



مصرف البحرين المركزي

Central Bank of Bahrain

# Islamic Unit Trusts

2<sup>nd</sup> International Islamic Financial Markets  
Conference

June 19, 2007

Manama, Kingdom of Bahrain



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## Unit Trusts

- Unit trusts are collective funds which allow private investors to pool their money in a single fund, thus spreading their risk, getting the benefit of professional fund management, and reducing their dealing costs.



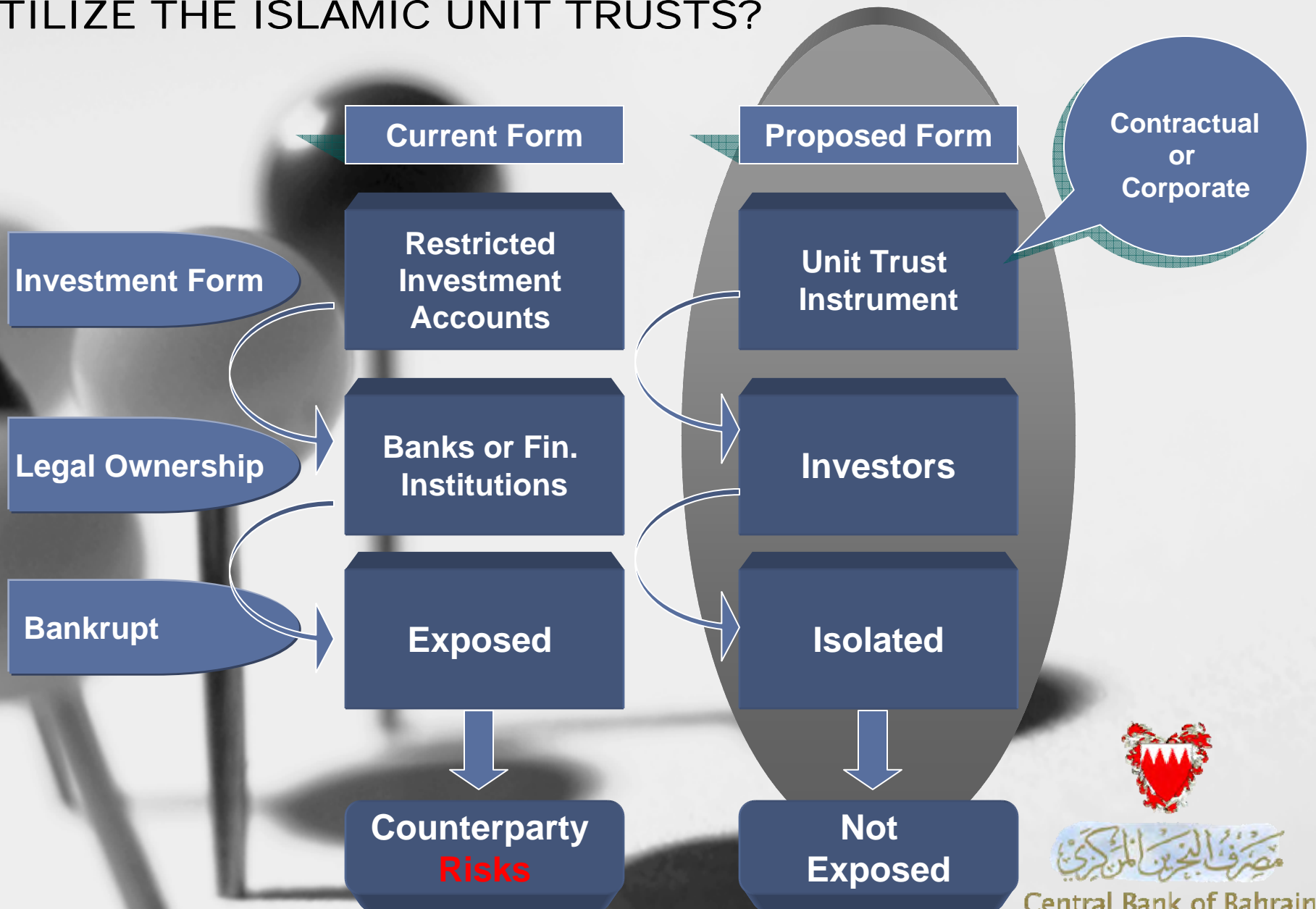
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## Benefits of Unit Trusts

