



Fatwa

Relating to Investment in the TILF Commodity Murabaha

Shariah Board of Yasaar Ltd

March 2010

We have been requested to review and approve the structure, mechanism and the documentation for the proposed transactions to be provided by The Islamic Liquidity Fund plc (“The Fund”), managed by Prime Rate Capital Management LLP. The documents involved are as follows:

1. The Islamic Liquidity Fund plc Prospectus
2. The Supplement to the Prospectus relating to sub-funds of The Islamic Liquidity Fund plc
3. The Master Murabaha Agreement between The Fund and Party C
4. Letter of Understanding between The Fund as Purchaser and Party A as Seller
5. Letter of Understanding between The Fund as Seller and Party C as Purchaser
6. Investment Management Agreement between The Fund and Prime Rate Capital Management LLP
7. Settlement letter between The Fund and Party A as the commodity seller
8. Settlement letter between The Fund and Party C as the commodity purchaser
9. Settlement letter between Party C as seller and Party D as the commodity purchaser

The Structure

The Fund will invest in Commodity Murabaha transactions to enable the investors to access a short term liquidity management investment with a triple “A” rating. We take note that Party C has made special collateral arrangements to guarantee timely payment and this arrangement does not affect the validity of the transaction to be entered into between the investors and Party C.

We have reviewed the proposed structure dated 25 November 2009 and the transactions to be entered into in respect of the Fund, as well as the terms to be entered into between the parties to the transactions.

Further it must be noted that this Fatwa relates to the documents and structure reviewed by us provided by Prime Rate Capital Management in relation to the specific transactions involving the funded participation structure for The Islamic Liquidity Fund plc.

We are of the view that based on the information provided, the structure and mechanism as set out in the Documents are in compliance with the principles of *Shariah* and that the Documents reflect the structure and mechanism and we hereby approve the transactions entered into by the Fund.

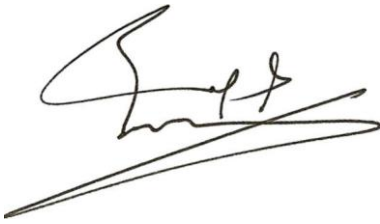
And Allah knows best.



Dr Mohamad Akram Laldin



Dr Mohammed Burhan Arbouna



Sh Essam Ishaq



Dr Aznan Hasan