

In the Name of Allah, the Most Beneficent, the Most Merciful

To all unit holders of the Crescent I Fund,

Assalamu Alaikum Wa Rahmat Allah Wa Barakatuh.

The Shari'ah Board of Adl Capital Ltd has directly and indirectly through key staff members of Adl Capital Ltd, examined the investments made by the Fund and is generally of the opinion that the investment principles set by the Shari'ah Supervisory Board have been fully complied with.

During the year under review, the Shari'ah Board held one meeting.

The Fund has concluded its investments with reference to the universe of Shariah Compliant shares identified and published by Amana Asset Management Ltd and reviewed internally by the key members of staff with reference to the guidelines given by the Shariah Supervisory Board of Adl Capital Ltd. The investible universe is identified primarily by reference to the core activities and applicable ratios of the stocks in question. As a consequence, companies whose core activities did not comply with Shari'ah principles were excluded from the universe. Similarly, companies whose core activities were Shari'ah compliant, but did not comply with applicable ratios, were also excluded from the universe.

An amount of impermissible income as well as a provision for impermissible income (where the Annual Reports are not yet available) has been identified and will be paid at source to charity in consultation with the Shariah Supervisory Board.

Accordingly, all the activities of the Fund were found, in our opinion, to be consistent with the rules and principles of, subject to:

1. Investment in a particular company that was within the acceptable universe at the time of investment but subsequently did not qualify was identified. Management has been guided as to how to rectify this matter.
2. In order to prevent such happening in the future, a mechanism whereby key members of Adl staff will meet key members of the Crescent I Fund periodically has been put into place.
3. An amount of LKR 197,680.82 (incidental) impermissible income from equity investments on the Colombo Stock Exchange has been identified and is designated to be paid to charity for purification;