



THE AL SAFI TRUST PLATFORM

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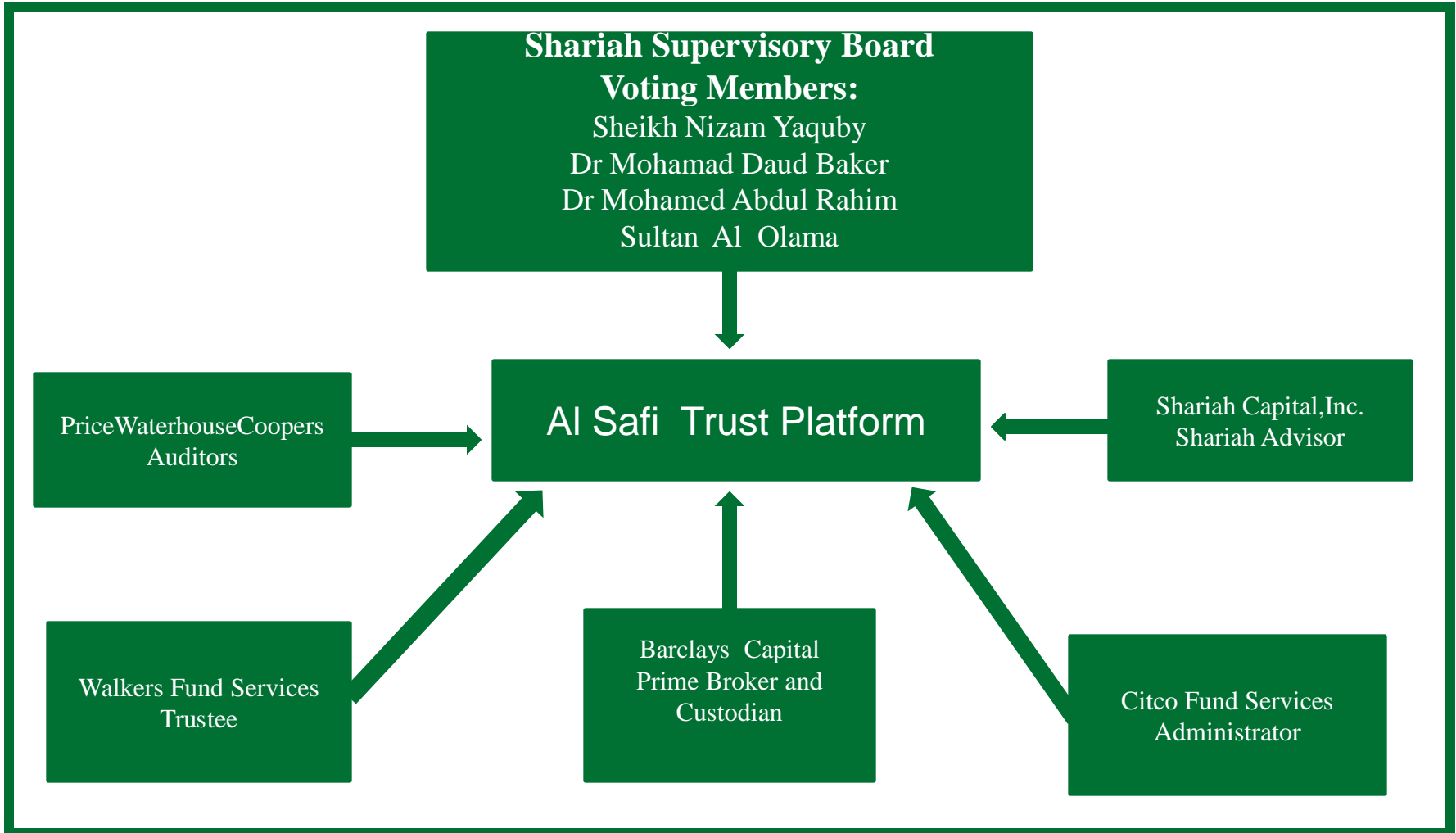
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The Al Safi Trust Platform



Synopsis

- The Al Safi Trust is a comprehensive Shariah compliant platform currently comprised of single strategy alternative investment managers where Shariah Capital is the Shariah Advisor and Barclays Capital is the prime broker and custodian.
- Designed as a “one-stop” platform initially for hedge fund managers, Al Safi provides Shariah screening and alternative short sale solutions along with prime brokerage, administration, auditing, and trustee oversight within a pre-established Cayman trust framework.
- Investment managers open a separately-managed account at Barclays Capital. The account is configured as a sub-trust on the Al Safi Trust platform. Once the account is operational, managers utilize Shariah Capital’s screens and methodologies to comply with Shariah and then trade and manage the account the same as they would a conventional portfolio.
- The Al Safi Trust platform was launched in 2009 with selected commodity-linked long/short U.S equity hedge fund strategies marketed under the DSAM Kauthar brand name. Over time, it can expand to include sub-trusts for other hedge fund and long only strategies and specialized investment funds.
- Since investors can pick and choose among the various Al Safi’s sub-trusts, the platform is ideal both for selecting single strategy, Shariah compliant investments or constructing private label funds-of-funds or structured product vehicles.

