بسم الله الرحمن الرحيم

Pronouncement (*fatwa*) on Guidance Short-Term Income Trust

الحمد لله رب العالمين و الصلاة والسلام على أشرف الأنبياء و المرسلين وعلى آله وصحبه أجمعين

The Shariah Supervisory Board (the "**Shariah Board**") of Guidance Financial Group LLC (together with its subsidiaries, "**Guidance**") has reviewed and examined the structure, mechanism and key documentation of Guidance Short-Term Income Trust (the "**Trust**"), including its Private Placement Memorandum and Subscription Agreement.

The Shariah Board understands that the Trust aims to provide a Shariah-compliant investment opportunity for qualified investors in the United States of America. Sponsored by Guidance, the Trust issues shares in which qualified investors ("**Investors**") may invest in accordance with the Trust's subscription and redemption mechanisms. The Trust invests in co-ownership interests in residential properties ("**Finance Assets**") originated under Guidance's Declining Balance Co-Ownership home financing program (the "**Co-Ownership Program**"). The Trust is governed by a board of trustees (the "**Board of Trustees**"), comprising a majority of independent members, which has the fiduciary responsibility to act in the best interest of the Trust and its Investors.

The Trust is managed by a Guidance subsidiary (the "**Manager**") in accordance with a *mudaraba* agreement, with the Manager acting as *mudarib* and the Trust as *rabb al-mal*. The Manager is appointed to manage the Trust's operations and investments in Finance Assets and is remunerated based on a percentage profit share which is pre-agreed and applicable for set periods of time. At the end of the holding period of each Finance Asset, the Trust is at liberty to sell the Finance Assets to the Manager or to any other party; and the Manager is at liberty to decide whether to buy such Finance Asset from the Trust. Each sale of Finance Assets to the Manager, including its price and terms, is subject to approval by the Board of Trustees. Proceeds from the sale of Finance Assets may be utilised by the Trust to acquire new Finance Assets or as liquidity to satisfy investor redemptions.

After conducting its review, the Shariah Supervisory Board is of the opinion that Guidance Short-Term Income Trust conforms with the principles and norms of Shariah and, therefore, that qualified investors, especially Muslims, may avail themselves with the investment opportunity it provides.

Dated:

Justice (Ret.) M. Taqi Usmani (Chairman)

Shaykh Nizam Yaquby

Dr. Mohd Daud Bakar

Dr. Mohamed A. Elgari

Shaykh Yusuf Talal DeLorenzo

Dr. Muhammad Imran Ashraf Usmani