1. Minimization of investment risks
2. Tailored investment strategies to match individual investor based on their investment history and financial objectives
3. Convenience
4. Price

# HOW CAN ISLAMIC BANKS AND FINANCIAL INSTITUTIONS UTILIZE THE ISLAMIC UNIT TRUSTS?

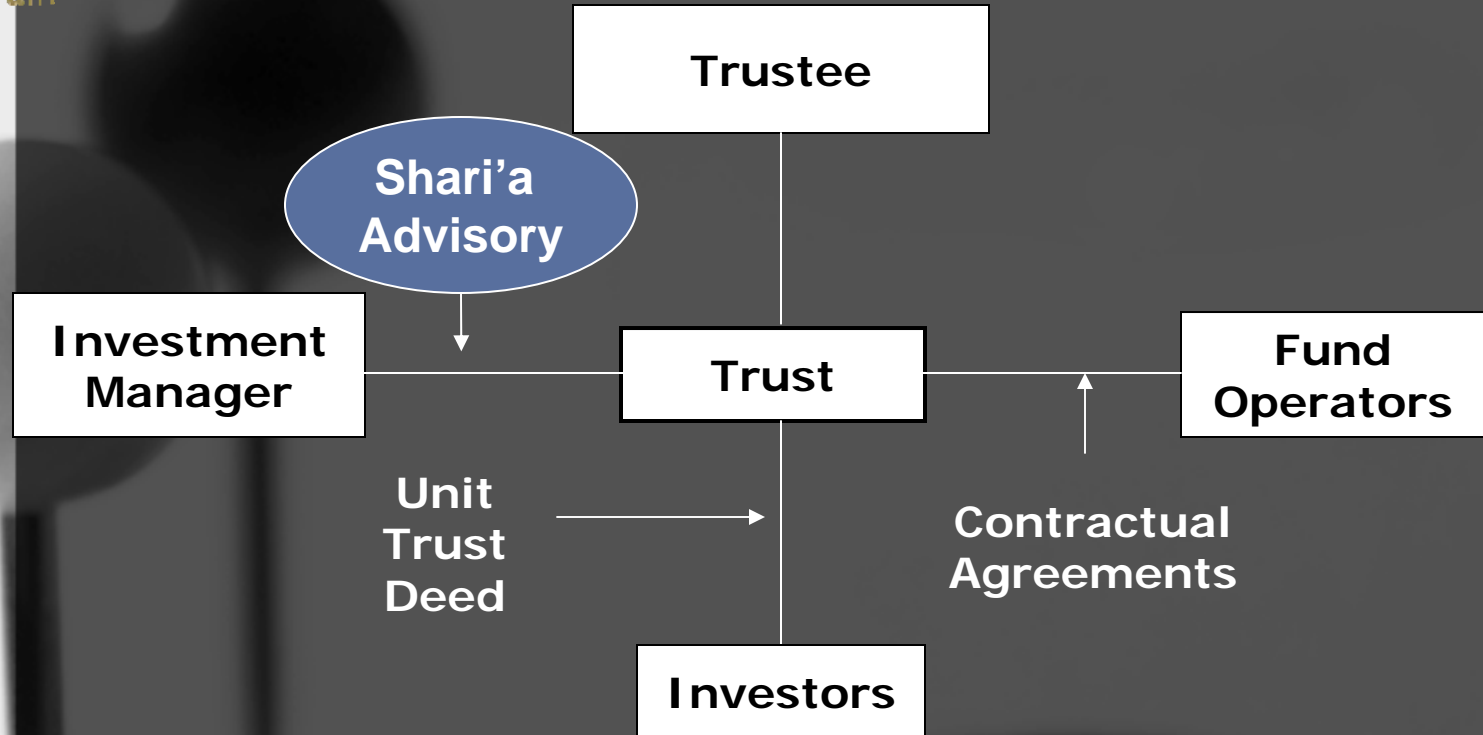




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# Typical Contractual Structure