Who Controls the Al Safi Trust?

- Al Safi is independently controlled and built around independent service providers:
- Walkers Fund Services Limited (Cayman Islands) – trustee, responsible for overall management of Al Safi
- Barclays Capital - prime broker and custodian
- Shariah Capital, Inc. - Shariah Advisor and platform sponsor
- Citco Fund Services (Ireland) Limited – administrator
- PriceWaterhouseCoopers - auditor

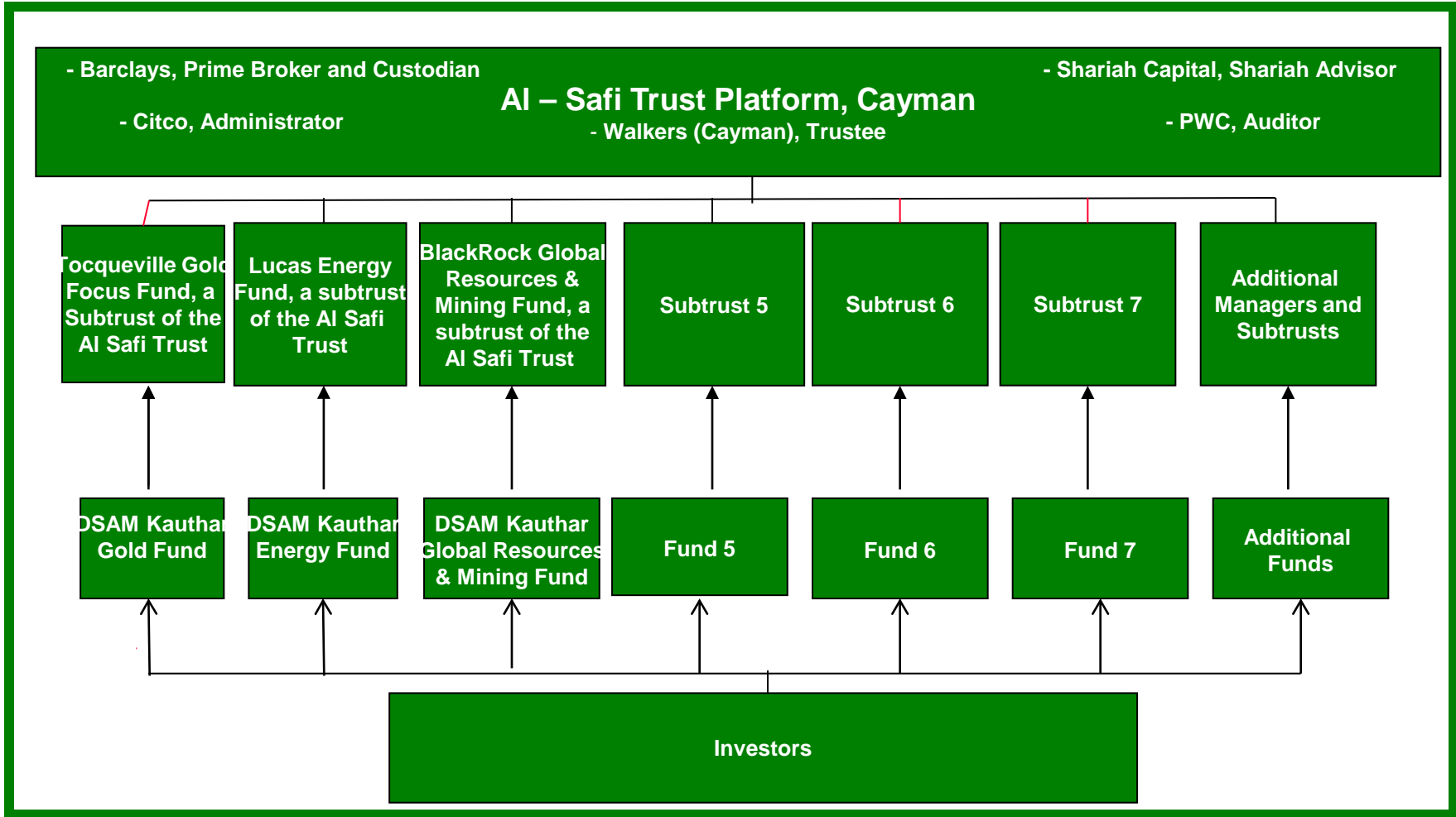
Al Safi Shariah Supervisory Board Voting Members

- Sheikh Nizam Yaquby (Bahrain)
- Dr. Mohammad Daud Bakar (Malaysia)
- Dr. Mohammad Abdul Rahim Sultan Al Olama (UAE)
- All of the above scholars also are members of the Shariah Committee of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), the standards-setting organization of the Islamic finance industry.

