



صندوق دانت للسيدات  
*Dana Women Fund*

## Private Placement Memorandum

Private and Confidential – April 25, 2005

STRUCTURED AND MANAGED BY



المستثمر الوطني  
The National Investor



## Private Placement Memorandum

Private and Confidential – April 25, 2005

# TNI DANA WOMEN FUND A E D 1 0 0 , 0 0 0 , 0 0 0

### **Private Placement Memorandum for an offering of up to 10,000,000 Units at a subscription price of AED 10.00 each**

TNI DANA WOMEN FUND, an open-ended investment trust fund to be established in the United Arab Emirates, as recognized by resolution No. 164//8/94 of the Board of Directors of the UAE Central Bank.

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This document is provided by The National Investor, in its capacity as Placing Agent and Fund Manager of TNI DANA WOMEN FUND. This is the final version of the Private Placement Memorandum as reviewed and approved by the UAE Central Bank reference No. 13/875/2005 dated April 25, 2005. Any investment in the Fund will be solely based on this approved final version of the Private Placement Memorandum and not on any other document.

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Units of the Fund are not deposits or obligations of, or otherwise guaranteed by, any bank and are not insured by any other governmental agency. Investing in Units of the Fund involves risks, which are described in the "Investment Considerations" section of this Memorandum

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**Placing Agent and Fund Manager**  
**THE NATIONAL INVESTOR**

## Statement of Responsibility

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This Private Placement Memorandum (hereinafter "Memorandum") is delivered to you on a confidential basis by The National Investor (hereinafter "TNI" or "Fund Manager"), for the sole purpose of providing the terms and conditions of an investment in TNI DANA WOMEN FUND (hereinafter "Fund"). Participations of Investors in the Fund will be designated in Units of an equal value of AED 10.00 (ten) each (hereinafter "Units"). Prospective investors should carefully review this Memorandum and the Supplements attached hereto before deciding whether or not to invest in Units of the Fund, and are strongly recommended to note the considerations set out under "Investment Considerations" herein.

This Memorandum has been prepared for the purpose of providing the necessary information to enable investors to decide whether or not to invest in the Fund subject to the terms and conditions described hereunder. The Fund is an open-ended investment trust fund, established by the Fund Manager in accordance with the provisions of Resolution No. 164//8/94 of the Board of Directors of the UAE Central Bank, and pursuant to approval granted by the Central Bank of the UAE reference No. 13/875/2005 dated April 25, 2005. The Fund is not an independent legal entity but a collective investment vehicle consisting of a portfolio of assets held by the Fund Manager, directly or through Nominees, for the collective benefit of Investors, and managed by the Fund Manager on a discretionary basis in accordance with the provisions of this Memorandum and the Management Agreement and Application Form supplemented hereto. Investments in Units of the Fund are therefore suitable for passive investment purposes only.

This Memorandum shall be sent to prospective investors, and might be accompanied by additional reports, press releases and articles, estimates and forecasts, and other related documents. Any investment in the Units will be solely based on the present Memorandum and not on any other document.

Units of the Fund may increase in value as well as decrease. Moreover, past performance of the Fund Manager is not a guarantee of its future performance. The Fund Manager therefore cannot and does not guarantee the performance of the Fund. Prospective investors should carefully note the considerations set out under "Investment Considerations" herein.

To the best of the Fund Manager's knowledge or belief (it having taken all reasonable care to ensure that such is the case), the information contained in this Memorandum are true and accurate in all material respects and there are no other material facts the omission of which would make misleading any statement in this Memorandum. Certain information contained herein has been obtained from sources perceived to be reliable. Neither the Fund Manager nor any other person assumes any responsibility for the accuracy or completeness of such information.

Investors must rely on their own examination of the legal, taxation or investment matters and other consequences of an investment in the Units, including the merits of investing and the risks involved. Investors should not treat the contents of this Memorandum as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisers, stockbrokers, bank managers, legal counselors, and accountants concerning the purchasing, holding or disposal of the Units.

Before acquiring Units in the Fund, prospective investors should ensure that they have reviewed this Memorandum including the Management Agreement and Application Form attached hereto by way of Supplement. Executing the Management Agreement and Application Form to acquire Units in the Fund requires that prospective investors undertake to accept all the provisions of the Fund's Memorandum.

All statements of opinion and views contained in this Memorandum represent the Fund Manager's own assessment and interpretation of information available to it as at the date of this Memorandum. No assurance is given that such statements and views are correct. Investors must determine for themselves what reliance, if any, they should place on such statements and views and the Fund Manager accepts no responsibility in respect thereof. The delivery of this Memorandum shall not under any circumstances imply that there has been no change in the affairs of the Fund

Manager or the Fund since the date hereof, or that information herein is correct as of any time subsequent to its date.

The offering of Units of the Fund (hereinafter "the Offering") will be authorized by the UAE Central Bank pursuant to approval granted by the Central Bank of the UAE reference No. 13/875/2005 dated April 25, 2005. However, the Units have not been approved or disapproved by any other regulatory authority in any other jurisdiction, nor has the Fund or the Units been registered with any authority in any other jurisdiction, and no such registration is anticipated.

This Memorandum may not be used for the purposes of an offer of Units of the Fund to any person in any jurisdiction in which such an offer is not authorized or in which the person endeavoring to make such an offer or invitation is not qualified to do so or to any person to whom it is unlawful to make such an offer. It is the responsibility of Investors to satisfy themselves as to full compliance with the relevant laws and regulations of any territory in connection with any subscription to the Units of the Fund.

Other than as set out above, no representation made or information given in connection with an investment in the Units may be relied upon as having been made or given with the authority of the Fund Manager, and no responsibility is accepted by the Fund Manager, its subsidiaries or associates or any of its directors, officers, employees or agents, in respect thereof. Any reproduction or distribution of this Memorandum, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Fund is prohibited, except to the extent such information is otherwise publicly available. Each Investor, by accepting delivery of this Memorandum, agrees to the foregoing.

The Units are subject to restrictions on transferability. Direct or indirect sale or transfer of Units is expressly prohibited except with the approval of the Fund Manager in its sole discretion. The Fund Manager may require applicants for subscription or transfer of Units to provide appropriate representations, warranties and agreements as a condition thereof.

The attention of prospective investors is drawn to the fact that the Units of the Fund are of a long-term nature and are not quoted or dealt in on any official exchange. Such investments may be difficult to value and are likely to involve an above the average level of risk. Similarly, there is no available public market for the Units of the Fund. However, the Fund Manager may contemplate the eventual listing of the Units on a licensed securities exchange in the UAE, but no assurance is given that the Units will be so listed at any time, and the Fund Manager makes no undertaking that such Units will be so listed.

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*Placing Agent and Fund Manager*

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**KPMG**

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## Executive Summary

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### The Opportunity

TNI DANAWOMEN FUND (the Fund) is being established with the purpose of offering women investors access to the capital appreciation inherent in the local, regional and international securities markets. In stable market conditions, the Fund will invest 60% in publicly traded stocks of UAE and GCC based companies, 20% in international fixed income securities, 10% in international equities and 10% in international hedge funds. The allocation will be managed dynamically and will change in accordance with prevailing market conditions. The aim of the Fund is to provide above average return while minimizing the risks.

The Fund Manager aims at a geographic diversification through the allocation of part of the Fund's assets to international securities markets. Furthermore, the experience accumulated through the international portfolio will provide an exit in case of directional downturn in regional stock markets. The international allocation will be co-managed by a prominent multinational investment banking and asset management institution based in London.

On a separate note, substantial rise in liquidity and numerous initial public offerings in the UAE and other GCC markets are adding depth and investment opportunities for such funds. Diversification is becoming more achievable within those markets. However, the Fund is not limited to any particular market, and has opened a window for women investors to benefit from the local, regional and international investment opportunities through a single investment vehicle.

### The Fund

The TNI DANA WOMEN FUND, an open-ended investment trust fund established by The National Investor and licensed by the UAE Central Bank pursuant to approval granted by the Central Bank of the UAE reference No. 13/875/2005 dated April 25, 2005. Subject to a one year initial lock-up period, Investors in the Fund shall be allowed to redeem their units on a monthly basis.

The Fund Manager is The National Investor (TNI), a leading UAE-based investment company. Through the Fund, TNI is providing women investors with access to: a) a professional asset management approach backed by a strong research capability b) a professional portfolio monitoring approach thanks to integrated front-to-back applications adapted to global equities c) extensive investment banking, private equity and portfolio management experience in the UAE and other GCC member-countries d) professional international portfolio management through the assistance of a prime investment banking and asset management institution.

The Fund is a trading fund and does not intend to actively manage the businesses behind its investments. Therefore, investments shall not seek controlling stakes, and no more than ten (10) percent of the Fund's assets, at any time, shall be invested in a single security. Furthermore, no more than twenty (20) percent of the Fund's assets shall be allocated to private equity / pre-IPO investments. The Fund is a UAE and GCC focused fund with diversification into the international markets to diversify geographic exposure.

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## **Characteristics and Advantages of the Fund**

The principal characteristics and advantages of the Fund are the following:

- The Fund is targeting long-term capital appreciation, dividend and income returns. Therefore, asset allocations shall be mainly based on fundamental analysis.
- It is a global fund, overweighting the UAE market, one of the most promising markets in the GCC.
- It shall also seek substantial capital gains through investing in UAE and GCC successful IPO's and pre-IPO opportunities.
- It is a global trading fund and shall seek highly liquid investments, allowing monthly redemptions, subject to a lock-up period of one (1) year.
- It provides Investors with access to a professional investment management and portfolio monitoring.
- It provides Investors with access to news-flow of investment opportunities and expected events in the UAE, GCC and International securities markets, as well as the Fund Manager's views on such markets.

## **Investment Process**

The investment process shall be structured along the following guidelines:

- Initial screening of those investment opportunities that generally meet the parameters set forth earlier. The regional markets shall be covered by TNI's proprietary research team, while the international markets shall be covered by a prominent investment banking and asset management firm based in London.
- The selection of potential investments shall be followed by a thorough fundamental analysis. This part of the process includes meeting with the management, assessing success factors, analyzing risks and returns.
- Investment recommendations shall then be forwarded to the Investment Committee of the Fund.
- The Investment Committee is solely mandated to decide, unanimously, on asset allocations.
- Investment decisions shall be executed at best market conditions, and the portfolio shall be monitored on a daily basis.

Investments shall be structured into a portfolio that takes into account the diversification as to the business segments, the overweighting and underweighting of selected securities, the liquidity of portfolio holdings and the short-term exit strategies in the cases of pre-IPO investments.



