

Asia Pacific Basket Limited

A Guernsey Authorised Closed-Ended Investment Company

Registration Number 48918

25 August 2017

Annual and Listing Sponsor: Clarien BSX Services Limited

This Prospectus includes particulars given in compliance with the listing regulations of the Bermuda Stock Exchange for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries that, to the best of their knowledge and belief there are no other facts, the omission of which would make any statement herein misleading.

The Bermuda Stock Exchange takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

Terms used in this Prospectus are as defined in the section headed "Definitions".

The details contained in this Prospectus are applicable as at the date of this Prospectus. This Prospectus is subject to updating and it is the responsibility of anyone relying on its contents to ensure that it is the most current version and that no corrections or revisions have been made. Investors should read the whole of this Prospectus.

This Prospectus is important. You are advised to consult your lawyer, bank manager, or other professional adviser, who specialises in advising on the acquisition of shares and other securities before investing in the securities offered in this Prospectus. Investment in the Shares involves above average risk and your attention is drawn to Section Four "Risk Factors" in this Prospectus. The investment is only suitable for sophisticated or professional investors.

No company in the Investec Group makes any representations or gives any warranties or undertakings with regard to the suitability of any investment in the Shares or the accuracy of this Prospectus and Investors should obtain independent legal, tax, accounting, investment and other relevant advice when contemplating any investment in the Company.

The Shares may not be marketed, and this Prospectus may not be sent, to Investors domiciled or with a registered office in any Member State of the European Economic Area ("EEA") unless: (i) the Shares are marketed under any private placement regime or exemption in the relevant EEA Member State; or (ii) such marketing was initiated by the Investor and not by the Company and/or Investment Adviser to the Company or any other person/entity acting directly or indirectly on behalf of the Company and/or the Investment Adviser to the Company. In case of any conflict between this notice to EEA Investors and any notices in respect of individual EEA Member States set out below, this notice shall prevail.

The Companies and Intellectual Property Commission takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

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DEFINITIONS

The following definitions apply throughout this Prospectus, unless the context requires otherwise:-

“A Class Shares”

The “A” class ordinary Shares in the Company, as described in Section One of this Prospectus. ISIN number GG00B3B1B651. Bloomberg ticker ASIPACB GU.

“Administration Agreement”

The agreement between the Administrator and the Company in terms of which the Administrator has been engaged to provide administration, registrar, and secretarial services

“Administrator” and/or “Designated Administrator”

Praxis Fund Services Limited (a Guernsey registered company number 43046)

“Aggregate Minimum Subscription”

Means a minimum aggregate of 5,000 (five thousand) Shares being subscribed for pursuant to this Prospectus and/or retained by existing shareholders in the Company

“Annual and Listing Sponsor”

Clarien BSX Services Limited (registration number 24587)

“Application Form”

The application form available from the Distributor or the Administrator, to be completed by an Investor wishing to subscribe for Shares

“Articles of Incorporation” or “Articles”

The articles of incorporation of the Company as amended or replaced from time to time

“Foreign Portfolio Investment Allowance”

Investments utilising the foreign portfolio investment allowance (asset swap) granted to institutions in terms of circular B2(B)iii issued by the Financial Surveillance Department of the South African Reserve Bank

“AUD” or “Australian Dollars”

The lawful currency of Australia

“the Auditor”

Saffery Champness

"B Class Shares"

The "B" class ordinary Shares in the Company, as described in Section One of this Prospectus. ISIN number GG00BYZ0RF63. Bloomberg ticker ASPBLBU GU

"Business Day"

Any day, other than a Saturday, Sunday or public holiday, on which banks are normally open for full banking business in Guernsey

"Calculation Agent"

The calculation agent appointed in the terms of the provisions in the applicable Debt Instrument

"Call Date"

The First Call Date and every quarterly date thereafter

"Call Option"

The Debt Issuer's right to elect to redeem the Debt Instruments on the Call Date

"the Company"

Asia Pacific Basket Limited a Guernsey registered company, registration number 48918 of Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR. The registered office address is also the business address of the Directors of the Company

"Company's Funds"

The total subscription monies received from Investors on the Third Closing Date, less all Front End Fees, plus the aggregate EIS Price of the Existing Issued Shares retained by existing Shareholders in the Company

"CRS"

Common Reporting Standard

"Debt Issuer"

IBL or other debt issuer to be selected by the Investment Adviser to the Company, which debt issuer will have a rating equal to or better than IBL's rating

"Debt Instruments"

Unsecured USD denominated subordinated debt instruments that rank as tier 2 capital of the Debt Issuer in terms of the regulations under the Banks Act, 1990 of the Republic of South Africa, issued by the Debt Issuer by not later than 5 Business Days after the Trade Date, which instruments contain a Call Option, as further described in Section Two "Capital Preservation" in this Prospectus

"Directors" or "The Board"

Directors of the Company

"Distributor"

The entity(ies) or person(s) approved by the Directors and party to a Distribution Agreement through which the Investor may be introduced, or have access, to the Company, if not directly

"Distribution Agreement"

The agreement entered or to be entered into between the Company and the relevant Distributor, on terms to be finalised by the Directors, pursuant to which agreement the Distributor will be paid an annual fee as more fully described in Section One "Commissions Paid" in this Prospectus

"EIS Price"

The Fair Market Value price per Share as determined by the Auditor seven days prior to the Second Redemption Date, which price is estimated to be between AUD 1,400.00 and AUD1,600.00 per Share. New A Class Shares shall be issued at the EIS Price. Each B Class Share shall be issued at an amount that is the USD equivalent of the EIS Price as calculated at the Trade Date.

"Equity Exposure"

A targeted basket of offshore indices, namely the, Nikkei 225, S&P500, Eurostoxx50, iShares MSCI Emerging Markets ETF with a range between 15% and 45%, or an alternative world index/s, or exchange traded fund with equity exposure as determined by the Investment Adviser to the Company)

"Equity Investment Provider(s)"

An international bank(s) or an entity(ies) in the group of companies of an international bank(s), with a credit rating of at least A (Standard & Poors) as selected by the Investment Adviser to the Company

"Equity Linked Investment(s)"

An equity investment(s) linked to an investment in the form of a note or an over the counter traded option transaction, issued by an Equity Investment Provider(s) as further described in Section Two "Upside Linked to Equity" in this Prospectus

"Existing Issued Shares"

The issued Shares in the Company as at the date of this Prospectus

"Expense Provision"

An estimated 00.5% of the Company's Funds

"FATCA"

Foreign Account Tax Compliance Act

"Fair Market Value per Share"

The fair market value of each Share as determined by the Investment Adviser to the Company on the first Business Day of each month (or the Auditor on the Redemption Date or the liquidator on a winding up) acting in good faith and in a fair and reasonable manner

"First Call Date"

The date that is 5 years after the issue date of the Debt Instrument

"First Offering"

Means 30,462.650 Shares in the Company issued to Shareholders at USD1,000.00 per Ordinary Share on 3 September 2008

"Front End Fee"

An amount not exceeding 2% (plus South African value added tax where applicable) of the amount subscribed for per Investor pursuant to this Prospectus

"GBP"

The lawful currency of the United Kingdom

"GFSC"

The Guernsey Financial Services Commission

"IBL"

Investec Bank Limited, a company incorporated in the Republic of South Africa (registration number 1969/004763/06)

Investec Bank Plc

Investec Bank Plc, a company registered in England and Wales with registration number 3633621

"Investec Group"

Investec Limited and Investec plc (registered in England and Wales with registration number 3633621) and their subsidiaries, which include Investec Bank Plc and IBL

"Investec Limited"

Investec Limited, a company incorporated in the Republic of South Africa (Registration Number 1925/002833/06)

"Investment Adviser to the Company"

Investec Corporate and Institutional Banking, a division of Investec Bank Limited, a company incorporated in the Republic of South Africa (Registration Number 1969/004763/06)

"Investment Adviser Agreement"

The agreement between the Investment Adviser to the Company and the Company in terms of which the Investment Adviser to the Company has been engaged to provide investment advisory services

"Investment Period"

The period from the Trade Date to the Termination Date

"Investor"

Any person who may potentially subscribe for Shares in the Company, being a sophisticated or professional investor who can afford to take a higher degree of risk, which may include the risk of the loss of his entire investment, and who has extensive knowledge and experience in financial and business matters and is capable of evaluating the merits and risks associated with an investment in the Company

"Last Practicable Date"

The last practicable date prior to the finalisation of this Prospectus

"Law"

The Companies (Guernsey) Law 2008 as amended, extended or replaced and any Ordinance, statutory instrument or regulation made thereunder

"Management Shares"

The Management Shares with a par value of AUD1 having the rights and entitlements set out in the Articles

"Minimum Subscription Amount"

AUD16,000 or its equivalent in USD

"Memorandum"

The Memorandum of Incorporation of the Company as amended or replaced from time to time

"Promoter"

Investec Corporate and Institutional Banking, a division of Investec Bank Limited, a company incorporated in the Republic of South Africa (Registration Number 1969/004763/06)

"Prospectus"

This document as amended and updated from time to time

"Redemption Date"

Either the Second Redemption Date or Third Redemption Date (as the context requires)

"Registrar"

Praxis Fund Services Limited

"Register of Shareholders"

The register of Shareholders of the Company kept by the Administrator

"Rules"

The rules applying to registered closed-ended investment companies in Guernsey issued by the GFSC

"Second Offering"

Shares in the Company issued to Shareholders at AUD1,080.63 per Share on 3 September 2013

"Second Redemption Date"

No later than 20 December 2017

"Shareholder"

A holder of Shares

"Shares"

The A Class Shares having a par value of AUD0.01 each and the B Class Shares having a par value of USD0.01 each in the capital of the Company, as well as fractions of such ordinary shares, as the context requires. All other rights attributed to the A Class or B Class Shares are identical

"South African Companies Act"

The Companies Act. No. 71 of 2008 of the Republic of South Africa

"Special Resolution"

A resolution passed by a majority of not less than 75% of the votes of the Shareholders entitled to vote and present in person or by proxy and voting, at the meeting convened with the proper notice of the meeting having been provided to Shareholders

"Subsidiaries"

Has the meaning given to it in the Law, save that overseas companies shall not be excluded

"Third Closing Date"

4 December 2017 or such later date as the Directors may decide, which may not be later than 31 December 2017

"Third Offering"

The offering of Shares in the Company pursuant to this Prospectus

"Third Opening Date" "Third Redemption Date"

9 October 2017 or later date as the Directors may decide

The date of compulsory redemption of the Shares, being the date 5 Business Days after the Termination Date

"Termination Date"

Either:

- (i) the Call Date if the Debt Issuer exercises the Call Option in accordance with its terms; or
- (ii) the maturity date of the Debt Instruments, being ten years from the issue date of the Debt Instruments, if the Debt Issuer did not exercise the Call Option in accordance with its terms;

as the case may be

"Trade Date"

Any date that is no later than 20 Business Days after the Third Closing Date, being the date on which the Company will invest the Company's Funds

"the Trust"

An independent trust declared on 2 September 2009 in Guernsey known as The Basket Trust under Praxis Trustees Limited registered number 16783

"USD"

The lawful currency of the United States of America

"USD LIBOR"

The interest rate at which a large number of banks on the London money market are prepared to lend one another unsecured funds denominated in USD

"US-Guernsey IGA"

As defined in the section of this Prospectus headed "Risk Factors – FATCA and similar measures"

"Write-Off"

A partial or total write-off of the Debt Instruments as described in Section Four "Risks associated with Debt Instruments"

SECTION ONE: INFORMATION ABOUT THE COMPANY WHOSE SECURITIES ARE BEING OFFERED

1. Name, Address and Incorporation Information

The Company was incorporated in Guernsey on 19 May 2008 with registration number 48918. The registered office and business address of the Company is Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR. The Administrator will act as the transfer agent. The Company is neither a holding company nor a subsidiary.

The Directors particularly draw Investors' attention to the following restrictions:

South Africa

Under Section 99(1)(b) of the South African Companies Act, the Memorandum of the Company together with the names and addresses of the Directors will be filed with the South African Companies and Intellectual Property Commission once the Prospectus Vetting Committee of the South African Companies and Intellectual Property Commission has completed its review of the prospectus. The Company is a Guernsey authorised closed-ended investment company listed on the Bermuda Stock Exchange. The Directors' and Auditor's reports are made with every ethical degree of care and skill. The Directors' integrity and good governance is measured by the transparency of reporting to the regulatory and listing authorities under which the Company is registered and listed and wherever practicably possible the Company has made every effort to comply with the King Committee Principles on Governance for South Africa 2009 (King III) and will make every effort to comply with applicable Principles of the King Committee Principles on Governance for South Africa 2009 (King IV).

South African Investors may utilize the following investment options and are encouraged to discuss these further with their Distributor:

- Offshore allowances (or any South African Reserve Bank approved offshore allowance)
- Disclosed amnesty and foreign assets
- International assets held by non-South African investors
- Foreign Portfolio Investment Allowance facility (asset swap)

United States of America

The Shares have not been registered under the United States Securities Act of 1933 (the "**1933 Act**"), nor has the Company been registered under the United States Investment Company Act of 1940, or any state law. Except in a transaction which does not violate such Acts, the Shares may not be directly or indirectly offered, sold or delivered in the United States (as defined in Regulation S under the 1933 Act) or to or for the account of any US person (as defined in Regulation S under the 1933 Act), or to any person purchasing the Shares for re-offer, delivery or transfer in the United States or to any US person as part of the distribution of such Shares. The Shares may not be acquired by any person subject to the Employee Retirement Income Security Act of 1974, as amended or Section 4975 of the Internal Revenue Code of 1986, as amended.

United Kingdom

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted by law. In particular the communication constituted by this Prospectus is directed only at persons who (i) are outside the United Kingdom and the Republic of Ireland; or (ii) have professional experience in matters relating to investments; or (iii) are persons falling within Article 49(2) (a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (all such persons together being referred to as "**relevant persons**"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

Bermuda

There is no intention to market the Shares to residents of Bermuda.

Guernsey

The Company was incorporated with limited liability in Guernsey under the provisions of the Law as a non-cellular company limited by shares and is registered with the GFSC as an authorised closed ended investment company.

This Prospectus may only be distributed or circulated directly or indirectly in or from within the Bailiwick of Guernsey by persons licensed to do so by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

The Company is registered for FATCA under GIIN Y5PB24.99999.SL.831831.

2. Directors, Other Office Holders or Third Parties

Board of Directors

The Directors of the Company are Janine Lewis, David Stephenson and Chris Hickling. More details about the Directors, their occupations and experience are provided below. The Directors are appointed as directors of the Company in terms of the Administration Agreement concluded between the Company and the Administrator. The Directors' appointment is indefinite and will continue until the Company is liquidated or they resign or are removed from office or the Administration Agreement is terminated.

The registered office address of the Company is also the business address of the Directors of the Company.

As described in the Administration Agreement, an annual fee (which includes the appointment and services of 3 Directors) is paid to the Administrator.

The Directors are indemnified through directors' and officers' insurance which includes professional indemnity cover for work undertaken on behalf of the Company.

The Company may borrow up to 10% of the value of the net assets of the Company for temporary purposes to fund short-term liquidity, for the benefit of the Company. It is not however the current intention of the Directors to engage in any borrowing in respect of the Company.

Janine Lewis (British)

Born in 1965, Janine is a resident of Guernsey residing at Coco De Mer, Folie Lane, Vale, Guernsey, GY3 5SD and is a director of the Administrator. She has worked in the finance industry for over 30 years, qualifying as a Chartered Company Secretary in 1995 and becoming an Associate of the Institute in 1996. Janine has worked in the funds industry for the past 16 years where she has been involved in the establishment and administration of various funds, varying in complexity but in particular has concentrated on structured products and property funds, listed on various exchanges. She joined the Administrator from Investec Administration Services Limited in 2009.

Janine holds the following directorships:

Advanced Investment Holdings Limited	IASL Nominees Limited
Asia Pacific Basket Limited	International Titans Basket Limited
Britannic Opportunities Limited	Investec Recovery Partners I Limited
China Seas Basket Limited	Investec World Axis PCC Limited (as alternate director)
East Asian Growth Basket Limited	Matrix Property Fund Management (Guernsey) Limited
IASL Directors 1 Limited	MP Trustees Limited
IASL Directors 2 Limited	Optimal Investment Growth Basket Limited
International Fund Management Limited	Praxis Fund Services Limited

David Stephenson (British)

Born in 1962, David is a Guernsey resident residing at Riniac, Route de Cobo, Castel, Guernsey, GY5 7UH and is a senior manager in the financial reporting team at the Administrator. David has worked in the finance industry for 30 years, having trained at Coopers and Lybrand before joining Investec Trust Guernsey in 1987. He served as Financial Controller at Investec Trust Guernsey, before switching to a fund accounting role with the Administrator. David has significant fund experience having worked with various fund profiles ranging from private equity to property and structured products. He joined the Administrator in 2009 from Investec Administration Services Limited.