What is the Advantage for an Investment Manager to Register on the Al Safi Trust Platform?

- Standardized offering documentation pre-approved for Shariah compliance
- Pre-negotiated service providers and fees
- An enlisted board of Shariah scholars at pre-arranged fees
- After review by the Shariah board, an initial *fatwa* confirming the subtrust and its intended strategy as Shariah compliant
- A regularly-updated universe of Shariah compliant companies acceptable for investment, with ongoing Shariah monitoring and review by the Shariah Advisor
- Annual Shariah re-certification and purification recommendation

The AI Safi Platform, Launched with The DSAM Kauthar Funds, Has Ample Capacity for New Subtrusts



DSAM Kauthar Funds on the Al Safi Platform

- Investment managers establish a subtrust vehicle on the Al Safi Trust platform. For example, Tocqueville Asset Management has established the “Tocqueville Gold Focus Fund, a subtrust of the Al Safi Trust.”
- Although not required, feeder funds that invest directly into the subtrusts can be created by asset managers or marketers interested in investing in or promoting particular subtrusts. For example, the DSAM Kauthar Gold Fund, created by Dubai Shariah Asset Management, invests exclusively in the “Tocqueville Gold Focus Fund, a subtrust of the Al Safi Trust.”
- Feeder funds can be custom branded by distributors, like DSAM’s branding of the “DSAM Kauthar Gold Fund.” For investment managers and fund-of-fund developers, Al Safi subtrusts and feeder funds can comprise the underlying components of a new fund of funds or structured product.

The AI Safi Trust Platform

QUESTIONS & ANSWERS

Can Al Safi Accommodate Other Types of Investment Funds?

- Yes. The platform is open-ended and can accommodate any number of funds and investment vehicles.
- Although hedge funds are Al Safi's initial focus, the platform can also accommodate 130/30 exposures, long only mutual funds, real estate funds, sector specific funds in areas like technology and healthcare, and private equity -- provided they are managed within Al Safi's Shariah guidelines.
- At the Hedge Funds World Middle East Conference in 2009, the Al Safi Trust was named “Best Islamic Alternative Investment Product” in recognition of the innovation it brought to the industry.

What Advantages Does Al Safi Give the Investment Manager?

- Al Safi is a turnkey solution that provides portfolio screening and related Shariah solutions which enable managers to operate within Shariah while remaining consistent with their existing investment strategies.
- Through the prime brokerage resources of Barclays Capital and with the oversight of Shariah Capital, along with the guidance of internationally-recognized Shariah scholars comprising its Shariah Supervisory Board, Al Safi tracks each trade and each position of every manager through separately managed accounts in order to ensure Shariah compliance.
- In addition, the prime broker provides reporting transparency to the manager through conventional account statements and to the investor through an annual re-certification issued by the platform's Shariah Supervisory Board and a formal written audit by PriceWaterhouseCoopers.
- As a 'plug and play' solution, Al Safi enables investment managers to deliver performance in a Shariah compliant framework without being distracted from their portfolio management responsibilities.

What Advantages Does Al Safi Provide to the Islamic Investor?

- Al Safi offers credibility and integrity.
- Al Safi has an established process of due diligence and accepts only those strategies and managers which meet the exacting criteria of its Shariah Supervisory Board.
- Al Safi delivers Islamic investors the same high-quality managers and strategies available to conventional investors, including comparable returns, competitive fee levels, diversification across asset classes, and access to customized structured products which can provide capital protection - all with Shariah oversight and reporting.

What Checks are in Place to Prevent a Fund Manager from Pursuing a Non-compliant Strategy on Al Safi?

- Shariah Capital, Barclays Capital and Citco each review all Al Safi accounts on a daily basis.
- Barclays Capital specifically generates a daily “Exception Report” for Shariah Capital that identifies any trade or security not included in the platform’s approved investment universe.
- Shariah Capital then contacts the manager to reverse the trade or eliminate the position, ideally before settlement.

Does Al Safi Provide Islamic Investors with Parity to Conventional Investors in Hedge Fund Investments?

- Yes. Until now, the hedge fund industry has not had the methodologies to comply with Shariah and therefore was unable to offer an investment product to Islamic clients.
- Now, through Al Safi, a number of products can be made available to investors who insist on Shariah compliance. Al Safi places Islamic investors and conventional hedge fund investors on a level playing field.
- In fact, there is greater transparency and, arguably, better risk management for Al Safi investors compared to conventional hedge fund investors because of the separate account requirement.
- For Shariah compliance purposes, all Al Safi portfolios must be held in separately-managed accounts so each trade/each position can be reviewed. Conventional hedge funds typically do not offer this level of transparency and scrutiny.