## Defined Terms

In this Memorandum, the terms and expressions listed below have the meanings set out opposite them, except when the context requires otherwise:

<b>ADSM</b>	Abu Dhabi Stock Market
<b>AED</b>	Arab Emirates Dirhams
<b>Administrator</b>	The National Investor, Khalifa Street – ADNIC Building, PO Box 47435 - Abu Dhabi, UAE
<b>Agreement</b>	Management Agreement and Application Form (see: Supplement-I in this Memorandum).
<b>Auditors</b>	KPMG, PO BOX 7613 - Abu Dhabi, United Arab Emirates.
<b>Business Day</b>	Any day which is not : a Friday (and in some cases a Thursday), or a day on which UAE banking institutions are authorized or obliged by UAE law or regulation to be closed, or such other day as the Fund Manager may adopt from time to time.
<b>Calendar</b>	The Gregorian Calendar
<b>Competent Authority</b>	The UAE Central Bank
<b>Currency of the Fund</b>	United Arab Emirates Dirhams and a reference to dirhams or AED shall mean the lawful currency of the UAE.
<b>Custodian</b>	The National Investor, Khalifa Street – ADNIC Building, PO Box 47435 - Abu Dhabi, UAE
<b>Dealing Day</b>	The first day of each calendar month which is a Business Day. The Dealing Day may be postponed at the Fund Manager's discretion, depending on the occurrence of public holidays in the UAE and other GCC countries, as well as for other exceptional reasons
<b>DFM</b>	Dubai Financial Market
<b>EIBOR</b>	Emirates Inter-Bank Offer Rate
<b>Fils</b>	United Arab Emirates fils
<b>Financial Year</b>	Commences on the 1st of April and ends on the 31st of March, except the First Financial Year, which commences upon the closing date of the Initial Offering Period and ends on the following 31st of March.
<b>Fund</b>	The TNI DANA WOMEN FUND, an open-ended investment trust fund established by The National Investor and licensed by the UAE Central Bank pursuant to approval granted by the Central Bank of the UAE reference No. 13/875/2005 dated April 25, 2005.
<b>Fund Manager</b>	The National Investor, Khalifa Street - ADNIC Building, PO Box 47435 - Abu Dhabi, United Arab Emirates.
<b>GCC</b>	The Arabian Gulf Cooperation Council, including the member countries thereof, being Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE.
<b>GCC National</b>	A person holding a passport or Identity Card of any of GCC member countries, and business entities incorporated, established or registered in GCC countries and wholly owned, directly or indirectly, by such persons.
<b>Government</b>	The Federal Government of the United Arab Emirates and/or the Government of an individual Emirate, where the context so requires.
<b>First Closing Date</b>	The close of business on the final day of the Initial Offering Period
<b>Investor</b>	An investor in the Fund, being a record owner of Units in the Fund
<b>IPO</b>	Initial Public Offering
<b>Lock-up Period</b>	A period of one (1) year, commencing from the First Closing Date, during which investors may not redeem their Units in the Fund.

<b>Minimum Subscription</b>	During the Initial Offering Period, the minimum subscription amount per Unit Holder is 50,000 (fifty thousand) Units equal to AED 500,000 (five hundred thousand). However, the Fund Manager may, in its discretion, elect to accept subscriptions to lower amounts during the Initial Offering Period. There is no limit to the number of Units or amounts that may be accepted for Subscription at any point in time
<b>Memorandum</b>	or Private Placement Memorandum, being the present document
<b>Minor</b>	Persons under the age of twenty one (21) Gregorian years
<b>NAV</b>	<p>or Net Asset Value of the Fund will be determined by or at the direction of the Administrator at the close of each Valuation Day, in accordance with the provisions of this Memorandum and generally accepted accounting principles, and subject to the following</p> <p><b>a)</b> The Net Asset Value of the Fund means total assets less total liabilities of the Fund, and includes the market value of all assets comprised in the Fund (including without limitation, cash and cash equivalents, accrued interest and the market value of all open positions and other assets maintained by the Fund) less all accrued contingent and other liabilities of the Fund (including without limitation accrued management, performance, transaction and professional fees).</p> <p><b>b)</b> Securities and assets held by the Fund and quoted on a stock exchange, and/or traded OTC, are valued at their closing price. Securities and other assets of the Fund for which market quotations are not available will be valued initially at cost and thereafter with any reduction or increase in value (as the case may be) as the Fund Manager shall in its discretion deem appropriate to reach fair value, taking into consideration the prices at which recent comparable capital issues or trade sales between third parties are known to the Fund Manager to have taken place.</p> <p><b>c)</b> The Management Fee and Custodian Fee shall accrue and be payable monthly in arrears on the basis of the Fund's NAVBF on the Valuation Day. The Performance Fee, if applicable, shall accrue and be payable monthly in arrears on the basis of the Fund's NAVBPF on the Valuation Day.</p> <p><b>d)</b> Where no method of calculation is stated, or where, in the opinion of the Fund Manager, the method of calculation is unfair or impractical, the Fund Manager shall use such method of calculation as it considers fair and reasonable and, otherwise, in accordance with generally accepted accounting principles.</p> <p><b>e)</b> In addition to special valuation determinations related to illiquid securities, other special situations affecting the calculation of the NAV may arise from time to time. Investors should understand that these and other special situations involving uncertainties as to the valuation of portfolio positions could have a significant adverse impact on the Fund's NAV if the Fund Manager's judgment regarding the appropriate valuation should prove to be incorrect.</p>
<b>NAVBF</b>	The Net Asset Value of the Fund before management fees, being the Net Asset Value as otherwise defined herein, but prior to deduction of the currently accrued Management Fee, Custodian Fee and Performance Fee, if any
<b>NAVBPF</b>	The Net Asset Value of the Fund before the Performance Fee, being the Net Asset Value as otherwise defined herein, but prior to deduction of the currently accrued Performance Fee, if any.
<b>NAV per Unit</b>	or Net Asset Value per Unit is the Net Asset Value of the Fund divided by the number of Units then in issue
<b>Non-National</b>	Any person or entity who is not a UAE National

<b>Offering</b>	The Offering by the Fund Manager on behalf of the Fund of 10,000,000 (ten million) Units as described in this Memorandum.
<b>OTC</b>	Over-the-counter
<b>Receiving Bank(s)</b>	First Gulf Bank , P O BOX 6316 Abu Dhabi, UAE.
<b>Redemption Price</b>	The redemption price for Units on the relevant Dealing Day shall be the NAV per Unit, less the Redemption Fee, on the preceding Valuation Day.
<b>Redemption Provision</b>	A provision of 1% (one percent) of all non-cash and cash equivalent assets of the Fund shall be deducted from the Net Asset Value. This deduction is made constructively in respect of duties and charges that would be incurred if investments of the Fund were disposed of on such Valuation Day in order to settle redemption.
<b>SPV</b>	A special purpose vehicle, being any company or other entity or collective investment scheme through which an investment may be made for the account of the Fund, as described under "Investment Guidelines" herein.
<b>Subscription</b>	Subscription for Units of the Fund
<b>Subscription in-kind</b>	A subscription for Units of the Fund that is paid for by the contribution of valuable assets, other than cash. The Fund Manager in its sole discretion may accept an offer of contribution in-kind. The Fund Manager shall determine, also in its sole discretion, the value to be assigned for this purpose to the assets contributed, and the Investor subscribing in-kind will be allocated the corresponding number of Units, calculated at the Subscription Price on the First Closing Date or other relevant Dealing Day, as the case may be. Transaction costs related to subscriptions in-kind shall be for the account of the Investor.
<b>Subsequent Investments</b>	The Fund will be open to receive Subsequent Investment(s) on any Business Day of the first week of each month. The consideration payable for any Subsequent Investment(s) in the Fund shall be equal to 1) the last reported Net Asset Value per Unit times the number of Units acquired (e.g. Subsequent Investments accepted between January 1 and January 7 will have a Net Asset Value per Unit as reported on or about January 1); plus 2) Participation Fees. New Unit Holders will be subject to the requirement of acquiring a minimum of 25,000 (twenty-five thousand) Units in the Fund, with additional investments in multiples of 10,000 (ten thousand) Units each. However, the Fund Manager may, in its discretion, elect to accept subscriptions to lower amounts of Subsequent Investment. There is no limit to the number of Units or amounts that may be accepted for Subscription at any point in time. The Lock-up Period relative to Subsequent Investments shall be one (1) year from the time a Subsequent Investment was made.
<b>UAE</b>	United Arab Emirates
<b>Women Investors</b>	Sophisticated women investors with good understanding of UAE, regional and international markets. UAE women holding a UAE passport or Nationality Identity Card and business entities incorporated, established or registered in the UAE and wholly owned, directly or indirectly, by such persons.
<b>Unit(s)</b>	A measure of the Fund's liability to the Unit Holder - Upon establishment of the Fund, one Unit is equal to the nominal value of AED 10 (ten). Thereafter, one Unit will be equal to the Net Asset Value per Unit as calculated on a monthly basis. All Units shall be held in registered form and the Fund will not issue certificates. Units will be registered for the account of each Unit Holder in a Unit Holders Registry located at the business offices of the Administrator.
<b>Unit Holder</b>	The holder of Units in the Fund as registered in Unit Holders Registry.
<b>Valuation Day</b>	The last Business Day of each calendar month, or such other day(s) as may from time to time be determined by the Fund Manager.

## Synopsis of the Principal Terms

*The following Synopsis of Principal Terms is qualified by and should be read in conjunction with the more detailed information provided within this Memorandum. See "Investment Considerations" for a discussion of certain risk factors related to this particular investment.*

- The Fund** The Fund is an open-ended investment trust fund established by the Fund Manager in accordance with the provisions of Resolution No. 164//8/94 of the Board of Directors of the UAE Central Bank and pursuant to approval granted by the Central Bank of the UAE reference No. 13/875/2005 dated April 25, 2005. The Fund is not an independent legal entity but a collective investment vehicle consisting of a portfolio of assets held by the Fund Manager, for the collective benefit of Investors, and managed by the Fund Manager on a discretionary basis in accordance with the provisions of this Memorandum.
- The Units** Participations of Investors in the Fund will be designated in Units of an equal value of AED 10 (ten) each. The Units will be registered in the Unit Holders Registry held by the Administrator. No certificates will be issued in respect of the purchase of Units. The Administrator will acknowledge and confirm investments in the Fund by mailing to the Investor the Acceptance of Subscription, a copy of which is supplemented to this Memorandum.
- The Fund Manager intends to accept subscriptions for up to a total of 10,000,000 (ten million) Units during the Initial Offering Period. However, the Fund Manager may, in its discretion, elect to accept subscriptions to additional Units either on the First Closing Date or in the future, and there is no limit to the number of Units that may be issued at any point in time.
- Investment Objective** The Fund aims to achieve long-term growth of capital through investing in securities publicly traded in the UAE, GCC and international markets that offer in the opinion of the Fund Manager a potential for steady capital growth. The Fund Manager believes it can achieve above average risk-adjusted returns through investing in largely capitalized firms, publicly traded in the UAE, GCC and international markets that present a confirmed track record of recurrent growth of earnings.
- Investment Strategies** The Fund Manager will undertake the screening process for potential equity investments in the UAE and other GCC countries, using both fundamental and technical analysis. The screening of international investment opportunities shall be supported by the research division of an international investment banking and asset management firm.
- Equities will be selected on the basis of various criteria, related to the firm's market capitalization size, liquidity level, fundamentals, earnings performance and future prospects. Investments in international fixed income securities will be exclusively directed to investment grade issues.
- The Fund may subscribe to Initial Public Offerings (IPOs) and use leverage to that end. The Fund may also invest in securities traded on other GCC and international stock markets. For temporary defensive purposes, or when cash is temporarily available, the Fund Manager may invest, without limitation, in money market instruments, hedge funds and other third party SPVs