David holds the following directorships: Advanced Investment Holdings Limited

Asia Pacific Basket Limited	East Asian Growth Basket Limited
Britannic Opportunities Limited	International Titans Basket Limited
China Seas Basket Limited	Optimal Investment Growth Basket Limited

Chris Hickling (British) (New Zealand)

Chris Hickling was born in New Zealand but is now a Guernsey resident residing at Jungle, 7 Courtil es Rouget, La Villette, St Martins, Guernsey, GY4 6QD. He completed a Bachelor of Commerce and Administration at the Victoria University of Wellington and later completed his professional accounting studies becoming a certified accountant in 1998. Chris came to Guernsey in 1998 working contracts for Insinger De Beaufort, Credit Suisse and Deutsche Bank where he gained significant trust company and group management accounting experience. In 2001 he joined Close Fund Services Limited where he became operations director with a focus on structured products, hedge, private equity and property funds. In 2009 Chris joined the Administrator from Investec Administration Services Limited and since 2011 has been Managing Director of International Fund Management Limited ("IFM"). IFM is part of the Praxis Group and is a Guernsey licensed investment manager and has a strong track record in providing principal management and risk advisory services to funds and investment managers since 2006.

Chris holds the following directorships:

Advanced Investment Holdings Limited	International Fund Management Limited
Asia Pacific Basket Limited	International Titans Basket Limited
Britannic Opportunities Limited	Investec Recovery Partners I Limited
China Seas Basket Limited	Investec World Axis PCC Limited
East Asian Growth Basket Limited	MP Trustees Limited (as alternate director)
IASL Directors 1 Limited	Optimal Investment Growth Basket Limited
IASL Directors 2 Limited	
IASL Nominees Limited	

Other Office Holders or Third Parties

Annual and Listing Sponsor

Clarien BSX Services Limited
25 Reid Street,
Hamilton
HM11
Bermuda

Administrator, Secretary and Registrar (also being the business address of the Directors)

Praxis Fund Services Limited
Sarnia House
Le Truchot
St Peter Port
Guernsey, GY1 1GR

Legal Advisers to the Company in Guernsey

Carey Olsen
Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

Investment Adviser to the Company and Promoter

Investec Corporate and Institutional Banking
a division of
Investec Bank Limited
100 Grayston Drive
Sandown, Sandton
South Africa, 2196

Legal Advisers to the Company in South Africa

Cliffe Dekker Hofmeyer Inc.
11 Buitengracht Street
Cape Town
South Africa, 8001

Independent Auditor

Saffery Champness
La Tonnelle House
Les Banques
St Peter Port
Guernsey
GY1 3HS

Bankers in Guernsey

Investec Bank (Channel Islands) Limited
Glategny Court
St Peter Port
Guernsey
GY1 3LP

Investment Adviser to the Company

The Investment Adviser to the Company is Investec Corporate and Institutional Banking, a division of Investec Bank Limited ("IBL"). IBL is regulated by the South African Reserve Bank in terms of the Banks Act, 1990 and the South African Companies Act. No criminal convictions or disciplinary actions were taken against IBL by a securities, supervisory or other regulatory body during at least the last past five years.

The directors of IBL are as follows:

F Titi (Chairman), DM Lawrence* (Deputy Chairman), S Koseff* (Chief Executive Officer), B Kantor (Managing Director), SE Abrahams, GR Burger*, D Friedland, MP Malungani, R Wainwright, DJ Prosser, KXT Socikwa, PRS Thomas, B Tapnack and CB Tshili. *Executive

The executive officer responsible for the Corporate and Institutional Banking division of Investec Bank Limited is Mr Lourens Janse van Rensburg of Villa 55, 279 Sidney Street, Waterkloof Village, South Africa. Mr Janse van Rensburg has a Bachelor of Commerce (Honours: Financial Management) degree from the University of Potchefstroom, a Certificate of Theory of Accounting ("CTA") degree from the University of Potchefstroom, is a qualified Chartered Accountant and also holds a CFA. Mr. Janse van Rensburg completed his articles with Coopers & Lybrand (now PriceWaterhouseCoopers) in 1998 and joined Gensec (now Sanlam Capital Markets) where he managed the financial control of the equity derivative team, as well as risk management for the interest rate derivative desk. He was also responsible for setting up their investment products business. Mr Janse van Rensburg, joined IBL in 2001, working in the interest rate structuring team, preference share funding and investment products areas. He was appointed the head of Investec Financial Products in 2010 and in December 2015 was appointed executive officer of Investec Corporate and Institutional Banking.

IBL is a wholly owned subsidiary of Investec Limited ("Investec") (previously Investec Group Limited), and IBL is one of the 5 largest banks in South Africa. Investec was founded in South Africa in 1974 and is an independent international banking group that provides a specialised range of products and services to its select clients. It has expanded through a combination of substantial organic growth and a series of strategic acquisitions in South Africa, the United Kingdom and other countries in which the Investec Group operates. In July 2002, Investec implemented a Dual Listed Companies structure with listings in Johannesburg and London. For the year ended 31 March 2016, Investec had GBP116.2bn billion assets under administration.

The Corporate and Institutional Banking Division of IBL provides a wide range of products, services and value-added solutions to select corporate clients, public sector bodies, financial institutions, local and foreign banks and financial brokers. The Corporate and Institutional Banking Division specialises in the creation of financial products and derivative instruments, which are designed to enhance investment values and minimise or remove potential downside risk for investors. In view of the foregoing IBL has the necessary expertise and experience available to fulfill its obligations under the Investment Adviser Agreement, as the investments to be entered into by the Company, as described in this Prospectus, are of a specialised nature.

Description of the business managed by the Investment Adviser to the Company

During the course of its appointment as investment adviser, the Investment Adviser to the Company shall have the duties and obligations normally assumed by an investment adviser and in particular shall include:

- (1) identifying, securing, and researching potential investments, conducting physical and legal due diligence and evaluating the same, making recommendations to the Board regarding suitable investments and taking instructions from the Board on investment opportunities;
- (2) negotiating and supervising borrowings of the Company within such limits as the Board may from time to time specify;
- (3) analysing the performance of the investments and advising the Company in relation to the investments;
- (4) providing the Board with such information, and making such recommendations to the Board, concerning the investments as it may from time to time request;
- (5) at the Board's request providing a representative to attend meetings of the Board in connection with any of its duties specified above;

- (6) providing to the Administrator all such information in relation to the investments as it may reasonably require to carry out its duties under the Administration Agreement; and
- (7) performing such other duties as may be reasonably necessary or incidental to the above or as may be agreed between the Company and the Investment Adviser to the Company.

Annual Fee of the Investment Adviser to the Company

The Investment Adviser to the Company is entitled, for its services as investment adviser, to receive an annual fee of 0.65% of the Company's Funds (as reduced by any redemptions of Shares prior to the Redemption Date) payable in advance on the first Business Day of each year, until the Call Date. If the Debt Issuer does not exercise the Call Option on the First Call Date, then the fee shall reduce to 0.15% per annum for the period subsequent to the First Call Date. The Investment Adviser Agreement does not contain any provisions for the alteration of the Investment Adviser to the Company's remuneration. The Investment Adviser to the Company shall also be paid an amount equal to the amount of interest earned by the Company on such amount, calculated from and including the date on which the Investments (as defined in the Investment Adviser Agreement) have been made until but excluding the date of payment of the relevant amount to the Investment Adviser to the Company.

Registration Fee

The Investment Adviser to the Company will also earn a settlement and registration fee of up to 0.75% of the total value of each early redemption transaction as set out in Section Four "Sale Arrangements and Redemptions".

Administrator

The Administrator of the Company is Praxis Fund Services Limited. In January 2015, the merger of Guernsey-based Praxis Group and Jersey-based IFM Group Inc created one of the largest independent financial services groups headquartered in the Channel Islands and was subsequently listed on The International Stock Exchange. The combined group administers in excess of \$42bn of assets across ten offices around the world. It employs and over 250 staff, to offer their private and corporate clients an increased range of services. Through its subsidiaries, the Praxis Group offers a wide range of financial services to its private and corporate clients, including a comprehensive range of fiduciary services and fund administration.

Praxis Fund Services Limited has employed qualified members of respective professional disciplines which include members of the Association of Chartered and Certified Accountants and members of the Institute of Chartered Secretaries and Administrators.

The Administrator provides a range of administration services including entity establishment and project management, corporate governance and company secretarial services, transaction administration, accounting and financial management/reporting, safe custody, shareholder services and investor reporting, stock exchange sponsorship and outsourcing management.

Description of the business managed by the Administrator

The Administrator shall provide the Company with administration and company secretarial services. During the course of its appointment as Administrator, the Administrator shall have the duties and obligations normally assumed by an administrator and secretary and in particular shall include:-

- (1) the convening of the meetings of Directors and Shareholders in accordance with the Articles and the provision from time to time if requested of representatives of the Administrator to attend meetings, the taking of minutes and the collation of all necessary papers therefore;
- (2) the keeping and updating of the statutory books and records of the Company;
- (3) the delivery of information and all returns required by applicable law to any competent authority in Guernsey, Bermuda or elsewhere including, in particular, the GFSC and assistance with the reporting requirements and listing rules of the market on which the Shares may from time to time be listed, currently the Bermuda Stock Exchange;

- (4) dispatching to Shareholders, the Directors and the Auditors and any other person entitled to receive the same or as the Company may require, all circulars, notices of meetings, reports, financial statements and dealing with all other correspondence from and to Shareholders of the Company and circulating board meeting information, at least 5 days prior to a Board meeting, to each member of the Board and the Investment Adviser to the Company;
- (5) the holding of meetings of Shareholders, receiving and tabulating votes cast by proxy and communicating to the Company the results of the tabulation;
- (6) the safekeeping of the Company's seal;
- (7) maintaining the register of Shareholders and acting as the transfer/paying agent (if applicable);
- (8) administering all transfers and redemptions of Shares as described in the Prospectus and promptly pay the proceeds to the applicable parties;
- (9) all duties to be performed by the secretary of a company under applicable law and by the secretary of the Company under the Articles;
- (10) the provision of the registered office of the Company and a place where notices may be served on the Company; and
- (11) without prejudice to the generality of the foregoing performing such other administrative and company secretarial duties, obligations and functions as the Company may from time to time agree with the Administrator.

Annual fee of the Administrator

Under the Administration Agreement, the Company has agreed to pay or procure to be paid to the Administrator, for its services as Administrator, Secretary and Registrar a first year fee of 0.15% and an annual fee of 0.135% of the Company's Funds (as reduced by any redemptions of Shares prior to the Redemption Date) payable each year thereafter until the Redemption Date. The Administrator shall also be paid an amount equal to the amount of interest earned by the Company on such amount, calculated from and including the date on which the Investments (as defined in the Administration Agreement) have been made until but excluding the date of payment of the relevant amount to the Administrator.

The Administrator shall also be entitled to recharge disbursements incurred on behalf of the Company, which include fees for courier, telecommunications and printing.

The Administrator shall provide 3 Directors to the Company as part of the Administration Agreement. Director remuneration forms part of the annual fee of the Administrator under the terms of their Agreement. The Directors have no formal contract in place with the Company.

Transaction and Registration Fee

The Administrator will also earn an administration fee of GBP150 (or currency equivalent) for facilitating the cash flow of the sale per Shareholder transaction and a settlement and registration fee of up to 0.50% of the total value of each early redemption as set out in Section Four "Sale Arrangements and Redemptions" in this Prospectus.

3. History, State of Affairs and Prospectus of the Company

History

The Company was incorporated on 19 May 2008 with limited liability in the Island of Guernsey under the provisions of the Law as a non-cellular company limited by shares and is registered with the GFSC as an authorised closed ended investment company (Registered Number 48918).

First Offering

The First Offering of Shares provided shareholders with 169% participation in a basket of indices as tabulated below:

Hang Seng Index	15%
Nikkei 225 Index	15%
HSCEI	10%
S&P Australian Stock Exchange 200 Index	20%
MSCI Taiwan	20%
MSCI Singapore Index	20%

Second Offering

The Second Offering of Shares provided Shareholders with 157.21% participation in AUD in a basket of indices as tabulated below:

Hang Seng Index	15%
Nikkei 225 Index	15%
HSCEI	10%
S&P AUSTRALIAN STOCK EXCHANGE 200 INDEX	20%
MSCI Taiwan	20%
MSCI Singapore Index	20%

The Shares currently held by Shareholders were taken up by the Shareholders in September 2013 at AUD1,080.63 per Share and as at 11 May 2017 the Shares have a value of approximately AUD1,442.31 per Share (a return of approximately 33.47% since subscription in the Second Offering). An example of how the indices that the Company invested in have performed can be seen in the table below:

The offering was structured such that Shareholder's capital would be preserved provided that the Shareholder remained invested in the Company for the full investment term.

Index	Weight	Initial Spot at 03.09.13	Index Level at 11 May 2017	% Index Movement	% Weighted Movement	At 200% Participati on (USD)
MSCI Taiwan Index	20%	286.08	376.34	31.55%	6.31%	
Nikkei 225 Index	15%	13,978.44	19,961.55	42.80%	6.42%	
MSCI Singapore Index	20%	348.00	361.67	3.93%	0.79%	
S&P Australian Stock Exchange 200 Index	20%	5,196.57	5,878.34	13.12%	2.62%	
Hang Seng China Enterprise Index	10%	10,250.97	10,257.63	0.06%	0.01%	
Hang Seng Index	15%	22,394.58	25,125.55	12.19%	1.83%	
Total Weighted Average Growth					17.98%	35.95%

The Company has made an offer to the holders of Existing Issued Shares to have their Shares redeemed on the Second Redemption Date. Shareholders who wish to accept the Company's offer must accept the offer in writing which notice must be received by the Company by no later than 4 December 2017, failing which the offer will lapse and not be capable of acceptance any longer. The holders of Existing Issued Shares that do not accept the offer shall remain invested in the Company on the terms and conditions set out in this Prospectus and the Articles until the Third Redemption Date. The holders of Existing Issued Shares may subscribe for further ordinary shares in the Company, on the terms and conditions set out in this Prospectus and the Articles, should they wish to do so. An aggregate minimum of 5,000 Shares must be subscribed for pursuant to this Prospectus and/or retained pursuant to the election and pursuant to Shareholders that made no election. The rights attaching to Existing Issued Shares held by such Shareholders shall be as set out in this Prospectus and the Articles.

Public Company

The Law does not recognise a distinction between "public company" or "private company" as types of company capable of registration in Guernsey. Any conversion to a public company would therefore entail migration of the Company from Guernsey. As per the Law, Shares of the Company may not be offered directly to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities licensed under the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended.

Material changes to the business of the Company

There have been no material changes to the business of the Company in the past three years.

Prospects of the business

The Company will provide Investors with an equity investment that is structured to provide USD capital preservation on the Company's Funds and the potential for enhanced capital growth (denominated in USD).

State of affairs of the business

At 11 May 2017 the Shares have a value of approximately AUD1,442.31 per Share, giving existing Shareholders a return of approximately 33.47% in AUD since subscription in 2013, despite market volatility. The indices selected when Shares were offered to Shareholders in the Second Offering were based on the high growth potential of such indices.

The underlying table shows the value of the Company's investments since the Second Offering of Shares in the Company. The final column simulates the value of the investments at the Second Redemption Date should the index level remain at the level for this period.

Asset Allocation	At Inception 03.09.13	Value at 11 May 2017	Indicative Expiry for this Overview
Bond*	787.32	1,046.27	1,080.63
Equity Option	224.70	391.31	471.91
Fees	65.24	4.73	0.00
Fixed Cost	3.37	0.00	0.00
Total AUD	1,080.63	1,442.31	1,552.54

Overall share price

Issue price	AUD1,080.63	AUD/ZAR inception rate – 03.09.2013	9.37
Mark-to-market value	AUD 1,442.31	AUD/ZAR current rate – 11.05.2017	9.86
Indicative expiry value	AUD1,552.54	Expiry date	20 December 2017

Immovable property

The Company has no immovable property.

Financial commitments of the Company

The Company is an investment Company and therefore has no buildings, machinery or plant.

Company financial particulars

Please refer to Annexure A of the Prospectus for further information of the Company's turnover, profits and/or losses. The Company has tax exempt status in Guernsey.

Dividends

The Company may pay dividends. The Directors will consider declaring a dividend if such dividend appears to be justified by the financial position of the Company. Any dividends paid will only be paid in line with the policy of the Bermuda Stock Exchange and the Law.

It is envisaged that, if the Call Option is not exercised by the Debt Issuer on the First Call Date, the Company will:

- (a) as soon as possible after the First Call Date, declare and pay a dividend equal to the proceeds (if any) received by the Company from the Equity Linked Investment, less taxes (if any); and
- (b) thereafter declare and pay annual dividends equal to 3 month USD LIBOR plus approximately 3.5%, less taxes (if any).

