian of the CIU;
 - (c) The merger, transfer or termination of the CIU; and
 - (d) Any major issues that may affect the CIU participants.
 - (iv) Procedure and details of the documentation to be provided by CIU participants in order to satisfy applicable AML/CFT requirements.
 - (v) A statement that CIU participants in a Bahrain domiciled expert CIU must be expert investors, along with a definition of the same; and
 - (vi) A statement that CIU participants in a Bahrain domiciled exempt CIU must be accredited investors, along with a definition of the same.



Appendix ARR-(ii): Prospectus (continued)

- (o) Conflict of Interest:
Details of treatment of any conflict of interest arising.
- (p) Termination of the CIU:
A summary of circumstances in which the CIU can be terminated.
- (q) The Governing law of the CIU