<b>Investment Guidelines</b>	<p>Under normal market conditions, no more than sixty (60) percent of the Fund's assets shall be invested in equities of UAE companies with proven track record of steady growth, capable of securing steady capital gains and revenue stream, subject to the following:</p> <ul style="list-style-type: none"> <li>— The Fund's exposure to any one stock shall not exceed ten (10) percent of the Fund's assets.</li> <li>— The Fund Manager may take short-term speculative positions based on market signals and trends.</li> <li>— The Fund may invest in securities traded on other GCC markets, provided that such investments do not exceed twenty (20) percent of the Fund's assets.</li> <li>— The Fund may invest in securities traded on the international markets, provided that such investments do not exceed twenty (20) percent of the Fund's assets.</li> <li>— The Fund may invest in private equities of companies expected to launch an IPO within a 12-month period. The allocation to such investments may not exceed twenty (20) percent of the Fund's assets</li> <li>— Dividends received by the Fund shall be reinvested at the discretion of the Fund Manager</li> <li>— The Fund may invest a portion of its proceeds in equity and debt instruments or cash management products regionally and internationally.</li> <li>— The Fund may invest in international hedge funds.</li> </ul>
<b>Fund Manager</b>	<p>The National Investor, a private joint stock company incorporated in the Emirate of Abu Dhabi in 1995 and licensed in 2000 by the UAE Central Bank to conduct the activities of investment companies as recognized by the UAE Central Bank Resolution No. 164//8/94. The Fund Manager (which shall include its directors, officers, employees, and/or agents) manages the Fund's investments and is responsible for the overall management of the business affairs of the Fund, including trading and investing the Fund's assets for and on behalf of the Unit Holders.</p>
<b>Advisory Board</b>	<p>The Advisory Board will consist of up to ten individuals designated from time to time by the Fund Manager. The Advisory Board will meet quarterly to review the performance of the Fund and to discuss and advise on matters affecting the interests of the Fund.</p>
<b>Investment Committee</b>	<p>The Fund Manager shall designate an Investment Committee comprising of five individuals from among the management personnel and board members of TNI or its affiliates. The Investment Committee will meet on a monthly basis to decide on asset allocations to sectors and companies. The Investment Committee may also, in its sole discretion, waive or amend the Investment Restrictions contained herein. The Fund's Investment Committee is comprised of the following individuals:</p> <ul style="list-style-type: none"> <li>— Mr. Mohammad Al Qubaisi , Vice Chairman</li> <li>— Eng. Fatima Obaid Al Jaber, Board member</li> <li>— Dr. Karim El Solh, CEO</li> <li>— Mr. Walid Hayeck, Vice President</li> <li>— Mr. Derar Saleh, Portfolio Manager</li> </ul>
<b>Portfolio Management</b>	<p>The portfolio of assets held by the Fund shall be actively managed on a day-to-day basis by a team of portfolio managers at TNI under the supervision and the guidance of the Investment Committee. The team shall be led by Mr. Walid Hayeck (Vice President) who has been appointed by TNI to act on its behalf as Fund Manager.</p>

<b>Fund Size</b>	<p>The Fund is intended to reach an initial size of AED 100,000,000 (one-hundred million), which will be divided into 10,000,000 (ten million) Units with a nominal value of AED 10 (ten) per Unit. Over the course of the next few years, the Fund Manager intends to increase the Fund's assets through subsequent invitations to participate in the Fund.</p> <p>If on the First Closing Date the aggregate amount received from Investors is less than AED 25,000,000 (twenty five million) the Fund Manager may (a) elect not to proceed with the establishment of the Fund, in which case all amounts received from Investors will be returned, or (b) establish the Fund with less than AED 25,000,000 (twenty five million).</p>
<b>Initial Offering Period</b>	<p>The Initial Offering Period commences on the 1st of May 2005, and is anticipated to close on the 31st of May 2005. The Fund Manager may, in its sole discretion, extend or accelerate the Initial Offering Period.</p>
<b>Fund Structure</b>	<p>The Fund will be an open-ended Fund. The life of the Fund is indefinite, subject to the right of the Fund Manager to terminate the Fund under certain circumstances by redeeming all outstanding Units.</p>
<b>Minimum Subscription</b>	<p>During the Initial Offering Period, the minimum subscription amount per Unit Holder is 50,000 (fifty thousand) Units equal to AED 500,000 (five hundred thousand). Additional investments by a Unit Holder may be accepted during the Initial Offering Period provided that they are in multiples of 10,000 (ten thousand) Units totaling AED 100,000 (hundred thousand).</p>
<b>Lock-up Period</b>	<p>A lock-up period of one (1) year shall be applicable, commencing from the First Closing Date during which period Unit Holders may not redeem their Units in the Fund. Subsequent Investments shall also be subject to a lock-up period of one (1) year commencing from the date such Subsequent Investments are made.</p>
<b>NAV</b>	<p>The Net Asset Value of the Fund shall be calculated by the Administrator monthly, on the Dealing Day, using closing prices on the preceding Valuation Day.</p>
<b>Subscription</b>	<p>After the First Closing Date, Units may be subscribed for on each Dealing Day in accordance with the procedures described herein and subject to the condition that the Administrator should be in possession of a fully completed Management Agreement and Application Form, and that subscription funds are cleared.</p>
<b>Subscription Price</b>	<p>On the First Closing Date, the subscription price is AED 10 (ten) per Unit. After the First Closing Date, the Subscription Price for Units on the relevant Dealing Day shall be the NAV per Unit on the preceding Valuation Day.</p>
<b>Participation Fee</b>	<p>A Participation Fee of up to one (1) percent of the subscription amount may be charged.</p>
<b>Redemption</b>	<p>Units may be redeemed on each Dealing Day, subject to the Lock-up Period and subject to a minimum of fifteen (15) working days' notice. Payments will be made by the fifteenth business day following the Dealing Day. In certain circumstances the right of Investors to redeem Units may be limited and/or they may be required to accept redemption by payment in-kind, from the assets of the Fund.</p>
<b>Redemption Price</b>	<p>The redemption price for Units on the relevant Dealing Day shall be determined on the basis of the Net Asset Value per Unit on the preceding Valuation Day. Thereafter, Unit Holders may redeem their Units at the latest NAV per Unit, subject to a Redemption Fee of two (2) percent of redemption price.</p>
<b>Management Fee</b>	<p>The Fund Manager will receive a Management Fee payable monthly in arrears and calculated at an annualized rate of two (2) percent of the Net Asset Value of the Fund (before aggregate currently accrued management and custodial fees) on the Valuation Day at the end of the corresponding month. From its Management Fee, the Fund Manager is responsible for paying the fees of the Administrator, if any.</p>

<b>Performance Fee</b>	The Fund Manager will also receive a Performance Fee, payable monthly in arrears on the basis of the NAV before deduction of Performance Fees, at a rate equal to twenty (20) percent of the amount by which the monthly annualized rate of return achieved by the Fund exceeds 1-month EIBOR (on the first Business Day of the month) plus four (4) percent per annum.
<b>Custodian Fee</b>	The Custodian shall receive a Custodian Fee payable monthly in arrears from the assets of the Fund at an annual rate of seventy five basis points (0.75%) of the NAV on the Valuation Day at the end of the corresponding month.
<b>Registration Fee</b>	Any Units in the Fund issued or transferred from one Unit Holder to another Unit Holder, or from a Unit Holder to a non-Unit Holder, must be registered by the Administrator in the Unit Holders Registry. The registering or transferring Unit Holder will be charged with a nominal fee of fifty basis points (0.50%) of the NAV per Unit issued or transferred.
<b>Dividends</b>	Dividends or other distributions from the Fund (if any) will be paid to Investors at the discretion of the Fund Manager. It is however the intention of the Fund Manager to reinvest income realized by the Fund which will be reflected in the NAV per Unit.
<b>Currency</b>	The Fund is denominated in Arab Emirates Dirhams
<b>Eligible Investors</b>	Women citizens and institutions wholly owned by women citizens of the GCC countries, being Bahrain, Kingdom of Saudi Arabia, Kuwait, Oman, Qatar and the United Arab Emirates. Women citizens and institutions wholly owned by women citizens of other countries outside the GCC may be considered as Eligible Investors, at the Fund Manager's sole discretion
<b>Leverage</b>	The Fund Manager shall have the power to borrow on behalf of the Fund and to encumber the assets of the Fund. Leverage will be used both for short-term liquidity purposes to finance redemptions. The maximum amount borrowed should not at any time exceed twenty five (25) percent of the NAV of the Fund.
<b>Administrator</b>	Initially TNI shall act as Administrator for the Fund. However, TNI may at any time, retain a qualified firm to act as Administrator.
<b>Legal Counsel</b>	The Fund intends to engage ALTamimi & Company, Dubai World Trade Center, 29th Floor P.O. BOX 9275 Dubai - UAE, to advise the Fund on legal matters.
<b>Auditor</b>	The Fund intends to engage KPMG, PO BOX 7613 - Abu Dhabi, United Arab Emirates, to act as auditors of the Fund.
<b>Custodian</b>	Initially TNI shall act as Custodian for the Fund. However, TNI may appoint sub-custodians and may, at any time, retain a qualified firm to act as Custodian.
<b>Jurisdiction</b>	The Fund's legal jurisdiction is the United Arab Emirates.
<b>Taxation</b>	At the present time, neither the Fund nor Investors are subject to capital gains tax, income tax or withholding tax in the United Arab Emirates.
<b>Financial year-end</b>	31 March, annually.

## The Fund Manager

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### Overview

Since its inception in 1994, The National Investor (TNI) has grown to become a dominant player in the local and regional capital markets with a distinguished track record in investment banking, private equity and asset management services.

TNI is backed by over 60 shareholders from the highest echelons of the business and political community in the UAE, including some of the most prominent National business leaders. It was originally incorporated with an initial share capital of AED 11,000,000 divided into 110,000 shares of AED 100 each. Subsequent thereto, TNI underwent three capital increases, and is currently capitalized at AED 200 million.

### Services

TNI offers a wide range of financial advisory services structured along the following:

#### INVESTMENT BANKING

TNI offers investment banking services to established businesses, government institutions and high net-worth individuals in the fields of equity and debt raising through both private placements and public offerings, advisory services for mergers, acquisitions restructuring and divesting, securitization and mezzanine financing and Islamic finance.

#### PRIVATE EQUITY

TNI is a leading private equity investor, with a focus on regional structured equity investments, mezzanine financing, leveraged buyouts, real estate investments, venture capital, and growth capital investments. TNI's placement power and the solid expertise of its investment banking professionals enhance its ability to structure and execute highly sophisticated transactions in an expedient fashion.

#### PORTFOLIO & ASSET MANAGEMENT

TNI manages investments on behalf of its shareholders and clients in a growing number of asset classes including public and private equity, debt and mezzanine securities and real estate. Recent positive market conditions and future prospects of regional markets are encouraging the management of TNI to strengthen its regional asset management arm. Launching equity funds, fixed income funds, Islamic funds with different risk profiles and management styles are in the pipe of TNI asset management activities.

Our investment professionals have domestic, regional and international expertise and have, in aggregate, over 100 years of professional complex transaction experience and were involved in transactions totaling more than US\$37 billion.