4. Share Capital of the Company

- a) Each Share in the Company will carry with it all the rights and privileges as contemplated in the Articles and nothing in this Prospectus shall be construed as granting any Shareholder any right, title and interest in or to the assets or investments of the Company.
- b) The Company has not offered its Shares to the public for subscription or sale or altered its capital during the preceding 3 years from the date of this Prospectus.
- c) The Company has a share capital comprised of Management Shares of AUD1 each and A Class Shares of AUD0.01 each and B Class Shares of USD0.01 each. 10 Management Shares have been issued and the Directors do not intend to issue any further Management Shares. The unissued Shares will be split such that the total issued and unissued A Class Shares will be equal to the number of B Class Shares. New A Class Share shall be issued at the EIS Price. Each B Class Share shall be issued at an amount that is the USD equivalent of the EIS Price as calculated at the Trade Date. Ten Management Shares are in issue and were issued at par and are held by the Trust.
- d) The Management Shares do not receive any economic benefit from the Company. These shares exist for the sole purpose of voting on purely administrative matters at the Company's annual general meeting if there is no quorum of Shareholders on such date, to enable the Company to function effectively. Prior to a redemption of all the Shares, the Management Shares can only vote on Ordinary Resolutions relating to administrative matters such as the appointment of auditors, approving the annual financial statements and the Directors' appointments. After all the Shares have been redeemed, then the Management Shares can vote on all matters and on Ordinary and Special Resolutions.
- e) The A Class Shares are the AUD denominated shares held by each existing Shareholder who, on the Closing Date, remained invested in the Company as well as by each new investor who chooses to subscribe for A Class Shares in the Company.
- f) The B Class Shares are the USD denominated shares allocated to each existing Shareholder and each new Shareholder who, on the applicable Closing Date, chooses to subscribe for B Class Shares in the Company.
- g) All other rights attributed to the A Class Shares and the B Class Shares are identical.
- h) The Directors may issue fractions of Shares, and, if so issued, a fraction of a Share (calculated to three decimal places) shall be subject to and carry the corresponding fraction of liabilities (whether with respect to any unpaid amount thereon, contribution, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without limitation, voting and participation rights) and other attributes of a whole Share.
- i) Except as disclosed above, no share or loan capital of the Company has been issued or agreed to be issued and no share or loan capital of the Company is proposed to be issued or is under option or agreed unconditionally to be put under option. As far as the Directors are aware no person, other than the Trust has a direct or indirect interest of 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstance at general meetings of the Company. All Shares shall be redeemed on the Third Redemption Date, except in respect of those Existing Issued Shares for which Shareholders have accepted the Company's offer that have their Existing Issued Shares redeemed on the Second Redemption Date.
All Shares not redeemed on the Second Redemption Date shall be redeemed on the Third Redemption Date. With regard to redemption arrangements prior to the relevant Redemption Date, refer to Section Four "Sale Arrangements and Redemptions" in this Prospectus.
- j) The rights attached to each class are identical so the rights may only be altered, abrogated or varied with the consent in writing of the holders of not less than three-fourths of the issued Shares of both classes or with the sanction of a Special Resolution of the holders of the Shares of both classes.
- k) The Company may also be wound up in accordance with the Law.
- l) There has been no change to the share capital since the Second Offering.

5. Options or Preferential Rights in Respect of Shares

There are no provisions of Guernsey law which confer pre-emption rights on existing Shareholders on the allotment of equity securities for cash. No person has, or is entitled to be given, an option to subscribe for Shares.

6. Commissions Paid

Should a Distributor be appointed, it shall be entitled to the fees as set out below.

Annual fee of the Distributors

An annual fee of 0.65% calculated on that portion of the Company's Funds that is derived from the aggregate of subscription amounts subscribed for by Shareholders introduced by the Distributor (as reduced by any redemptions of such Shares prior to the Redemption Date) will be payable to the Distributor in terms of the relevant Distribution Agreement until the First Call Date. If the Debt Issuer does not exercise the Call Option on the First Call Date, then the fee shall reduce to 0.15% per annum for the period subsequent to the First Call Date.

These fees are independent of any transfer fees payable on sales as described in Section Four "Sale Arrangements and Redemptions" in this Prospectus.

Front end fee

The Distributor is entitled to an amount not exceeding 2% (plus South African value added tax where applicable) of the aggregate of subscription amounts subscribed for by Shareholders introduced by the Distributor.

7. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since its incorporation and are, or may be, material:

- (a) the Administration Agreement between the Company and the Administrator provides that the appointment of the Administrator will continue until terminated by any party giving to the other not less than a minimum of 3 months' notice, although the agreement may be terminated forthwith by notice in writing from any party to the other, where a party goes into liquidation or ceases to be able to pay its debts or breaches its obligations under the agreement (not having remedied such breach within 30 days of notice requiring it to do so) or where it is no longer lawful for the Administrator to perform its obligations under the agreement or where the Administrator ceases to hold any license or consent necessary for the conduct of its business. The agreement provides that in the absence of fraud, gross negligence or wilful default by the Administrator the Company is obliged to indemnify the Administrator for any losses it suffers in the proper performance of its duties under the agreement (see also the section "Administrator" in Section One in this Prospectus);
- (b) the Investment Adviser Agreement between the Company and the Investment Adviser provides that the appointment of the Investment Adviser will continue until terminated by either party giving to the other not less than 3 months' written notice or forthwith in the event of the insolvency of the other party or the breach by the other party of its obligations under the agreement (not having remedied the breach within 30 days of notice requiring it to do so) or where the Investment Adviser to the Company ceases to hold any license or consent necessary for the conduct of its business. The agreement provides that, in the absence of fraud, gross negligence, wilful default or breach of the agreement by the Investment Adviser to the Company the Company is obliged to indemnify the Investment Adviser to the Company against all costs, actions, claims and expenses, which may be incurred by it or made against it in connection with the agreement.

Inspection of Documents

Copies of the following documents are available for inspection free of charge, for a period of not less than 10 days from the date of this Prospectus at any time during normal business hours on any day, except Saturdays, Sundays and public holidays in Guernsey or Bermuda (as appropriate), and copies of them may be obtained on payment of a reasonable fee, at the registered office of the Company and, also at the offices of the Annual and Listing Sponsor:

- (a) the Memorandum and Articles of Incorporation of the Company;
- (b) the contracts referred to under the heading "Material Contracts" above;
- (c) copies of the most recent annual reports;
- (d) the Law;
- (e) a list of past and present directorships and partnerships held by each Director over the last five years;
- (f) a copy of the Prospectus;
- (g) the written consents required in terms of section 102 of the South African Companies Act; and
- (h) the relevant Board resolution authorising the sign-off of the Prospectus.

The Register of Shareholders of the Company is available for inspection at any time during normal business hours on any day, except Saturdays, Sundays and public holidays in Guernsey, at the offices of the Administrator.

8. Interests of Directors, Investment Adviser to the Company and Distributors

Directors

As mentioned in Section One "Directors, Other Office Holders or Third Parties" above: (i) there will be no Directors' emoluments paid and there are no outstanding Directors' emoluments due to be paid at the date of this Prospectus; (ii) the Directors are indemnified through directors and officers insurance which includes professional indemnity cover for all work undertaken on behalf of the Company.

A Director may own Shares, but there is no requirement that he or she does so. Other than as disclosed in this Prospectus, the Company does not know of any person who, directly or indirectly, has an interest in the Company's capital or voting rights which is notifiable under Guernsey law. None of the Directors has any contract or arrangement existing at the date of this Prospectus in which the Director is materially interested and which is material in relation to the business of the Company, save for as disclosed in this Prospectus and the Administration Agreement.

Investment Adviser to the Company interest in Shares

The Investment Adviser to the Company and any of its associates may have an interest or position in Shares. The Investment Adviser to the Company is not acting for, or advising, or treating as its customer, any other person (unless other arrangements apply between the Investment Adviser to the Company and such person) in relation to investment in the Company and will not be responsible for providing to any other person best execution or any other of the protections afforded to its customers.

Distributor interest in Shares

The Distributor may have an interest in the promotion of the Company as it will earn a commission on the Shares subscribed for by Shareholders introduced by the Distributor.

9. Loans and Borrowing Powers

As at the date of this Prospectus the Company has not concluded any loan agreements with any person nor has it created or issued any mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptance or acceptance credits, obligations under finance leases, hire purchase commitments, guarantees or other contingent liabilities.

The Company may borrow up to 10% of the value of the net assets of the Company for temporary purposes to fund short-term liquidity, for the benefit of the Company. It is not however the current intention of the Directors to engage in any borrowing in respect of the Company.

10. Shares Issued or to be Issued Otherwise Than from Cash

During the 3 years immediately preceding the date of this Prospectus the Company has not issued any securities or agreed to issue any securities other than in cash.

11. Property Acquired or to be Acquired

The Company does not own or intend to acquire any real property.

12. Amounts Paid or Payable to the Investment Adviser to the Company and Distributors

The Promoter is not entitled to receive any fees.

Amounts Paid in AUD to the Investment Adviser to the Company and Distributors are described below:

	2014	2015	2016
Investment Adviser to the Company	329,926	329,926	330,830
Distributors	418,288	415,652	417,880

Amounts to be Paid:

The Investment Adviser to the Company is entitled to an annual fee as set out in Section One "Investment Adviser to the Company".

Distributors are entitled to the fees set out in Section One "Commissions paid".

The Administrator is entitled to the fees set out in Section One "Administrator".

13. Preliminary Expenses, Issue Expenses and Ongoing Expenses

<i>Annual Expenses in GBP</i>	2014	2015	2016
Guernsey Tax Exemption Certificate	600	1,200	1,200

Annual Expenses in AUD

Guernsey Statutory Fees	1,936	3,015	3,510
Guernsey Licence Fees	5,738	6,210	6,708

Annual Expenses in USD

	2014	2015	2016
Bermuda Annual Listing Fee	2,500	2,500	2,500
Bermuda Annual and Listing Sponsor	3,500	3,500	3,500

Annual Expenses in AUD

	2014	2015	2016
Investment Adviser to the Company	329,926	329,926	330,830
Distributors	418,288	415,652	417,880
Administrator	53,670	90,637	91,660
Auditor	14,224	13,186	15,527

Front end fees

The Distributor is entitled to a front end fee as set out in Section One "Commissions paid".

Expenses

The Expense Provision will be utilised to meet all expenses of the Company for the period from the Third Closing Date to the Redemption Date. The expenses exclude the annual fees of service providers, but will include the following:

The Company

The Expense Provision will be utilised to meet all the expenses incurred in the operation of the Company including, but not limited to, legal and professional expenses, audit fees, public relations fees, fees for listing the Shares on the Bermuda Stock Exchange, printing and distribution expenses, including costs of producing certificates of ownership and the annual accounts, expenses of holding Shareholders' and Directors' meetings, taxes, duties, penalties, government charges, banking fees, printing, posting and dispatching of Share certificates, annual filing fee and exempt company fee.

Issue of Shares

The Expense Provision will be utilised to meet the costs, charges, expenses and commissions payable in respect of issuing the Shares.

Initial and Ongoing Expenses

The Expense Provision will be utilised to meet the payment or reimbursement of the initial expenses (including the closing fee for the Third Offering), the ongoing expenses and any other expenses of the Company as the same become payable by the Company from time to time. Such ongoing expenses will include, without limitation, fees payable to the Administrator for the winding up of the Company, such fees to be agreed in writing with the Investment Adviser to the Company covering the time reasonably spent by the Administrator.

Any surplus or shortfall of the Expense Provision will be attributed to or borne by the ordinary Shareholders of the Company. This would be pro-rata and effected on redemption. If necessary any shortfall will be provided for using an interim loan facility approved by the Directors.

The Company is responsible for all its operating expenses including, without limitation, Directors' expenses, legal costs, bank charges, auditor's remuneration and expenses, costs of dealing in the assets of the Company, interest on any borrowings effected by the Company, the fees of the GFSC and the costs and expenses of the preparation, printing and, where applicable, distribution or publishing of certificates, tax vouchers, warrants, proxy cards, contract notes, this Prospectus and annual financial statements and all other documents in connection with the Company.

Share Transfer and Redemption Fees

Fees payable on the transfer or redemption of Shares prior to the Redemption Date are described more fully under the Section Four "Sale Arrangements and Redemptions" in this Prospectus.

Fees Payable Annually

Annual Fee of the Investment Adviser to the Company

The annual fee payable to the Investment Adviser to the Company is set out in Section One "Investment Adviser to the Company".

Annual fee of the Administrator

The annual fee payable to the Administrator is set out in Section One "Administrator".

Annual fee of the Distributors

The annual fee payable to the Distributor is set out in Section One "Commissions paid".

Summary of Fees Payable Annually

Administrator	first year fee of 0.15% followed by 0.135% per annum thereafter
Investment Adviser to the Company	0.65% per annum until the First Call Date, reduced to 0.15% per annum for the period subsequent to the First Call Date
Distributor	0.65% per annum until the First Call Date, reduced to 0.15% per annum for the period subsequent to the First Call Date

SECTION TWO: INFORMATION ABOUT THE OFFERED SECURITIES

14. Purpose of the Offer

(a) Introduction

The Company was incorporated in Guernsey as a non-cellular company limited by shares on 19 May 2008. It is a closed-ended investment company. Its issued share capital with the exception of ten Management Shares issued for administrative reasons, will consist entirely of Shares. Shareholders who have made an Election to redeem their Existing Issued Shares will have the Shares redeemed on the Second Redemption Date. Shareholders who have made no Election prior to the Closing Date and any Shares not redeemed on the Second Redemption Date shall be redeemed on the Third Redemption Date.

A minimum of ten (10) Shares per Investor are offered from the Third Opening Date specified to the Third Closing Date. Shares are offered until the Closing Date at a price equal to the EIS Price or the equivalent thereof in USD.

The Company's Memorandum provides that the Company's objects are unrestricted.

(b) Investment Policy and Objective

In the Investment Adviser to the Company's opinion, uncertain recent worldwide economic conditions and low yields have created demand from Investors for investments that provide capital preservation in USD and growth potential in a relatively stable currency.

The investment objective of the Company is to provide the Investor with a unique equity-linked investment with a 104% USD principal preservation and minimum return, if held until the Call Option is exercised, or, if the Call Option is not exercised until maturity of the Debt Instruments.

The Company's Memorandum does not restrict the investment policy or the investment of the Company's assets.

(c) Investment Criteria

Investment decisions will be made by the Board advised by the Investment Adviser to the Company and will reflect the long-term investment objective.

(d) Capital Preservation plus minimum return

A percentage of the Company's Funds will be invested in the Debt Instruments. The AUD funds to be invested will be converted to USD at the spot rate on the Trade Date. The Debt Instruments will be issued by the Debt Issuer.

The percentage of the Company's Funds invested in the Debt Instruments will be determined so that the amount received by the Company at the end of the Investment Period in USD, will be equal to at least 104% of the Company's Funds in USD, should there have been no default by the Debt Issuer and provided that no Write-Off of the Debt Instruments has occurred. Investors' attention are drawn to the "Risks associated with the Debt Instruments" in Section Four.

The example below is based on the assumption that the exchange rate between AUD and USD on Trade Date will be the same on the maturity of the investment in the Debt Instruments.

	USD
a) Gross subscription monies received pursuant to this Prospectus	11 000 000
b) Less: Front End Fees (up to 2%)	<u>(220 000)</u>
	<u>10 780 000</u>
c) Plus: Aggregate EIS Price retained by existing Shareholders	<u>10 000 000</u>
Company's Funds equals (a - b) + c	20 780 000

If the Call Option is not exercised by the Debt Issuer on the First Call Date, then the Debt Instruments will pay quarterly interest payments of 3 months USD LIBOR plus approximately 4% to the Company until the Termination Date.

(e) Upside Linked To Equity

The balance of the Company's Funds available for investment after the investment in the Debt Instruments will be invested in an Equity Linked Investment(s). The Equity Linked Investment(s) will be issued by an Equity Investment Provider(s) to be selected by the Investment Adviser to the Company. The Equity Investment Provider(s) will have a credit rating of at least A (Standard & Poors) on the Trade Date and the Equity Linked Investment(s) will be invested in Equity Exposure. The final index level will be the average of the monthly closing Index levels, over a period to be decided by the Investment Adviser to the Company on the Trade Date, being a period not exceeding 12 months immediately prior to the exercise date of the Equity Linked Investment(s). The investment return to be received from the Equity Linked Investment(s) will be calculated in USD and provide 200% participation in USD from 4% above the initial index level up to a limit of 27% of the initial index level. So the maximum return is 46% in USD, i.e. 2x (27%-4%). The Equity Linked Investment(s) will be effected under appropriate contractual arrangements to reflect the transaction between the Equity Investment Provider(s) and the Company.

Investors' attention is drawn to the risk factors set out in Section Four "Risk Factors" in this Prospectus.