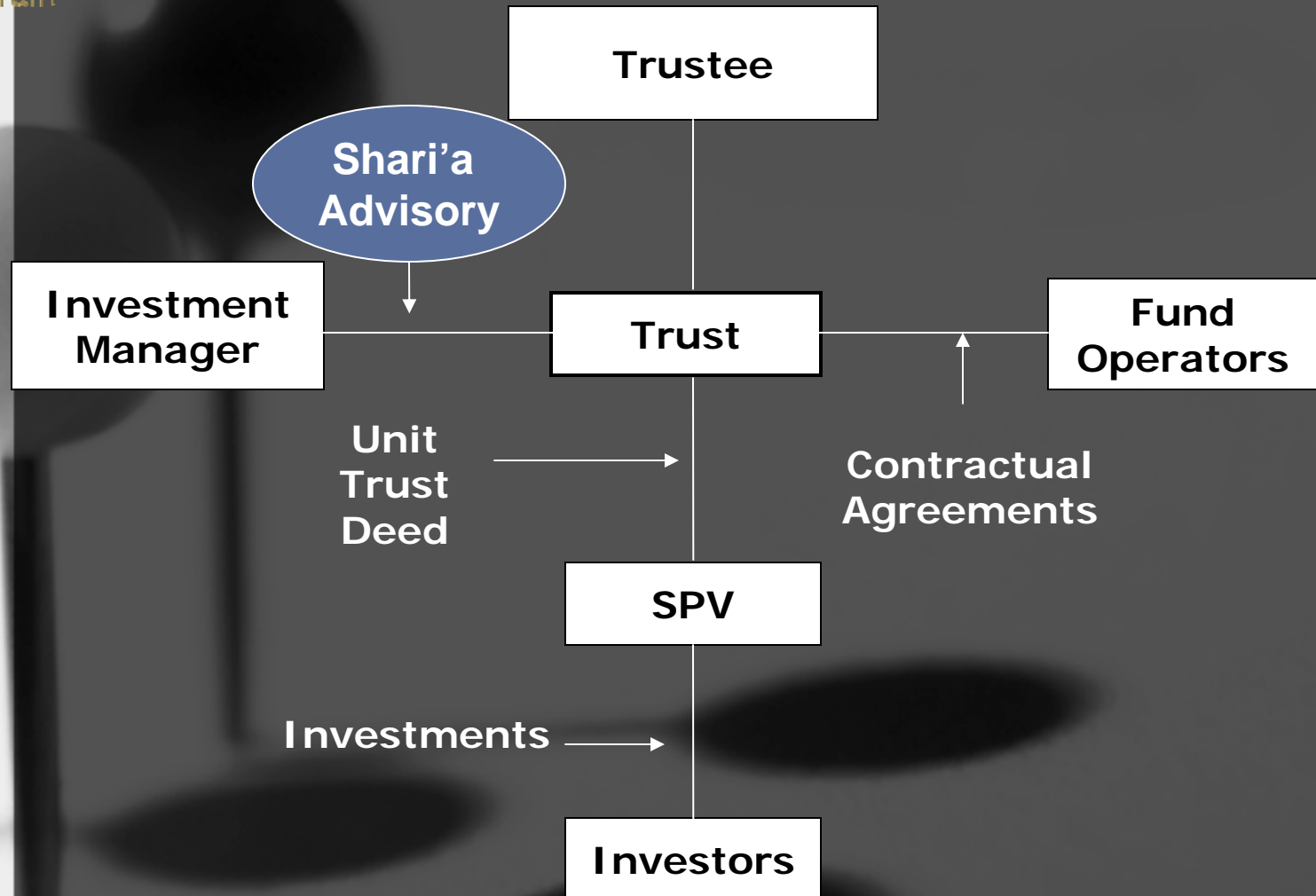




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# Typical Corporate Structure





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# Products based on Unit Trusts

- **Open-ended Unit Trust**
- **REIT's**
- **Pension Schemes**
- **Saving Schemes**



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## The Way Forward...

- To develop and utilize a standard Islamic Unit Trusts defining the minimum terms and conditions that is in compliance with the Islamic Shari'a principles.



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Thank you