### Track Record in IPOs

TNI has lead-managed and co-managed some of the largest public offerings in the UAE, with total transaction value exceeding AED 6 billion.

TNI is currently ranked as the leading arranger of public share offerings, both in terms of amounts raised and number of transactions. In number of IPOs, TNI enjoys a 62% share in the UAE stock market, while in sizes of IPOs TNI boasts a market share of 93%. A schedule of successful offerings managed by TNI is shown below:



	Industry	Total capital	Date	Subscription
Aabar	Oil & Gas Drilling	900	April-05	394
Arab International Logistics	Logistics	1,000	Mar-05	84
ALDAR Properties	Real Estate	1,500	Nov-04	448
Finance House	Financial Services	200	Apr-04	75
Int'l Fish Farming Co. (Asmak)	Fish Farming	300	Dec-98	1
Manasek	Travel and Tourism	100	Jun-98	6
Tabreed	District Cooling	500	Apr-98	4.5
Abu Dhabi Islamic Bank	Banking	1,000	Jul-97	19
Oasis Int'l Leasing Company	Financial Services	500	Jun-97	5
Abu Dhabi Ship Building	Ship Building	72	Dec-95	5
<b>Total</b>		<b>6,072</b>		<b>1,041.5</b>

in AED (m)

Recently, TNI has been involved in the initial public offering of Aabar Petroleum Investment Company, as lead manager and book runner. The IPO size stood at 900 million dirhams, but subscribed amounts reached 394 billion dirhams, an oversubscription of 800 times, and a worldwide record. Several IPOs are in the pipeline, most of them in the UAE, and spread over various sectors such as real estate, freight, oil and gas, telecom, tourism and hotels, contracting and other.

#### Performance of TNI Equity Portfolio

TNI has a distinguished track record in managing local listed equities. TNI's Equity portfolio has consistently outperformed the market indices over the past 5 years. Over time, TNI has accumulated proprietary knowledge of locally traded shares and has built a large network of GCC based brokers and counterparts that secure adequate information flow and prompt execution. Furthermore, TNI has invested in research geared towards UAE traded stocks and covering other GCC markets. TNI has also invested in several information systems and a back/middle office platform, all allowing professional portfolio management and monitoring.

## Investment Rationale

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As cash excess and economic growth characterize the UAE and GCC markets, opportunities to realize investment returns through investing in regional equity markets increase. Oil revenues remain the major driver of regional growth. With crude oil prices exceeding the US\$55 per barrel mark, regional public finance figures are recording budget surpluses leading to higher government spending on development projects.

The primary effect of additional government spending is felt through an increase in infrastructure and joint public/private led real estate development investments, which directly affect several sectors of the economy, mainly real estate, construction and construction related sectors, and the financial services sector.

The secondary effect is consumption driven, mainly led by an increase in households spending as a result of higher household income. Increased consumption mainly favors services sectors such as telecom, insurance, general trading and retail, as well as tourism and leisure. Furthermore, it has been historically proven that regional economic growth and demographic growth are strongly correlated, mainly through the expatriate labor force, which in turn creates additional demand for both investment and consumption.

In this environment, the Fund Manager is providing access to regional stock markets to women investors, through the TNI DANA WOMEN FUND. The aim is to allow women investors to benefit from the current market potential, and to build awareness of this investor community of the potential investment opportunities in the region.

The Fund Manager benefits from a long experience in regional equities, in all investment banking, asset management and private equity arenas. On the merchant banking side, the Fund Manager enjoys a leading position as the prime lead-manager of IPOs in the UAE, and one of the leading IPO managers in the region. It also boasts a unique track record in private equity, mergers and acquisitions advisory, fixed income and Islamic finance and mezzanine finance structuring and fund raising. On the regional equities asset management, the Fund Manager managed to outperform the local market consistently for the preceding five years.

The Fund Manager is aware that the current growth trend cannot last indefinitely, and has opened a window for women investors to access the international markets through allocating 40% of the Fund's assets to those markets. The aim is to provide geographic diversification for the Fund's investments, while securing an exit route for the Fund in case of directional downward trend in regional markets.

On that end, the Fund Manager will benefit from international skills through teaming up with an internationally renowned investment banking and asset management institution based in London. The international allocation will include an equity portfolio, an investment grade fixed income portfolio, a hedge funds allocation, in addition to money market instruments.

## Legal Structure of the Fund

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The Fund is an open-ended investment trust fund established by the Fund Manager in accordance with the provisions of resolution No. 164//8/94 of the Board of Directors of the UAE Central Bank and pursuant to approval granted by the Central Bank of the UAE reference No. 13/875/2005 dated April 25, 2005. The Fund is not an independent legal entity but a collective investment vehicle consisting of a portfolio of assets held by the Fund Manager, directly or through nominees, for the collective benefit of Investors, and managed by the Fund Manager on a discretionary basis in accordance with the provisions of this Memorandum (see: Supplement - I: Management Agreement and Application Form).

In particular, the Fund is not a commercial company within the meaning of UAE Federal Law No. 8 of 1984 concerning the regulation of commercial companies, as amended, and subscription to Units does not confer upon Investors any voting or other procedural rights, any right to receive dividends or other distributions from the Fund or from the underlying assets of the Fund or any other rights with respect to the underlying assets of the Fund, except as expressly set out in this Memorandum.

The interests of Investors in the Fund will be designated in Units of equal value of AED 10 (ten) each. Units will have a Lock-up Period extending to the first anniversary of the First Closing Date. The Fund Manager intends to accept subscriptions for up to a total of 10,000,000 (ten million) Units on the First Closing Date.

However, the Fund Manager may, in its discretion, elect to accept subscriptions to additional Units either on the First Closing Date or in the future, and there is no limit to the number of Units that may be issued at any point in time. Units in the Fund are available for subscription by UAE and other GCC Nationals only. However, the Fund manager may accept, at its sole discretion, subscriptions to Units of the Fund by citizens of other countries than GCC countries.

The life of the Fund is indefinite, subject to the right of the Fund Manager to terminate the Fund under certain circumstances by redeeming all outstanding Units.

## Investment Guidelines

### Investment Objective and Strategies

The UAE equities available for investment by the Fund will include securities listed on one of the UAE's two licensed securities exchanges - the Dubai Financial Market ("DFM") and the Abu Dhabi Securities Market ("ADSM").

From a universe of around 60 companies traded on ADSM and DFM, the Fund Manager will use quantitative screening to identify a sub-universe of 20 to 25 companies that typically provide sound fundamentals and have significant market capitalizations and liquidity levels. The Fund Manager will undertake the screening process for potential equity investments. This process includes a thorough evaluation of targeted companies using both fundamental and technical analysis to determine the under or overpricing of an investment position.

Equities will be selected on the basis of various criteria, related to the firm's market capitalization size, liquidity level, fundamentals, earnings performance and future prospects. The Fund Manager will quantitatively screen characteristics to identify stocks that are undervalued, and then it fundamentally analyzes stocks to identify those that have a potential for a capital appreciation.

The Fund Manager's fundamental analysis focuses on understanding the risks related to each business model and identifying companies that have the best potential of returning to historical values relative to their industries. The Fund Manager will not, however, be limited to selecting equity investments based solely on current market pricing, and it may choose to invest in a particular equity based on its assessment of future prospects. Accidental drops of earnings or non-recurrent losses may present good investment opportunities for the Fund, particularly in well established firms with strong fundamentals and positive future prospects.

The Fund may subscribe to Initial Public Offerings (IPOs) and use leverage to that end. The Fund may also invest in equity securities issued by companies based in other GCC jurisdictions, and Special Purpose Vehicles ("SPVs"), including third party investment funds, which provide access to markets otherwise inaccessible to the Fund. For temporary defensive purposes, or when cash is temporarily available, the Fund Manager may invest, without limitation, in money market instruments, hedge funds and other third party SPVs.

It should be noted that under normal market conditions, no more than sixty (60) percent of the Fund's assets will be held in regularly traded equity securities of UAE companies with proven track record of steady growth.

### Investment Restrictions

Consistent with the investment strategies and objective of the Fund, the Fund Manager will apply the following investment restrictions in relation to investments on behalf of the Fund.

- The Fund's exposure to any one stock shall not exceed ten (10) percent of the Fund's assets.
- The Fund Manager may take short-term speculative positions based on market signals and trends.
- The Fund may invest in securities traded on other GCC markets, provided that such investments do not exceed twenty (20) percent of the Fund's assets.

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- The Fund may invest in securities traded on the international markets, provided that such investments do not exceed twenty (20) percent of the Fund's assets.
  - The Fund may invest in private equities of companies expected to launch an IPO within a 12-month period. The allocation to such investments may not exceed twenty (20) percent of the Fund's assets.
  - Dividends received by the Fund shall be reinvested at the discretion of the Fund Manager.
  - The Fund may invest a portion of its proceeds in equity and debt instruments or cash management products regionally and internationally.
  - The Fund may invest in international hedge funds.

The above Investment Restrictions may be waived or amended from time to time by decision of the Investment Committee if such waiver or amendment is believed to be in the best interests of the Investors.

### **Leverage**

The Fund Manager shall have the power to borrow on behalf of the Fund and to encumber the assets of the Fund. Leverage will be used both for short-term liquidity purposes to finance redemptions in the normal course of operation of the Fund and for leveraging IPO subscriptions and other trading positions from time to time. The Fund Manager shall restrict the leverage so as to ensure that the maximum amount borrowed does not at any time exceed 25% of the NAV of the Fund.

## Management Guidelines

### **The Investment Committee**

The Fund Manager shall designate an Investment Committee comprising of four individuals from among the management personnel of the Fund Manager or its affiliates, each having substantial experience in investment management. The Investment Committee as a whole will have an in-depth understanding of the regional equity markets in general and the UAE in particular. The Investment Committee will meet on a monthly basis, and whenever the need arises, to decide on asset allocation across sectors and companies within those sectors. The Investment Committee may in its sole discretion waive or amend the Investment Restrictions set under "Investment Guidelines" herein, if it believes this to be in the best interests of the Investors. The Investment Committee may delegate any or all of its authority to a single person or sub-committee of persons from the management personnel of the firm.

### **The Advisory Board**

The Advisory Board will consist of up to ten suitably experienced individuals designated from time to time by the Fund Manager. The Advisory Board may include members of the Board of Directors of the Fund Manager or its affiliates as well as selected Investors. The Advisory Board will meet quarterly to review the performance of the Fund and to discuss and advise on major matters affecting the interests of the Fund. For the avoidance of doubt, it is expressly provided that it is not the function of the Advisory Board to prescribe asset allocation or to select individual securities for the Fund's portfolio, or otherwise to engage in the day-to-day management of the Fund, which shall be within the sole discretion of the Fund Manager.

### **Portfolio Management**

The portfolio of assets held by the Fund shall be actively managed on a day-to-day basis by a team of portfolio managers at TNI, under the supervision and the guidance of the Investment Committee. The portfolio management team shall attempt to ensure the proper execution of the Investment Committee decisions at best market conditions, and shall submit a monthly report to the Investment Committee on the performance of the Fund.

### **The Administrator**

Administration of the Fund includes, inter alia, clerical and procedural review and acceptance of subscriptions for Units, confirmation of issuance of Units, calculation of NAV, receipt and processing of requests for redemption of Units, payment of redemptions, disbursement of expenses including legal fees, accounting fees, and management fees, and administrative correspondence with Investors.

