

Meridio Islamic Funds

Investment Company with Variable Capital
(Société d'Investissement à Capital Variable, SICAV)
- as at April 2010 -

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This Prospectus (together with Special Sections) is only valid in conjunction with the latest published Annual Report, and no more than sixteen months may have passed since the reporting date of this report. If more than eight months have passed since the reporting date of the Annual Report, the buyer must also be provided with the Semi-Annual Report. The current valid Prospectus (together with Special Sections) and the Articles of Association form the legal basis for a purchase of Shares. By purchasing Shares, a shareholder acknowledges the Prospectus (together with Special Sections), the Articles of Association and all approved and published amendments to them.

All information and statements about this Fund that differ from the Prospectus (together with Special Sections) and Articles of Association are legally non-binding. The Company is not liable if and to the extent that information or statements are issued that differ from the current Prospectus (together with Special Sections) and the Articles of Association.

The Prospectus (together with Special Sections) and the Articles of Association, the Simplified Prospectus and the associated Annual and Semi-Annual Reports are available free of charge from the registered offices of the Company, Management Company and Custodian, as well as from Paying Agents and Distributors. Further information is obtainable from the Company at any time during r business hours.

The Company is an investment fund governed by Luxembourg law.

1. Introductory remarks

The Company is an undertaking for collective investment in transferable securities (“UCITS”) within the meaning of European Communities Council Directive No. 85/611 EEC as amended (“UCITS Directive”). It complies with Part I of the Luxembourg Law of 20 December 2002 on undertakings for collective investment, and was established as a “société anonyme” under the Luxembourg Law of 10 August 1915 on commercial companies. The Company delegates its management responsibilities to a management company in accordance with Directive 85/611/EEC. The Board of Directors has appointed Axxion S.A. to be the Management Company. The Company’s Board of Directors intends to publicly distribute the Shares in member states of the European Union in accordance with the provisions of the UCITS Directive.

The Company was designed for investors looking for returns that are in keeping with Sharia and Islamic Investment Guidelines. Both Islamic and non-Islamic investors can invest in the Company. Investors should clearly understand that investments are managed in accordance with the recommendations of the Sharia Board and, if appointed, the Sharia Advisor, and in accordance with the Islamic Investment Guidelines presented in this Prospectus. An amendment to this Prospectus will be issued if members are added to the Sharia Board or existing members replaced.

The Company may optionally engage the services of a Sharia Advisor. The references to a Sharia Advisor in this Prospectus apply in the event that the Company does engage a Sharia Advisor. An amendment to this Prospectus will be issued if there is a change in the Sharia Advisor.

All investors are responsible for paying their own Zakats.

The Prospectus is being published as part of the current Offering of Shares in the “Meridio Islamic Funds” investment company with variable capital (the “Company”).

The offered Shares (the “Shares”) are those of the various subfunds constituting the Company’s assets that are being offered for subscription by the Distributors indicated in the respective Special Sections of this Prospectus. Subscriptions are only accepted based on the valid Prospectus (General Section and Special Section) in conjunction with the latest published Annual Report and the latest published Semi-Annual Report, if one has been published after the Annual Report.

The Prospectus is being published exclusively in connection with the Offering of Shares in the subfunds existing at the time that the Prospectus is published. The Shares in these subfunds will be issued, redeemed and exchanged at the prices resulting from the calculation of net asset value per share for the subfund concerned (see the “Issuing of Shares”, “Redemption of Shares” and “Exchange of Shares” sections).

The Full Prospectus is consequently comprised of a General Section, containing provisions that apply to all of the subfunds, and Special Sections that describe each subfund and contain the provisions applicable to it. The Full Prospectus contains Special Sections for all activated subfunds and is available for inspection by investors from the Company’s registered office and national representatives.

The Company must also publish Simplified Prospectuses that include a short description of the subfund concerned, investment information, economic information, information on trading, and other information for investors. A simplified prospectus is a prospectus that is easy for investors to understand.

The Prospectus may not be used as a basis for an offering or invitation to purchase in a given country or in given circumstances if the offering or invitation has not been authorised in that country or under those circumstances. Every potential share subscriber who receives a copy of the Prospectus (General Section and Special Section) or subscription form outside of the Grand Duchy of Luxembourg may only consider these documents as an invitation to purchase or subscribe to the Shares if such an invitation is fully permitted under the law of the country concerned without registration or other formalities, or if the person concerned satisfies

the legal requirements applicable in that country, has obtained all of the official and other authorisations required there, and has complied with all of the formal requirements applicable there.

Potential buyers of Shares are obliged to inform themselves about relevant currency regulations, as well as the legal and tax provisions that apply to them.

The Company's Board of Directors has taken all necessary precautions to ensure that the Prospectus conveys correct and accurate information on all the important issues it deals with at the time that it is published. All members of the Board of Directors accept liability in this regard.

No one is authorised to provide information that differs from the information contained in the Prospectus or the documents mentioned in the Prospectus. All information provided by persons not mentioned in the Prospectus is to be considered unauthorised.

The information contained in the Prospectus was correct at the time it was published, and may be updated at any given time to take into account important changes that take place subsequently. Potential subscribers of Shares are therefore advised to inquire with the Company in regards to the possible publication of a more recent version of the Prospectus.

Every reference to "EUR", "GBP", "JPY" and "USD" in the Prospectus refers to the respective statutory currencies in the member states of the single European currency, the United Kingdom, Japan and the United States.

Every reference to "Banking Days" refers to days on which banks in the City of Luxembourg are open for regular business.

Copies of the Prospectus may be obtained free of charge from:

Banque de Luxembourg
14, Boulevard Royal,
L-2449 Luxembourg.

2. Directory

Meridio Islamic Funds

Investment Company with variable capital
(société d'investissement à capital variable, SICAV)
Commercial register number RCS Luxembourg B 149459
1B, Parc d'Activité Syrdall,
L-5365 Munsbach

Board of Directors:

Thomas Amend
Executive Member of the Board of Directors
Axxion S.A.

Roman Mertes
Member of Management
Axxion S.A.

Uwe Zimmer
Member of the Management Board
Meridio Vermögensverwaltungs AG

Management Company:

Axxion S.A.
1B, Parc d'Activité Syrdall
L-5365 Munsbach

Custodian and Central Administrative Agent:

Banque de Luxembourg
14, Boulevard Royal
L-2449 Luxembourg

Paying Agent:

Luxembourg:

Banque de Luxembourg
14, Boulevard Royal
L-2449 Luxembourg

Germany:

Marcard, Stein & Co AG
Ballindamm 36
D-20095 Hamburg

Austria:

Raiffeisen Zentralbank Österreich Aktiengesellschaft
Am Stadtpark 9
A-1030 Vienna

Auditor:

KPMG Audit
9, Allée Scheffer
L-2520 Luxembourg

Distributor:

Meridio Vermögensverwaltung AG
Gustav – Heinemann – Ufer 56
D-50968 Cologne

Investment Manager:

Meridio Vermögensverwaltung AG
Gustav – Heinemann – Ufer 56
D-50968 Cologne

Sharia Board

1. Dr Khaled M. Hanafy
2. Prof Dr Ali Muhyealdin a Al-Quradaghi
3. Prof Dr Abdülaziz Bayinder

Sharia Advisor

Mohammad Zaid el-Mogaddedi

Sharia Research

IdealRatings, Inc.
425 Market Street, Suite 2200
San Francisco, CA 94105, USA

3. Definitions

"Company"

Meridio Islamic Funds, including all current and future subfunds.

"CSSF"

Commission Surveillance du Secteur Financier – the Luxembourg regulator responsible for licensing and monitoring financial services companies and other professional institutions in the financial sector, which is located at 110, route d'Arlon, L-2991 Luxembourg.

"Fatwa"

A judicial decision, a legal opinion or a decision used to assess the Sharia compliance of the investments. The fund manager and Sharia Board mutually agree on the general conditions for issuing a fatwa.

"Islamic Investment Guidelines"

Investment guidelines stated in the fatwa or else published or recommended by the Sharia Board or Sharia Advisor. They are furthermore approved by the Sharia Board and comply with the specific provisions of this Prospectus.

“Law of 20 December 2002”

The Luxembourg Law of 20 December 2002 on undertakings for collective investment

“Sharia”

The rules, regulations, principles and foundations of Islamic law from the Koran and the teachings and examples of the holy prophet Mohammed in accordance with their interpretation by the Sharia Advisor and Sharia Board.

“Sharia Advisor”

A Sharia expert acting as an advisor with respect to Sharia compliance based on a contractual relationship between him/her and the Company. Engaging the services of a Sharia Advisor is optional for the Company. (See the information provided on the Sharia Advisor.)

“Sharia Board”

An assessment body (religious advisory board), whose members were appointed by the Management Company and possess suitable qualifications for assessing Sharia compliance.

The Sharia Board uses law school interpretations as a basis for their examination of the investments for Sharia compliance. It is mostly comprised of three to five Sharia scholars qualified to deal with issues of Islamic law.

The fact that there are a manageable number of Sharia scholars and that they draw on previously issued fatwas concerning factual circumstances that have already been decided in order to arrive at decisions in cases with a similar basis tends to lead to standardisation of the law.

“Sharia Compliant”

Sharia compliance is determined by means of an assessment by the Sharia Board and/or Sharia Advisor. There is scope for interpretation in certain areas that could possibly lead to different assessments.

“Sukuk”

Bonds that comply with the Islamic prohibition of interest. Unlike traditional bonds, Sukuk securities are mainly based on real estate, land or similar assets. Sukuk securities are consistent with Islamic law because, unlike normal bonds, the creditors of the Islamic variant become beneficial owners of real property or other economic assets and receive a lease payment not an interest payment.

“Takaful”

“Takaful” means guarantee, and is insurance against risks in accordance with the religious principles of the Koran. Takaful is Sharia-compliant insurance in the form of a clearing fund.

“Taxe d’abonnement” (subscription tax)

A Luxembourg fund tax equal to 0.05% p.a. of the net assets of a equity, mixed or Sukuk fund, or 0.01% p.a. for money market funds or institutional share or unit classes.

“TER”

The Total Expense Ratio of a subfund or share class.

“Zakat”

An obligatory religious donation (alms tax) paid by Muslims equal to a certain proportion of their wealth. The donation is paid to eight categories of individuals and purposes that are viewed as needy or deserving of assistance.

More specific investment objectives for the individual subfunds are described in the Special Section under the heading “Investment Objectives and Investment Policy”.

The change in the net asset value of the Shares is subject to the risks and fluctuations typical of securities investments, which is why no guarantee can be given that the investment objectives will be achieved. The net asset value of the Shares and earnings can therefore rise as well as fall.

B. Investment Restrictions

The Board of Directors sets down an investment policy in accordance with the principle of risk spreading for each subfund. The following “General Principles” apply to all of the Company’s subfunds.

General Principles

In general, the investment policy followed by each subfund is based on the following rules, subject to the Islamic Investment Guidelines:

1. The Company’s investments shall be comprised of:

- (a) securities and money market instruments that are listed or traded on a Regulated Market and/or
- (b) securities and money market instruments that are traded on another market in a member state of the European Union (“EU”), provided this market is recognised, regulated, open to the public and operates regularly and/or
- (c) securities and money market instruments that are officially listed on a stock exchange of a non-member state of the EU or traded on another Regulated Market of a non-member state of the EU that is recognised, open to the public and operates regularly, provided the Company’s Articles of Association permit the choice of this stock exchange or Regulated Market and/or
- (d) securities and money market instruments from new issues, provided:
 - **their issuing terms include a requirement for official listing on a stock exchange or trading on another Regulated Market as specified in (b) and (c) above**
 - **they are officially admitted to trading on said exchange or market no later than one year after issue and/or**
- (e) Sharia-Compliant shares or units of undertakings for collective investment in transferable securities (hereinafter “UCITS”) authorised in accordance with Directive 85/611/EEC and/or other Sharia-compliant undertakings for collective investment (hereinafter “UCI”) within the meaning of Article 1 paragraph 2 first and second indent of Directive 85/611/EEC with their registered offices in a member or non-member state of the EU, provided:
 - **these other UCIs were authorised in accordance with legal provisions that place them under supervision that the CSSF considers to be equivalent to that provided for under Community law and provides sufficient guarantee of cooperation between authorities,**
 - **the level of protection for share or unit holders of the UCIs is equivalent to the level of protection for the share or unit holders of a UCITS and, in particular, the provisions for segregated safekeeping of fund assets, borrowing, lending, and short sales of securities and money market instruments are equivalent to the requirements of Directive 85/611/EEC,**
 - **the business of the other UCIs is reported in annual and semi-annual reports that permit a judgment to be formed in respect of the assets**

4. General Investment Objectives and Investment Restrictions

A. General Investment Objectives

The Company’s basic objective is to enable its shareholders to achieve the highest possible performance on their investment while at the same time spreading risk extensively.