(f) Changes to Investment Objective, Investment Policy, Borrowings and Investment Criteria

The Board may resolve to change the Investment Objective, Investment Policy, Borrowings or Investment Criteria of the Company by amending, supplementing or reissuing this Prospectus. However there is no current intention to make any changes during the life of the Company. Any proposed change must first be approved by the Shareholders.

(g) Aggregate Minimum Subscription

This offer is subject to a minimum aggregate of 5,000 Shares being (i) subscribed for pursuant to this Prospectus, and the listing of such Shares on the Bermuda Stock Exchange, and/or (ii) retained by Shareholders of Existing Shares who made an election not to have their Shares redeemed, or who made no election prior to the Closing Date to redeem their Shares in the Company, failing which the offer shall terminate.

15. Time and Date of the Opening of the Offer and the Closing of the Offer

This subscription is open for a fixed offer period only at a date as the Directors may decide. This period runs from the Third Opening Date, being 9 October 2017 until 5.00pm in Guernsey on the Third Closing Date, being 4 December 2017. Only fully completed applications received by the 4 December 2017, with cleared funds in the Company's nominated account, will be acceptable for investment (this is the offer deadline).

16. Particulars of the Offer

This Prospectus is issued in relation to an offer for subscription of Shares in the Company. Shares will be offered to existing Shareholders in the Company and to new Investors, at the EIS Price per Share or the equivalent thereof in USD. The Directors will issue and allot Shares such that the maximum aggregate issue amount of such issue and allotment, together with the aggregate EIS Price of the Existing Issued Shares that have not been redeemed on the Second Redemption Date, is equal to or more than the Aggregate Minimum Subscription.

Any subscription monies remaining after a whole number of Shares has been issued will not be returned to the applicant and instead fractions of Shares will be issued. Fractions of a Share shall be rounded to three decimal places and shall carry the corresponding proportion of rights, liabilities and other attributes of the whole Shares.

Any company or companies in the Investec Group shall be entitled but not obliged to subscribe for any number of Shares.

The Company has not issued any securities during the 3 years immediately preceding the date of this Prospectus.

In the event of termination of the Offer, all subscription amounts already received by the Company in respect of this offer shall be returned to the Investors as soon as possible, but in any event not later than 20 Business Days following such termination, through electronic funds transfer into an account in the name of the relevant Investor only, without interest and less any bank charges.

Neither the delivery of this Prospectus nor any application made in connection herewith shall, under any circumstances, constitute a representation or create any implication that the information herein is correct as of any time subsequent to the date hereof.

Although application will be made for the Shares to be listed on the Bermuda Stock Exchange, this does not imply a commitment by any member firm of the Bermuda Stock Exchange to make a market in the Shares. In view of the specialised nature of the Company, it is unlikely that third parties will make an active market in the Shares. It is not proposed to list the Shares on any other stock exchange.

No copy of this Prospectus has been registered in any jurisdiction other than in Bermuda, Guernsey and South Africa in connection with the issue of Shares. No person receiving a copy of this Prospectus in any territory may treat the same as constituting an invitation to him to purchase or to subscribe for Shares, unless in the relevant territory such an invitation could lawfully be made to him without compliance with any registration or other legal requirements.

The contents of this Prospectus are not to be construed as a recommendation or advice to any Investor in relation to the subscription, purchase, holding or disposition of Shares and Investors should consult their professional advisers accordingly.

17. Minimum Subscription

Subscription for Shares

The Directors have determined that the aggregate minimum amount raised under the offer must equal the Aggregate Minimum Subscription multiplied by the EIS Price or the equivalent thereof in USD, as the case may be.

The subscription price per Share will be equal to the EIS Price or the USD equivalent thereof. The Minimum Subscription Amount per individual Investor on the Third Closing Date will be AUD16,000 or its equivalent in USD provided that the Directors may, at their sole discretion, accept applications for less than the Minimum Subscription Amount, where the shortfall is minimal. Should Investors subscribe for the Shares in any currency other than in AUD or USD, as the case may be then such monies shall be converted to AUD or USD, as the case may be upon receipt by the Guernsey bankers. The procedure for the subscription of Shares is as described under the "Applications" section below.

The Company will accept any application from an Investor subject to the Employee Retirement Income Security Act of 1974 as amended or Section 4975 of the Internal Revenue Code of 1986, as amended.

Payment for Shares must be made as set out in the Procedure for Application. It is the Investor's responsibility to ensure funds are received by the Company in its nominated bank account prior to the offer deadline, 4 December 2017. Any interest earned on the subscription account will be for the benefit of the Company.

The Administrator will send a contract note to each successful applicant detailing the amount invested, the issue price, number of Shares issued and personal log on information, within twelve Business Days after the Trade Date. Share certificates will not be issued other than pursuant to a specific request. No charge will be levied to issue a certificate except in accordance with the Articles.

The Distributor (if any) will be entitled to a commission on the subscription of Shares by parties it has introduced as set out in Section One "Commissions Paid".

The Company will not purchase any real property out of the proceeds of the issue.

The Company has not borrowed any money to pay for the commission to the Distributor.

The working capital of the Company is the Expense Provision that will be utilised to meet all the expenses incurred in the operation of the company including, but not limited to, legal and professional expenses, audit fees, public relations fees, for listing the Shares on the Bermuda Stock Exchange, printing and distribution expenses, including costs of producing certificates of ownership and the annual accounts, expenses of holding Shareholders' and Directors' meetings, taxes and duties, penalties, government charges, banking fees, printing, posting and dispatching of Share certificates, annual filing fee and exempt company fee.

18. Applications

An Investor who wishes to apply for Shares must obtain an Application Form from the Distributor or Administrator, must complete the Application Form in accordance with the instructions printed thereon and send the original signed and completed Application Form together with payment in full to:

Praxis Fund Services Limited

Sarnia House

Le Truchot

St Peter Port

Guernsey

GY1 1GR

Original applications must be sent to the Administrator as soon as possible and be received by the offer deadline, being the Third Closing Date.

The fully completed original application form, original certified copy of passports, source of funds questionnaire and any other required documentation must be received together with the complete application form. Any monies received in a currency other than AUD or USD, as the case may be, will be converted to AUD or USD, as the case may be, at the prevailing spot rate available to the Company at the date of receipt of said monies. Banking details are as follows;

Bank Details – Australian Dollar (AUD)

(Investors must ensure they use the bank reference below, failure to do so may result in unallocated investment proceeds.)

Beneficiary Account Name	Investec Bank Channel Islands
Beneficiary Address	Gategny Court, Gategny Esplanade, St Peter Port, Guernsey
Account Number	924316AUD00001
Bank	Australia and New Zealand Banking Group Limited
Bank Address	Melbourne, Australia
SWIFT	ANZBAU3M
BIC	GMGUGGSP

VERY IMPORTANT Bank Reference

02060904 / APBL / Investor Name

Please ensure you reference your payment per above. Failure to do so, will result in your funds being returned to the remitting bank. Neither the Administrator, Investment Advisor, the Company nor Investec Bank (Channel Islands) will accept responsibility for incorrectly referenced payments which will result in non-allocation of funds, nor will they be held liable should any consequential loss occur. Only AUD can be received in the above account. Failure to remit AUD will result in funds being returned at your own cost, which may also result in FX or currency loss. **Payments must come from the account of the Investor/s. No third party payments will be accepted.**

Bank Details – United States Dollar (USD)

(Investors must ensure they use the bank reference below, failure to do so may result in unallocated investment proceeds.)

Beneficiary Account Name	Investec Bank Channel Islands
Beneficiary Address	Gategny Court, Gategny Esplanade, St Peter Port, Guernsey
Account Number	544709042
Bank	JP Morgan Chase
Bank Address	New York, New York, USA
Fedwire	021000021
ABA	002
SWIFT	CHASUS33
CHIPS	208946
BIC	GMGUGGSP

VERY IMPORTANT Bank Reference

02060905 / APBL / Investor Name

Please ensure you reference your payment per above. Failure to do so, will result in your funds being returned to the remitting bank. Neither the Administrator, Investment Advisor, the Company nor Investec Bank (Channel Islands) will accept responsibility for incorrectly referenced payments which will result in non-allocation of funds, nor will they be held liable should any consequential loss occur. Only USD can be received in the above account. Failure to remit USD will result in funds being returned at your own cost, which may also result in FX or currency loss. **Payments must come from the account of the Investor/s. No third party payments will be accepted.**

An application will not be valid unless all the above requirements have been fulfilled.

Investor undertakings

By completing and delivering an Application Form together with payment in full for the Shares applied for, each Investor agrees with the Company as follows:

- (a) the Directors shall be entitled to accept or refuse any application in whole or in part, in such manner as they may in their sole and absolute discretion decide;
- (b) the Company shall be entitled to scale down applications and to reject applications in whole or in part. In such case application monies will be returned to applicants by electronic transfer into the account specified by the applicant in the Application Form without interest, less any applicable banking fees;
- (c) any application shall be irrevocable and any payment will be honoured on first presentation (and cleared before closing date);
- (d) the application and any issue of Shares are made on and subject to the terms and conditions of this Prospectus, the Application Form and the Articles;
- (e) the application for Shares is based solely upon the information in this Prospectus and no other information or representation has been relied upon;
- (f) any monies returned to the applicant will be net of bank charges and will not include any interest which may have been earned while the Company held such monies;
- (g) all risks in respect of the method of payment will be borne solely by the Investor;
- (h) accounts and notices from the Company will be sent by email and the applicant shall provide a valid email address for this purpose;
- (i) the Company shall be notified, by the applicant, in writing of any change in registered address, email or bank account details; and
- (j) the Company makes no representations nor gives any warranties or undertakings with regard to the suitability of any investment in the Shares or the accuracy of this Prospectus and potential Investors should obtain independent legal, tax, accounting, investment and other relevant advice when contemplating any investment in the Company.

SECTION THREE: STATEMENTS AND REPORTS RELATING TO THE OFFER

19. Statement as to the Adequacy of Capital

The Directors are of the opinion that, subject to the Aggregate Minimum Subscription being met, the issued capital of the Company is adequate for the purposes of the business for at least 12 months from the date of this Prospectus.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted, and accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions.

This Prospectus does not constitute, and may not be used for the purposes of an offer or solicitation by any person in any jurisdiction (i) in which such offer or solicitation is not authorised or (ii) in which the person making such offer or solicitation is not qualified to do so or (iii) knowingly, to any person to whom it is unlawful to make such offer or solicitation.

The Company is an authorised regulated closed-ended investment company registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Rules.

The GFSC takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

If you are in any doubt about the contents of this Prospectus you should consult your accountant, legal or professional adviser or financial adviser. The Directors have taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects as at the date of this Prospectus, and that there are no other facts the omission of which would make misleading any statement in the Prospectus, whether of facts or of opinion. All the Directors accept responsibility accordingly. It should be remembered that the price of the Shares and any income from them can go down as well as up.

The Administrator shall comply with relevant anti-money laundering guidelines applicable in Guernsey from time to time including the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), the Handbook for Financial Services Business on Countering Financial Crime and Terrorist Financing (as amended) and associated laws, regulations, rules and guidelines.

Persons interested in acquiring the Shares should inform themselves as to:

- (a) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for acquiring, holding, disposing or redemption of the Shares;
- (b) any foreign exchange restriction or exchange control requirements which they might encounter on acquisition, holding, disposal or redemption of the Shares or on receipt of any dividend received in respect of the Shares; and
- (c) the taxation consequences which might be relevant to the acquisition, holding, disposal or redemption of the Shares or any dividend received in respect of the Shares;

Copies of this Prospectus and application forms may be obtained from the applicable Distributor, or from the Administrator.

The Administrator's contact details are as follows:

Telephone: +44 1481 737 600

Telefax: +44 1481 749 810

Email: info@praxisifm.com

20. Report by Directors as to Material Changes

The Directors report that there have been no material changes to the assets or liabilities of the Company since the latest financial year end and the date of this Prospectus.

21. Statement as to Listing on Stock Exchange

It is the intention to retain the listing of the A Class Shares on the Bermuda Stock Exchange and to list the B Class Shares on the exchange as well, subject to the Aggregate Minimum Subscription being satisfied.

This Prospectus includes particulars given in compliance with the listing regulations of the Bermuda Stock Exchange for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts, the omission of which, would make any statement herein misleading.

The Bermuda Stock Exchange takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

22. Report by Directors (Where Business Undertaking to be Acquired)

As at the Last Practicable Date, the Company has not identified any business undertaking which it will purchase directly or indirectly from the proceeds of the issue of the Shares or from any part of such proceeds, or from any other funds.

23. Report by Directors (Where the Company will Acquire a Subsidiary)

As at the Last Practicable Date, no part of the proceeds of the issue of the Shares, whether directly or indirectly, will be used in a manner that results in the acquisition by the Company of securities of any other juristic person, with the direct or indirect result that the other juristic person will become a subsidiary of the Company.

24. Report by Auditor of the Company – 30 September 2016 Financial Statements

The 2016 audited financial statements of the Company are reported on by the Auditor to the Shareholders, as a body in accordance with section 262 of the Law. The audit is undertaken so that the Auditor might state to the Shareholders those matters that are required to state to them in an auditor's report and for no other purposes. To the fullest extent permitted by Law, the Auditor does not accept or assume responsibility to anyone other than the Shareholders, as a body, for audit work, for the report, or the opinions formed by the Auditor.

An extract of the audited historical information of the Company for the financial year ended 30 September 2016 is presented in Annexure A. A full copy of the audited financial statements can be requested from the Administrator or the Investment Adviser to the Company.

A copy of the Independent Auditor's Report to the Shareholders of the Company as at the 30 September 2016 is presented in Annexure B.

25. Report by Directors of the Company

The Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Company and of the profit and loss of the Company for the audited period. The Directors collectively and individually confirm their understanding of their responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure the financial statements comply with the Law. The Directors acknowledge their responsibility for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SECTION FOUR: ADDITIONAL INFORMATION

26. General

The Articles give powers to the Directors to require the transfer or compulsory repurchase of Shares in a number of specified circumstances, as set out in the Articles.

Redemptions of Shares prior to the relevant Redemption Date are wholly at the discretion of the Company's Directors. Any request for redemption may be refused in whole or in part. (See Section Four "Redemption Arrangements prior to the Redemption Date" in this Prospectus).

Any information given, or representation made, by any dealer, salesman or other person which is not contained in this Prospectus (or any document expressed to be an addendum or supplement to this Prospectus) or any accompanying report(s) should be regarded as unauthorised and should accordingly not be relied upon.

All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles of Incorporation of the Company, copies of which are available for inspection as described under "Inspection of Documents" in Section Seven "Material Contracts" of this Prospectus.

27. Sale Arrangements and Redemptions

Transfer/Sale Arrangements

The Administrator has agreed to use its reasonable endeavours to make a market in the Shares on a matched basis. In order to assist this process the Trust has declared its willingness to purchase Shares (although the Trust is not obliged to do so).

If a Shareholder wishes to sell his Shares, there are provisions to do so at the discretion of the Directors. Upon receipt of a request to sell Shares and assuming normal market conditions the Directors expect that a Shareholder that wants to sell Shares will be able to do so at any time prior to the Redemption Date. The Administrator will immediately notify the Trust and the Investment Adviser to the Company if a Shareholder wishes to sell his Shares. The Trust will provide the Administrator with the indicative price that it is willing to pay for the Shares. Should a Distributor have a client that wants to purchase the Shares, it will notify the Administrator of the price that its client is willing to pay for the Shares.

No sale to the Trust of less than 10 Shares per transaction will be permitted, nor any disposal as a result of which a Shareholder will hold less than 10 Shares in the Company, except where a Shareholder disposes of all his Shares.

A seller of Shares wishing to accept the price offered by a purchaser must complete a share transfer form available from the Administrator and lodge the Share certificate (if any) in respect of the Shares at the Administrator's offices. Upon receipt of all documents the Administrator shall have 10 Business Days to effect the sale.

The Administrator shall be entitled to an administration fee of GBP150 for facilitating the cash flow of the sale per Shareholder transaction effected through the Company account or client money account. This fee shall be deducted by the Administrator from the proceeds due to the seller. Any proposed increase in this fee is subject to negotiation with the Investment Adviser to the Company. The sale proceeds, less applicable fees agreed at the time of sale, will be paid by the Administrator to the relevant Shareholder. In line with Guernsey regulatory requirements the Administrator will not make any third party payments.

The Administrator shall not be liable to a seller of Shares for any failure on the part of the buyer of the Shares to make payment of the sale proceeds to the Administrator timeously or at all.

All other transfers of Shares effected by the Administrator will be free and the Administrator will not charge any fees or charges for such transfers. No transfer of Shares will be effected without an original completed transfer form, signed by the seller of the Shares and this must be received by the Administrator.

Transfers of Shares may be restricted and Shares may become subject to compulsory repurchase in certain circumstances if, inter alia, new Investors would cause the Company an economic, tax or regulatory disadvantage.

