

The Islamic Liquidity Fund

Liquidity Management in Takaful

Background- Takaful

- Growing market
- Need substantial amounts of liquidity
- Shortage of products
- Use of commodity murabaha in Malaysia

Background- investor options

- Invest in Government securities
- Place with bank and forgo interest
- Use OTC commodity murabaha
- Invest in Sukuk
- Invest in Shariah compliant fund
 - investing in Shariah compliant assets
 - equities, murabaha, wakala, sukuk etc
- Invest in murabaha via exchange platform
- Possible compliant CD issuance facility with UAE Central Bank

Islamic Liquidity Fund

- Designed to be overnight cash product for Islamic market
 - Security
 - Instant access
 - Competitive profit rate
 - Convenience
 - Shariah compliant

AAA rated platform for Liquidity Management

- Key Features
 - Invests in commodity murabaha
 - AAA rated
 - Open Ended Investment Company (OEIC) (non-UCITS)
 - Irish domicile
 - IFSRA regulated
 - Open to qualifying investors
 - Only suitable for professional investors
 - Investors must have minimum net worth excluding main residence of €uro 1.25m

Instant access

- First Shariah compliant overnight instrument
- Fund trades 100% of NAV daily
- Usual prudent concentration limits therefore don't apply

Commodity murabaha

- Suitable for investors already using commodity murabaha
- The fund performs the transaction instead of the investor
- Removes need for;
 - adhoc case by case documentation
 - Individual counterparty negotiation
 - Expensive break costs when contracts are broken
 - Frees up counterparty credit lines

Fund Credentials

- Manager and Sponsor – Prime Rate Capital Management LLP
- Administrator – BNY Mellon Fund Services (Ireland)
- Custodian – BNY Mellon Trust Company (Ireland) Limited
- Shariah Consultant – Yasaar Limited
- UK lawyers – Norton Rose
- Irish lawyers – A&L Goodbody

Summary

- True overnight liquidity
- Available to be distributed by 3rd parties
- Safe, compliant home for cash

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