- and liabilities, earnings and transactions during the reporting period,**
- **the articles of association of a UCITS or UCI whose shares or units are acquired permit this UCITS or UCI to invest a total of 10% of its net assets in the shares or units of other UCITS or UCIs and/or**
- (f) non-interest bearing demand deposits or non-interest bearing deposits with a term of no more than 12 months with credit institutions, provided that the credit institution concerned has its registered office in a member state of the EU or, if the registered office of the credit institution is in a non-member state of the EU, then it is subject to supervisory provisions that the CSSF considers equivalent to those of Community law and/or
- (g) derivative financial instruments (“derivatives”), in particular Sharia-compliant futures, forward contracts, options and swaps, including equivalent cash-settled instruments that are traded on one of the Regulated Markets indicated in letters (a), (b) and (c), and/or derivative financial instruments that are not traded on a stock exchange or other Regulated Market (“OTC derivatives”), provided
- **the underlying consists of instruments within the meaning of Article 41 Paragraph 1 of the Law of 20 December 2002, or financial indices, interest rates, exchange rates or currencies in which the UCITS is permitted to invest according to the investment objectives in its articles of association. The financial indices indicated above that are in compliance with Article 9 of the Grand-Ducal Regulation of 8 February 2008 consist primarily of indices based on currencies, exchange rates and prices, as well as Sukuk, equity, commodity future, precious-metal and commodity indices, along with indices based on the other permissible instruments listed in this section 1. In order to remove all doubt, no derivative transactions will be entered into that provide for physical delivery of a component of the underlying commodity futures, precious metal or commodity index.**
 - **the counterparty in transactions involving OTC derivatives is an institution subject to supervision that falls into one of the categories approved by the CSSF, and**
 - **the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed out by means of an offsetting transaction at any time at the initiative of the Company.**
- All transactions must be Sharia-compliant and executed on the basis of standardised Sharia-compliant agreements.**
- (h) money market instruments that are not traded on a Regulated Market and fall under the definition in Article 1 of the Law of 20 December 2002, provided the issuer or issuer of these instruments is already subject to investment and investor protection regulations. Money market instruments satisfy the investment and investor protection requirements if they are rated “investment grade” or higher by a recognised rating agency or the Company feels that the issuer’s creditworthiness corresponds to a rating of “investment grade”.
- The money market instruments must also be
- **issued or guaranteed by a central, regional or local authority or central bank of a member state of the EU, the European Central Bank,**
- European Union, European Investment Bank, a non-member state of the EU or, in the case of a federal state, a member state of the federation, or by an international public institution to which one or more member states of the EU belong, or**
- **issued by a company whose securities are traded on one of the Regulated Markets indicated in letters (a), (b) and (c), or**
 - **by an institution that is subject to supervision in accordance with the criteria laid down in Community law, or an institution that is subject to, supervisory provisions that the CSSF considers to be at least as stringent as those of Community law and that this institution complies with, endorses and guarantees or**
 - **issued by other issuers that belong to a category approved by the CSSF, provided that investor protection provisions apply to investments in these instruments that are equivalent to those in the first, second or third indents and provided the issuer is a company with equity of at least EUR 10 million that prepares and publishes its annual financial statements in accordance with the requirements of Directive 78/660/EEC, or a legal entity responsible for the financing of a group of companies that includes one or more stock exchange-listed companies, or a legal entity whose purpose is to finance the securitisation of liabilities using a bank credit line.**
- 2. The Company may also perform the following transactions for each subfund.**
- a. The Company can invest up to 10% of the net assets of a subfund in securities and money market instruments other than those described in 1 (a) to (h).
 - b. For each subfund, the Company can hold liquid assets and other instruments similar to liquid assets (including money market instruments that are traded on a regular basis and have a remaining term of no more than 12 months) for up to 100% of the net assets of the subfund. Investments may only be made in money market instruments to the extent that such money market instruments satisfy the requirements of Point 1. (h).
 - c. The Company can temporarily borrow amounts of up to 10% of the net assets of each subfund, provided the Custodian consents to such borrowing and its terms.
 - d. The Company may assume non-interest bearing foreign currency loans in the form of back-to-back loans up to a maximum of 10% of net asset value. Interest-bearing security repurchase agreements and non-Sharia Compliant securities loans are not permitted.
 - e. The Company can acquire the shares or units of other UCITS and/or UCIs provided the following investment restrictions are observed:
 - (i) The Company may acquire shares or units of other UCITS and/or other UCIs as specified in Point 1 (e) above, provided it invests no more than 20% of the net assets of a subfund in the shares or units of one and the same UCITS or other UCI.
 - (ii) Investments in the shares or units of UCIs that are not UCITS may not exceed a total of 30% of the net assets of a subfund.

3. In addition, the Company will also observe the following investment restrictions for each subfund:

- (a) The Company may invest its assets in securities or money market instruments from one and the same issuer to the extent that such investments do not cause the following investment restrictions to be exceeded:
- (i) The Company may not invest more than 10% of the net assets of a subfund in securities or money market instruments from one and the same issuer. In addition, the Company may not invest more than 20% of the net assets of a subfund in deposits with one and the same institution. The exposure to default risk from the Company's transactions with OTC derivatives may not exceed the following percentages:
- if the counterparty is a credit institution within the meaning of Article 41 Paragraph 1 Letter f), 10% of the net assets of a subfund,
 - otherwise 5% of the net assets of a subfund.
- (ii) The total value of the securities and money market instruments of each of the issuers in which the Company invests more than 5% of the net assets of a subfund may not exceed 40% of the net assets of the subfund. This restriction does not apply to deposits and transactions involving OTC derivatives executed with financial institutions that are subject to supervision. Notwithstanding the individual maximum limits of Point (a) (i) above, the Company may invest up to 20% of the net assets of a subfund in one and the same institution in a combination of
- securities or money market instruments issued by a single institution and/or
 - non-interest bearing deposits with a single institution and/or
 - OTC derivatives acquired from a single institution.
- (iii) The limit described in sentence 1 of Point (a) (i) above can be increased to 35% in the case of securities or money market instruments issued or guaranteed by a member state of the EU or its central, regional or local authorities, a non-member state of the EU, or international public bodies to which one or more members states of the EU belong;
- (iiii) The limit described in sentence 1 of Point (a) (i) above can be increased to a maximum of 25% for Sukuk if the bonds are issued by a credit institution with its registered office in a member state of the EU that is subject to special public supervision based on statutory provisions for the protection of holders of such bonds. In particular, the net proceeds from the issue of such bonds must be invested in accordance with statutory provisions in assets that adequately cover the resulting obligations of the bonds during their full term, and use of the assets for repayment of the principal of the bonds has priority in the event of bankruptcy of the issuer. Where the Company has invested more than 5% of the net assets of a subfund in such bonds from one and the same issuer, the total value of all investments in such issuers may not exceed 80% of the net assets of the subfund.

In the case of Sukuk issued by credit institutions with their registered offices in a member state of the European Union and whose issuers are subject to special public supervision based on statutory provisions for the protection of holders of Sukuk, the percentage indicated

in Point 3 (a) (i) increases from 10% to 25% and the percentage in Point 3 (a) (ii) from 40% to 80%, provided that the credit institutions invest the issue proceeds in accordance with statutory provisions in assets that adequately cover the obligations of the Sukuk during their full term, and use of the assets for repayment of the principal of the bonds has priority in the event of bankruptcy of the issuer.

The securities and money market instruments described in (a) (iii) and (iiii) are not included in the calculation of the 40% investment limit in (a) (ii) above.

The investment limits in Subsections 3 (a) (i), (ii), (iii) and (iiii) may not be combined, and for this reason investments as specified in subsections 3 (a) (i), (ii), (iii) and (iiii) in securities or money market instruments from one and the same issuer or deposits with this issuer or investments in derivatives from this issuer may in no case exceed 35% of the net assets of a subfund.

Companies that belong to the same group of companies in respect of preparation of consolidated financial statements within the meaning of Directive 83/349/EEC or in accordance with recognised international accounting rules are considered a single issuer when calculating the investment limits provided for in this section.

A subfund can invest a total of 20% of its net assets in securities and money market instruments from one and the same group of companies.

Under Article 133 of the Law of 20 December 2002, UCIs can be established in the legal form of an umbrella fund with individual subfunds, each of which comprises a segregated portion of the assets of the UCI. Unless provided otherwise in the organisational documents, the subfund assets are liable only for the claims of creditors whose claims accrued at the time the subfund was created, in connection with the management or liquidation of the subfund. Unless provided otherwise in the organisational documents, each subfund is treated as an independent entity in terms of the relationships between shareholders.

Notwithstanding the investment limits described in (a) (i) to (iiii) above, the Company is authorised to invest up to 100% of the net assets of each subfund in accordance with the principle of risk spreading in securities and money market instruments issued or guaranteed by a member state of the EU or its central, regional or local authorities, a member state of the Organisation for Economic Cooperation and Development ("OECD"), international public bodies to which one or more member states of the EU belong, provided these securities can be attributed to at least six different issues, and further provided that the assets attributed to one and the same issue do not exceed 30% of the net assets of the subfund concerned.

- (a) No more than 10% of the net assets of a subfund may be invested in securities from one and the same issuer.
- (b) The Company may not acquire more than a total of 10% of the bonds issued by one and the same issuer for all subfunds combined.
- (c) The Company may not acquire more than a total of 25% of the shares or units of one and the same UCITS and/or other UCIs for all subfunds combined.
- (d) The Company may not acquire more than a total of 10% of the money market instruments issued by one and the same issuer for all subfunds combined.

The investment limits described in (a), (b), (c) and (d) above may be disregarded at the time of acquisition if the gross volume of the bonds or money market instruments or the net volume of the shares or units issued cannot be calculated at that time.

- The investment limits described in (a), (b), (c) and (d) do not apply to
- securities and money market instruments that are issued or guaranteed by a member state of the EU or its central, regional and local public authorities;
 - securities and money market instruments that are issued or guaranteed by a non-member state of the EU;
 - securities and money market instruments that are issued by an international public body to which one or more member states of the EU belong;
 - shares of a company in a non-member state of the EU, provided this company invests its corporate assets primarily in securities from issuers in this country and, under the laws and regulations of this country, an equity interest such as this provides the only possibility for investing in the securities of issuers in this country. The provision above is only applicable, however, if the investment policy of the company in the non-member state of the EU observes the investment limits specified in Subsections 3 (a) (i) to (iii), 2 (e) and 3 (b), (c) and (d). Subsection (l) applies analogously in the event that the investment limits specified in Subsections 3 (a) (i) to (iii) and 2 (e) are exceeded.
 - equity interests held by one or more investment companies in subsidiaries that solely and exclusively perform certain administrative, advisory or distribution activities for these investment companies in the subsidiary's country of domicile relating to the redemption of shares upon request by shareholders.
- (e) The Company may not acquire commodities or precious metals or certificates based on them. Currency transactions and related transactions in futures, forward contracts and options are not considered to be commodity transactions within the meaning of this investment restriction.
- (f) The Company may not undertake any investments that embody unlimited liability for the investor.
- (g) The Company may not short sell securities or perform any other transactions with securities that are not in its possession.
- (h) The Company may acquire Sharia-compliant closed-ended REITs and closed-ended real estate funds as permitted by law.
- (i) The Company may not use its assets for a firm underwriting of securities.
- (j) The Company may not issue warrants or other rights to purchase Shares of the Company.
- (k) Notwithstanding the permissibility of acquiring fixed-income securities and other securitised claims and holding bank deposits, the Company may make no loans or provide guarantees for third parties. The Company may, however, invest up to 10% of the net assets of each subfund in securities that are not fully paid in.
- (l) The Company may exceed the investment limits above when exercising subscription rights, provided the subscription rights are attached to the securities in its assets. If the investment limits are exceeded unintentionally or due to the exercise of subscription rights, the Company will give priority to the goal of rectifying this situation in the interests of the shareholders when performing sales.
- (m) A subfund may not grant loans or act as a guarantor for third parties.
- (n) A subfund may not acquire securities subject to contractual provisions that impose restrictions of any kind on their disposal.
- (o) A subfund may not pledge or encumber assets, or transfer or assign ownership of assets as security unless required for a transaction that is permitted by this Prospectus.
4. If a subfund acquires shares or units in a UCITS or UCI that is directly or indirectly managed by the Company or another company that is linked with the Company by common management or control or by a substantial direct or indirect equity interest (10% or more of the equity or voting rights), neither the Company nor the affiliated company may charge fees for subscription or redemption of the shares or units. In accordance with the above, the Company also reduces the portion of its management fee attributable to the shares or units of such UCITS or UCIs by the amount of the fixed management fee actually charged by acquired UCITS or UCIs, if necessary up to the full amount of the management and central administration fee incurred at the share class level of a subfund, less any fee rebates granted to the subfund by such UCITS or UCIs on the fixed management fees actually charged. The weighted average management fee for the shares or units of acquired target UCITS or UCIs may not exceed 2.5% p.a.
5. Notwithstanding the investment limits laid down in Section 6, the Board of Directors can specify that the upper limits for investments in shares and/or debt securities from one and the same issuer are a maximum of 20% if the investment strategy of a subfund is meant to track a specific recognised share or Sukuk index that complies with Article 9 of the Grand-Ducal Regulation of 8 February 2008;
- The requirements for this are:
- (1) adequate diversification in terms of the composition of the index
 - (2) the index must represent a suitable reference index for the market concerned and
 - (3) the index must be published in a suitable manner.
- The above-stated upper limit of 20% will be increased to 35% if justified by extraordinary market conditions, in particular on Regulated Markets strongly dominated by certain securities or money market instruments. An investment up to this limit is only possible for a single issuer.
6. The Company may not acquire voting shares for any of the investment funds it manages if these shares are associated with voting rights that would allow it to exert a significant influence on the issuer's business policy. Its acquisitions for a subfund may include no more than 10% of the non-voting shares, Sukuk and money market instruments issued by an issuer and no more than 25% of the shares or units of a UCITS or UCI. This upper limit may be disregarded when acquiring Sukuk, money market instruments and target fund shares or units, if the total issue volume or net volume of the shares or units issued cannot be calculated. It is also not applicable where these securities and money market instruments are issued or guaranteed by a member state of the European Union or its central, regional and local authorities, or a non-member state of the EU, or issued by an international public organisation to which one or more member states of the European Union belong.
7. A subfund may invest in securities that are not permitted under the United States Securities Act of 1933 and its amendments (hereinafter the "Law of 1933") but may be sold to qualified institutional buyers under Article 144A of the Law of 1933 ("securities complying with Article 144A"), this to the extent permitted by Luxembourg law and regulations, and subject to the investment objectives and investment policy of the subfund concerned. The term "qualified institutional buyer" is defined in the Law of 1933 and encompasses companies whose net assets exceed USD 100 million. Securities complying with Article 144A qualify as

securities within the meaning of Article 41 Paragraph 1 of the Law of 20 December 2002 if the bonds concerned have a conversion clause (registration right) as provided for in the Law of 1933 and which means that a conversion right exists for freely tradable securities registered on the US OTC fixed-income market. This conversion must be performed within one year of the purchase of bonds complying with Article 144A, as the investment limits from Article 41 Paragraph 2(a) of the Law of 20 December 2002 are otherwise applicable. A subfund can invest up to 10% of its net assets in securities complying with Article 144A that do not qualify as securities within the meaning of Article 41 Paragraph 1 of the Law of 20 December 2002 provided that the total value of these investments together with other securities and money market instruments not covered in Section 1 does not exceed 10%.