In the case of all transfers and sales, the Administrator will effect payments by electronic transfer into the account specified by such Shareholder in the original Application Form or the Share transfer form, as the case may be. It is the Shareholder's responsibility to ensure the receiving account accepts the specified currency and that the nominated account accepts all telegraphic transfers. All currency exchange risk is borne by the Shareholder. The Administrator will not make any third party payments.

Redemption Arrangements prior to the Redemption Date

It should be noted that prior to the applicable Redemption Date there is no entitlement in favour of Shareholders to have their Shares redeemed by the Company. Redemptions on a date other than a Redemption Date are wholly at the discretion of the Directors and any request for redemption may be refused in whole or in part. No redemption shall be permitted unless the Directors are satisfied that they have complied with all applicable law, including but without limitation, satisfaction of the solvency test as required by the Law. Should Director consent be granted, and assuming normal market conditions, a portion of the Company's assets will be realised in a manner determined by the Directors as may be required to enable it to effect such redemptions at a fair market price less any costs incurred by the Company in relation to the sale of the assets by the Company to effect such redemption.

If the Directors consent to a redemption prior to the Redemption Date, the Administrator must receive all required documentation and this must be completed correctly. Upon receipt of all completed documents, the Administrator will have 10 Business Days to effect the redemption. Redemption proceeds less applicable fees agreed at the time of redemption will be paid by the Administrator to the relevant Shareholder into the account specified in the original Application Form or in the redemption instruction, subject to the Shareholder accepting the offered price. It is the Shareholder's responsibility to ensure the receiving account accepts the specified currency and that the nominated account accepts all telegraphic transfers. All currency exchange risk is borne by the Shareholder. The Administrator will not make any third party payments.

Unless a redemption request specifies a particular number of Shares to be redeemed, it will be deemed to apply in respect of the total holding of the relevant Shareholder.

Prior to the applicable Redemption Date no redemption of less than 10 Shares will be permitted except where a redemption request applies in respect of the total holding of the relevant Shareholder.

All redemptions of Shares prior to the applicable Redemption Date will be subject to a settlement and registration fee of up to 1.25% of the total value of the applicable transaction of which 0.75% of the total value of the applicable transaction is payable to and for the account of the Investment Adviser to the Company and 0.5% of the total value of the applicable transaction is payable to and for the account of the Administrator. This fee will be deducted by the Administrator from the redemption proceeds due to the applicable Shareholder.

Redemption Policy

Subject to their overall discretion, the Directors have determined to operate the following policy in respect of redemptions:

- (b) Redemption of the Shares which are the subject of a redemption request shall take place at the redemption price agreed to between the relevant Shareholder and the Company;
- (c) No redemptions prior to the applicable Redemption Date will be approved by the Directors where in the opinion of the Directors the redemptions may be prejudicial to the Company or other Shareholders;
- (d) No redemptions prior to the applicable Redemption Date will be approved by the Directors where such redemption would render the Company insolvent;
- (e) No redemptions prior to the applicable Redemption Date will be approved by the Directors where such redemption would or might leave the Company with insufficient funds to meet any future contemplated obligations or contingencies.

Redemption on the Redemption Date

The Shares shall be redeemed on the applicable Redemption Date, subject to the Debt Issuer and the counterparty(ies) having fulfilled all its/their repayment obligations in respect of the Debt Instruments and the Equity Linked Investment(s), as the case may be. Should such repayments not have been made, then the redemption may be deferred until all obligations have been met.

The redemption price of each Share shall be determined by the Auditor, acting in a reasonable manner and in accordance with market practice, which price shall represent the Fair Market Value per Share.

No settlement and registration fees will be payable in respect of redemptions effected on the applicable Redemption Date. The Administrator will pay the redemption proceeds to the relevant Shareholder, by no later than 10 Business Days after the Redemption Date, by electronic transfer into an account in the name of the Shareholder provided sufficient bank account details have been received by the Administrator. In the event that the redemption proceeds cannot for any reason be paid to the relevant Shareholder by telegraphic transfer within 10 Business Days after the Redemption Date, the money will be transferred to the Trust which will hold it until claimed by the relevant Shareholder or until three years after the applicable Redemption Date, whichever is the earlier, and if not claimed by the Shareholder on such date, then it will be paid to a registered charitable institution in Guernsey.

Valuation of Assets

One of the factors that may influence the price of a Share will be the value of the underlying investments of the Company. To assist Shareholders and parties interested in investing in the Shares in assessing potential returns on the Shares, the Investment Adviser to the Company will value the Company's assets on the first Business Day of each month at fair market price and notify the Administrator of the Fair Market Value per Share. This valuation will be based on the price of the Debt Instruments determined by the Investment Adviser to the Company in good faith and on the price of the Equity Linked Investment(s) supplied by the Equity Investment Provider(s) in relation to the investments made by the Company. Valuations will be made available to Shareholders and interested parties on the website <http://www.praxisifm.com/services/fund-services/investec-basket-information> and on request from

Temporary Suspension of Valuation, Issue, Redemption and Transfer of Shares

The Directors may, from time to time, temporarily suspend both the calculation and valuation of the underlying investments of the Company and the issue, redemption and transfer of Shares in any of the following instances:-

- (a) in any period during which any market in which a significant portion of the underlying investments are currently quoted or traded is closed, other than for customary holidays and weekends, or during which dealings therein are restricted or suspended; or
- (b) when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of the underlying investments is not reasonably practicable without being seriously detrimental to the interests of Shareholders or if, for reasons of illiquidity or other constraints on realisation of underlying investments, monies to meet redemption proceeds are not immediately available or if, in the opinion of the Directors, redemption prices cannot fairly be calculated; or
- (c) in the case of a breakdown in the means of communication normally employed in determining the price of the underlying investments or other assets or when for any other reason the current prices on any market or stock exchange or any assets of the Company cannot be promptly and accurately ascertained; or
- (d) if the Company is unable to repatriate assets required for the purpose of making payments on the redemption of Shares or during any period in which the transfer of assets involved in the realisation or acquisition of underlying investments or payments due on the redemption of Shares cannot, in the opinion of the Directors, be effected at normal prices nor normal rates of exchange.

Notice of any such suspension and notice of the determination of any such suspension shall be given to Shareholders if in the opinion of the Directors it is likely to exceed 5 Business Days and will be notified to applicants for Shares or to Shareholders requesting the redemption of Shares at the time of application or filing of the written request for such redemption. Where the Shares of the Company are listed on a recognised stock exchange, notice of any such suspension and notice of the determination of any such suspension shall be given immediately to the recognised stock exchange. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

28. Conflicts of Interest

The Company and the Investment Adviser to the Company may place orders and otherwise transact business with or through any company within the Investec Group. In addition, any cash of the Company may be deposited with the Investec Group or invested in certificates of deposit or banking instruments issued by the Investec Group. Banking and similar transactions may also be undertaken with or through any such company.

There will be no obligation on the part of the Investment Adviser to the Company or any other company within the Investec Group to account to the Company or Shareholders for any benefits so arising and any such benefits may be retained by the relevant party provided that such transactions are in compliance with the Rules, carried out as if effected on normal commercial terms negotiated at arm's length and are consistent with the best interests of Shareholders and:

- (a) a certified valuation of such transaction by a person approved by the Administrator as being independent and competent has been obtained; or
- (b) such transaction has been executed on best terms on an organised investment exchange in accordance with the rules of such investment exchange; or
- (c) where compliance with (a) or (b) is not practical, such transaction has been executed on terms which the Directors and Administrator are satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and are consistent with the best interests of Shareholders.

Any company within the Investec Group may deal in Shares as principal or on an agency basis and retain any benefits so arising.

The Investment Adviser to the Company may, in the course of its respective businesses, have conflicts of interests with the Company. Should a conflict of interest actually arise, the Directors and the Investment Adviser to the Company will use their best endeavours to ensure that it is resolved fairly.

In allocating investment opportunities between its clients, the Investment Adviser to the Company will at all times act in the best interests of its clients (including the Company) and will allocate investment opportunities in a manner it considers fair and reasonable.

The Investment Adviser to the Company when selecting brokers or dealers to execute transactions must solicit competitive bids and has an obligation to seek the lowest available commission cost.

Interests of the Directors, if any, are set out in Section One "Interests of Directors, Investment Adviser to the Company and Distributors" in this Prospectus and the Articles specify circumstances in which a Director may or may not vote in relation to a matter in which he may be interested.

29. Taxation

Introduction

The following summary of the anticipated tax treatment in Guernsey applies to persons holding Shares as an investment. The summary does not constitute legal or tax advice and is based on what is understood to be current taxation law and practice at the date of this Prospectus. Investors should be aware that the level and bases of taxation may change from those described and should consult their own professional advisers on the implications of making an investment in, holding or disposing of, Shares under the laws of the countries in which they are liable to taxation.

Guernsey

(i) The Company

The Company has applied for and been granted exemption from liability to income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 as amended ("**Exempt Bodies Ordinance**") by the Director of Income Tax in Guernsey for the current year. Exemption must be applied for annually and will be granted, subject to the payment of an annual fee, which is currently fixed at £1,200 per applicant, provided the applicant qualifies under the applicable legislation for exemption. It is the intention of the directors of Company to conduct the affairs of the Company so as to ensure that it continues to qualify for exempt company status for the purposes of Guernsey taxation.

As an exempt company, the Company is and will be treated as if it were not resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising or accruing in Guernsey, other than from a relevant bank deposit.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties (save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of Shares in the Company.

(ii) Shareholders

In the case of Shareholders who are not resident in Guernsey for tax purposes, distributions can be paid to such shareholders without giving rise to a liability to Guernsey income tax, nor will the Company be required to withhold Guernsey tax on such distributions.

Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm) will incur Guernsey income tax at the applicable rate on a distribution paid to them. The Company will be required to provide the Director of Income Tax in Guernsey such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Provided the Company maintains its exempt status, there would currently be no requirement for the Company to withhold tax from the payment of a distribution to a Guernsey resident Shareholder.

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in Shares, with details of the interest.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties (save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of Shares.

(iii) EU Savings Directive

Although not a member state of the EU, Guernsey, in common with certain other jurisdictions, entered into agreements with member states of the EU on the taxation of savings income. From 1 July 2011 paying agents in Guernsey have been required automatically to report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the relevant contracting member state of the EU which falls within the scope of EU Council Directive 2003/48/EC of 3 June 2003 (the "EU Savings Directive") as applied in Guernsey. However, whilst such interest payments may include distributions from the proceeds of shares or units which are, or are equivalent to, UCITS, in accordance with Directive 2009/65/EC of 13 July 2009 and guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements, the Company should not be regarded as, or as equivalent to, a UCITS. Accordingly, any payments made by the Company to Shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and the member states of the EU to implement the EU Savings Directive in Guernsey.

However, on 10 November 2015 the Council of the European Union repealed the EU Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other member states of the EU (subject to ongoing requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU), which implements the Common Reporting Standard in the EU.

Guernsey is in the process of seeking confirmation from each member state of the EU that the repeal of the EU Savings Directive suspends the equivalent agreements that the member states of the EU have with Guernsey. It is anticipated that all member states of the EU will ultimately give this confirmation, although discussions with certain member states of the EU are ongoing. Once Guernsey obtains this confirmation from all members states of the EU, it intends to suspend domestic EU Savings Directive legislation with effect from 1 January 2016 (which is when the Common Reporting Standard came into effect in Guernsey).

(iv) ***FATCA and similar measures***

Pursuant to US Internal Revenue Service ("IRS") regulations, the Company and its tax advisers hereby inform you that: (i) any tax advice contained herein is not intended and was not written to be used, and cannot be used by any taxpayer, for the purposes of avoiding penalties that may be imposed on the taxpayer; (ii) any such advice was written to support the promotion or marketing of the Shares described in this Prospectus; and (iii) each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

The Company is registered for FATCA under GIIN number Y5PB24.99999.SL.831. Under FATCA and legislation enacted in Guernsey to implement the US-Guernsey IGA, certain disclosure requirements will be imposed in respect of certain Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents or citizens of the United States, unless a relevant exemption applies. Certain due diligence obligations will also be imposed. Where applicable, information that will need to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The Company will be required to report this information each year in the prescribed format and manner as per local guidance. If the Company does not comply with these obligations, it could be subject to a 30% withholding tax ("FATCA Deduction") on certain payments to it of US source interest and dividends and (from 1 January 2019) proceeds from the sale of property that could give rise to US source interest or dividends and (from the later of 1 January 2019 or the date of publication of certain final regulations) a portion of non-US source payments from certain non-US financial institutions to the extent attributable to US source payments. The US-Guernsey IGA is implemented through Guernsey's domestic legislation in accordance with guidance that is published in draft form.

Under the US-Guernsey IGA, securities that are "regularly traded" on an established securities market are not considered financial accounts and are not subject to reporting. The Bermuda Stock Exchange may not qualify as an "established securities market" for these purposes. In any event, a Share will not be considered "regularly traded" and will be considered a financial account if the Shareholder is not a financial institution acting as an intermediary. Such Shareholders will be required to provide information to the Company to allow it to satisfy its obligations under FATCA. Shareholders that own Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under FATCA.

Common Reporting Standard

On 13 February 2014, the Organisation for Economic Co-operation and Development released the "Common Reporting Standard" ("CRS") designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed the multilateral competent authority agreement ("Multilateral Agreement") that activates this automatic exchange of FATCA-like information in line with the CRS. Since then further jurisdictions have also signed the Multilateral Agreement and in total over 100 jurisdictions have committed to adopting the CRS. Many of these jurisdictions have now adopted the CRS with effect from either 1 January 2016 or 1 January 2017. Guernsey adopted the CRS with effect from 1 January 2016.

Early adopters who signed the Multilateral Agreement (including Guernsey) have pledged to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018.

Under the CRS and legislation enacted in Guernsey to implement the CRS, certain disclosure requirements will be imposed in respect of certain Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. Where applicable, information that would need to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The Company will be required to report this information each year in the prescribed format and manner as per local guidance. The CRS is implemented through Guernsey's domestic legislation in accordance with guidance that is published in draft form and which is supplemented by guidance issued by the Organisation for Economic Co-operation and Development.

Under the CRS, there is currently no reporting exemption for securities that are "regularly traded" on an established securities market.

If the Company fails to comply with any due diligence and/or reporting requirements under Guernsey legislation implementing the US-Guernsey IGA and/or the CRS then the Company could be subject to the imposition of financial penalties, and in the case of the US-Guernsey IGA, FATCA Deductions. While the Company will seek to satisfy its obligations under the US-Guernsey IGA and the CRS as implemented in Guernsey in order to avoid the imposition of any FATCA Deductions or any financial penalties under Guernsey law, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Shares (if any). There can be no assurance that the Company will be able to satisfy such obligations.

The Company reserves the right to request from any Shareholder or potential investor such information as the Company deems necessary to comply with FATCA and the CRS, or any obligation arising under the implementation of any applicable intergovernmental agreement, including the US-Guernsey IGA and the Multilateral Agreement, relating to FATCA, the CRS or the automatic exchange of information with any relevant competent authority.

All Investors should consult with their own tax advisers regarding the possible implications of FATCA, the CRS and any other similar legislation and/or regulations on their investment in the Company.

Investor Taxation

As the investment is in the Shares of the Company, the taxability of returns will depend on the nature and status of each Investor. If any Investor is in any doubt about the taxation consequences of acquiring, holding, disposing, transferring or redeeming of the Shares, he should seek advice from his own independent professional adviser.

South African tax residents will be taxed in South Africa under current South African tax regulation on any dividends and other returns received by them from the Company.

30. Dividend Policy

The Company may pay dividends. The Directors will consider declaring a dividend if such dividend appears to be justified by the financial position of the Company. Any dividends paid will only be paid in line with the policy of the Bermuda Stock Exchange, the Articles and the Law.

31. Risk Factors

Attention is drawn to the following specific risk factors:-

Making an investment carries a level of inherent risk. Investors should carefully consider the risks associated with investing in the Company and seek professional advice before making any decision to invest in the Company. Set out below are some of the potential risks which should be considered in determining whether an investment in Shares is a suitable investment. The risk factors set out below are not, and are not intended to be, a complete list of all the risks relevant to a decision to purchase or hold the Shares. There may be other risks that an Investor should consider that are relevant to their own particular circumstances or more generally.

a) Suitability of Investment

Investors are not to construe the contents of this Prospectus as investment, tax, business or legal advice. Prior to offering to acquire Shares, an Investor should consult with his own legal, business and tax advisers to determine the appropriateness and consequences of an investment in the Company.

An investment in the Company is only suitable for Investors who appreciate the risks involved, which may include the loss of their entire investment. An investment in the Company is not suitable for Investors who may wish to realise their investment at short notice.