Initially the Fund Manager shall act as Administrator for the Fund. However, the Fund Manager may at any time, in its discretion, retain a qualified professional firm as Administrator to perform any or all administrative functions in relation to the Fund, subject to the overall control of the Fund Manager, on such terms and for such remuneration as the Fund Manager may agree; provided that, in all cases, the fees of the Administrator shall be payable from the Management Fee and further provided that the Fund Manager and the Fund shall hold harmless and shall indemnify the Administrator (including its directors, officers, shareholders, partners, employees and agents) in connection with any loss or damage suffered by the Fund and/or the Fund Manager and any claims or expenses incurred by such indemnified parties arising from the performance of the Administrator's responsibilities, in each case with the exception of any loss, damage, claims or expenses resulting from their gross negligence, fraud or willful misconduct.

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## **The Custodian**

Initially the Fund Manager shall act as Custodian for the Fund. However, the Fund Manager may appoint sub-custodians and may at any time, in its discretion, retain a qualified firm to act as Custodian to perform any or all custodial functions in relation to the Fund, on such terms and for such remuneration as the Fund Manager may agree, provided that, in either case, the Custodian shall be entitled to a fee payable from the assets of the Fund to the extent specified below, and further provided that the Fund Manager and the Fund shall hold harmless and shall indemnify the Custodian (including its directors, officers, shareholders, partners, employees and agents) in connection with any loss or damage suffered by the Fund and/or the Fund Manager and any claims or expenses incurred by such indemnified parties arising from the performance of the Custodian's responsibilities, in each case with the exception of any loss, damage, claims or expenses resulting from their gross negligence, fraud or willful misconduct.

## Benefits from Investing in the Fund

### Appreciation of Unit NAV and Dividend Income

The Fund will endeavor to provide its Unit Holders with capital gains through the growth in the value of the securities and investments held in the Fund's portfolio. Participating in the Fund also provides an opportunity for a Unit Holder to realize returns on increased valuation the Fund's Units, which can be transferred to others in an Over-the-Counter ('OTC') market or through redemptions. Thus, it is not necessary for the Fund to exit an investment for the Unit Holder to realize a return on its investment in the Fund.

In the case of a lack in investment opportunities the Fund Manager might on his own discretion distribute dividends to the Unit Holders.

### Access to a Professional Management

The Fund Manager is a licensed investment company with significant experience in analyzing and making equity investments. Particularly, The Fund Manager has built extensive experience of GCC traded stocks. Furthermore, the Fund Manager has formulated proprietary fundamental and technical analysis methodologies. The Investment Committee boasts more than 40 years of combined experience in asset management and Arab markets knowledge. Furthermore, the Fund Manager has extensively invested in advanced information technology platforms that allow instant follow up on open positions and access to extensive market and corporate information.

### Diversification and Lowered Volatility

Through the Fund, Unit Holders have an opportunity to invest in various market sectors in UAE and, to a smaller extent, in other GCC countries, something small investors would most likely not be able to do individually. Consequently, making an investment in the Fund allows the Unit Holder to access a regionally diversified portfolio. By diversifying the Fund's investments among such sectors, the Fund Manager can mitigate the risks normally associated with individual investments.

### Limited Liability

The liability of the Unit Holders is limited to the cost of their Units and Unit Holders are under no obligation for any subsequent calls for funds.

### Liquidity of Investment

While the Units are not intended as a short-term investment, the Fund is structured to provide the Unit Holders with liquidity of their investment through the redemption of Units, subject to the initial Lock-up Period

### Administrative Convenience and Reporting

Investing in the Fund will eliminate the administrative burden otherwise imposed on Investors handling their investments individually. Not only do Unit Holders participate in the UAE market under the management of a professional Fund Manager without having to concern themselves with the day-to-day management of their investments, but Unit Holders will receive Audited Annual and Quarterly Reports, and Monthly Fact Sheets which set forth, in addition to other relevant information, the current Net Asset Value per Unit and all expenses, profits and losses to the Fund during the reporting period. Also the NAV per Unit and other financial information related to the Fund's performance and allocation strategies will be published monthly in local newspapers.



## Investment Considerations

Units of the Fund are speculative and involve a high degree of risk. Investment in the Units is designed for sophisticated investors who are able to bear a substantial loss of their investment. Set forth below are some factors and considerations which should be taken into account prior to making an investment decision, although the following information is not intended to include all factors relating to the risks that may be encountered.

### Potential Conflicts of Interest

There is no limitation with respect to the Fund Manager's other activities and/or investments or with respect to other investment funds or portfolios managed by the Fund Manager. The Fund Manager may trade equities for its own account or for the account of others. With respect to possible conflict of interest, the Fund Manager will, however, trade the accounts of the Fund in the manner that it considers to be in the best interest of the Fund.

The National Investor, its affiliates, their employees and their clients invest, for their own accounts, in securities of publicly traded corporations that may become equity investments or may be held by funds managed by The National Investor. The National Investor's trading activities will be carried out generally without reference to positions held by the Fund or other funds in which the Fund invests, and may have an effect on the value of positions so held, or may result in The National Investor having an interest in the issuer adverse to that of the funds or the Fund under management. Further more, the Fund Manager and its affiliates sometimes invest for their own account on a "direct investment" basis, acquiring substantial stakes in companies whose projects and/or securities may be eligible for investment by the Fund. The objectives and policies of the Fund Manager, in making and disposing of investments for its own account, may be different from the objective and policies of making investments and/or disposals for the Fund. The National Investor, its affiliates, their employees and their clients are not prohibited from purchasing or selling the securities of or otherwise investing in or financing issuers in which the Fund or the funds have an interest.

The personnel of the Fund Manager who will be performing the financial and managerial activities for the Fund have substantial investment management responsibilities for clients other than the Fund, including other investment vehicles organized or which may be organized in the future by the Fund Manager itself or in participation with others, as to which there will be no restriction on the Fund Manager. Therefore, these persons will devote a portion of their time to managing the affairs of the Fund, and they could have conflicts of interest in allocating time and other services and functions among the Fund and The National Investor's other current or future activities.

### Absence of Operating History

The Fund is a newly formed entity and has no operating history. The past investment performance of the Fund Manager may not be construed as an indication of the future results of an investment in the Fund. The Fund's investment program should be evaluated on the basis that there can be no assurance that the Fund Manager's assessments of the prospects of investment will prove accurate or that the Fund will achieve its investment objectives.

### Capital Markets Risk

By investing in stocks, the Fund exposes the Investor to certain risks, including volatility of the UAE, GCC and other equity markets, which could cause a sudden decline in a holding's share price, or an overall decline in the stock exchange. As with any equity trading fund, the value of an investment is likely to fluctuate on a day-to-day basis with movements in the stock exchange, as well as in response to the activities of the individual companies whose stocks are held by the Fund. By investing in the Fund, an investor could therefore lose money. While the Fund Manager believes that the Fund's program will moderate this risk to some degree, no guarantee or assurance is made that the Fund's program will be successful.

Although the Fund's return is likely to vary over time with changes in the stock exchange, the Fund is not an index fund, and changes in the Fund's NAV per Unit will not precisely track changes in the general stock exchange. For example, to the extent that the Fund invests heavily in certain market sectors as opposed to tracking the general market index, the Fund may be more volatile than the general market index.

The Fund might at any time invest in fewer securities than a "diversified" mutual fund. As a result, events that affect a few - or even one - of the Fund's investments may have a greater impact on the value of the Fund's Units than for a diversified fund. There will likely be shares held through nominees or trustees on behalf of the Fund. The use of nominees represents a potential legal risk.

### **Illiquidity of Fund's Investments**

There may also be possible problems related to the level of liquidity and the efficiency of the UAE stock exchanges. The UAE stock exchanges are relatively new and the absence of volume history will keep the market's liquidity under certain doubts. Investors are advised that compared to other mature markets, liquidity in the UAE market is perceived to be somewhat low. Accumulation and disposal of certain securities may therefore be difficult or not possible at the time the Fund would wish to deal and may involve dealing at unfavorable prices.

### **Dependence on Key Personnel**

The successful investment of the Fund's assets will depend, among other things, upon the skills of the professional personnel of the Fund Manager. There can be no assurance that any such person will continue to serve in their current positions or continue to be employed by the Fund Manager, as the case may be. Furthermore, although the officers of the Fund Manager will devote as much time as they believe is necessary to assist the Fund in achieving its investment and rate of return objectives, none of them expects to devote substantially all of his or her working time to the affairs of the Fund.

### **Lack of Identified Investments**

The Fund does not presently have any substantial commitments to invest in any particular company and its ability to participate in future IPOs is not guaranteed. As a result, the uncertainty and risk of investing in the Fund increases to the extent that prospective Unit Holders are unable to evaluate for themselves the entire economic merit of the Fund's investments and must rely on the ability of the Fund Manager with respect to the selection of the investments to be made by the Fund.

### **Limited Investment Opportunities in the UAE**

There are limited numbers of publicly traded companies in the UAE equity market, some of which are not widely traded or mostly held by large government or financial institutions. Other companies might restrict the Fund from holding or investing in their shares, limiting the selection available to the Fund Manager. Thus, holding a similar composition of the market index in terms of sector investment might be difficult to achieve.

### **Economic Risk**

The economy of the UAE may differ favorably or unfavorably from the economy in an industrialized country. The economy of the UAE is generally heavily dependent on oil and international trade barriers, exchange controls, managed adjustments in related currency values and other projectionist measures imposed or negotiated by the UAE and countries with which it trades.

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## **Regulatory Risks and Accounting Standards**

The regulatory supervision, legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor protection or information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards. This may affect the valuation of the assets in which the Fund invests.

## **Counterparty and Settlement Risk**

Transactions effected by the Fund Manager will not be limited to transactions on, or always be effected under the rules of, major exchanges. The Fund may therefore sometimes be exposed to a credit risk in relation to parties with whom it trades and may also bear the risk of settlement default.

## **Substantial Redemptions**

If substantial redemptions are requested within a limited period of time, it may be difficult for the Fund to acquire sufficient cash to affect such redemptions without liquidating positions prematurely at an inappropriate time or upon unfavorable terms. This may result in substantial losses to the Fund. Alternatively, Investors may be required to accept redemption by payment in kind, from the assets of the Fund.

## **Assets Held by the Fund Manager**

The Fund, under existing UAE Law, is not considered a separate legal or judicial person, nor is it a commercial company under Commercial Companies Law No. 8 of 1984 (as amended) and therefore the assets of the Fund will be held in the name of the Fund Manager on behalf of the Unit Holders. The Fund Manager will adopt several measures intended to segregate and protect the Fund's assets, including (1) holding the monetary assets in a separate bank account opened in the name of the Fund, which account will be restricted to transactions of the Fund; (2) the assets and income of the Fund will be kept separate and not mixed with the assets of The National Investor; (3) the Fund's accounts will be maintained and audited separately by an external and internal auditor; (4) the accounts of the Fund will not be consolidated with the accounts of The National Investor; (5) The Fund Manager's relationship to the Fund will be restricted to that of promoter and manager. Furthermore, the Fund Manager may enter into contractual arrangements whereby the Fund Manager utilizes a nominee for the purposes of holding some or all of the Fund's assets on behalf of the Unit Holders.