8. The Company also complies with the following rules:

The Company must use a risk management method that allows it to monitor and measure the risk associated with its investment positions and their respective portions of the total risk profile of the investment portfolio. It must furthermore use a method that allows precise and independent valuation of OTC derivatives. For each of the UCITS under its management, it must inform the competent authorities of the types of derivatives in the portfolio, the risks associated with their underlyings, the investment limits and the methods used to measure the risks associated with the derivative transactions in accordance with the procedure specified by these authorities.

The Company shall ensure that the total risk exposure associated with derivatives does not exceed the total net asset value of its portfolios.

The market value of the underlyings, the default risk, future market fluctuations and the time available to liquidate the positions are all taken into account when calculating the risk.

The Company may invest in derivatives as part of its investment strategy within the limits specified in Point 3 (a) (iii), provided the total risk of the underlyings does not exceed the investment limits indicated in Subsection 3 (a). Investments that a UCITS makes in index-based derivatives are not included in the investment limits above. A derivative embedded in a security or a money market instrument must be taken into account when determining compliance with the provisions indicated in Point 3 (a).

The Company reserves the right to introduce further investment restrictions at any time, if such restrictions are absolutely required for compliance with the laws and regulations of specific countries in which the Company's Shares are offered and sold.

In addition, the Company can use techniques and instruments based on underlyings as specified in Article 41 Paragraph 1 of the Law of 20 December 2002 or based on financial indices, exchange rates or currencies for every subfund as part of its diligent management of the portfolio, the portfolio maturity dates or its risk management, while observing the investment restrictions indicated above.

5. Sharia-compliant Provisions Relating to Investment Techniques and Investment Vehicles

I. Islamic Investment Guidelines

(A) General

Investment in accordance with Islamic law relates to a number of contractual agreements and investment guidelines that are in accordance with the Sharia. These guidelines are established by the Sharia Board and/or, if appointed, the Sharia Advisor. Notwithstanding the investment objectives and investment policy of the individual subfunds, no subfund

may invest in companies whose investment activities may be expected to contravene the Islamic Investment Guidelines.

(B) Purification of Cash Dividends and Prohibited Income

In accordance with the recommendations of the Sharia Board and/or any appointed Sharia Advisor, the Management Company shall endeavour to avoid channelling any cash dividends (from interest income and income from prohibited or impermissible activities), or other prohibited income received by the subfund (including interest income that requires purification), to the Fund. Instead, it will distribute this income on behalf of the subfund and under the overall supervision of the Board of Directors and Sharia Board to certain charitable organisations that have been approved by the Company after consultation with the Sharia Board.

(C) Risk Notice in Respect of the Consequences of the Islamic Investment Guidelines

As a result of all the restrictions imposed on the Company that are listed in the "Islamic Investment Guidelines and Other Non-Islamic Income" section of this Prospectus (e.g. the prohibition against investing in interest-bearing securities) and the donation of purified funds comprised of cash dividends and prohibited income to charitable organisations based on Sharia requirements, there is a risk that a subfund could achieve lower performance than a UCITS or UCI with a similar investment objective but not subject to the Islamic Investment Guidelines.

In particular, the Company or Management Company will convey instructions from the Sharia Board regarding the Company's Sharia-compliant investments to the fund manager. These instructions from the Sharia Board could, for example, result in the fund manager not being authorised to invest in securities or other financial instruments that the Sharia Board considers not or no longer to be in accordance with the Islamic Investment Guidelines. Likewise, cash holdings of the Company may only be placed in deposit accounts under the condition that the subfund does not benefit from any interest income from the deposited amounts.

(D) Islamic Investment Guidelines and Other Non-Islamic Income

1. Investments that do not qualify as Sharia-compliant

The subfunds are not authorised to invest in securities and/or shares of companies whose activities (according to counsel received from the Sharia Board and/or any appointed Sharia Advisor) are not in accordance with the Sharia and the Islamic Investment Guidelines. Prohibited activities of this nature include:

- a. Production and sale of alcoholic beverages
- b. Production or sale of pork products
- c. Production or sale of tobacco products
- d. Production and distribution of music data media and contents
- e. Games of chance / casinos
- f. Financial services not in accordance with the Sharia (interest, derivatives ...)
- g. Non-operating interest income
- h. Conventional insurance
- i. Production and distribution of programs associated with movies, television and radio
- j. Hotels that serve alcohol or operate casinos
- k. Adult entertainment / pornography
- l. Guns and other armaments
- m. Hedging with gold and silver

- all other activities that the Sharia Board could regard as prohibited, to the extent that these have been communicated to the Management Company, and
 - the subfund should not invest in companies that generate more than 5% of their total earnings from the prohibited activities indicated above.

If the Sharia Board or Sharia Advisor classifies additional business areas or activities as prohibited or not prohibited, this Prospectus will be updated appropriately in accordance with Luxembourg law.

If the Sharia Board or Sharia Advisor requests a change to the Islamic Investment Guidelines, the Management Company will be granted a reasonable period of time to implement this change in accordance with applicable provisions.

If a company is not active in one of the lines of business indicated above, but either holds interest bearing debt instruments or has borrowed using interest bearing debt instruments, then this company must adhere to the following additional guidelines in addition to the conditions above:

- the ratio of the total value of a company's interest bearing obligations to either its average market capitalisation during the current twelve month period or (if greater) its total assets may not exceed 33%

- the ratio of the total value of a company's interest bearing cash funds and interest bearing securities to either its average market capitalisation during the current twelve month period or (if greater) its total assets, may not exceed 33%

- the ratio of the total value of a company's cash funds and receivables to either its average market capitalisation during the current twelve month period or (if greater) its total assets may not exceed 70%.

2. Investments that directly qualify as Sharia-compliant

Companies whose rules of procedure and financial reports demonstrate that the activities of the company are performed in accordance with the Islamic Guidelines.

3. AAOIFI Sharia standards

The Sharia criteria indicated above are primarily derived from the Sharia methods of the AAOIFI Rulebook.

4. Alternative instruments not included in a specific index of this type

If the Management Company and/or fund manager plan to invest in shares that are not in the AAOIFI Rulebook, the Management Company and/or fund manager must adhere to the same criteria as described above at the end of I (D) 1.

5. New issues

If the Management Company and/or the fund manager intend to invest in shares issued as part of a new issue, all of the Islamic Investment Guidelines must be applied to the extent that the financial selection criteria can be satisfied based on the available financial information and results of analyses that the Management Company and/or fund manager may deem necessary. If the new issue is performed by a newly established company, sector-related selection criteria can be applied until key financial figures are available. Where financial information is available, it will be given precedence in the selection decision. In the case of a new issue, the financial selection criteria will be primarily based on an approach in which the total asset value of the company is crucial rather than an approach based on market capitalisation.

6. Islamic Investment Guidelines for cash investments

Provided that all cash holdings bear no interest and are held in non-interest bearing accounts with the Custodian, a subfund may have cash holdings of any amount that it considers appropriate. If applicable, a subfund may also hold cash funds in a Sharia-compliant deposit account and consider all the income generated from these cash funds to be permissible. If, for regulatory reasons, the subfund must invest excess liquid assets deposited with the Custodian in an interest bearing account, all of the interest received will be

donated to designated charitable organisations in order to purify investor income.

7. Additional prohibited transactions

A subfund is not authorised to:

- invest its net assets in interest bearing assets, interest bearing debt instruments and/or non-Sharia Compliant money market instruments
- conclude non-Sharia Compliant futures or forward contracts, options or swaps that have foreign currencies, financial instruments, indices or securities as their underlying, or sell securities short
- enter into non-Sharia Compliant sale and repurchase agreements
- conduct transactions involving non-Sharia Compliant financial derivatives.

8. Priority ranking of the Islamic Investment Guidelines

Subject in all cases to Luxembourg law, the above Islamic Investment Guidelines will take precedence over all other criteria, including the criteria mentioned in Section 4 "Investment Objectives and Investment Restrictions", and may be changed from time to time by the Sharia Board when this appears appropriate.

II. Purification of Cash Funds or Dividends Received

If the Company intends to invest in a company that satisfies the investment objectives and investment policy, but generates a portion of its earnings from activities that are unacceptable under Islamic law, or from liabilities that are irreconcilable with Islamic law, or if its business is partly financed using liabilities that are irreconcilable with Islamic law, then it must, if necessary, purify all of the cash funds or dividends received from this company by distributing a portion of the cash funds or dividends received to charitable organisations.

This type of purification must also be performed for income received by a subfund, whose receipt leads to a violation of the Islamic Investment Guidelines and/or of a fatwa, even if the subfund has a claim to such income under the applicable law and regulations of the Grand Duchy of Luxembourg.

The Board of Directors shall specify the charitable organisations that are to receive donations. No direct or indirect benefit may accrue to the Sharia Board, Management Board, Company, its subfunds, the fund manager, or investors as a result of the donations. The Management Company shall act in good faith to make all donations to these charitable organisations according to instructions from the Board of Directors within a reasonable period following specification of the charitable organisations involved. The Company takes these donations directly from the assets of the subfund concerned.

The Board of Directors specifies one or more charitable organisations to receive the donations, which are paid out once each year. These charitable organisations are named in the Annual Report.

The Sharia Board or Sharia Advisor review and monitor the subfund's purification activities at quarterly intervals.

The Company's annual financial statements, encompassing all subfunds, are subject to a provision stipulating that the non-compliant portion (less withholding tax, if applicable) of cash dividends received from the investments of each subfund (regardless of whether they have already been paid out or not) and purified in accordance with the procedure above are to be taken into account in the calculation of the net asset value per share of the associated share class of the subfund, and this on every valuation date on which the net asset value per share is calculated. The net asset value per share of the associated share class of the subfund concerned is adjusted on each ex-dividend day so that it reflects the actual value respecting the amount of cash dividends received

that require purification in association with the Sharia Advisor or Sharia Board.

III. Calculation and Use of Prohibited Income

When calculating prohibited income for the purpose of purifying income received, the following principles must be observed, in accordance with the counsel provided by the Sharia Board and/or any appointed Sharia Advisor and in compliance with the Islamic Investment Guidelines:

1. If a subfund invests in a company that performs a prohibited activity and earns less than 5% of its earnings from this activity, then up to 5% of all dividends (after withholding tax) that this company pays to the Company are set aside as prohibited income for purification purposes. If an investment turns out in retrospect to no longer be Sharia-compliant, then any dividend that is paid during the period when Sharia compliance is lacking must be fully purified.
2. All interest income received is set aside as prohibited income for purification purposes.
3. The total of the amounts in Points 1 and 2 is declared once each year and paid out to one or more charitable organisations that are specified in advance.
4. The total indicated above is deducted from the net asset value of the subfund concerned on the ex-dividend day of the dividends received and, in the case of interest, on the day after the interest is received. The net asset value represents dividends and other income after purification.

If any provisions of this Prospectus allow investments to be made in a manner that is irreconcilable with the Islamic Investment Guidelines applicable to a subfund, then such investments are not permitted for that subfund.

6. Investment Techniques and Instruments

All of the techniques and instruments that are included in this Prospectus and are used by the Company or a subfund, or used on their behalf, are Sharia-compliant, unless the context requires a different interpretation.

I. Use of Techniques and Instruments

(A) The Company can use techniques and instruments for the purpose of efficient portfolio management in accordance with the investment restrictions listed in this Prospectus.

(B) Under no circumstances may these transactions cause a subfund to deviate from its investment objectives and policy as stated in the Prospectus.

(C) The Company can also acquire securities and money market instruments in which one or more derivatives are embedded (structured products) in accordance with the counsel and under the supervision of the Sharia Board and any appointed Sharia Advisor.

II. Sharia-compliant Securities Lending

Subject to the consent of the Sharia Board and/or the Sharia Advisor, the Company may be the lender or borrower in a Sharia-compliant securities loan. These transactions must satisfy the following guidelines.

(A) The Company may only borrow and lend securities within a standardised system organised by a recognised clearing institution or a first-rate financial institution specialising in transactions of this kind.

(B) If the Company acts as lender, it must, as a rule, receive a guarantee whose value upon conclusion of the agreement is at least as great as the total value of the securities lent. This collateral must be furnished in the form of:

(1) liquid assets and/or

(2) securities issued or guaranteed by members states of the OECD or their central, regional and local authorities, or else by supranational institutions and bodies having Community-wide, regional or global scope, alternatively securities backed by a callable guarantee issued by a first-rate financial institution in favour of the Company and valid until the end of the securities lending agreement, and/or

(3) shares that are listed on a stock exchange in the European Union, have top creditworthiness and are deposited in an escrow account on behalf of the Company until the end of the securities loan, and/or

(4) a guarantee from a first-rate financial institution that is issued on behalf of the Company and valid until the expiration date of the securities loan.