Investors should make their own independent decision to invest in the Shares and as to whether an investment in the Shares is appropriate or proper for them based upon their own judgment and upon advice from such advisers as they may deem necessary. Investors should not rely on any communication (written or oral) of the Company, the Investment Adviser to the Company or any of their affiliates or their respective directors, officers or agents as investment advice or as a recommendation to invest in the Shares, it being understood that information and explanations relating to the Shares will not be considered to be investment advice or a recommendation to invest in the Shares. No communication (written or oral) received from the Company, the Investment Adviser to the Company or any of their affiliates or their respective directors, officers or agents will be deemed to be an assurance or guarantee as to the expected results of an investment in the Shares.

b) Counterparty and Credit Risk

There is credit risk on the Debt Issuer and the Equity Investment Provider(s). The bankruptcy, refusal to pay or any other default by any such party(ies) or a Write-Off of the Debt Instruments may cause the value of such investment of the Company to be reduced or to become zero, which may adversely affect the Share price or cause the Shares to become worthless.

Shareholders should be aware that any such breach or default by any party in relation to an investment made by the Company may adversely affect the ability of the Company to meet its investment objectives.

If any of the Company's investments are terminated early for any reason the Directors will take such steps as they, in their sole discretion, consider practicable in order to enable the Company to achieve its investment objectives. There can be no assurance that this will be possible.

c) Litigation Risk

Investment in the Company involves certain risks normally associated with investment in equity securities, which includes for example the risk that a party may successfully litigate against the Company, which may result in a reduction in the assets of the Company. The Directors are not aware of any pending litigation against the Company.

d) Failure to Achieve Investment Objective

There can be no assurance that the Company will achieve its investment objective.

e) Restricted Liquidity in Shares

The Directors do not expect an active secondary market to develop in the Shares and an investment in the Company is therefore only appropriate for Investors who are prepared to commit their investment on a medium to long term basis for at least 5 years.

Shares carry no rights for the holder to require the Company to redeem the Shares prior to the relevant Redemption Date or repurchase Shares, although the Directors have the power to repurchase or require the transfer of Shares and the Trust has indicated its willingness to buy Shares which Shareholders wish to sell (although it is not obliged to do so).

In the event that a Shareholder wishes to sell his Shares, the Administrator will endeavour to facilitate the sale of the relevant Shares to the Trust. The Shares will be listed on the Bermuda Stock Exchange but the Directors do not expect that an active secondary market will develop.

f) Investors

Whilst investment in the Company can offer the potential for higher than average returns it also involves a correspondingly higher degree of risk and is only considered appropriate for Investors who can afford to take that risk, which may include the risk of the loss of the entire investment. An Investor must have extensive knowledge and experience in financial and business matters and be capable of evaluating such merits and risks. Each Investor represents, as part of his application for Shares, that he satisfies these criteria and that he is acquiring the Shares for investment.

g) Tax and Regulatory Changes

The tax consequences to the Company and to Shareholders (in respect of both levels and bases of taxation), the ability of the Company to repatriate its assets (including any income and profit earned on those assets) and other operations of the Company are based on regulations which are subject to change through legislative, judicial or administrative action in the jurisdictions in which the Company, the Administrator and the Investment Adviser to the Company, or their affiliates operate.

Any change in legislation or judicial or administrative action in the jurisdictions in which the Debt Issuer and/or Equity Investment Provider(s) or their affiliates operate may adversely affect the Company's investments in that the Debt Issuer and/or the Equity Investment Provider(s) may effect an early termination/redemption of the Debt Instruments and/or the Equity Linked Instrument(s) or adjust the pricing of the Debt Instruments and/or the Equity Linked Instrument(s).

h) Exchange Rate Risk

The A Class Shares are denominated in AUD. All the Company's investments will be made in USD. Any Investor who anticipates a return in a currency other than USD will bear the risk of an adverse change in the exchange rate between the USD and that other currency and any resultant reduction in the value of the investment when denominated in that other currency. Investors' attention is drawn to the fact that the A Class Shares are denominated in AUD but all the investments of the Company that provides capital preservation will be denominated in USD. Should the AUD strengthen against the USD, then the capital preservation that is envisaged will not be effective in AUD.

i) Lack of Liquidity of Investments

The investments may be illiquid, difficult to value and subject to legal and other restrictions on transfer. There can be no assurances that the Company will be able to liquidate a particular interest at the time and on the terms it desires or that the Debt Issuer will call the Debt Instrument. The investments made by the Company as described in this Prospectus will be medium to long term and of an illiquid nature. The acquisition of Shares in the Company should be regarded as a medium to long-term investment, as the value of the Company's assets prior to the maturity of the Company's investments (described under Section Two "Purpose of the Offer" in this Prospectus) may be significantly less and the price of the Shares may accordingly be adversely affected.

(j) Risks associated with investments linked to an Index

Performance of an index may be adversely affected by the volatility in the prices of a small number of indices included within the index. Where there is no positive growth of the index over the Investment Period then the Equity Linked Investment(s) will expire without any value and the Company shall receive no return (including, for the avoidance of doubt, that portion of the Company's Funds invested in the Equity Linked Investment(s)).

(k) Risks associated with the Debt Instruments

The Debt Instruments are subordinated debt instruments that rank as tier 2 capital of the Debt Issuer in terms of the regulations ("the Regulations relating to Banks") under the Banks Act, 1990 of the Republic of South Africa. In terms of the Regulations relating to Banks the Issuer is not entitled to exercise the Call Option, or to redeem the Debt Instruments, without the prior written approval of the Registrar of Banks in South Africa".

The Debt Instruments will be unsecured and subordinated and will, in the event that the Debt Issuer is placed into liquidation or is wound-up, be subordinated to the claims of depositors and all creditors in respect of the obligations (the Senior Obligations) of the Debt Issuer that are expressed to rank senior to the obligations of the Debt Issuer under the Debt Instruments.

If the Debt Issuer is wound-up or put into liquidation, voluntarily or involuntarily, the Company as a holder of the Debt Instruments will not be entitled to any payments of principal or interest in respect of the Debt Instruments until the claims of depositors and all the creditors in respect of Senior Obligations which are admissible in any such winding-up or liquidation have been paid or discharged in full. If the Debt Issuer does not have sufficient assets at the time of winding-up or liquidation to satisfy its Senior Obligations, then the Company as a holder of the Debt Instruments will not receive any payment in respect of the Debt Instruments.

In addition, the rights of the Company as a holder of the Debt Instruments are limited in certain respects. In particular, if the Debt Issuer defaults on a payment of any amount due on Debt Instruments and has failed to remedy that breach within the remedy period stipulated in the Debt Instruments, the Company as holder may only institute proceedings for the winding-up of the Debt Issuer (and/or prove a claim in any winding-up of the Debt Issuer) but take no other action in respect of that default. Only if an order of court is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Debt Issuer will the Company as a holder of the Debt Instruments be able to declare (upon written notice) the Debt Instruments immediately due and payable.

Furthermore, there is no restriction on the amount of securities or indebtedness which the Debt Issuer may issue or incur which rank senior to, or *pari passu* with, the Debt Instruments. The issue of any such securities or indebtedness may reduce the amount recoverable by the Company as holder of the Debt Instruments on a winding-up, liquidation or curatorship of the Debt Issuer.

Accordingly, although the Debt Instruments may pay a higher rate of interest than comparable instruments which are not subordinated, there is a risk that the Company as holder of the Debt Instruments may lose all or some of its investment should the Debt Issuer become insolvent.

Pursuant to the Regulations relating to Banks, the Debt Instruments contain a provision to the effect that, at the option of the relevant regulatory authority, such instruments must be written off, in part or in total, upon the occurrence of a trigger event as described below. The trigger event (Non-Viability Event) is the earlier of: (1) a decision that a write-off, without which the issuing bank would become non-viable, is necessary, as determined by the relevant regulatory authority; and (2) the decision to make a public sector injection of capital, or equivalent support, without which the issuing bank would have become non-viable, as determined by the relevant regulatory authority.

The possibility of write off means that the Company as a holder of the Debt Instruments may lose some or all of its investment. The exercise of any such power by the relevant regulatory authority or any suggestion of such exercise could materially adversely affect the price or value of an investment in the Debt Instruments and/or the ability of the Debt Issuer to satisfy its obligations under the Debt Instruments.

Write-Off of the Debt Instruments will only occur to the extent deemed by the relevant regulator as necessary to ensure that the Debt Issuer is viable, as specified in writing by the relevant regulator. Accordingly, any write-off of the Debt Instruments will generally be effected to ensure compliance with these minimum requirements only.

Upon the occurrence of a Non-Viability Event (as defined above), the Debt Instruments will be cancelled (in the case of a write-off in whole) or written-off in part on a pro rata basis (in the case of a write-off in part) in accordance with the Regulations relating to Banks.

Further to such cancellation or write-off, the Company as a holder of the Debt Instruments will no longer have any rights against the Debt Issuer with respect to any amounts cancelled or written off and the Debt Issuer shall not be obliged to pay compensation in any form. Furthermore, any such cancellation or write-off will not constitute an event of default or any other breach of the Debt Issuer's obligations under the Debt Instruments.

The occurrence of a Non-Viability Event is therefore inherently unpredictable and depends on a number of factors, many of which are outside of the Debt Issuer's control.

The First Call Date, will be five years after the issue date of the Debt Instruments, if the Debt Issuer exercises the Call Option in accordance with its terms. Investors should note that the maturity date of the Debt Instruments is ten years after the issue date of the Debt Instruments, if the Debt Issuer did not exercise the Call Option in accordance with its terms.

If, for any reason, the Debt Instruments are cancelled or redeemed prior to its scheduled maturity date and the proceeds (if any) are received and retained by the Company, the Company will then invest the proceeds (if any) in other debt instruments. In this regard Investors should take note of the counterparty and Credit Risk factors described in (b) above. There can be no assurance, upon the early cancellation or redemption of the Debt Instruments, or if any Write-Off occurs under the Debt Instruments, that the Company will have sufficient funds to redeem or repurchase all of the Shares in full.

(l) Fixed Income Investment

The percentage of the Company's Funds that needs to be invested in the Debt Instrument with the intention of providing capital preservation to Investors will be dependent on market conditions and may therefore exceed 75% of the Company's Funds and consequently a reduced amount may be invested in the Equity Linked Investment(s).

(m) Forward Looking Statements and Forecasts

To the extent that this Prospectus contains forward looking statements, (including, without limitation, statements containing the words "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or similar expressions), such forward looking statements involve unknown risk, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company to be materially different from any potential future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, Investors are cautioned not to place any undue reliance on any forward looking statements contained in this Prospectus.

(n) Marketing of the Company's Shares

The Shares may not be marketed, and this Prospectus may not be sent, to Investors domiciled or with a registered office in any Member State of the European Economic Area ("EEA") unless: (i) the Shares may be marketed under any private placement regime or exemption in the relevant EEA Member State; or (ii) such marketing was initiated by the Investor and not by the Company and/or Investment Adviser to the Company or any other person/entity acting directly or indirectly on behalf of the Company and/or the Investment Adviser to the Company. In case of any conflict between this notice to EEA Investors and any notices in respect of individual EEA Member States set out below, this notice shall prevail.

(o) Foreign Account Tax Compliance Act

The Company and/or interests in the Company could be subject to the application of the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act 2010, which implemented sections 1471-1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**"). FATCA generally imposes a reporting regime and potentially a 30% withholding tax with respect to certain U.S. source income (including dividends and interest) and (from 1 January 2019) gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends and (from the later of 1 January 2019 or the date of publication of certain final regulations) a portion of non-US source payments from certain non-US financial institutions to the extent attributable to US source payments ("**Withholdable Payments**"). As a general matter, the rules are designed to require U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the U.S. Internal Revenue Service ("**IRS**"). The 30% withholding tax regime can apply if there is a failure to provide required information regarding U.S. ownership.

Generally, the rules will subject all Withholdable Payments received by the Company to 30% withholding tax (including the share that is allocable to non-U.S. persons) unless compliance with the rules by the Company is pursuant to an intergovernmental agreement between the jurisdiction in which the Company is based and the U.S. or the Company enters into an agreement (an "**FFI Agreement**") with the IRS to provide information, representations and waivers of non-U.S. law as may be required to comply with the provisions of the new rules, including, information regarding its direct and indirect U.S. accountholders.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE COMPANY, INTERESTS IN THE COMPANY AND THE HOLDERS THEREOF IS UNCERTAIN AT THIS TIME. EACH POTENTIAL INVESTOR SHOULD CONSULT THEIR OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND HOW THIS U.S. LEGISLATION MIGHT AFFECT EACH POTENTIAL INVESTOR IN THEIR PARTICULAR CIRCUMSTANCE.

(p) US-Guernsey Intergovernmental Agreement

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the US ("**US-Guernsey IGA**") regarding the implementation of FATCA, under which certain disclosure requirements will be imposed in respect of certain Shareholders in the Company who are, or are entities that are controlled by one or more natural persons who are, residents or citizens of the US, unless a relevant exemption applies. The US-Guernsey IGA has been implemented through Guernsey's domestic legislation, in accordance with guidance that is published in draft form. See "FATCA and similar measures" on page 32 for more information.

(q) Common Reporting Standard

Guernsey has implemented the "Common Reporting Standard" ("CRS"). Under the CRS, certain disclosure requirements will be imposed in respect of certain Shareholders in the Company who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. The CRS is implemented through Guernsey's domestic legislation in accordance with guidance that is published in draft form and which is supplemented by guidance issued by the Organisation for Economic Co-operation and Development. See "Common Reporting Standard" on page 33 for more information.

(r) Request for Information

The Company reserves the right to request from any Investor or potential Shareholder such information as the Company deems necessary to comply with FATCA, any FFI Agreement from time to time in force, the CRS or any obligation arising under the implementation of any applicable intergovernmental agreement, including the US-Guernsey IGA.

The factors mentioned above are not comprehensive and there may be other risks that relate to or may be associated with an investment in the Company.

32. Accounting Policy, Financial Statements and Reports

Accounting Policy

The audited statutory financial statements of the Company will be prepared in accordance with International Financial Reporting Standards ("IFRS") and with the Law.

The next financial year will end on 30 September 2017.

Financial Statements and Reports

The Accounting Period of the Company is from 1 October to 30 September in respect of each year. Electronic copies of audited financial statements will be sent to Shareholders at their registered email address. Audited financial statements will not be posted other than pursuant to receipt by the Administrator of a specific written or emailed request. The annual report will be published within six months of the end of the annual Accounting Period. Annual accounts will also be available through personal log on at the Administrator's Website www.praxisifm.com which will be issued to new Shareholders.

The Company maintains its books and records in AUD and may declare and pay dividends in AUD (although it is not expected the Company will pay any dividends). Any dividends paid will only be paid in line with the policy of the Bermuda Stock Exchange and the Law. Please refer to "Dividends" section in this Prospectus.

Litigation and Arbitration

At the date of this Prospectus the Company is not involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration since incorporation.

Share Certificates

Shares will be in registered form. Certificates will only be issued upon request from registered Shareholders. The register of Shareholders will be maintained at the office of the Administrator.

Miscellaneous

- (a) The Company does not have a place of business in the United Kingdom or South Africa.
- (b) Copies of all material contracts are held by the Administrator (or its nominated agent) on behalf of the Company.
- (c) The Company does not have any hedging powers.
- (d) The preliminary expenses and good will of the Company will not be amortised and no expenses will be written off by the Company.
- (e) Any dispute resulting from this Prospectus will be governed by the laws of the Island of Guernsey.

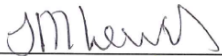
General

- (a) The Company does not have and does not expect to have, nor has it since its incorporation had, any employees.
- (b) The Company is responsible for all its operating expenses including, without limitation, Directors' expenses, legal costs, bank charges, auditor's remuneration and expenses, costs of dealing in the assets of the Company, interest on any borrowings effected by the Company, the fees of the GFSC and the costs and expenses of the preparation, printing and, where applicable, distribution or publishing of certificates, tax vouchers, warrants, proxy cards, contract notes, this Prospectus and annual financial statements and all other documents in connection with the Company.
- (c) The Company may be subject to withholding tax on distributions received in respect of its investments, which withholding tax may not be recoverable.

- (d) No share or loan capital of the Company has been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash.
- (e) Save as disclosed in this Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company nor has any prior right been granted to a distribution or the profits or assets of the Company.
- (f) Save as disclosed in this Prospectus, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any Share or loan Capital.
- (g) As at the date of this Prospectus the Company has neither any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptance or acceptance credits, obligations under finance leases, hire purchase commitments, guarantees or other contingent liabilities.
- (h) All consents, approvals, authorisations or other orders of all regulatory authorities (if any) required by the Company under the laws of Guernsey for the offering of the Shares, for the Administrator to undertake its obligations under the Administration Agreement and for the establishment and management of the Company have been given.
- (i) Annual reports of the Company will be sent to the Company Announcements Office of the Bermuda Stock Exchange within 6 months of the end of the period to which they relate.

The Shares are offered and will be issued pursuant to a resolution of the Directors dated on or about the date of this Prospectus and as provided for in the Articles.

This Prospectus is duly authorised by the Directors by ordinary resolution passed on 25 August 2017.