## **Debt Risks**

The Fund Manager may utilize significant leverage in connection with the Fund's investments. As such, a third-party would be entitled to cash flow generated by such investments prior to the Fund receiving a return. Although the Fund Manager will seek to use leverage in a manner it believes is prudent, such leverage will increase the exposure of the investment to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the investment. In addition, borrowings may be secured by the Fund's Assets.

## Units of the Fund

The rights and obligations of the Unit Holders are governed by the terms and conditions of this Private Placement Memorandum and the Management Agreement and Application Form supplemented hereto. Prospective investors should examine these documents carefully and consult with their own legal counsel concerning their rights and obligations before acquiring Units in the Fund. The following statements and other statements in this Memorandum concerning the Management Agreement and Application Form, and related matters are only a summary, do not purport to be complete, and in no way modify or amend the Management Agreement and Application Form

### Number and Nominal Value of the Units

The interests of Investors in the Fund will be designated in Units of equal value of AED ten (10) each. Units will have a Lock-up Period extending to the first anniversary of the First Closing Date. The Fund is intended to be constituted of an aggregate amount of AED one hundred (100) million, on the First Closing Date, divided into ten (10) million Units. However, the Fund Manager may, in its discretion, elect to accept subscriptions to additional Units either on the First Closing Date or in the future, and there is no limit to the number of Units that may be issued at any point in time. The Fund will not issue certificates of investment.

All Units are held in registered form, recorded in a Unit Holders Registry, which will be maintained by the Administrator for the account of each Unit Holder. The Units shall be numbered for the purpose of effecting registration in the Fund's Unit Holders Registry. Units in the Fund are available for subscription by UAE and GCC Nationals only. However, the Fund Manager may accept, at its sole discretion, subscriptions to Units of the Fund by citizens of countries other than GCC countries.

### Voting Rights

The Fund is not a commercial company within the meaning of UAE Federal Law No. 8 of 1984 concerning the regulation of commercial companies, as amended, and subscription to Units does not confer upon Investors any voting or other procedural rights, any right to receive dividends or other distributions from the Fund or from the underlying assets of the Fund or any other rights with respect to the underlying assets of the Fund, except as expressly set out in this Memorandum.

### Redemption

#### REDEMPTION

Investors may, by prior written request, redeem any or all of their Units on Dealing Days subject to the Lock-up Period and subject to the condition that the Administrator should have received, within a minimum of fifteen (15) Business Days' notice, a duly authorized redemption request in writing (hereinafter: "Redemption Form").

Redemption payments will be made by the fifteenth Business Day following the Dealing Day. All Redemption Forms must be in the form attached hereto and may be sent by fax or cable (followed by a signed original), air mail or courier, to the Administrator, and must be received by the Administrator not later than 17:00 hours (at the Administrator's local time), fifteen Business Days before the relevant Dealing Day. The proceeds of Redemption will be paid in AED to the account designated by the Investor in the Redemption Form.

Payments will only be made after the original Redemption Form has been received by the Administrator. The Administrator will not be responsible for errors in any of the chosen transmissions.

The Fund Manager shall be entitled to redeem any or all of the Units if the Fund Manager determines, in its sole discretion, that it is in the best interests of the Fund to do so. Redemptions shall be made at the Redemption Price.

The Redemption Form is the form attached to this Memorandum as Supplement III or in such other form as the Fund Manager shall decide which shall be otherwise made available to Investors by the Fund Manager. A request for redemption, made on the Redemption Form and submitted to the Fund Manager, may not be withdrawn except with the consent of the Fund Manager. If the Redemption Form is received after the deadline for receipt of requests for redemption for any particular Dealing Day, it shall be held over and effected on the next succeeding Dealing Day, on a priority basis.

The Fund Manager will use its best efforts to accommodate all redemption requests. The nature of the markets in which the assets of the Fund will be invested is such that the liquidation of positions to meet redemption requests may not be possible or may be restricted.

As a result, if redemption requests on any Dealing Day equal or exceed ten (10) percent of the outstanding Units of the Fund, the Fund Manager may elect to restrict the total number of Units to be redeemed to ten (10) percent of the outstanding number of Units, in which case such redemption requests will be accepted and executed on a pro rata basis in proportion to the size of the requests.

Alternatively, in the event that redemption requests exceed ten (10) percent of the outstanding Units, or if it is not possible to liquidate underlying assets to respond to the requested redemptions, the Fund Manager may decide to redeem Units by paying Redemptions in kind, from the assets of the Fund, with transfer costs for the account of the redeeming Investors. In such case, a redeeming Investor may place orders with the Fund Manager to sell such assets in the market.

The unredeemed balance of Units in respect of which redemption requests have been received will be redeemed on the next succeeding Dealing Day in priority to any redemption requests received thereafter, subject to the same restrictions on redemption and rights of the Fund Manager as described above.

#### **COMPULSORY REDEMPTION**

The Fund shall have the right upon five Business Days prior written notice to redeem compulsorily any Unit at the Redemption Price per Unit as of the Redemption Day immediately prior to the date such redemption is to take effect, if a Unit Holder ceases to be an Eligible Investor. Determination of eligibility shall be made by the Competent Authority and/or by authority of a court of law within the Government's jurisdiction. Subject to such determination of eligibility, the Fund Manager shall have no authority at any time to compulsorily redeem Units from a Unit Holder

#### **PAYMENT OF REDEMPTION PROCEEDS**

Any amount redeemed shall be paid within fifteen (15) Business Days of the applicable Redemption Day, subject to the discretion of the Fund Manager to require some greater period of time as the Fund Manager deems necessary to protect the interests of the remaining Unit Holders. Redemption payments will be remitted by wire transfer to the account designated by the Unit Holder in the Redemption Form. No interest will accrue on the redemption proceeds pending the payment date.

#### **SUSPENSION OF REDEMPTIONS**

The Fund may suspend the redemption of Units and/or the issuance of additional Units upon the occurrence of any of the following circumstances:

- Whenever, as a result of events, conditions or circumstances beyond the control or responsibility of the Fund Manager, (including but not limited to acts of God, fires, strikes, insurrections, riots, embargoes, limited availability of Dirham currency, regulations of the Competent Authority and/or Government or any other civil or military authority) disposal of the assets of the Fund or other transactions in the ordinary course of business involving the sale, transfer, delivery or withdrawal of the Fund's investments is not reasonably practical without being detrimental to the Fund or the interest of Unit Holders as a whole;

- When disposal of the assets of the Fund or other transactions in the ordinary course of the Fund's business involving the sale, transfer, delivery or withdrawal of the Fund's investments is, in the opinion of the Fund Manager, not in the best interests of the Fund;

### **Transferability**

Units may be transferred, sold, assigned, charged, mortgaged, pledged or otherwise disposed of; however, a transferee or assignee of any Units shall not become a substitute Unit Holder without:

- Executing an agreement satisfactory to the Fund Manager to be bound by the terms and conditions of the Fund's Management Agreement, and any amendments thereto, in form and in substance, to be subject to all obligations of the transferring or assigning Unit Holder with respect to the Units to which such Unit Holder was substituted, and providing such legal opinions and documentation as the Fund Manager may request to effectuate such transfer or assignment; and
- The Administrator registering the transfer of Units in the Unit Holders Registry.

The transferor and transferee of any Units shall be jointly and severally liable to the Fund for all reasonable expenses (including lawyers' fees and expenses) in connection with any transfer or proposed transfer of Units, whether or not such transfer is completed.

Any substituted Unit Holder admitted to the Fund must affect registration in the Unit Holders Registry in order to succeed to all rights of the transferring or assigning Unit Holder with respect to the Units to which such Unit Holder was substituted. Upon registration, such transferee Unit Holder shall be treated as having made all the required investment made by, and received of all distributions received by, the transferor of such Units.

Any purported sale, assignment, transfer, pledge, mortgage or other disposition of Units otherwise than in compliance herewith and with the Fund's Management Agreement and Application Form will be void and the purported transferee shall have no interest in or right to the Fund's assets, profits, distributions and neither the Fund Manager nor the Fund shall be required to recognize any such interest or right

### **Dividends and other Distributions**

Dividends or other distributions from the Fund will be paid to Investors at the discretion of the Fund Manager. However, it is not the current intention of the Fund Manager to pay dividends or other distributions in respect of the Fund. Instead, net income realized by the Fund will be reinvested and will be reflected by an increase in the Net Asset Value of the Units, which may be realized by Investors at such time as they redeem their Units. In any case, dividends or other distributions, if paid, will be paid from net realized gains only (including dividends received by the Fund on its investments).

### **Termination of the Fund**

If the Fund Manager determines, in its sole discretion, that it is in the best interests of the Investors to do so, the Fund Manager may, by four week's notice to all Investors, redeem on the Dealing Day nominated in such notice all (but no less than all) of the Units then outstanding, at the Redemption Price prevailing on such Dealing Day. Redemption proceeds shall be payable within eight weeks from the nominated Dealing Day.

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## **Reporting**

### **ANNUAL REPORTS**

The Fund will send annual reports to its Unit Holders containing financial statements examined by the Fund's independent auditors generally no later than 90 days from the end of each Financial Year.

### **QUARTERLY REPORT**

As required by the Competent Authority, the Fund will also issue quarterly financial reports ("Quarterly Report") that will be sent regularly to Unit Holders, published in a local Arabic and English newspaper, and made available electronically through TNI website ([www.nationalinvestor.ae](http://www.nationalinvestor.ae)). The Quarterly Reports shall be certified by the Auditor of the Fund as "Quarterly Reviews".

### **MONTHLY FACT SHEET**

In addition, the Fund Manager will prepare a Monthly Fact Sheet, that will be made available to Unit Holders through direct mailing and through other electronic means, and detailing the monthly NAV per Unit, the asset allocation as well as other information deemed necessary at the Fund Manager's discretion. The Monthly Fact Sheet may be published in local and regional Arabic and English newspapers for marketing purposes, and more precisely to provide potential subsequent Investors with the latest NAV per Unit.

## General Information

### Fees & Expenses

#### MANAGEMENT FEE

The Fund Manager shall receive a Management Fee payable monthly in arrears and calculated at an annualized rate of two (2) percent of the Net Asset Value of the Fund (before aggregate currently accrued management and custodial fees) on the Valuation Day at the end of the corresponding month. From its Management Fee, the Fund Manager is responsible for paying the fees of the Administrator, if any.

#### PERFORMANCE FEE

The Fund Manager shall also receive a Performance Fee, payable monthly in arrears on the basis of NAVBPF, at a rate equal to twenty (20) percent of the amount by which the annualized rate of return achieved by the Fund exceeds one month EIBOR plus four (4) percent per annum. The annualized rate of return achieved by the Fund shall be determined on the basis of the extent to which the NAVBPF at the relevant Valuation Day has increased beyond the preceding Valuation Day's NAV.

#### PARTICIPATION FEE

The Fund Manager may charge Investors a Participation Fee of up to one (1) percent of the Subscription amount. The Participation Fee will be determined at the discretion of the Fund Manager or Placing Agent.