Such a guarantee is not required if the securities loan is executed by a recognised clearing institution or other organisation that ensures the return of the value of the lent securities to the lender by way of a guarantee or in some other manner.

(C) If a subfund is acting as the lender, the securities loan may not exceed 50% of the total value of the subfund's securities portfolio. The securities loan may not exceed a period of 30 days. These restrictions do not apply if the Company has the right to terminate the securities lending agreement at any time and demand the return of lent securities.

(D) Securities that the Company borrows may not be sold during the period they are in the Company's possession.

III. Risk Management

(A) The Management Company has introduced compliance and risk management procedures in order to ensure compliance with applicable laws and the investment objectives and policies of the individual subfunds.

(B) The Management Company and/or fund manager shall adhere to the investment policy of a subfund at all time and monitor its risk-return profile.

(C) The performance of the individual subfunds is subject to monitoring, risk management and compliance procedures, ensuring compliance with associated laws and guidelines.

(D) The auditors for the Company and the Management Company examine the above procedures and the scope of management control.

7. Investment Risks

A. General Risk Factors

General market risk

The investments in all subfunds of the Company are subject to market fluctuations and other risks typical of a securities investment. Some factors affecting the value of these investments are unpredictable and could lead to major long-term losses in value. Like other securities, securities from a high creditworthiness issuer can also be affected by general market risk.

Credit risk

The creditworthiness (ability to make payments) and business situation of an issuer could deteriorate. This could cause securities from this issuer held by the subfund to lose even more value than would be normal due to market fluctuations, even when the stock exchange is moving upward. In extreme cases of complete insolvency of an issuer, the subfund could suffer a full loss of value for a security that it directly or indirectly holds.

Liquidity risk

There is also a risk of significant price changes occurring when transactions are performed with illiquid securities. If there is a lack of market demand, it might only be possible to sell an illiquid

security by significantly discounting the sales price, and at times a sale might even be impossible.

Concentration and country risks

If a subfund's investments are concentrated in certain types of investments or certain markets, the performance of these securities depends exclusively on the performance of these markets and types of investment.

The same holds true for investments concentrated in securities or assets from issuers in certain countries or regions. Because risk is not spread broadly, the performance of these securities also depends exclusively on political and economic developments specific to these countries and is therefore exposed to a greater level of risk.

This heightened risk exposure applies in particular to investments in countries referred to as emerging markets, which are considered to be in the development stage. Investments in these countries can also be exposed to greater risk related to asset safekeeping, which can be influenced in particular by the manner in which ownership is transferred and procured.

There is also a risk that economic or political instability in countries where the subfund has invested could result in claims of the subfund not being settled, even though the issuer concerned has good creditworthiness. Country-specific regulations relating to foreign exchange transactions and money transfers could play a central role in this regard.

Currency risk

A subfund that holds assets denominated in foreign currencies is exposed to the risk of currency devaluation versus its reference currency.

In accordance with the Sharia, foreign currency holdings are not currently hedged and will not be hedged in the future.

Counterparty and settlement risks

In addition to the usual counterparty default risk, over-the-counter (OTC) transactions also involve a risk of the counterparty not fulfilling its obligations under the transaction, or only partially fulfilling these obligations. Settlement difficulties may also occur during the execution of transactions of this type, which could lead to payment delays.

Risks due to reduced flexibility

Share redemption may be suspended in certain situations. If share redemption is suspended, shareholders are forced to continue holding their investments in the Shares of the subfund, while assuming the normal risks of such an investment.

In addition, if a subfund or share class is dissolved or the Company, for compelling reasons, decides to redeem all Shares, investors will be disinvested against their will.

In the event of a merger with another subfund, investors can only choose between redeeming their Shares or investing in the receiving subfund.

The risk of changes to framework conditions

The legal, economic or tax conditions under which a fund operates can change over time. These changes can also have an effect on the investment made by an investor.

Changes consistent with the legislation applicable to this Fund and the requirements of Sharia can also be made to the Articles of Association or Prospectuses, in particular changes relating to investment policy. This could change the risk of the subfund concerned.

Risk of legal liability for other share classes

Although different share classes are separate in accounting terms, they form a single entity under liability law. This means that the claims and liabilities against a share class could also negatively affect the other share classes of the subfund once the share class no longer has sufficient assets to satisfy the claims against it.

Key person risk

The performance of a subfund in respect of its objectives is highly dependent on the decisions made by fund management. There is a risk of decreased performance of the subfund if the personnel or structure of fund management changes.

Risks due to target fund investments

When a subfund invests in a target fund, it is not only subject to the general risks arising from an investment policy but also, to an increased extent, the risks that arise from the structure of the "fund" form of investment itself. All of the risks described here and all other existing risks apply in this respect to each individual target fund.

Inflation risk

The risk of reduced purchasing power due to inflation may affect currencies to varying degrees and result in potential losses of asset value.

Performance risk

There is also a risk that a subfund might not achieve its investment objectives or the performance goals of its investment policy. The value of the individual securities and assets held by a subfund can fall, leading to a drop in the net asset value of the subfund. Investors have no guarantee that they will receive back the full amount of their investment.

B. Specific Risk Factors

Risks of Sharia-compliance

An independent Sharia Board and optional Sharia Advisor shall assess the Sharia-compliance of the Company and subfunds and provide counsel in this regard. The Company nevertheless makes no explicit or implicit assurances or guarantees for the accuracy, fairness, correctness, appropriateness or completeness of the assessment or the counsel provided by the Sharia Board or Sharia Advisor. It is assumed that investors and potential investors will obtain information independently and, based on statements by their own Sharia advisors or similar reliable sources, become convinced that the Company or a subfund is not in violation of Sharia principles. There is also a risk that the status of Sharia compliance may change over time. The Company assumes no liability with respect to such changes.

In accordance with the investment objectives and in the interests of the Sharia compliance restrictions placed on the Company's investment policy, the subfunds shall not invest in interest bearing securities, futures, swaps, warrants or options. Compared to a fund that can invest in interest bearing securities, futures, swaps, warrants or options, the Company's available sources of return are more limited.

If a subfund is issued warrants based on the shares it is holding, it disposes of these as quickly as possible, which could result in the warrants being sold at a price below the market price that could have been obtained. The proceeds from such a sale must be purified in accordance with the Islamic Investment Guidelines.

Since subfunds do not hedge currency risks, the currency risk of affected subfunds rises.

The investment objectives and policy of the subfunds do not restrict subfund investments to investments that are components of a certain index, and the Management Company can invest in securities that are not contained in such an index. This requires, however, every investment in another instrument that is not included in such an index to be in accordance at all times with the Islamic Investment Guidelines, and the investment objectives and investment policy of the subfund concerned.

Therefore, the number of equity investments available to the subfund is limited, and these investments could be concentrated in a smaller number of equities than a comparable non-Sharia Compliant fund with the same volume of assets under management.

Although a subfund is supposed to adhere to the parameters specified by the Sharia Board while making investments and to

invest in shares, no assurances or guarantees are made in respect of the Sharia-compliance of the subfund. Investors are responsible for examining the Sharia-compliance themselves.

The purification process can lead to a reduction in returns received by investors (for more information, see the “Islamic Investment Guidelines” section of this Prospectus).

8. General Information on the Company

A. The Company

Meridio Islamic Funds (the “Company”) is an investment company with variable capital (*société d’investissement à capital variable, SICAV*) established for an indefinite period on 25 November 2009 in the form of a public limited company under Luxembourg law in accordance with the provisions of the Luxembourg Law of 10 August 1915 on commercial companies, as amended, and the Law of 20 December 2002 on undertakings for collective investment, as amended.

The Board of Directors of the Company has delegated its investment management and administrative responsibilities to AXXION S.A. (the “Management Company”), a public limited company under the law of the Grand Duchy of Luxembourg with its registered office at 1B, Parc d’Activité Syrdall, L-5365 Munsbach. If no Investment Manager has been appointed, the Management Company has sole responsibility for investment decisions, issuing orders and broker selection.

This delegation of responsibilities must not impair the supervisory effectiveness of the Company in any way. In particular, the delegation of responsibilities must not prevent the Company from acting in the interests of shareholders and ensuring that the Fund is being managed in the shareholders’ best interests.

The Company has its registered office at 1B, Parc d’Activité Syrdall, L-5365 Munsbach, and is registered with the Luxembourg Trade and Companies Register under number B 82112.

The Articles of Association were filed with the court registry of the District Court of Luxembourg together with the required legal notice of the issue and sale of shares (*notice légale*) and published in the *Mémorial C, Recueil Spécial des sociétés et associations* (“*Mémorial*”) of 16 December 2009. Any interested party can inspect and obtain a copy of the consolidated Articles of Association and *notice légale* from the court registry of the District Court of Luxembourg.

The Company’s Central Administrative Agent is located in Luxembourg.

The Company currency is EUR. At the time of incorporation, the Company had initial capital of EUR 31,000 represented by 310 fully paid-in no-par value shares. The Company must raise minimum capital with an equivalent value of EUR 1,250,000 within a period of six months after approval of the Company. This capital will be represented by fully paid-in no-par value shares.

The Articles of Association permit the Board of Directors to issue shares in the different subfunds of the Company’s assets at its discretion. Segregated portfolios are set up for the assets of each subfund and these assets are invested in accordance with the investment objectives of the subfund. The Board of Directors can decide to issue more than one share class within a subfund, which may differ in terms of cost structure or dividend policy in particular. The Company was therefore constituted as an umbrella fund, thereby allowing investors to choose among a variety of investment objectives and make appropriate investments in one or more subfunds of the Company’s assets.

The Board of Directors may decide at any time to have the Company issue shares for additional subfunds.

When a new subfund is established, the special section is supplemented appropriately with detailed information on the new subfund.

The Company’s capital is at all times equal to the sum of the net asset values of all subfunds.

The Company is a Sharia-compliant umbrella SICAV. Even though each subfund can pursue a different investment strategy and investment objectives, all subfunds make Sharia-compliant investments.

B. Dissolution and Liquidation of the Company

The Company can be dissolved at any time by means of a resolution adopted at a shareholders’ meeting in the form of an amendment to the Articles of Association.

If the value of the Company’s capital falls below two thirds of the minimum capital stipulated in Article 5 of the Articles of Association, the Board of Directors must propose dissolution of the Company to the shareholders’ meeting. The shareholders’ meeting makes its decision based on a simple majority of the Shares present at the meeting, with no attendance requirements.

If the value of the capital falls below one quarter of the minimum capital stipulated in Article 5 of the Articles of Association, the Board of Directors must propose dissolution of the Company to the shareholders’ meeting. The shareholders’ meeting makes its decision without an attendance requirement, and dissolution can be approved by shareholders holding one quarter of the Shares represented at the meeting.

The meetings must be convened in such a way that the meeting takes place within a period of 40 days of it being ascertained that the net assets have fallen below two thirds or one quarter of the statutory minimum capital.

Liquidation shall be performed by one or more liquidators, who may be natural or legal persons. After being approved by the supervisory authority, they shall be appointed by the shareholders’ meeting, which also determines their powers and remuneration.

The liquidators shall pay the net proceeds from the liquidation of each subfund to the shareholders of the subfund in proportion to the net asset value per share.

If the Company is liquidated voluntarily or based on a court ruling, the liquidation shall take place in accordance with the provisions of the Law of 20 December 2002 on undertakings for collective investment. This law specifies the measures that must be taken in order for shareholders to receive a portion of the liquidation proceeds and provides for any amounts unclaimed by shareholders when liquidation has been completed to be deposited with the Caisse de Consignation. Amounts deposited in this fashion are forfeited if not collected within the statutory period of limitation.

C. Subfund Termination and Merger

1. Subfund Termination

If, for any reason, the asset value of a subfund falls below EUR 2.5 million or the equivalent value in USD, which the Board of Directors feels is the minimum amount necessary for economically efficient management of a subfund, or a change occurs in the economic or political situation that could affect a subfund and have significant adverse consequences for the investments of the subfund, the Board of Directors can impose a compulsory redemption of all Shares in the affected share class(es) of this subfund at the net asset value per share (based on actual prices and costs related to realisation of the investments) as determined on the valuation date on which this Board of Directors’ decision enters into force. The Company will inform shareholders of the share class(es) concerned before the compulsory redemption enters into force. The notice to this effect will provide the reasons and the procedure used for redemption. Shareholders of record will be notified in writing. Unless a decision otherwise has been reached in the interests of shareholders or in respect of equal treatment of shareholders, shareholders can continue to request redemption of their Shares in the subfund concerned (based on actual prices and costs of realisation of investments) free of charge before the date on which the compulsory redemption enters into force.

Notwithstanding the powers given to the Board of Directors in the paragraph above, a meeting of the holders of the Shares issued in the share class(es) of a subfund can, on the recommendation of the Board of Directors, redeem all of the Shares issued in the share class(es) of this subfund and pay to these shareholders the net asset

value of their Shares (based on actual prices and costs relating to realisation of the investments) as calculated on the valuation date on which the decision in question enters into force.

There is no attendance requirement for such a shareholders' meeting and resolutions can be adopted by a simple majority of the Shares present or represented at the meeting.

Assets that cannot be paid out to the corresponding beneficiaries at the time of the redemption are deposited with the Custodian for a period of nine (9) months following the redemption. When this period has ended, these assets are transferred to the Caisse de Consignations in favour of the beneficiaries.

All Shares redeemed in this manner are cancelled.