Duly Authorised Director

Annexure A: Extract from the most recent Financial Statements and Accounts

Set out below is an extract from the audited financial statements of the Company for the financial year ended 30 September 2016

The historical financial information is the responsibility of the Directors of the Company.

ASIA PACIFIC BASKET LIMITED

STATEMENT OF COMPREHENSIVE INCOME For the year ended 30 September 2016

	Notes	2016 AUD	2015 AUD
REVENUE			
Interest income	5	4,198,309	3,439,387
GAIN/(LOSS) ON INVESTMENTS			
Investments at fair value through profit and loss	6	575,120	(2,046,078)
Derivatives at fair value through profit and loss	8	(409,360)	895,305
		<u>4,364,069</u>	<u>2,288,614</u>
Operating expenses	9	(889,043)	(904,230)
NET PROFIT FOR THE YEAR		<u>3,475,026</u>	<u>1,384,384</u>
OTHER COMPREHENSIVE INCOME			
<i>Items reclassifiable to profit and loss</i>			
Unrealised gain on available-for-sale investments	7	-	203,328
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,475,026</u>	<u>1,587,712</u>
Earnings per share			
Basic and diluted earnings per ordinary share	10	<u>AUD 62.60</u>	<u>AUD 24.94</u>

ASIA PACIFIC BASKET LIMITED

STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

	Notes	2016 AUD	2015 AUD
NON-CURRENT ASSETS			
Investments at fair value through profit and loss	6	10,343,327	9,768,207
Derivatives at fair value through profit and loss	8	1,287,968	1,697,328
Available-for-sale investments	7	54,999,431	50,825,522
		<u>66,630,726</u>	<u>62,291,057</u>
CURRENT ASSETS			
Trade and other receivables	11	783,051	765,081
Cash and cash equivalents		480,166	1,376,293
		<u>1,263,217</u>	<u>2,141,374</u>
CURRENT LIABILITIES			
Trade and other payables	12	(13,068)	(37,449)
		<u>1,250,149</u>	<u>2,103,925</u>
NET CURRENT ASSETS			
		<u>1,250,149</u>	<u>2,103,925</u>
NON-CURRENT LIABILITIES			
Trade and other payables	12	(78,671)	(67,804)
		<u>67,802,204</u>	<u>64,327,178</u>
CAPITAL AND RESERVES			
Share capital	13	565	565
Share premium	14	57,878,978	57,878,978
Retained earnings		9,120,638	5,645,612
Revaluation reserve		802,023	802,023
		<u>67,802,204</u>	<u>64,327,178</u>
EQUITY SHAREHOLDERS' FUNDS			
		<u>67,802,204</u>	<u>64,327,178</u>
Number of fully paid Ordinary shares of AUD 0.01 each		55,510.64	55,510.64
Net Asset Value per Ordinary Share		AUD 1,221.43	AUD 1,158.83

The financial statements were approved and authorised for issue by the Board on 28 February 2017 and signed on its behalf by:

Chris Hickling
Director

ASIA PACIFIC BASKET LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended 30 September 2016

	Management Shareholders	Ordinary Shareholders			Total	
	Share Capital AUD	Share Capital AUD	Share Premium AUD	Retained Earnings AUD	Revaluation reserve AUD	Total AUD
Year ended 30 September 2015						
At 30 September 2014	10	555	57,878,978	4,261,228	598,695	62,739,466
Net profit for the year	-	-	-	1,384,384	-	1,384,384
Revaluation of available-for- sale investments (see note 7)	-	-	-	-	203,328	203,328
At 30 September 2015	10	555	57,878,978	5,645,612	802,023	64,327,178
Year ended 30 September 2016						
Net profit for the year	-	-	-	3,475,026	-	3,475,026
At 30 September 2016	10	555	57,878,978	9,120,638	802,023	67,802,204

ASIA PACIFIC BASKET LIMITED

STATEMENT OF CASH FLOWS
For the year ended 30 September 2016

	2016 AUD	2015 AUD
	Notes	
Cash flows from operating activities		
Net profit for the year	3,475,026	1,384,384
Adjustments for:		
Interest income	5 (4,198,309)	(3,439,387)
(Gain)/loss on investments at fair value through profit and loss	6 (575,120)	2,046,078
Loss/(gain) on derivatives at fair value through profit and loss	8 409,360	(895,305)
(Increase)/decrease in trade and other receivables	(17,970)	17,927
(Decrease)/increase in trade and other payables	(13,514)	34,149
Net cash outflow from operating activities	<u>(920,527)</u>	<u>(852,154)</u>
Cash flows from investing activities		
Bank interest income	24,400	61,672
Repayments of fixed deposits	-	2,050,000
Net cash inflow from investing activities	<u>24,400</u>	<u>2,111,672</u>
(Decrease)/Increase in cash and cash equivalents for the year	<u>(896,127)</u>	<u>1,259,518</u>
Cash and cash equivalents at the beginning of the year	1,376,293	116,775
Cash and cash equivalents at the end of the year	<u>480,166</u>	<u>1,376,293</u>

ASIA PACIFIC BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements of Asia Pacific Basket Limited, with domicile in Guernsey, have been prepared in accordance with International Financial Reporting Standards ('IFRS').

Going concern

At an Extraordinary General Meeting of the Company held on 29 May 2013, shareholders approved a special resolution to extend the life of the Company for a further period up to 20 December 2017 from the Company's termination date of 4 September 2013. Under the terms of the Company's new prospectus, which replaced the old prospectus with effect from 29 May 2013, in the absence of a special resolution to extend the life of the Company, the Company's shares will be redeemed and the Company will terminate on 20 December 2017.

A further Extraordinary General Meeting ('EGM') of the Company is due to be held during the course of 2017, at which shareholders will be asked to approve a special resolution to extend the life of the Company for a further period of between 5 and 10 years from the Company's current termination date of 20 December 2017, and to authorise the Directors to seek to raise additional capital through a secondary fund raising. In the view of the Directors, the likelihood of the EGM resolutions being passed, and of sufficient capital being subsequently raised, is extremely strong. As a result, the Directors believe that the Company is very likely to continue in operations beyond its current termination date. Therefore, as the Company also has sufficient working capital and adequate resources to continue in operations and meet its liabilities as they fall due for the foreseeable future, these financial statements have been prepared on a going concern basis.

Adoption of new and revised Standards

There were no new standards relevant to the Company which became effective during the year.

New, revised and amended standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following relevant standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

- IFRS 9, "Financial Instruments - Classification and Measurement" (effective for periods commencing on or after 1 January 2018);
- IFRS 15, "Revenue from Contracts with Customers" (effective for periods commencing on or after 1 January 2018).

In addition, the IASB completed its latest Annual Improvements to IFRS project in September 2014 and its disclosure initiative in December 2014. These projects have amended a number of existing standards and interpretations effective for accounting periods commencing on or after 1 January 2016 and 1 January 2017.

The Directors believe that none of these standards and interpretations will have a material effect on the financial statements of the Company, however IFRS 9 may require additional disclosure in future financial

Revenue recognition

Revenue includes interest and other income and is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the revenue can be measured reliably. Interest and other revenues are accounted for on an accruals basis.

Expenses

Expenses are accounted for on an accruals basis. All expenses are charged to the Statement of Comprehensive Income, except for expenses incurred in relation to the launch of the Company, which have been charged against share premium.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Foreign exchange

Foreign currency assets and liabilities are translated into Australian Dollars at the rate of exchange ruling on the balance sheet date. Foreign currency transactions are translated into Australian Dollars at the rate of exchange ruling on the date of the transaction. Foreign exchange gains and losses are recognised in the Statement of Comprehensive Income in the period in which they arise.

Investments

The Company's Option investments are classified as investments at fair value through profit or loss.

The Company's Structured Deposit investment is classified as an available-for-sale investment.

All investments are measured initially at cost, which is the fair value of whatever was paid to acquire them. Transaction costs relating to the acquisition of investments at fair value through profit or loss are expensed as incurred in the Statement of Comprehensive Income. Transaction costs relating to the acquisition of available-for-sale investments are capitalised. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

After initial recognition, the Company uses the following measurement basis for its investments:

- i) Held-for-trading investments and those so designated at inception: Fair value through profit and loss;
- ii) Available-for-sale investments: Fair value through equity.

Fair value is calculated using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the year end date. Gains arising on the disposal of investments are recognised in the Statement of Comprehensive Income, as are unrealised gains on investments at fair value through profit and loss. Unrealised gains on available-for-sale investments are recognised in Other Comprehensive Income. All gains or losses are recognised in the period in which they arise. Prior year revaluation gains on available-for-sale investments disposed of during the year are reclassified through the Statement of Comprehensive Income in the period in which the investments are disposed of.

Liquid resources

Liquid resources comprise cash and cash equivalents and fixed deposits. Cash and cash equivalents comprises bank balances and short term deposits with an original maturity of three months or less. Deposits with an original maturity of greater than three months are classified as fixed deposits.

Trade and other receivables

Trade receivables are stated at amortised cost less any impairment. In the opinion of the Directors, there is no material difference between the carrying value of the trade and other receivables and their fair value.

Trade and other payables

Trade payables are stated at amortised cost. In the opinion of the Directors, there is no material difference between the carrying value of the trade and other payables and their fair value.

Taxation

The Company is exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and is charged an annual exemption fee of £1,200 (2015: £1,200).

Reserves

Gains or losses arising on the revaluation of the Company's available-for-sale investments are taken to the revaluation reserve.

2. SEGMENT REPORTING

The Board of Directors considers that the Company is engaged in a single segment of business, being the holding of investments. The Board considers that it is the Company's Chief Operating Decision Maker.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from such

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate was revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors have determined that the Company's Structured Deposit investment should be classified as an available-for-sale investment and its Option investment classified as an investment at fair value through profit or loss. The methodologies for establishing the fair value of the Company's investments are detailed in notes 6 and 7.

4. SIGNIFICANT AGREEMENTS

The following significant agreements have been entered into by the Company:

Administration, Custodian and Secretarial Agreement

Under the Administration, Custodian and Secretarial Agreement, the Company has agreed to pay or procure to be paid to the administrator, for its services as administrator, secretary, custodian and registrar, a fee of 0.15% per annum of the Company's funds (as reduced by any redemptions of Ordinary Shares prior to the Redemption Date, which attract a redemption fee of 0.5% of the value of the redemption). In addition the administrator is entitled to receive interest earned by the Company on the unpaid element of the fees. See notes 8, 10 and 11 for details of administration fees and interest paid in the year and balances outstanding at

Investment Advisory Agreement

Under the Investment Advisory Agreement, the Company has agreed to pay or procure to be paid to the advisor, for its services as advisor, a fee of 0.55% per annum of the Company's funds (as reduced by any redemptions of Ordinary Shares prior to the Redemption Date, which attract a redemption fee of 0.5% of the value of the redemption). In addition the advisor is entitled to receive interest earned by the Company on the unpaid element of the fees. See notes 8, 10 and 11 for details of investment advisory fees and interest paid in the year and balances outstanding at the year end.

Distribution Agreement

Under the Distribution Agreement, the Company has agreed to pay or procure to be paid to the distributors a fee of 0.7% per annum of that portion of the Company's funds that is derived from the subscription amount subscribed for by Subscribers introduced by the distributor (as reduced by any redemptions of such Ordinary Shares prior to the Redemption Date), or holders of existing issued Ordinary Shares introduced by the Distributor and who elect to remain invested in the Company (as reduced by any redemptions of such Ordinary Shares prior to the Redemption Date). See notes 8, 10 and 11 for details of distribution fees paid in the year and balances outstanding at the year end. Investec Corporate and Institutional Banking, the Company's Investment Advisor, is also a Distributor for the Company.

All fees described above are payable annually in advance on the anniversary of the Trade Date (the date of investment of the Company's funds) each year until the Termination Date (the date of compulsory redemption of the Ordinary shares).

5. INTEREST INCOME

	2016	2015
	AUD	AUD
Interest on available-for-sale investments	4,173,909	3,382,018
Bank interest	24,400	57,369
	<u>4,198,309</u>	<u>3,439,387</u>

6. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2016	2015
	AUD	AUD
Credit Suisse Index Basket Option		
Fair value brought forward	9,768,207	11,814,285
Fair value adjustment for the year	575,120	(2,046,078)
Fair value carried forward	<u>10,343,327</u>	<u>9,768,207</u>

The Option is a Call Option referenced to a weighted basket of indices as follows:

- MSCI Singapore Cash Index 20%
- S&P/ASX 200 Index 20%
- MSCI Taiwan Index 20%
- Hang Seng Index 15%
- Nikkei 225 Index 15%
- Hang Seng China Enterprises Index 10%

The Directors determine the fair value of the Option based on valuations provided by Credit Suisse. These valuations are calculated using a formula specified in the Option contract, which is based on the movements in the closing prices of the above Indices from the issue date of the Option to the reporting date.

The Option has been classified as a level 2 investment in the fair value hierarchy.

7. AVAILABLE-FOR-SALE INVESTMENTS

	2016	2015
	AUD	AUD
Investec Bank Limited Structured Deposit		
Fair value brought forward	50,825,522	47,240,176
Interest for the year	4,173,909	3,382,018
Fair value adjustment for the year	-	203,328
Fair value carried forward	<u>54,999,431</u>	<u>50,825,522</u>

7. AVAILABLE-FOR-SALE INVESTMENTS (continued)

The Investec Bank Limited Structured Deposit (the "Structured Deposit") is a hybrid instrument comprising the following components:

- A holding of floating rate bonds originally issued by Investec Bank (Australia) Limited, which was acquired by the Bank of Queensland on 31 July 2014. These bonds (the "BoQ bonds") have a coupon rate of the Australian BBSW rate + 5.5%. The BoQ bonds were purchased in the market, and, in order to guarantee investors' capital protection at the termination date of the Company, their sale proceeds are fixed by means of a Put Option Agreement entered into between the Company and Investec Bank Limited;
- An accreting bank deposit, which commences on the date of the first interest payment from the BoQ bonds, receives all subsequent interest payments during the life of the Company, and earns interest on a monthly compounding basis;
- Two interest rate swaps: the first of which swaps the floating rate interest into fixed interest amounts on a monthly basis; and the second of which accretes that interest into a rolled up bullet payment payable on maturity. Notwithstanding that the Company regards the interest rate swaps as a fundamental part of the Structured Deposit, in accordance with IAS 39 "Financial Instruments: Recognition and Measurement", these instruments are now classified separately in the Statement of Financial Position under the heading 'Derivatives at fair value through profit and loss', and movements in the fair value thereof are recognised separately in the Statement of Comprehensive Income. For further details please refer to note 8.

The Directors regard the Structured Deposit as a single financial instrument, the fair value of which is determined according to the following methodologies:

- The capital element of the BoQ bonds is measured on an amortising cost basis, apportioning the revaluation on a straight-line basis from the bonds' clean purchase cost to the clean closing value (as determined by the Put Option Agreement) over the life of the Company. Interest on the BoQ bonds is calculated on an accruals basis;
- The value of the accreting deposit is determined as the balance of the deposit plus accrued interest;
- The interest rate swaps are measured at their mark-to-market value, based on valuations provided by the swap issuer, less a provision for unwind costs, estimated by the Investment Advisor.

The Structured Deposit has been classified as a level 2 investment in the fair value hierarchy, as the main constituents of the product, being interest on the BoQ bonds and interest on the accreting deposit account, have observable inputs.

8. DERIVATIVES AT FAIR VALUE THROUGH PROFIT AND LOSS

	2016	2015
	£	£
Fair value brought forward	1,697,328	802,023
Fair value adjustment for the year	(409,360)	895,305
Fair value carried forward	<u>1,287,968</u>	<u>1,697,328</u>

Derivatives at fair value through profit and loss comprises two interest rate swaps utilised to fix the interest payable on the accreting deposit component of the Structured Deposit (see note 7). The interest rate swaps are measured at their mark-to-market value, based on valuations provided by the swap issuer, less a provision for unwind costs, estimated by the Investment Advisor.

The derivatives are classified as level 2 investments in the fair value hierarchy.

9. OPERATING EXPENSES	2016	2015
	AUD	AUD
Distributor fees	417,880	415,652
Investment advisory fees	330,830	329,926
Administration fees	92,329	91,660
Auditor's remuneration	15,330	15,527
Guernsey Financial Services Commission licence fees	6,708	6,210
Listing & sponsorship fees	8,287	7,272
Statutory fees	3,510	3,015
Professional indemnity insurance	1,556	1,323
Interest payable	10,867	30,757
Sundry expenses	1,746	2,888
	<u>889,043</u>	<u>904,230</u>

10. EARNINGS PER ORDINARY SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2016	2015
	AUD	AUD
Profit attributable to Ordinary shares:		
Profit for purpose of calculation of basic and diluted earnings per share being profit for the year attributable to Ordinary shareholders	<u>3,475,026</u>	<u>1,384,384</u>
Number of shares:		
Weighted average number of Ordinary shares for the purpose of basic earnings per share	55,510.64	55,510.64
Earnings per share attributable to Ordinary shares	<u>AUD 62.60</u>	<u>AUD 24.94</u>

A weighted average number of shares has been calculated to enable users to gain a fairer understanding of the profit generated per share through the year. The weighted average has been calculated with reference to the number of days shares have actually been in issue and hence their ability to influence income generated.