#### CUSTODIAN FEE

The Custodian shall receive a Custodian Fee payable monthly in arrears from the assets of the Fund at an annual rate of seventy five basis points (0.75%) of the Net Asset Value on the Valuation Day at the end of the corresponding month.

#### REGISTRATION FEE

Any Units in the Fund issued or transferred from one Unit Holder to another Unit Holder, or from a Unit Holder to a non-Unit Holder, must be registered by the Administrator in the Unit Holders Registry. The registering or transferring Unit Holder will be charged with a nominal fee of fifty basis points (0.50%) of the NAV per Unit issued or transferred.

#### REDEMPTION PRICE

Subject to the Lock-up Period, Unit Holders may redeem their Units at the latest NAV per Unit, subject to a Redemption Fee of two (2) percent.

#### ESTABLISHMENT EXPENSES

The preliminary and organizational expenses to be charged to the Fund are not expected to exceed AED 300,000 and will be amortized and debited against the income of the Fund on a monthly basis over the first five years of the Fund.

#### OTHER EXPENSES

The Fund will also pay its ongoing operational expenses, such as legal expenses, audit, printing, communications expenses, filing fees, administrative costs charged by banks on transactions, and applicable brokerage fees, commissions and custody related fees, as well as third party marketing fees and marketing and travel expenses incurred by Fund Manager, provided that marketing and travel expenses incurred by the Fund Manager shall not be chargeable to the Fund in excess of US\$50,000 per annum.



## **Tax Considerations**

### **THE FUND**

Under current legislation in the UAE there is no liability for capital gains tax, wealth tax, capital transfer tax or estate or inheritance tax on the issue or redemption of Units, nor is any stamp duty or similar tax payable on the issue, transfer or redemption of Units.

### **THE INVESTOR**

Prospective investors who are in any doubt about their tax position should seek professional advice in order to ascertain the consequences to them of acquiring, holding, redeeming or otherwise disposing of Units under the relevant laws of the jurisdiction(s) to which they are or may be subject.

## **Subscription Procedures**

### **SUBSCRIPTION FOR UNITS**

Each application for subscription of Units of the Fund shall be made by delivering an executed Management Agreement and Application Form to the Administrator, acting as registrar and transfer agent of the Fund, and if such application is being made by a corporate entity it shall include a certified copy of the current authorized signatory list of the corporate entity. The required documentation should be delivered to the following address:

THE NATIONAL INVESTOR, P.O. BOX 47435, ABU DHABI, UAE  
SWITCHBOARD: +971 4 627 7878; FAX: +971 4 626 5858

(A specimen of the Management Agreement and Application Form is appended to this Memorandum)..

U.S. Persons wishing to subscribe to Units of the Fund must be qualified as "Accredited Investors" as defined in Regulation D under the U.S. Securities Act of 1933, as amended, and/or as "Qualified Purchasers" under the U.S. Investment Company Act of 1940, and will be asked to complete a separate Management Agreement and Application Form provided by the Administrator.

Applications for first time or additional subscriptions shall be made by executing and delivering the Management Agreement and Application Form not later than 15:00 hours (at the Administrator's local time) two business days prior to the relevant Dealing Day, accompanied by payment of the Subscription Price plus applicable fees. If an application is received by the Administrator after such time, or if an application is received prior to such time but cleared funds have not been received in payment therefore, the application may be held over until the next Dealing Day.

The minimum aggregate first time subscription by any Investor shall be AED five (5) hundred thousand provided that the Fund Manager may accept a lesser first time subscription in its absolute discretion. The minimum additional subscription by any Investor shall be AED one (100) hundred thousand. Units will be issued only if the Administrator has evidence that subscription funds are available, or will be cleared on the relevant Dealing Day.

Funds received prior to the relevant Dealing Day will be held in a non-interest bearing account until they are applied towards subscription on the relevant Dealing Day. Payment in full for subscriptions should be made in AED by wire transfer with the following instructions:

**Pay to:** THE NATIONAL INVESTOR  
**Bank:** First Gulf Bank  
**SWIFT Code:** (for outside UAE)  
**Account:** TNI DANA WOMEN FUND  
**Account No:** 101-100-1023931-010

#### **SUBSCRIPTION IN-KIND**

The Fund Manager in its sole discretion and in appropriate circumstances may choose to accept assets owned by a prospective Investor in payment for a subscription for Units. The Fund Manager shall determine, also in its sole discretion, the value to be assigned for this purpose to the assets contributed, and the Investor subscribing in-kind will be allocated the corresponding number of Units, calculated at the Subscription Price on the First Closing Date or other relevant Dealing Day, as the case may be. Transaction costs related to subscription in-kind shall be for the account of the Investor.

#### **REPRESENTATIONS**

By subscribing to the Units, Investors thereby represent and warrant that they have received, read and understood the Memorandum of the Fund, including without limitation the discussion of risks, conflicts of interest and fee structure of the Fund, and have not relied on any representations other than those contained in the Memorandum in determining to invest in the Units.

#### **SUBSCRIPTION INQUIRIES**

All inquiries regarding the completion of the application documents should be directed to the Administrator or to the Fund Manager at the addresses given above.

#### **SIGNATURES**

The Management Agreement and Application Form may be completed by a duly authorized officer or agent, on behalf of a subscriber. Any person signing the Management Agreement and Application Form in a representative capacity should type or print, on the last page of the Agreement, the name of the Investor, the name of the person signing the Management Agreement and Application Form and the capacity in which he or she is signing.

In the event of subscription in the name of a trust, partnership or corporation, the Articles of Association and Management Agreement or other governing instruments, as well as the appropriate resolution authorizing the investment in the Units must be submitted with the Participation Agreement, together with a list of authorized signatories and their respective specimen signatures.

No certificates will be issued in respect of the purchase of Units. The Administrator will acknowledge and confirm the investment by mailing to the Investor the Acceptance of Subscription, a copy of which is included in this Memorandum.

#### **Legal Counselor**

The Fund intends to engage ALTamimi & Company, Dubai World Trade Center, 29th Floor P.O. BOX 9275 Dubai - UAE, to advise the Fund on legal matters

#### **Auditors**

The Fund intends to engage KPMG - Level 32, Emirates Towers, PO Box 3800 - Dubai, United Arab Emirates, to act as the Auditor of the Fund.

#### **Course of Action and Timetable**

<b>April 16th, 2005</b>	Filing for Authorizations
<b>April 25th, 2005</b>	Receipt of Authorization
<b>May 31st, 2005</b>	Expected First Closing Date
<b>June 1st, 2005</b>	Expected First Dealing Day

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## **Prevention of Money Laundering**

Measures aimed towards prevention of money laundering may require a Subscriber to disclose details of his/her identity to TNI in its capacity as Placing Agent, the Administrator and / or the Receiving Bank. This obligation is absolute unless (1) the application is being made via a recognized financial intermediary; (2) payment is made through a banking institution, which in either case is in a country with equivalent money laundering regulations.

The Placing Agent will notify applicants if proof of identity is required. By way of example, a Subscriber may be required to produce a copy of a passport or identity card duly certified by a public authority such as a notary public or the relevant ambassador, together with evidence of address such as utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the Certificate of Incorporation (and any change of name), memorandum and articles of association (or equivalent), and the name and addresses of all directors and beneficial owners.

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# SUPPLEMENTS

# Supplements Contents

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**TNI DANA WOMEN FUND**  
Management Agreement and Application Form

**Serial No.** \_\_\_\_\_

(Supplement to the Private Placement Memorandum dated April, 2005)

I/We, the undersigned applicant (the "Applicant"),

**Miss/Mrs./Messrs.** \_\_\_\_\_,  
acknowledge having received and read a copy of the Private Placement Memorandum (the "Memorandum") dated April 2005, relating to the establishment and management of the TNI DANA WOMEN FUND (the "Fund").

Capitalized words and expressions that are not defined in this Management Agreement and Application Form (the "Agreement") shall bear the meanings assigned to them in the Memorandum.

THE APPLICANT WISHES TO APPLY FOR AND ACQUIRE UNITS IN THE FUND ON THE TERMS AND CONDITIONS OF THIS AGREEMENT AND THE MEMORANDUM AND THE APPLICANT UNDERTAKES TO PAY INTO THE ACCOUNT(S) REFERRED TO BELOW, THE FULL VALUE OF THE UNITS APPLIED FOR HEREUNDER BY CHEQUE, MONEY ORDER OR BANK TRANSFER, ON OR BEFORE THE FIRST CLOSING OF MAY 31, 2005.

**Pay to:** THE NATIONAL INVESTOR  
**Bank:** First Gulf Bank - Abu Dhabi  
**SWIFT Code:** (for outside UAE)  
**Account:** TNI DANA WOMEN FUND  
**Account No:** 101-100-1023931-010

**NUMBER OF UNITS AND PAYMENT ARRANGEMENT**

**Number of Units Applied For:**

In Figures \_\_\_\_\_ Units In Words \_\_\_\_\_ Thousand Units

**Subscription Amount:**

AED \_\_\_\_\_ /- In Words \_\_\_\_\_ AED

**Participation Fee** of 1% (one percent) of Subscription Amount:

AED \_\_\_\_\_ /- In Words \_\_\_\_\_ AED

**Total funds to be remitted:**

AED \_\_\_\_\_ /- In Words \_\_\_\_\_ AED

IT IS AGREED THAT THE PARTICIPATION OF THE APPLICANT IN THE FUND AND THE ALLOTMENT OF UNITS TO THE APPLICANT IS SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1. The Applicant hereby represents and warrants to the Fund Manager that:

1.1. the Applicant has read and understood the contents of the Memorandum including the section titled "Investment Considerations" prior to entering into this Agreement and the Applicant agrees and undertakes to be bound by the terms and conditions thereof; and

1.2. the Applicant has the requisite power, authority and legal capacity and (if the Applicant is a corporation, partnership or other legal entity) the Applicant is presently duly organized, validly existing and in good legal standing in the jurisdiction of its organization and has received all the necessary authorization, if any, requisite for such corporation, partnership or entity to enter into this Agreement and to acquire Units in accordance with the terms and conditions hereunder and the Memorandum.

2. The Applicant agrees and understands that participation in the Fund is subject to the provisions set out in the Memorandum, which are deemed to be incorporated herein, and which include the following terms and conditions:

2.1. The minimum initial subscription is 50,000 (fifty thousand) Units equal to AED 500,000 (five hundred thousand) and the additional amounts that may be subscribed are in multiples of 10,000 (ten thousand) Units equal to AED 100,000 (one hundred thousand); however, the Fund Manager may, in its discretion, elect to accept subscriptions to lower amounts during the Initial Offering Period. There is no limit to the number of Units or amounts that may be accepted for Subscription at any point in time.

2.2. The Fund will be open to receive Subsequent Investment(s) on any Business Day of each month. The consideration payable for any Subsequent Investment(s) in the Fund shall be equal to 1) the last reported Net Asset Value per Unit times the number of Units acquired (e.g. Subsequent Investments accepted between January 1 and January 31 will have a Net Asset Value per Unit as reported on or about January 1); plus 2) Participation Fees. New Unit Holders will be subject to the requirement of acquiring a minimum of ten (10) thousand Units in the Fund, with additional investments in multiples of one (1) thousand Units each. However, the Fund Manager may, in its discretion, elect to accept subscriptions to lower amounts during the Initial Offering Period. There is no limit to the number of Units or amounts that may be accepted for Subscription at any point in time. The Lock-up Period relative to Subsequent Investments shall be one (1) year from the time a Subsequent Investment was made.