2. Subfund Merger

Under the circumstances indicated in (A), the Board of Directors can also decide to transfer the assets of a subfund to another of the Company's subfunds or another undertaking for collective investment that is governed by Luxembourg law and subject to the provisions of Part I of the Law of 20 December 2002. It can also decide to transfer the assets to a subfund of such an undertaking for collective investment ("new subfund") and reclassify the Shares of the share class(es) as Shares of one or more new share classes (to the extent necessary after a split or consolidation and after paying out to shareholders all amounts corresponding to fractional Shares). This decision will be published in the same manner described in (A) (the information published will include the characteristics of the new subfund) one month before the merger enters into force in order to provide shareholders who want to redeem or exchange their Shares the opportunity to do so free of charge during this period.

Notwithstanding the powers given to the Board of Directors above, a meeting of the shareholders of the Shares issued in the share class(es) of a subfund can decide to merge a number of the Company's subfunds. There is no attendance requirement for resolutions to this effect, which can be adopted by a simple majority of the Shares present or represented at the meeting.

The above-mentioned transfer of assets and liabilities of a subfund to another undertaking for collective investments or to a subfund of such an undertaking for collective investment must be approved by the shareholders of the share class(es) of the subfund with a majority of two thirds or more of the Shares present or represented at a meeting called for this purpose. At least 50% of the issued and outstanding Shares of this subfund must be represented at this meeting.

If a merger such as this takes place with an undertaking for collective investment governed by Luxembourg law that was established in the form of an investment fund ("fonds commun de placement") or with an equivalent undertaking for collective investment governed by foreign law, the resolutions adopted by the shareholders' meeting of the fund are only binding on the shareholders who voted in favour of the merger.

9. Custodian, Central Administrative Agent, Paying Agent and Management Company

The assets of the Company are kept in safekeeping by Banque de Luxembourg S.A. (the "Custodian"), which has its registered office at 14, Boulevard Royal, L-2449 Luxembourg, and assumed the responsibilities of custodian bank under an agreement entered into with the Company for an indefinite period. In accordance with the provisions of the Law of 20 December 2002 on undertakings for collective investment, the Custodian must ensure that the sale, issue, redemption, exchange and cancellation of Shares by the Company or for its account take place in accordance with the provisions of the Law of 20 December 2002 or the Articles of Association and that

- A. the transaction value for a transaction involving assets of the Company is received within the normal period of time
- B. the Company's earnings are used in accordance with the provisions of the Articles of Association.

Partial or full delegation of the responsibility for safekeeping the Company's assets to third parties does not affect the Custodian's liability.

Banque de Luxembourg is the Company's Central Administrative Agent. The Central Administrative Agent is a public limited company under the law of the Grand Duchy of Luxembourg and has been delegated responsibilities that include accounting, calculating the net asset value per share, and preparing the annual financial statements. In its capacity as Central Administrative Agent, Banque de Luxembourg has delegated the function of Registrar and Transfer Agent and responsibility for fund accounting to "**European Fund Administration**", a public limited company under Luxembourg law. The Registrar and Transfer Agent accept requests to subscribe for subfund Shares on the instructions of the Management Company.

Any contracting party can terminate these agreements by giving three months' written notice effective the last day of a calendar month. If the Custodian agreement is terminated, the Company will endeavour to find a third party to replace the Custodian at the time that the termination takes effect. While awaiting its replacement, the Custodian will undertake all measures within the scope of the Law of 20 December 2002 and the corresponding provisions of this Agreement that are necessary to safeguard the legitimate interests of shareholders.

The fee for the services provided by Banque de Luxembourg S.A. is contractually agreed and included in the flat-rate fee.

The Central Administrative Agent uses the services of EUROPEAN FUND ADMINISTRATION ("EFA"), société anonyme, with registered office at 2, rue d'Alsace, PO Box 1725, L-1017 Luxembourg, to fulfill its responsibilities in full or in part, without affecting its unlimited liability.

The Board of Directors of the Company has delegated its investment management and administrative responsibilities to **AXXION S.A.** (the "Management Company"), a public limited company under the law of the Grand Duchy of Luxembourg with its registered office at 1B, Parc d'Activité Syrdall, L-5365 Munsbach. The Management Company was established on 17 May 2001 for an indefinite period. Its articles of association were published in *Mémorial C, Recueil des Sociétés et Associations* on 15 June 2001.

The Management Company is registered with the District Court of Luxembourg under number R.C.S. Luxembourg B 82112. The articles of association were last amended effective 28 May 2008, and were published in "*Mémorial*" and filed with the Luxembourg Trade and Companies Register on 3 July 2008. The Management Company's financial year ends on 31 December of each year. The Management Company had equity of EUR 3,208,200.00 as at 31 December 2008.

The object of the Management Company is the establishment and management of Luxembourg undertakings for collective investment within the meaning of the Laws of 30 March 1988 and 20 December 2002 on undertakings for collective investment and the Law of 19 July 1991 concerning undertakings for collective investment the securities of which are not intended to be placed with the public. The Management Company satisfies the requirements of amended Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in securities.

The Management Company is responsible for managing and administering the investment company. It may undertake all management and administrative measures and exercise all rights directly or indirectly associated with the Fund or subfund assets for the account of the investment company, including in particular fully or partially delegating its responsibilities to qualified third parties.

If the Management Company delegates responsibility for investment management to a third party, it may only appoint an authorised or registered investment management company that is subject to supervision.

The Management Company shall fulfill its obligations with the due diligence of a paid agent.

The Board of Directors of the Management Company has appointed Mr Thomas Amend and Mr Roman Mertes as managing directors and has assigned full management responsibility to them.

In addition to the investment company described in this Prospectus (together with Special Section), the Management Company also manages the following undertakings for collective management:

ABDERUS FUND, ACCESSIO, ADUNO FUND, ADVISER I FUNDS, ADVISER II FUNDS, AKROBAT FUND, ALTERA SECURITY FUND, ARBOR INVEST, AXXION FOCUS, CAPTURA, CATUS, CHARISMA SICAV, DRIVER & BENGSCHE (LUX), GANADOR, GERLACHUS FUND, IDEAL INVEST SICAV, INFINUS, LIBRA, MERIDIO FUNDS, MULTI STRUCTURE FUND, MULTI-AXXION, MULTI WERT SUPERFUND, nowinta, PEH SICAV, PEH QUINTESENZ SICAV, PEH Trust Sicav, PVM, RVF, smart-invest, SQUAD CAPITAL, TELOS FUNDS, TITAN, TOP CONCEPT, VIRTUS, VITREO

The Management Company uses the services of a fund manager in respect of the management of the assets of each subfund at its own risk and cost and under its own supervision. If the Management Company delegates responsibility for investment management to a third party, it may only appoint a licensed or registered investment management company that is subject to supervision.

The duties of the Paying and Information Agent (as specified in the German Investment Act (InvG)) will be performed by Marcard, Stein & Co AG, Hamburg, for investors in the Federal Republic of Germany. Requests to redeem Shares of subfunds distributed in the Federal Republic of Germany can be submitted to the German Paying Agent, which works with the Custodian to settle redemptions and pay out redemption proceeds.

10. Distributors

In coordination with the Management Company and in accordance with applicable statutory provisions, the Company shall appoint Distributors for the public distribution and sale of Shares of its subfunds in all countries in which public distribution and sale is permitted. The Distributors have the right to charge a sales commission for the Shares they have distributed, or to waive this sales commission in full or in part.

The currently appointed Distributors are indicated in the Special Section. The Company can appoint further Distributors in coordination with the Management Company.

The Distributors are authorised to place Shares into a unit-linked life insurance policy, while observing local statutory provisions in the country of distribution, and to publicly offer Shares in this form.

The Distributors are not authorised to accept customer payments. All subscription payments are transferred directly to the Fund's account at the Custodian or collected by the Custodian itself by means of direct debit. Savings and withdrawal plans can currently be set up by the German Distributor or another financial institution that maintains securities accounts and is not a member of the promoter group.

11. Investment Manager

The Management Company has appointed

Meridio Vermögensverwaltung AG
Gustav – Heinemann – Ufer 56
D-50968 Cologne,

a public limited company under German law, to be Investment Manager of the Company and has delegated responsibility for investment management to this company.

The Investment Manager is entitled to perform financial portfolio management and is subject to supervision in this regard.

The Investment Manager's responsibilities include in particular the day-to-day implementation of the investment policy for the assets of each subfund, management of the day-to-day business of investment management under the supervision and control and at the risk of the Management Company, and other related services. These responsibilities are executed in accordance with the principles in the investment policy and the investment restrictions of each subfund as described in this Prospectus (together with Special Section), the Articles of Association, and statutory investment restrictions.

The Investment Manager is authorised to select brokers to process transactions involving the Company's assets. The Investment Manager is responsible for investment decisions and issuing orders

at its own discretion and in accordance with the Islamic Investment Guidelines and, if necessary, in consultation with the Sharia Board and/or the Sharia Advisor.

The Investment Manager has the right to seek advice from third parties, in particular various investment advisors, at its own cost and risk.

The Investment Manager is permitted, with the approval of the Management Company, to delegate its responsibilities in full or in part to third parties while bearing full responsibility for their remuneration.

The Investment Manager shall pay all the expenses that it incurs in connection with the services it provides for the Company. Brokerage commissions, transaction costs and other business expenses related to the acquisition and disposal of assets are paid by the subfund concerned.

12. Sharia Board

The Sharia Board was appointed in accordance with the Sharia Board agreement and is responsible for assessing the Company's Sharia-compliance.

The responsibilities of the Sharia Board include in particular the following:

(A) Approving the Islamic Investment Guidelines and ensuring that all investments for the individual subfunds were performed in accordance with these investment guidelines.

(B) Counselling the Company in respect of the structure and specification of features for the Company and subfunds, and in respect of the structure and specification of investment objectives and investment policy in relation to compliance with the Islamic Investment Guidelines.

(C) When satisfied that a subfund is Sharia-compliant, issuing a fatwa in respect of the structure and documentation of the subfund. Drafting fatwas that indicate whether an investment and/or transactions of the Company were performed in accordance with the Islamic Investment Guidelines.

(D) Composing written decisions on whether individual investments and/or transactions of the Company were performed in accordance with the Islamic Investment Guidelines.

(E) Examining periodic Company reports on all of the investments for the subfunds for compliance with the Islamic Investment Guidelines.

(F) Informing the Company without undue delay of any changes to the Islamic Investment Guidelines.

(G) Providing counsel in respect of an appropriate procedure for "purifying" Company income that is not permitted under Islamic law and distributing the proceeds of this purification among the charitable organisations designated by the Board of Directors and approved by the Sharia Board.

(H) Attending Company meetings that are concerned with the investment policy and management of the Company. Meetings can be attended in person or by means of teleconferencing.

(I) The Sharia Board offers assistance in identifying Sharia-compliant instruments for the subfund investment objectives.

(J) Performing a Sharia assessment of significant agreements and legal documentation for the subfunds in order to ensure that the agreements and legal documentation are in accordance with the Sharia.

Assuming that the Company is Sharia-compliant, the Sharia Board in coordination with any appointed Sharia Advisor must prepare an annual compliance report and a quarterly Sharia certification documenting the Sharia-compliance of the Company and the individual subfunds. These reports are included in the Company's Annual Report.

The Sharia Board has been initially appointed for a period of one year. The composition of the Sharia Board will be reviewed annually in accordance with the provisions of the Sharia Board agreement.

The Company can convene meetings at regular intervals up to two times a year with the fund managers, the Management Company and the Sharia Board in order to discuss the Company's features, investment management and other topics that are of importance to the Company.

The members of the Sharia Board may be investors in the Company at the same time, provided they do not, in aggregate, hold a majority of the Shares. The Sharia Board's investment interest is disclosed exclusively in the Annual Report.

The composition of the Sharia Board is provided in the latest version of the Prospectuses.

13. Sharia Advisor

The Company can engage the services of a Sharia Advisor to provide counsel on its Sharia compliance. The primary responsibility of a Sharia Advisor is to provide general advisory services regarding the Sharia-compliance of the Company and to act as a Sharia coordinator and point of contact between the Company and the Sharia Board. The Sharia Advisor also examines the structure of the subfund and its share classes, advises on necessary changes to maintain or re-establish Sharia-compliance of the structure and provides recommendations in this regard. He provides counsel on the guidelines used to examine securities for Sharia-compliance and provides recommendations on investment vehicles that are Sharia-compliant and satisfy the investment objectives of the subfund concerned.

He also examines relevant agreements and the legal documentation of the investments of a subfund for Sharia-compliance.

The enlistment of a Sharia Advisor is not mandatory. All references to a Sharia Advisor and his responsibilities in this Prospectus apply in the event that the Company does engage a Sharia Advisor. The responsibilities of the Sharia Board remain unaffected by this.

14. Sharia Research

The Company can engage the services of a service provider or expert concerning Sharia-compliance. IdealRatings Inc., 425 Market Street, Suite 220, San Francisco, CA 94105, a company governed by the law of the state of Delaware, USA, is currently engaged to provide research information on Sharia-compliance. IdealRatings currently identifies and manages data on up to 95% of the Sharia-compliant securities worldwide. IdealRatings also offers information that can be used as basis for purifying non-Sharia Compliant income.

15. Shares of the Company, Nominees

The Company can issue Registered and/or Bearer Shares for the various subfunds of the Company's assets. The Company currently only issues accumulation shares.

If the Board of Directors should decide to change the Shares to distribution shares, under no circumstances will the distributions accrue interest, even if there is a period of several days between the ex-dividend date and the value date of the distribution.

With the Company's agreement, Registered Shares can also be held via a nominee. In this case, the nominee will be entered into the register when registered shares are subscribed. Shareholders can nevertheless always have their own names entered into the share register by instructing their nominees to assign the Shares to them. Shareholders that use the services of a nominee have the same rights and obligations as shareholders whose names are directly entered into the share register, and can submit redemption and exchange requests in the same way as shareholders whose names are directly entered into the share register.

Provisions applicable in Luxembourg impose obligations on all participants in the financial sector that are intended to prevent

UCITS from being used for the purposes of money laundering. The nominees mentioned above are financial sector professionals domiciled in a GAFI country who are subject to the same identification requirements as those prescribed by law in the Grand Duchy of Luxembourg.

The Board of Directors can establish a number of different share classes ("classes"). A and B are intended for public transactions. The share classes can differ in terms of assigned currency and fee structure, among other things. Detailed information is provided in the Special Section for the subfund concerned.

The net proceeds received when Shares are issued are invested in the assets of the associated subfund.

The Board of Directors sets up a segregated portfolio for the assets of each subfund. This portfolio of assets is assigned exclusively to the Shares issued for the subfund for the mutual benefit of the shareholders and is treated as a segregated entity with its own funds available for investment, price gains and losses, expenses, etc.

Each subfund is liable only for its own obligations to third parties including, in particular, creditors. Under the Law of 20 December 2002, the Company is not jointly and severally liable.

Any assets or liabilities of the Company that cannot be attributed to a specific subfund are attributed to all subfunds in proportion to the share of the net asset value of the classes concerned, or by some other method determined by the Board of Directors in a prudent manner and to the best of its knowledge, with the Company jointly and severally liable for all liabilities, regardless of the subfund they are attributed to, unless provided otherwise by law or agreed otherwise with the creditors.

Registered shares are entered into a share register maintained by the Company or one or more persons engaged by the Company for this purpose. The entries provide information about the names of registered shareholders, their residence or normal place of residence as selected by them and indicated to the Company, the number of registered shares held, and the amount paid in for each of these Shares.

Entry of the shareholder's name in the register creates documentary proof of the shareholder's right of ownership.

A nominee can also be engaged to subscribe for registered shares (see above).

No certificates are issued for registered or bearer shares. Shareholders have no right to receive physical securities.

All Shares must be fully paid-in, have no par value and carry no preference or first refusal rights. Under the law and the provisions of the Articles of Association, each share of the Company grants one vote at each shareholders' meeting, regardless of which subfund issued the share.

16. Issuing of Shares

Shares are issued at the subscription price for each subfund. This price is calculated on each valuation date ("Valuation Date") from the net asset value per share.

Once a subfund has been opened for subscription, the Company can set an initial subscription period during which Shares are issued at a fixed initial subscription price, plus any applicable sales commission to be collected by the Distributors, which may not exceed 5.00% of the net asset value per share.

After the initial subscription period has ended, the Shares of the various subfunds are issued at a subscription price calculated based on the net asset value per accumulation or distribution share on the valuation date concerned. A sales commission, which may not exceed 5.00% of the net asset value per share, is also collected and paid in full or in part to the Distributor or the Company. In the case of large orders, the Distributor can waive part or all of the sales fee to which it is entitled.

The Company must receive the subscription price for each share in the currency of the subfund concerned within 5 Banking Days, or the subscription request becomes void.

Subscription requests that the Administrative Agent receives at the latest by 5:00 p.m. (Luxembourg time) on the final Banking Day before a Valuation Date are settled after acceptance at the subscription price on that Valuation Date.

Subscription requests that are received after 5:00 p.m. (Luxembourg time) on the final Banking Day before a Valuation Date are settled after acceptance at the subscription price on the following Valuation Date.

As a rule, subscription requests are not considered until the subscription price has been paid.

It shall be ensured that share subscriptions for all subfunds are performed based on an unknown net asset value, which will not be calculated until the order receipt cut-off time has passed.

The issuing price for Shares must be paid to the Sharia-Compliant (non-interest bearing) bank accounts indicated by the Company.

Share subscribers and shareholders may also directly contact **EUROPEAN FUND ADMINISTRATION** (“EFA”), société anonyme, with registered office at **2, rue d’Alsace, PO Box 1725, L-1017 Luxembourg**, which also performs central administrative duties in full or in part.

The Company reserves the right to reject or only partially accept any subscription request. If this occurs, the Company will remit any payments already received back to the subscriber. In addition, the Board of Directors reserves the right to suspend the issuing and sale of the Shares of any subfund at any time without notice.

In the interests of preventing money laundering, the Administrative Agent engaged by the Company can request at any time that additional information and documents be provided so that sufficient information about the identity of the subscriber and/or the economic beneficiary and the origin of the investment capital is known. Subscription requests can be suspended as long as these documents and information are not provided or the origin of the investment capital cannot be clarified.

The Company can decide to issue fractional registered shares if the net subscription amount does not equal the subscription price of a whole number of Shares and the investor has given no instructions to subscribe for whole Shares only. Fractional shares, which must of necessity be registered shares, can be issued in fractions as small as one thousandth of a share.

Registered share subscription requests that are submitted to the Distributor or other intermediary must be accompanied in all cases by a power of attorney from the buyer that permits sub-delegation of powers.

No Shares of a subfund will be issued during a period in which calculation of the net asset value per share is suspended for the subfund.

The Special Section provides more information on the procedure followed for requests.

17. Redemption of Shares

Under the provisions of the Articles of Association and subject to the provisions below, every Company shareholder has the right to request that the Company redeem all or a portion of the Shares that he holds in a subfund at any time.

Shareholders wishing to redeem all or a portion of their Shares must submit an irrevocable written request to this effect to the Company. This request must include the following information: the identity and address of the party making the request, the number of Shares to be redeemed, the name of the subfund for which the Shares were issued, and the name of the person to whom payment should be made.

Redemption requests that the Administrative Agent receives at the latest by 5:00 p.m. (Luxembourg time) on the Banking Day before a Valuation Date are settled after acceptance at the redemption price on this Valuation Date. Requests that are received after 5:00 p.m. (Luxembourg time) on the final Banking Day before a Valuation Date are settled after acceptance at the redemption price on the following Valuation Date. It shall be ensured that share redemptions for all subfunds are performed based on an unknown net asset value,

which will not be calculated until the order receipt cut-off time has passed.

Share subscribers and shareholders may also directly contact **EUROPEAN FUND ADMINISTRATION** (“EFA”), société anonyme, with registered office at 2, rue d’Alsace, PO Box 1725, L-1017 Luxembourg, which also performs central administrative duties in full or in part.

As a rule, the redemption price is paid without interest in the currency of the subfund concerned or, if so requested by the shareholder, in another currency chosen by the shareholder, with any costs incurred in connection with currency conversion being charged to the shareholder. Any costs of the money transfer shall be paid by the shareholder.

The redemption price of the Shares may be higher or lower than the initial price at the time of purchase or subscription. The redemption price equals the net asset value per share on the relevant Valuation Date less the redemption fee, if any, specified in the Special Section, paid to the Distributor. As a rule, the redemption price is paid out in Luxembourg no later than five Banking Days after the day on which the net asset value applicable to the redemption was calculated.

Payments are made at the risk and cost of the shareholder by cheque sent to the address provided or by money transfer to the account indicated.

Redeemed Shares are cancelled.

No Shares of a subfund will be redeemed during a period in which the Company has suspended calculation of the net asset value per share for the subfund.

If performing a redemption request results in the remaining share ownership of a subfund being below the minimum investment amount specified in the Special Section for the subfund, the Company has the right to redeem all of the Shares held by shareholders in the subfund concerned.

In addition, if the share redemption or exchange requests that are received on a day on which share redemption or exchange can be performed exceed 10% of the outstanding Shares of the subfund concerned, the Board of Directors can decide, taking into account the interests of the Company, to defer all or a portion of the redemption and exchange requests for a certain time. As a rule, however, this deferral may not exceed a period of 8 valuation days. Processing of these redemption and exchange requests is given priority over requests that are received after the original redemption date.

If the total value of the net asset values of all outstanding Shares is less than EUR 2.5 million over a period of 60 calendar days, the Company can inform all investors within a period of 3 months by means of a written notification giving 30 days’ notice that all Shares will be redeemed after the end of the 30-day period at the net asset value (less estimated fees and expenses, or fees and expenses as decided by the Board of Directors and published in the Prospectus) on the next following Valuation Date.

If, for any reason, the value of the assets of a subfund is less than EUR 2.5 million over a period of 30 days or a change occurs in the economic or political situation that affects a subfund and has significant adverse consequences for the investments of the subfund, the Board of Directors can decide to perform a compulsory redemption of all Shares in the affected share class(es) of this subfund at their net asset value on the Valuation Date on which the decision enters into force (based on the prices and actual costs incurred in connection with realisation of the assets and the liquidation costs for terminating the subfund) or to merge the subfund with another of the Company’s subfunds or with another Luxembourg UCITS subject to Part I of the Law of 20 December 2002 on undertakings for collective investment. The Company will inform the shareholders of the share class(es) concerned, giving 30 days’ notice before the compulsory redemption enters into force. The notice to this effect will provide the reasons and the procedure used for redemption. Holders of registered shares will be notified in writing. The Company will inform shareholders by publishing a notice in a newspaper determined by the Board of Directors.

A decision to terminate a subfund on other grounds and resulting in the compulsory redemption of all Shares of the subfund can only be made by a general meeting of the shareholders of the subfund.

There is no attendance quorum requirement for such a meeting and resolutions can be adopted by a simple majority of the Shares present or represented at the meeting.

The Company is authorised to redeem Shares held by persons who are not entitled to hold them.

18. Exchange of Shares

Under the provisions of the Articles of Association and subject to the provisions below, any shareholder can exchange Shares of one subfund for Shares of another subfund, or exchange Shares of one class, if applicable, for Shares of another class in the same subfund.

An exchange of Shares within a subfund or between different subfunds can take place on any Valuation Date.

The exchange request must be sent to the Company by telex or in writing. **The procedure and deadlines applicable to share redemptions apply analogously to share exchanges.**

An exchange request will be performed when the following conditions are satisfied:

- receipt of a properly completed exchange request by the domiciliary agent, and
- if applicable, receipt by the domiciliary agent of the certificates for the Shares to be exchanged.

Share subscribers and shareholders may also directly contact EUROPEAN FUND ADMINISTRATION (“EFA”), société anonyme, with registered office at 2, rue d’Alsace, PO Box 1725, L-1017 Luxembourg, which also performs central administrative duties in full or in part.

The ratio used for the share exchange is calculated using the net asset values of the Shares concerned on the Valuation Date in question. The shareholder can be charged the exchange commission specified in the Special Section, which is payable to Distributors. It must be noted, however, that if the initial sales commission for the new subfund is greater than the sum of the initial sales and exchange fees for the old subfund, the shareholder must pay this difference to the Distributor of the new subfund. In no case can a subscriber take advantage of sales and exchange fees in order to acquire Shares of a subfund at lower cost through an exchange than would have been the case with a direct purchase.

No Shares will be exchanged during a period in which the Company has suspended calculation of the net asset value per share for the Shares or, if applicable, share classes concerned.

19. Prohibition against Market Timing and Late Trading

Shares may not be acquired, sold or exchanged for the purposes of market timing, late trading or similar practices.

Market timing is an arbitrage method in which an investor systematically subscribes, redeems or exchanges shares or units of an undertaking for collective investment (“UCI”) within a short period of time while taking advantage of time differences and/or imperfections or weaknesses of the valuation system for calculating the share value of the UCI.

The Company does not allow any practices associated with market timing because they increase costs, thereby decreasing the performance of the Fund and/or potentially resulting in a dilution of earnings. The Company reserves the right to reject subscription or exchange requests coming from an investor suspected of using such practices and, if necessary, suspending the issuing of Shares temporarily or permanently or undertaking the measures required in order to protect the other investors in the Fund. In this case, payments that have already been received will be repaid without undue delay.

Late trading is when subscription, exchange or redemption requests that are received after the cut-off time for a particular day are accepted and performed at a price based on the share value for that day.

The Company ensures that subscriptions, redemptions and exchanges are always performed based on an unknown share value.

The order receipt cut-off time is expressly indicated in the relevant Special Section of the Prospectus.

20. Dividend Policy

The aim of the Company is to distribute and/or accumulate earnings. The Board of Directors proposes to the general meeting a distribution from the net distributable investment income and/or realised and/or unrealised investment gains less realised and/or unrealised investment losses.

The dividend policy for each subfund is defined in the associated Special Section under the heading “Dividend Policy”.

Any dividend announcements are published in a Luxembourg daily newspaper and any other newspapers that might be chosen by the Board of Directors.

As a rule, any dividends are paid out in the Subfund Currency no later than one month following approval of the dividend. Upon request, dividends can also be paid in a different freely convertible currency at the exchange rate applicable at that time and at the investor’s cost. Dividends for registered shares are paid to the investor entered in the Company’s register.

If the Board of Directors should decide to convert the Shares into distribution shares, under no circumstances will the distributions accrue interest, even if there is a period of several days between the ex-dividend date and the value date of the distribution.

Dividends that remain unclaimed for five years will be forfeited and accrue to the subfund that was to have paid them out.

21. Net Asset Value Determination

A. Calculation and Publication of the Net Asset Value per Share

The Board of Directors is responsible for calculation of the net asset value per share for every subfund in the currency of the subfund (“Subfund Currency”) on every Banking Day in Luxembourg (Valuation Date), unless provided otherwise in the Special Section for the subfund. The net asset value per share of a subfund is calculated as the total net asset value of all Shares of the subfund divided by the number of Shares outstanding.