2.3. The Units will be maintained in book entry (registered) form in the Unit Holder Registry held at the offices of the Administrator and such Unit Holder Registry shall be and shall remain the sole and conclusive proof of ownership of the Units. The Administrator will not take notice of any trust in respect of ownership of Units in the Fund or any transfer of title of the Units in the Fund, unless the transfer has been effected in accordance with the provisions of this Agreement;

2.4. Units shall not normally be transferable. By way of exception, Units may be transferred with the prior written approval of the Fund Manager. The Fund Manager will be entitled, in its sole and subjective discretion to approve or refuse a proposed transfer of Units without any obligation to give any reasons. If approved by the Fund Manager, in the manner provided earlier, transfers of Units may be made to a transferee who/which has duly completed and executed a transfer agreement, in form and substance satisfactory to the Fund Manager, containing representations, warranties and agreements similar to those contained in this Agreement;

2.5. Any person or legal entity becoming entitled to a Unit or Units in the Fund as a consequence of death or bankruptcy of a Unit Holder or otherwise by operation of law or judicial decision may, subject as provided below,

and upon such evidence being produced as may from time to time be lawfully required by the Fund Manager, apply to the Administrator in writing to register himself as the holder of the Units or elect to have some person nominated by him registered as the transferee thereof;

- 2.6. All limitations, restrictions and provisions contained in this Agreement and the Memorandum relating to the transfer and the registration of the transfer of Units shall be applicable to any transfer of Units or transmission of Units by operation of law or judicial decision;
  - 2.7. A person or legal entity becoming entitled to a Unit or Units as a consequence of death or bankruptcy of a Unit Holder or otherwise by operation of law or judicial decision shall not be entitled in respect of the Unit or Units to exercise any of the rights or privileges of a Unit Holder, until such person or legal entity is registered as a Unit Holder in the Unit Holder Registry maintained by the Administrator;
  - 2.8. The Participation Fee of 1% (one percent), as provided in the Memorandum, must be paid into the bank account(s) referred to above at the time of submission of this Agreement and in any case during banking hours on or before the First Closing Date; and
  - 2.9. This Agreement constitutes an irrevocable offer of the Applicant to subscribe for the Units specified herein, however, the Fund Manager reserves the right, in its sole discretion, to accept or reject this offer to subscribe, in whole or in part, without being under any obligation to give any reasons, before or after the receipt of the Subscription Amount and the Participation Fee, and to allocate Units to and among prospective Unit Holders as the Fund Manager, in its sole discretion, may determine. This offer to subscribe for Units will constitute, if accepted by the Fund Manager, a legally binding and enforceable agreement between the Applicant and the Fund Manager for its own account and/or for the account of the Fund concerning the subject matter of this Agreement.
3. The Applicant admits and acknowledges that the Applicant is aware of the following, at the time of entering into this Agreement:
    - 3.1. that there is no established secondary market for the Units at the time of subscription and that the Units have not been and may not be registered or listed on any stock exchange in any jurisdiction in the near future;
    - 3.2. that transfers of Units may only be made, subject to prior written approval of the Fund Manager, to a transferee who/which has duly completed and executed a transfer agreement, in form and substance satisfactory to the Fund Manager, containing representations, warranties and agreements similar to those contained in this Agreement. The Applicant understands that the Fund Manager reserves the right to disapprove, in its sole discretion, of any proposed transfer of Units without assigning any reason.
  4. The Applicant expressly and irrevocably appoints the Fund Manager to act during the life of the Fund as the Applicant's portfolio manager and agent and empowers the Fund Manager, in its capacity as the agent of the Applicant to invest, subject to the provisions of the Memorandum: (a) the funds subscribed by the Applicant hereunder collectively with funds subscribed by other Unit Holders and (b) the income derived from such collective investments, subject to the provisions of the Memorandum (both the foregoing hereinafter the "Collective Investments"). Without prejudice to the foregoing, the Fund Manager is authorized and empowered to do and carry out the following on behalf of the Applicant to:
    - 4.1. represent the Applicant's interest as a Unit Holder in all aspects before all competent regulatory and Government authorities, departments and agencies;
    - 4.2. acquire, hold, register the Assets on behalf of the Unit Holders in the name of the Fund Manager;
    - 4.3. deal with banks to obtain part funding for leveraging the acquisition of Assets;
    - 4.4. do all acts, deeds and things necessary or incidental to the Collective Investments and the acquisition and/or disposition of Assets;



- 4.5. appear before all courts of all categories and to appoint lawyers in connection with claims and demands arising out of or relating to the Collective Investments and Assets;
  - 4.6. to appear before the appropriate authorities and to admit and execute sale deeds and/or other conveyances and documents and papers in connection with the acquisition, sale or other disposition for value of the Assets;
  - 4.7. deal with and engage and appoint lawyers to deal with claims and demands relating to Collective Investments and/or the Assets;
  - 4.8. take or carry out all steps, legal formalities and other procedures, to the extent reasonably possible under law, to protect the Collective Investments and the Assets; and
  - 4.9. do all reasonable acts, deeds and things reasonably possible under law to protect the rights and interests of the Unit Holders as collective investors.
5. The Applicant expressly and irrevocably authorizes and empowers the Fund Manager to do and carry out the following acts and things on behalf of the Applicant:
- 5.1. to review and approve, as it deems fit, Collective Investments identified and recommended by the Investment Committee; and
  - 5.2. to exercise the powers and discharge the functions of the Investment Committee set out in the Memorandum.
6. The Fund Manager will be entitled to seek, obtain and rely upon the advice of the Advisory Board of the Fund and shall incur no liability in respect of any act or omission taken or omitted upon any notice, consent, request, instruction or other instrument believed in good faith to be genuine or to be signed by properly authorized persons.
7. The Applicant expressly agrees and undertakes to ratify and abide by all decisions taken by the Fund Manager in accordance with the Memorandum, including without limitation, decisions in respect of:
- 7.1. the term of the Fund;
  - 7.2. the extent of the Collective Investments;
  - 7.3. the manner of management of the Assets;
  - 7.4. the structuring of the Collective Investments to protect the interests of the Unit Holders;
  - 7.5. the acquisition, sale or other disposition for value of the Assets;
  - 7.6. type, nature, location, and value of Assets; and
  - 7.7. the timing of acquisition and disposition of the Assets.
8. The Applicant requests that the Units issued pursuant to this Agreement are registered in the name and address set out below:

**Name Miss/Mrs./Messrs.** \_\_\_\_\_

**Address** \_\_\_\_\_

**Street** \_\_\_\_\_

**PO Box** \_\_\_\_\_ **City** \_\_\_\_\_

**Telephone** \_\_\_\_\_ **Fax** \_\_\_\_\_

**E-mail** \_\_\_\_\_

9. Only the person or legal entity referred to in the preceding paragraph or a person or legal entity who/which is registered in the Unit Holder Registry maintained by the Administrator in accordance with the Memorandum shall for all purposes related to the Fund, including for the purposes of distribution of capital and profits and sending of notices and communications, be considered by the Fund Manager to be the absolute and beneficial owner of the Units allotted under this Agreement and:

9.1. the Fund Manager will be entitled to an absolute discharge in respect of all entitlements and payments made to such person or legal entity; and

9.2. the Fund Manager will be entitled to act on the instructions of such person or legal entity.

9.3. This Agreement and the Memorandum shall be governed by the laws of the Emirate of Abu Dhabi and the United Arab Emirates and the courts of Abu Dhabi shall have jurisdiction in respect of all disputes or differences arising under or out of or connected to this Agreement and/or the Memorandum.

The Applicant encloses herewith:

a) if the Applicant is a natural person, a copy or copies of the relevant passport or passports together with any other documentation of identity providing detailed verification of the Applicant's identity; or

b) if the Applicant is a corporation, partnership or other legal entity, a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or other constitutive documentation), a copy of the trade license and signatory card or power of attorney verifying the authority of the person authorized to sign on behalf of the corporation, partnership or other legal entity.

The Applicant undertakes to submit any other relevant documentation reasonably required by the Fund Manager or the Administrator.

**SIGNED by/ for and on behalf of, Name of Applicant (Print)** \_\_\_\_\_

**Name of Signatory (Print)** \_\_\_\_\_

**Signature** \_\_\_\_\_

**Designation of Signatory** \_\_\_\_\_

**Date and Place** \_\_\_\_\_

(for legal entities)

## TNI DANA WOMEN FUND

### Acceptance of Subscription

Dealing Day \_\_\_\_\_

Serial No \_\_\_\_\_

(Supplement to the Private Placement Memorandum dated April, 2005)

Miss/Mrs. \_\_\_\_\_

Unit Holder No \_\_\_\_\_

Effective Date/Time \_\_\_\_\_

In accordance with your instructions the Administrator confirms having issued the following Units:

**Number of Units Issued:**

In Figures: \_\_\_\_\_ Units      In Words \_\_\_\_\_ Thousand Units

**Subscription Amount:**

AED \_\_\_\_\_ /-      In Words \_\_\_\_\_ AED

**Participation Fee** of 1% (one percent) of Subscription Amount:

AED \_\_\_\_\_ /-      In Words \_\_\_\_\_ AED

**Total Funds Received:**

AED \_\_\_\_\_ /-      In Words \_\_\_\_\_ AED

If there are any alterations to the particulars given please advise by return mail quoting the Serial Number and the Unit Holder's Number.

SIGNED by/ for and on behalf of:

THE NATIONAL INVESTOR

As Administrator

## TNI DANA WOMEN FUND

### Redemption Form

**To:** THE NATIONAL INVESTOR  
Khalifa Street, ADNIC Building Phone: +971 2 627 7878  
PO Box 47435, Abu Dhabi, UAE Fax: +971 2 626 5858

(Supplement to the Private Placement Memorandum dated April, 2005)

Dear Sirs,

I/We, the undersigned applicant (the "Applicant"),

**Miss/Mrs./Messrs.** \_\_\_\_\_,

Hereby request redemption of my/our Units of the TNI DANA WOMEN FUND ("the Fund") on the forthcoming dealing day in accordance with the following:

a) I/We request the redemption of \_\_\_\_\_ Units on the basis of the Net Asset Value per Unit in accordance with the terms of the Private Placement Memorandum dated April, 2005.

b) I/We request to receive the amount of \_\_\_\_\_ AED, and authorize you to redeem as many Units as necessary for that purpose, on the basis of the Net Asset Value per Unit as defined in the terms of the Private Placement memorandum dated April, 2005.

I/We hereby request payment to be made as follows:

- By check drawn in favor of Miss/Mrs./Messrs. \_\_\_\_\_
- By transfer to A/C No \_\_\_\_\_ held with [THE BANK] in the name of Miss/Mrs./Messrs. \_\_\_\_\_

SIGNED by/ for and on behalf of:

Name of Applicant (Print):

Name of Signatory (Print):

Signature \_\_\_\_\_

Designation of Signatory (for legal entities) \_\_\_\_\_

Date and Place \_\_\_\_\_

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**THE NATIONAL INVESTOR**

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