The net asset value per share of a subfund is determined on each Valuation Date based on last available prices and the value of the assets held by the subfund according to the following methods:

Cash balances, sight bills, sight receivables, prepaid expenses, and dividends declared or due and not yet collected are valued at their nominal values. If it appears unlikely that this amount will be received in full, a discount that the Company considers appropriate can be deducted from the value in order to reflect the actual value of the assets concerned;

the value of all securities that are traded or listed on a stock exchange is determined using the last available price on the applicable Valuation Date ;

the value of all securities traded on another Regulated Market that is recognised, open to the public and operates regularly (“Regulated Market”) is determined using the last available price on the Valuation Date concerned;

securities that are not listed or traded on a stock exchange or other Regulated Market, and securities that are listed or traded on a stock exchange or other Regulated Market whose prices determined in accordance with the provisions above do not reflect the true value of the securities are valued based on the probable sales value, as estimated with due care and in good faith;

the liquidation value of forward contracts and options that are not traded on a stock exchange is determined in accordance with rules specified by the Board of Directors that establish uniform criteria for each contract category. The liquidation value of futures contracts and options that are traded on stock exchanges is determined based on last available prices as published by the stock exchanges where the Company entered into the contracts in question. If it was not possible to liquidate a futures or forward contract on the Valuation Date concerned, the Board of Directors will specify the valuation

criteria for the liquidation value of such a contract with due care and to the best of its knowledge. Interest rate swaps are valued based on the value calculated using the interest rate curve;

all other assets are valued at their probable realisable value, determined with due care and on a best knowledge basis using the procedures established by the Board of Directors.

The value of all assets and liabilities that are not denominated in the currency of a subfund are converted to the Subfund Currency using the applicable market exchange rate as set by the Custodian. If such exchange rates are not available, the conversion rate will be determined with due care and on a best knowledge basis using the procedures established by the Board of Directors.

The Board of Directors has absolute discretion to use any other valuation method if it feels that valuation using this method would better reflect the probable realisable value of an asset held by the Company.

Information on the latest net asset value per share and the issuing, redemption and exchange prices per share for all of the Company's subfunds is available during business hours from the Company's registered office.

In order to remove all doubt, it is hereby expressly noted that any interest and dividend income that has been declared prohibited or impermissible by the Sharia Board and/or Sharia Advisor is not included when calculating the Company's net asset value. The Board of Directors can round the net asset value up or down to the nearest unit of the currency concerned.

B. Temporary Suspension of Net Asset Value per Share Calculation and the Issuing, Redemption and Exchange of Shares

The Company can suspend net asset value calculation and the issuing, redemption and exchange of Shares for any subfund, provided this is in accordance with the provisions of Article 12 of the Articles of Association.

Notification of such a suspension and the end of the suspension will be published in a Luxembourg daily newspaper and in any other newspaper to be determined by the Board of Directors, and the Company will bring these notifications to the attention of investors who have submitted share subscription, redemption or exchange requests and are affected by the suspension of net asset value calculation.

22. Expenses

The Management Company, Custodian and Central Administrative Agent, and the Investment Manager each receive fees that are separately charged to the assets of the subfunds concerned. The amount of the fees is based on the provisions of the Special Section of the subfund concerned and contractual provisions.

Each member of the Sharia Board receives remuneration for his advisory services in accordance with the remuneration provisions in his letter of appointment. The precise costs can be found in the Special Section.

If a Sharia Advisor is appointed, he receives remuneration for his advisory services relating to the Sharia-compliance of the Company proportional to the net asset value of the subfund in question.

The Company must also pay remuneration and expense reimbursements to the members of the Board of Directors, as well as reasonable travel expenses and cash expenses for meetings of the Board of Directors.

The expenses incurred for engaging third parties to calculate risk and performance measures and calculate a performance fee for the Management Company are paid by the subfunds concerned.

Expenses incurred in connection with obtaining and maintaining authorisations that allow a subfund to make direct investments in assets in a country or act as direct counterparties in a country's markets are paid by the subfund concerned.

The costs of using Sharia-Compliant securities lending programmes are also paid by the subfund concerned.

The following expenses are also charged to the Company: the Investment Manager performance fee, costs of filing and registration with all registration authorities, paying agent fees, auditing fees, expenses for printing and distributing the Annual and Semi-Annual Reports, printing and distribution expenses for all other reports and documentation, commissions and fees in connection with securities transactions, reasonable expenses for advertising and the like that are directly related to the offering and sale of Shares, expenses for publishing net asset value figures, costs of legal advice, any expenses for producing share certificates and coupons and redeeming them, and the expenses for subfund evaluations by national and internationally recognised rating agencies.

Each subfund also pays the costs of service providers and experts whose services are used in connection with the Sharia-compliance of the securities in the subfund. The precise costs can be found in the Special Section.

The Company also bears incorporation expenses, which will amount to approximately EUR 75,000.

Any taxes and levies attributable to the assets of a subfund or to securities transactions involving the assets of a subfund are paid by the subfund.

Otherwise, no general expenses falling outside of the fee structure described are charged against the assets of a subfund.

The Company can account for administrative and other costs of a recurring or periodic nature by using estimates for an annual period or any other period of time.

Any liabilities of the Company that cannot be attributed to a specific subfund are attributed to all subfunds in proportion to their net asset values, or by some other method decided by the Board of Directors in a prudent manner and to the best of its knowledge. The Company is jointly and severally liable for all liabilities, regardless of the subfund they are attributed to, unless provided otherwise by law or agreed otherwise with the individual creditors.

Expenses will be settled by first using income and then realised or unrealised price gains. Expenses relating to the formation of the Company and subsequent establishment of new subfunds are paid proportionally from the assets of the subfunds of the Company's assets, and amortised over the following five financial years of the Company. Expenses for establishing, activating and registering new subfunds are paid exclusively by the new subfund and can be amortised over a period of five years following formation of the subfund.

23. Tax Treatment of the Company and its Shareholders

A. Tax Treatment of the Company in Luxembourg

The following summary is based on current laws and practices in the Grand Duchy of Luxembourg and is subject to change.

Dividends, payments or other income the Company receives from its investments, may be subject to non-refundable withholding tax or other taxes in their country of origin. It can be assumed that the Company's shareholders are tax residents of a number of different countries. This Prospectus will therefore not present a summary of tax consequences for all investors. The consequences for an investor's personal tax situation vary according to the governing law and legal practice of the investor's country of citizenship, residence, registered office or normal place of residence, and the country in which his Shares are being held in safekeeping.

Except for a Luxembourg withholding tax, neither the Company nor distributions paid by the subfunds are subject to profit or income tax in Luxembourg.

The Company is, however, subject to a *taxe d'abonnement*, except when it invests in Luxembourg investment funds that are themselves subject to this tax.

This tax is payable quarterly and its tax base is the net assets of the subfund or the share class in the subfund at the end of the quarter. No stamp duty or other taxes are incurred when Shares are issued in

Luxembourg. Realised increases in the value of the Company's assets are also not subject to tax in Luxembourg.

Under the current legal situation in Luxembourg, shareholders are not subject to

(i) tax on investment income or

(ii) capital gains, or – subject to the paragraph below –

(iii) withholding tax.

However, this does not apply to shareholders who:

(A) have their residence or normal place of residence, or maintain a permanent establishment in Luxembourg;

(B) are not resident in Luxembourg, but hold more than 10% of the total Shares of the Company and dispose of all or part of their holdings less than six months after they are acquired; or who were resident in Luxembourg for 15 years or more, gave up their residence or normal place of residence during the last five years before the sale of their Shares and hold more than 10% of the total Shares of the Company.

Under the provisions of Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (Savings Directive), which entered into force on 1 July 2005, withholding tax could be applied in certain cases if a Luxembourg paying agent pays out distributions or performs redemptions of Shares and the recipient or economic beneficiary of these funds is a natural person who is a resident of another country in the European Union or one of the implicated dependent or associated territories. The rate of withholding tax on the tax base of a distribution or redemption is 20% starting 1 July 2008, and 35% as of 1 July 2011, unless the person concerned expressly requests to participate in the information exchange system of the above directive or submits an exemption certificate from the authorities in his or her home country.

All shareholders are hereby advised to inform themselves, and if necessary obtain professional legal counsel, concerning the tax consequences of subscribing, purchasing, holding, redeeming and otherwise disposing of Shares, and of receiving income (e.g., by means of a distribution or reinvestment by a subfund) under the laws of their country of citizenship, residence, normal place of residence, or registered office or the country where their Shares are held in safekeeping.

The Company assumes no liability in this regard.

24. Shareholder Information

Convening notices for shareholders' meetings, including those that decide on changes to the Articles of Association or the dissolution and liquidation of the Company, will be published in accordance with the provisions of Luxembourg law in one or more newspapers determined by the Board of Directors and in the Luxembourg Official Journal ("Mémorial"). All other important shareholder notices will be published in one or more newspapers determined by the Board of Directors.

The Company's financial year begins on 1 September and ends on 31 August. The first financial year ends on 31 August 2010.

The Company publishes an Annual Report each year in the currency of the subfund concerned that includes the Company's audited consolidated financial statements and the auditors' report. The Company also publishes an unaudited Semi-Annual Report no later than 2 months after the end of the first half of the year. The first Semi-Annual Report will be issued on 28 February 2010, and the first audited Annual Report on 31 August 2010.

These reports can be obtained free of charge from the Company's registered office and national representatives.

The Annual General Meeting of shareholders will be held each year in Luxembourg at 12:00 noon on the third Wednesday in January at the location indicated in the convening notice. If this day is a statutory or bank holiday in Luxembourg, the shareholders' meeting will be held on the next Banking Day. The first Annual General

Meeting takes place at 12:00 noon on the third Wednesday in January 2011.

25. INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

Shares can be subscribed, redeemed and exchanged by the Paying Agents and Distributors indicated in this Prospectus.

The Paying Agent pays out redemption proceeds, any distributions and other payments to shareholders. Upon request by the shareholder, these payments can also be made in cash, in euros.

Shareholders can obtain the Full Prospectus, Simplified Prospectus, Articles of Association, Annual Report, Semi-Annual Report and issuing and redemption prices free of charge from the Paying Agents and the Distributor in the Federal Republic of Germany. The agents mentioned above also have the agreements mentioned in the "Inspection of Documents" section and the Company's Articles of Association available for inspection.

The Company may decide to only publish the issuing and redemption prices on the Management Company's Internet website (www.axxion.lu). Issuing and redemption prices are currently being published on the Internet website www.axxion.lu. The latest Prospectus, Simplified Prospectuses, Annual Reports and Semi-Annual Reports of the Fund are also available there.

Other shareholder notices shall be published in the "Börsenzeitung" newspaper in the Federal Republic of Germany, as well as any other newspapers as determined by the Company.

26. INFORMATION FOR INVESTORS IN AUSTRIA

The following information is intended for potential investors in the Republic of Austria. It supplements the Prospectus with additional and more detailed information on the current public distribution of **Meridio Islamic Funds – Meridio Global Islamic Multi Asset** in the Federal Republic of Austria:

The SICAV has entered into an agency agreement with KPMG and a paying agent agreement with RZB, Vienna.

If desired, all payments to shareholders of the SICAV can be made through the Paying Agent in Austria. The Prospectus, Simplified Prospectus, Articles of Association, Annual Reports and Semi-Annual Reports of the SICAV are available free of charge from the business offices of RZB, Vienna.

The Company may decide to only publish the issuing and redemption prices on the Management Company's Internet website (www.axxion.lu). Issuing and redemption prices are currently being published on the Internet website www.axxion.lu. The latest Prospectus, Simplified Prospectuses, Annual Reports and Semi-Annual Reports of the Fund are also available there.

Other shareholder notices shall be published in the "Der Standard" daily newspaper in Austria, as well as any other newspapers as determined by the Company.

The address of the Paying Agent is:

Raiffeisen Zentralbank Österreich Aktiengesellschaft
Am Stadtpark 9
A-1030 Vienna

The address of the tax representative in Austria is:

KPMG Audit
Alpen-Treuhand GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Porzellangasse 51
A-1090 Vienna

27. Inspection of Documents

Copies of the following records and documents are available for inspection during regular business hours on every Banking Day in Luxembourg at the Company's registered office and the Custodian's premises on its regular business days:

- A. the agreements on the Custodian and Central Administrative Office activities, and the Paying Agent and Distributor activities, and the agreements with the Investment Manager,

The following documents are available free of charge upon request:

- A. the Company's Articles of Association,
- B. the Full Prospectus and Simplified Prospectuses,
- C. the latest Annual and Semi-Annual Reports.

**Special Section I
(April 2010)**

Meridio Islamic Funds – Meridio Global Islamic Multi Asset
(a subfund of “Meridio Islamic Funds”,
a société d’investissement à capital variable
under Luxembourg law)

This Special Section supplements the information in the General Section (April 2010) in respect of the Meridio Islamic Funds – Meridio Global Islamic Multi Asset subfund, and must be read together with the General Section.

Even though a shareholder of this subfund does not maintain relationships with the other subfunds of the umbrella fund, and even though this subfund maintains separate accounts, and in particular earns its own profits and losses, the Meridio Islamic Funds – Meridio Global Islamic Multi Asset subfund and the other subfunds of the Meridio Islamic Fund together form a single entity under company law. The Board of Directors can decide at any time to establish new subfunds within the Company.

Investment Objectives and Investment Policy

The subfund’s investment objective is to generate income and capital growth regardless of the phase of the market, while complying with restrictions prescribed by the Sharia Board.

When managing the subfund, the Management Company must ensure compliance with the Islamic Investment Guidelines approved by the Sharia Board.

For some share classes, the net asset value per share may be converted into another currency.

The investment focus of the subfund is to invest within a multi-asset structure in shares and Sukuk (Sharia-Compliant bonds) that constitute securities as specified in Article 41 of the Law of 20 December 2002 on undertakings for collective investment and are listed on a stock exchange or traded on other Regulated Markets that are recognised, open to the public and operate regularly.

The primary instruments of the investment policy are Sharia-Compliant shares, Sharia-Compliant bonds (Sukuk), Sharia-Compliant funds and various Sharia-Compliant derivatives, as permitted by law and conditional on all of the instruments indicated being securities as specified in Article 41 of the Law of 20 December 2002 on undertakings for collective investment, Article 2 of the Grand-Ducal Regulation of 8 February 2008, and Point 17 of the CESR Guidelines CESR/07-044b.

The subfund’s target investment regions are international equity markets, such as the Eurozone, the US, Japan, China, Indonesia, Malaysia, MENA (Middle Eastern and North African countries), GCC (Gulf Cooperation Council, founding members: Kuwait, Bahrain, Saudi Arabia, Qatar, United Arab Emirates and Oman), Turkey.

The assets of the subfund are also invested in share certificates and share index certificates. The investments indicated are traded on stock exchanges or other Regulated Markets that are recognised, open to the public and operate regularly. In addition, premarket placements, i.e., placements not yet listed at the time of issue, can also be acquired within the statutory limits if stock exchange listing will take place no later than one year after the investment (Article 41 1 d of the Luxembourg Law of 20 December 2002).

Up to 10% of the assets of the subfund can be invested in shares of Sharia-Compliant equity, bond and money market investment funds. The management fees for the funds acquired by the subfund shall not exceed 2.5% p.a. of the net assets of the subfund.

In addition, the subfund can invest up to 10% of its net assets in securities that are not yet listed on a stock exchange at the time of investment.

The subfund can also hold up to 100% of its money market instruments, liquid assets and time deposits in any currency.

Investments in money market instruments can only be made in money market instruments issued or guaranteed by first-rate issuers with a remaining term of 12 months or less.

Even though the Company endeavours to the best of its knowledge to achieve the investment objectives, no guarantee can be given that it will succeed. Both the net asset value of the Shares and the earnings can rise as well as fall.

The Subfund Currency is EUR.

The currency for share class A is EUR and for share class B USD.

Investment Techniques and Instruments

Sharia-Compliant options and futures may be bought and sold and other forward transactions executed as permitted by the provisions and restrictions of the law both for hedging against potential price losses on capital markets and optimising returns. The underlyings are instruments as specified in Article 41(1) of the Law of 20 December 2002, or financial indices, exchange rates or currencies. Because of the leverage effect of derivatives, their use could be associated with greater risk.

Further information on techniques and instruments is provided in the “Investment Restrictions” section of the Prospectus. In no cases does the fund ever deviate from its investment policy as described in the Prospectus when using derivatives.

Risk Profile

The investments of a fund can be subject to fluctuations, and no guarantee can be given that an investor’s shareholdings will have the same value as the original investment when they are sold.

The composition of the subfund assets results in a high overall risk, balanced by correspondingly high expected returns. Investments in the subfund are therefore only suitable for investors with a very high level of securities experience and risk tolerance. The specific investment policy used by the subfund results in a favourable risk-return profile. The securities in which the subfund concentrates its investments can, however, exhibit pronounced price fluctuations. In addition, focusing on a small number of countries can cause the movements of the share value to deviate significantly from the general market trend. Because of the unpredictability of developments in the subfund’s investment segment, which means that the share price could even decline for a number of years, investors should be financially in a position to leave their investments untouched over such a period of time.

The risks consist primarily of share price, currency and creditworthiness risks.

Foreign currencies can only be hedged against the fund currency using Sharia-Compliant techniques and instruments.

Unless provided otherwise, investments may be made in securities that are listed in currencies that differ from that of the share class. The subfund receives income, repayments and proceeds from such investments in the currency in which the investment is denominated. The value of these currencies can fall versus the currency of the share class. Securities denominated in currencies other than the share class currency therefore create an exposure to foreign currency risk that could have a corresponding negative effect on the value of the Shares.

In addition, an investor whose reference currency differs from the investment currency or currencies of the fund is also exposed to exchange rate risk.

Special Risks

In some of the countries mentioned in the investment policy, expropriation of assets, taxation equivalent to expropriation, political and social unrest or diplomatic developments might occur that could adversely affect investments in these countries. There might be less publicly available information on certain financial instruments than normally expected by investors. Companies in some countries might not be subject to the standards and requirements for bookkeeping and accounting, auditing and other account examinations, financial reporting and disclosure of accounting documents that some investors might normally expect.

Even though their market volume is generally growing, the market volume in certain financial markets is for the most part significantly lower than is the case in financial markets in more developed countries. The securities of many companies are therefore less liquid and their market prices more variable than securities of comparable companies traded in larger major markets. The requirements in terms of government supervision, regulation of currency exchange (currency controls) and regulation of financial institutions and issuers are also more strict in some countries than others. Moreover, the type and manner of securities investment permitted for foreign investors in such countries and the investment restrictions for such investments could adversely affect investment activities.

Payment and settlement systems in some of the countries indicated in the investment policy may be less organised than in established markets. As a result, there is a risk of delayed settlement and a risk to funds and securities of the subfund due to inadequacies or defects in the payment and settlement systems. In particular, market practice for payment in these countries could require that payment be made before purchased securities are delivered or that delivery be made before payment is received. In these cases, breach of contract by the broker or bank (“Counterparty”) being used to perform trades could lead to losses for the subfund.

To the extent possible, the Company will attempt to utilise only Counterparties whose financial circumstances are such as to minimise such risk. Nevertheless, there is no guarantee that the Company will be able to fully eliminate this risk for the funds, in particular since Counterparties operating in emerging markets often do not have the same economic resources and financial means available to them as Counterparties in developed countries.

In addition, there is a risk that competing rights to securities that belong to the assets of the subfund or are to be transferred to the subfund could accrue to third parties due to uncertainties in the operation of the payment and settlement systems in some markets. Furthermore, investor compensation systems might not exist, could involve restrictions, or might be insufficient to cover the damage claims of the Company in these cases.

“DEPOSITARY RECEIPTS”

Depositary Receipts (ADRs, GDRs and EDRs) are securities representing the shares of companies that are traded on a different market than the depositary receipts. It must be noted that depositary receipts traded on recognised stock exchanges could also be exposed to other risks. For example, the shares underlying the depositary receipts could be exposed to risks due to political changes, inflation, exchange rate fluctuations, or safekeeping by a custodian bank.

It is recommended that investments in the subfund be made by investors who have no need to withdraw their invested capital over the long term.

Investor Profile

The subfund is suitable for investors with an investment horizon of 5 years wishing to make a high risk investment in order to participate in the favourable long-term performance of international bond and equity markets.

The Company has appointed Meridio Vermögensverwaltung AG under contract as Investment Manager for the Meridio Islamic Funds – Meridio Global Islamic Multi Asset subfund.

Meridio Vermögensverwaltung AG was established in 1998 in Cologne under the name “proventus Vermögensverwaltung Aktiengesellschaft”, has its registered office in Cologne and is a financial services company within the meaning of the German Banking Act (KWG).

Issuing of Shares (costs borne directly by the shareholder)

The Company can issue both registered and bearer shares in the form of reinvesting shares at a price based on the net asset value per share on the applicable Valuation Date. Class A and B shares are currently being issued. Both share classes are intended for a broad

range of potential investors and no special requirements are needed for subscription.

A sales fee with a current maximum value of 5.00% of the net asset value per share is also charged for share classes A and B.

Subscription requests that the Administrative Agent receives at the latest by 5:00 p.m. (Luxembourg time) on the final Banking Day before a Valuation Date are settled after acceptance at the subscription price on that Valuation Date.

Subscription requests that are received after 5:00 p.m. (Luxembourg time) on the final Banking Day before a Valuation Date are settled after acceptance at the subscription price on the following Valuation Date. As a rule, subscription requests are not considered until the subscription price has been paid.

The subscription price must be paid within 5 Banking Days.

Redemption of Shares

Every shareholder of the subfund has the right to request redemption of all or a portion of the Shares that he or she holds at any time.

The procedure and deadlines applicable to share issues apply analogously to share redemptions.

As a rule, the redemption price is paid in the currency of the subfund concerned at the shareholder’s cost or, if so requested by the shareholder, in another currency chosen by the shareholder, with any costs incurred in connection with currency conversion being charged to the shareholder. The redemption price of the Shares may be higher or lower than the initial price at the time of purchase or subscription. The redemption price equals the net asset value per share on the applicable Valuation Date. No redemption fee is currently being charged. As a rule, the redemption price is paid out in Luxembourg no later than five Banking Days after the day on which the net asset value applicable to the redemption was calculated. Payments are made at the risk and cost of the shareholder by cheque sent to the address provided or by money transfer to the account indicated.

Exchange of Shares (costs borne directly by the shareholder)

Every shareholder of the subfund can exchange all or a portion of his Shares for Shares of another subfund. The exchange is performed based on the net asset value on the applicable Valuation Date based on analogous application of the provisions applying to an issue of Shares. No exchange fee is charged.

The procedure and deadlines applicable to share issues apply analogously to share exchanges.

Dividend Policy

Under the Company’s Articles of Association, the subfund is authorised to issue distribution and accumulation shares as directed by a resolution adopted by the Board of Directors of the Company. The Company currently only issues **accumulation** shares for the Meridio Global Islamic Multi Asset subfund.

If the Board of Directors should decide to change the Shares to distribution shares, under no circumstances will the distributions accrue interest, even if there is a period of several days between the ex-dividend date and the value date of the distribution.

Expenses (borne directly by the shareholder)

The **Management Company** receives a management fee of up to 0.35% p.a. of the net assets of the subfund, calculated on a pro rata basis based on the average net asset value of the subfund during the calendar month and paid monthly in arrears.

At the end of every month, the **Investment Manager** receives a fee of up to 1.50% p.a. plus value-added tax for both share classes, calculated on a pro rata basis with regard to the average net asset value of the subfund during the calendar month and paid monthly in arrears.

The Investment Manager also receives a **performance fee** for each share class equal to 15% p.a. of the increase in value of the Shares in the subfund above and beyond 5% plus value-added tax, calculated in proportion to the average net asset value of the subfund during the financial year and paid following the end of the financial year.

As a rule, no performance fee is due unless the share value at the end of the financial year is higher than the share value at the end of the previous financial year. The initial issuing price is the “high-water mark” for the first financial year. The performance fee is calculated based on the average number of Shares outstanding. A net loss in value over a financial year is carried forward to the next financial year. If losses have been carried forward, a performance fee does not accrue until these have been fully offset (“all-time high-water mark”).

The **Sharia Board** and **Sharia Advisor** receive combined remuneration of up to USD 100,000 per year plus up to 0.04% p.a. of the net asset value of the subfund, calculated on a pro rata basis based on the average net asset value of the subfund during the calendar month and paid monthly in arrears.

The costs of service providers and experts whose services are used in connection with the Sharia-compliance of the subfund are a maximum of USD 30,000.00 plus 0.04% p.a. of the net asset value of the subfund, calculated on a pro rata basis based on the average net asset value of the subfund during the calendar month and paid monthly in arrears.

The **Custodian and Central Administrative Agent** receives a fee of up to 0.19% p.a. of the net asset value of the subfund (estimated at approximately EUR 50,000 per year), calculated on a pro rata basis based on the average net assets of the subfund during the calendar month and paid monthly in arrears.

The following expenses can also be charged to the Company:

Costs of filing and registration with all registration authorities, paying agent fees, auditing fees, expenses for printing and distributing the Annual and Semi-Annual Reports, printing and distribution expenses for all other reports and documentation, commissions and fees in connection with securities transactions, reasonable expenses for advertising and the like that are directly related to the offering and sale of Shares, expenses for publishing net asset value figures, costs of legal advice, any expenses for producing share certificates and coupons and redeeming them.

Any taxes and levies attributable to the assets of a subfund or to securities transactions involving the assets of a subfund are paid by the subfund.

Unpredictable changes could take place in the tax legislation of Arab countries, including changes with retroactive effect, and could result in additional charges against the assets of the fund.

Otherwise, no general expenses falling outside of the fee structure described are charged against the assets of a subfund.

The Company can account for administrative and other costs of a recurring or periodic nature by using estimates for an annual period or any other period of time.

Each subfund is liable only for its own obligations to third parties including, in particular, creditors. Under the Law of 20 December 2002, the Company is not jointly and severally liable.

Any liabilities of the Company that cannot be attributed to a specific subfund are attributed to all subfunds in proportion to their net asset values or by some other method decided by the Board of Directors in a prudent manner and to the best of its knowledge.

Expenses for establishing, activating and registering new subfunds are paid exclusively by the new subfund and can be amortised over a period of five years following formation of the subfund.

Term of the Subfund

The subfund has been established for an indefinite period.

Additional Important Information

Subfund Currency	EUR
WKN	
Share Class A	A0X9HM
Share Class B	A0X9HN
ISIN Number	
Share Class A	LU0442310859
Share Class B	LU0442311071
Subfund Inception Date (Value Date)	5 May 2010
Initial Issuing Price for Share Class A	EUR 100 (plus sales commission)
Share Class B	USD 100 (plus sales commission)
Valuation Date:	<u>Every Banking Day in Luxembourg</u>
Initial Subscription Period	
Share Class A	10 March – 30 April 2010
Share Class B	10 March – 30 April 2010
Minimum Subscription Amount	
Share Class A	no minimum
Share Class B	no minimum
Initial Charge	
Share Class A	up to 5%
Share Class B	up to 5%