11. TRADE AND OTHER RECEIVABLES	2016	2015
	AUD	AUD
Prepaid administration fee	83,570	83,817
Prepaid distributor fees	387,056	368,376
Prepaid investment advisory fee	306,424	307,327
Other prepayments	6,001	5,561
	<u>783,051</u>	<u>765,081</u>

12. TRADE AND OTHER PAYABLES	2016	2015
	AUD	AUD
Current		
Distributor fees	37	22,550
Audit fee	12,692	14,552
Sponsorship fee	339	347
	<u>13,068</u>	<u>37,449</u>
Non-current		
Interest payable	<u>78,671</u>	<u>67,804</u>

13. SHARE CAPITAL	2016	2015
	AUD	AUD
Authorised:		
10 Management shares of AUD 1 each	10	10
999,000 Ordinary shares of AUD 0.01 per share	9,990	9,990
	<u>10,000</u>	<u>10,000</u>
	2016	2015
	AUD	AUD
Issued and fully paid:		
10 Management shares of AUD 1 each	10	10
55,510.64 Ordinary shares of AUD 0.01 each	555	555
	<u>565</u>	<u>565</u>

Ordinary shares are entitled to 1 vote each at a general meeting of the Company. The Ordinary shares will be compulsorily redeemed on the termination date, 20 December 2017. Ordinary shareholders are entitled to receive any dividends or distributions from the Company and any surplus arising on the winding up of the Company after the payment of creditors and redemption of the Management shares at their nominal value.

Management shares are entitled to 10,000 votes each at a general meeting of the Company. Management shares may only be owned by The Basket Trust (see note 15) or its nominee. Management shareholders are not entitled to receive any dividends or distributions from the Company nor any surplus arising on the winding up of the Company in excess of the nominal value of the Management shares.

14. SHARE PREMIUM	2016	2015
	AUD	AUD
Balance brought forward	57,878,978	57,878,978
Balance carried forward	<u>57,878,978</u>	<u>57,878,978</u>

15. ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The immediate controlling party at the year end date is PraxisIFM Trust Limited as trustee of The Basket Trust, which owns the Management shares in the Company, and the ultimate controlling party is PraxisIFM Group Limited ('PGL'), a company incorporated in Guernsey. PGL is also the ultimate controlling party of Praxis Fund Services Limited ('PFSL'), the administrator of the Company.

PFSL is deemed to be a related party, as Janine Lewis is a director of PFSL and a shareholder in Praxis Fund Holdings Limited ('PFHL'), the immediate controlling party of PFSL; Chris Hickling is a shareholder in PFHL; and David Stephenson is an employee of PFSL. During the year PFSL received AUD 92,329 (2015: AUD 91,660) for their services as administrator. At the year end date administration fees of AUD 83,570 had been paid to PFSL in advance (2015: AUD 83,817). At the year end date interest on outstanding fees of AUD 16,813 (2015: AUD 14,485) was payable to PFSL.

The Investment Advisor, Investec Corporate and Institutional Banking, a division of Investec Bank Limited, the issuer of the Company's Structured Deposit, is deemed to be a related party. During the year Investec Corporate and Institutional Banking received AUD 330,830 (2015: AUD 329,926) for their services as investment advisor. At the year end date advisory fees of AUD 306,424 (2015: AUD 307,328) had been paid to Investec Corporate and Institutional Banking in advance and interest on outstanding fees of AUD 61,858 (2015: AUD 53,319) was payable to Investec Corporate and Institutional Banking.

16. FINANCIAL INSTRUMENT RISK FACTORS

The Company is exposed to market risk, credit risk and liquidity risk from the financial instruments it holds. The Company has a fixed modus operandi, as stated in its prospectus, which is to invest its capital in a zero coupon bond (or other structured product with similar characteristics) and an option or options on a specified index or basket of indices; and to retain a certain element of cash to cover expenses to be incurred over the specified period of its life. As a result of this, the Company's flexibility in dealing with the risks associated with these instruments is somewhat limited. However, the risk management policies that are employed by the Company to manage these risks are discussed below:

(i) Market risk

(a) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency.

The Company is exposed to currency risk because the Credit Suisse index basket call option is denominated in US dollar whilst the Company's measurement currency is Australian dollar. At 30 September 2016, the foreign currency exposure of the Company represented 17.0% (2015: 15.2%) of Equity Shareholder's Funds. The Company's policy is not to manage the Company's exposure to foreign exchange movements by entering into any foreign exchange hedging transactions. If the US Dollar/Australian Dollar exchange rate at the year end date had been 10% higher/lower, this would have resulted in an increase/decrease in the year end net asset value of AUD 1,174,620 (2015: AUD 976,820). The sensitivity rate of 10% is regarded as reasonable, as this reflects approximately the degree of volatility in the US Dollar/Australian Dollar exchange rate during the year.

The Company had no other material currency exposures as at 30 September 2016 or 30 September 2015.

16. FINANCIAL INSTRUMENT RISK FACTORS (continued)

(i) Market risk

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk as it invests cash and bank balances at short term interest rates. At 30 September 2016, the Company held cash on a call account of AUD 480,166 (2015: AUD 1,376,293), which earns interest at a floating rate (0% as at 30 September 2016), and held no cash on fixed deposit accounts (2015: AUD Nil). Fixed deposits earn interest at an agreed fixed rate over the term of the deposit.

Had these balances existed for the whole of the period, the effect on the Statement of Comprehensive Income of an increase in short term interest rates of 0.5% per annum would have been an increase in total comprehensive income for the year of AUD 2,401 (2015: AUD 6,881). The sensitivity rate of 0.5% is regarded as reasonable in relation to the current Australian base rate of 1.5% as interest rates on Australian Dollar bank accounts are not currently volatile.

The investment in the Structured Deposit is exposed to fair value interest rate risk in respect of the interest rate swap that forms a part of the instrument. However, whilst changes in market interest rates may give rise to short-term fluctuations in fair value, if the Structured Deposit is held to maturity its maturity value is fixed and is therefore not subject to interest rate risk.

The Company had no other material interest rate exposures as at either 30 September 2016 or 30 September 2015

(c) Price risk

Price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Company's investments at fair value through profit and loss are directly affected by changes in market prices.

Price risk is managed at inception by investing in a combination of two financial instruments: a holding of zero coupon bonds (or other structured product with similar characteristics) that will provide capital protection for investors; and a call option on an index or basket of indices that the investment advisor believes is most likely to provide positive performance during the life of the Company. In order to provide capital protection, the amount of bonds acquired is calculated to ensure that the maturing amount will be sufficient to guarantee that all investors who remain in the Company to maturity will at minimum get back the amount that they invested. The call option provides the potential for significant upside performance, should the relevant indices perform well, with the downside limited to loss of the initial option premium.

The investment premise of the Company involves participation in the potential upside afforded by the Options, whilst enjoying the capital protection afforded by the Structured Deposit. Therefore, whilst the Board monitors the performance of the Option and Structured Deposit, it is unlikely that the Board would consider redeeming these at any stage, other than in relation to the redemption of investors' shares. As a result, the management of price risk effectively occurs at the inception of the Company in the selection of investments, and is not an active ongoing process during the remainder of the life of the Company.

The investments at fair value through profit and loss and available-for-sale investments expose the Company to price risk. The details are as follows:

	2016	2015
	AUD	AUD
Credit Suisse index basket call option	10,343,327	9,768,207
Investec Bank Limited Structured Deposit (including embedded derivatives)	56,287,399	52,522,850
	<u>66,630,726</u>	<u>62,291,057</u>

16. FINANCIAL INSTRUMENT RISK FACTORS (continued)

(i) Market risk (continued)

(c) Price risk (continued)

A 50 per cent increase/decrease in the value of the call option at 30 September 2016 would have increased/decreased the Net Asset Value of the Company by AUD 5,873,096 (2015: AUD 4,884,104). The sensitivity rate of 50% is regarded as reasonable due to the potential volatility of the Indices to which the Option is linked, magnified by the participation rate of 200% attached to the Option.

A 5 per cent increase/decrease in the value of the Structured Deposit at 30 September 2016 would have increased/decreased the Net Asset Value of the Company by AUD 2,814,370 (2015: AUD 2,626,143). The lower sensitivity rate of 5% is regarded as reasonable, as the rate at which interest is earned on the investment, which forms the main part of the annual uplift in value, is largely fixed, and the instrument is not significantly subject to the volatility of investment markets.

(ii) Credit risk

Credit risk arises when a failure by counter-parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the year end date. These financial assets include cash and cash equivalents, fixed deposits, debtors, available-for-sale investments and investments at fair value through profit and loss. The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying value or fair value of these instruments.

The Company aims to manage credit risk by holding its securities and cash assets with reputable banking institutions with an investment grade long-term credit rating, ie a Fitch rating in the range AAA+ to BBB-. In the event of any downgrading in the long-term credit rating of any issuer below this level, the Company in its absolute discretion would consider the following courses of action: selling the relevant securities to third party purchasers and reinvesting the proceeds in the purchase of securities of another issuer, such that the new securities would replicate as closely as possible the terms and conditions of the original securities; and transferring cash to another banking institution. The Directors would only seek to sell the relevant securities or transfer cash if they consider on the advice of the investment advisor that such would be in the best interests of the Company and its shareholders.

The Company monitors the creditworthiness of its counterparties on an ongoing basis.

The majority of the Company's trade and receivables consist of prepayments and there is no credit risk associated with these balances.

The available-for-sale investments are held with Investec Bank Limited, which has a Fitch long-term rating of BBB (2015: BBB). The investments at fair value through profit and loss are held with Credit Suisse, which has a Fitch long-term rating of A- (2015: A). The cash and cash equivalents are held with Investec Bank (Channel Islands) Limited, which has a Fitch long term rating of BBB (2015: BBB).

Liquidity risk is the risk that the Company will not be able to meet financial liability obligations as they fall due, which may cause financial losses to the Company. The Company places its cash and cash equivalents with financial institutions on a short-term basis in order to maintain a high level of liquidity. This ensures that the Company is able to complete transactions in a timely manner, thus minimising the Company's exposure to such losses.

The Board reviews the cash resources of the Company on an ongoing basis to ensure that sufficient monies are held on call account to meet the Company's short-term obligations. At 30 September 2016 the cash on call was AUD 480,166 (2015: AUD 1,376,293), which is considered by the Board to be sufficient to meet all the Company's short-term obligations.

16. FINANCIAL INSTRUMENT RISK FACTORS (continued)

(iii) Liquidity risk

The following table analyses the Company's financial liabilities, which will be settled on a net basis, into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 6 months AUD	6-12 months AUD	1 - 5 years AUD
30 September 2016			
Trade and other payables	13,068	-	78,671
Net exposure	<u>13,068</u>	<u>-</u>	<u>78,671</u>
	Less than 6 months AUD	6-12 months AUD	1 - 5 years AUD
30 September 2015			
Trade and other payables	37,449	-	67,804
Net exposure	<u>37,449</u>	<u>-</u>	<u>67,804</u>

(iv) Fair value hierarchy

The following table analyses instruments carried at fair value, by level of the fair value hierarchy. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 September 2016	Level 1 AUD	Level 2 AUD	Level 3 AUD	Total AUD
Investments at fair value through profit and loss	-	10,343,327	-	10,343,327
Available-for-sale investments (including embedded derivatives)	-	56,287,399	-	56,287,399
	<u>-</u>	<u>66,630,726</u>	<u>-</u>	<u>66,630,726</u>
30 September 2015	Level 1 AUD	Level 2 AUD	Level 3 AUD	Total AUD
Investments at fair value through profit and loss	-	9,768,207	-	9,768,207
Available-for-sale investments	-	52,522,850	-	52,522,850
	<u>-</u>	<u>62,291,057</u>	<u>-</u>	<u>62,291,057</u>

17. CAPITAL RISK MANAGEMENT

The Company's capital comprises the funds it has raised through the issue of share capital.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to ensure that the Company will be able to continue as a going concern, the Board continuously monitors forecast and actual cash flows and matches the maturity profiles of assets and liabilities. The Company has no external borrowings.

18. POST BALANCE SHEET EVENTS

There were no significant post year end events requiring disclosure in these financial statements.

Annexure B: Independent Report by Auditors of the Company

INDEPENDENT AUDITOR'S REPORT

To the members of Asia Pacific Basket Limited

We have audited the financial statements of Asia Pacific Basket Limited (the "Company") for the year ended 30 September 2016, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

This report is made solely to the company's members, as a body, in accordance with section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the United Kingdom Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view;
- are in accordance with International Financial Reporting Standards; and
- comply with The Companies (Guernsey) Law, 2008.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 of the financial statements with regard to the Company's ability to continue as a going concern. The Company's life is due to terminate on 20 December 2017. An Extraordinary General Meeting ('EGM') of the Company is due to be held during the course of 2017, at which shareholders will be asked to approve a special resolution to extend the life of the Company for a further period of between 5 and 10 years from the Company's current termination date of 20 December 2017, and to authorise the Directors to seek to raise additional capital through a secondary fund raising. In the view of the Directors, the likelihood of the EGM resolutions being passed, and of sufficient capital being subsequently raised, is extremely strong. As a result, the Directors believe that the Company is very likely to continue in operations beyond its current termination date. Whilst the Directors believe the likelihood of extension to be extremely strong, the actual outcome is unknown and this gives rise to a material uncertainty as to whether or not the Company is a going concern. The financial statements do not include any adjustments that would be required if they had been prepared on a non-going concern basis.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company;
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

SAFFERY CHAMPNESS**Chartered Accountants****28 February 2017**

Annexure C: Extract from the Company Memorandum & Articles

Memorandum of Incorporation

The Company's Memorandum of Incorporation does not restrict the Company's objects and powers.

The Articles of Incorporation of the Company contain, *inter alia*, provisions to the following effect. It should be noted that the numbering of Articles referred to below are the actual numbers of the Articles of Incorporation of the Company. A description of all definitions can be found in The Articles of Incorporation.

4. SHARES

4.1 Save as specifically provided in these Articles, the Shares and the Management Shares shall rank *pari passu* in all respects. The Management Shares shall be issued to and held by the Trust or its nominees and shall not be capable of being transferred except to the Trust or its nominees.

4.2 The holders of Management Shares shall have the following rights:

4.2.1 Dividends

4.2.2 The holders of Management Shares shall have no rights to receive nor participate in any distributions of the Company, subject to Article 40.

4.2.3 Winding up

Subject to Article 40, on a winding up and after satisfaction of the costs associated with the liquidation and payment of all the creditors of the Company and after payment of the nominal amount of the Shares has been paid to the Shareholders, the nominal value of the Management Shares shall be paid to the holders of the Management Shares.

4.2.4 Voting

a) The holders of the Management Shares will have the right to receive notice of and to attend and to vote at any general meeting of the Company, subject to (b) and (c) below. Each holder of a Management Share who is present in person or by proxy (or being a corporation, by a duly authorised representative) at a general meeting will have on a show of hands one vote and on a poll every such holder who is present in person or by proxy (or being a corporation, by a duly authorised representative) will have 10,000 votes in respect of each Management Share held by them.

b) The Management Shares exist for the sole purpose of voting on purely administrative matters at the Company's annual general meeting if there is no quorum of Shareholders on such date, to enable the Company to function effectively.

c) Prior to redemption of all the Shares, the holders of Management Shares can only vote on Ordinary Resolutions relating to administrative matters such as the appointment of auditors, approving the financial statements and the Directors appointments. After the redemption of all the Shares, holders of the Management Shares may vote on any matters under Ordinary and Special Resolution.

4.2.5 Transfer

The Management Shares shall be issued to and held by the Trust or its nominees and shall not be capable of being transferred except to the Trust or its nominees.

4.3 The Shareholders shall have the following rights:

4.3.1 Dividends

The Shareholders are entitled to receive, and participate in, any distributions that are resolved to be distributed in respect of any financial year or other income or right to participate therein.

4.3.2 Winding up

Subject to Article 40, on a winding up and after satisfaction of the costs associated with the liquidation and payment of all the creditors of the Company, the nominal value of the Shares shall be paid to the Shareholders. After payment of the nominal amount of the Management Shares has been paid to the holders of the Management Shares, the Shareholders shall be entitled to any surplus.

4.3.3 Voting

The Shareholders will have the right to receive notice of and to attend and to vote at any general meeting of the Company. Each holder of a Share who is present in person or by proxy (or being a corporation, by a duly authorised representative) at a general meeting will have on a show of hands one vote and on a poll every such holder who is present in person or by proxy (or being a corporation, by a duly authorised representative) will have one vote in respect of each Share held by them.

4.4 Subject to the provisions of the Law, the Company may at the discretion of the Board purchase any of its own shares (including redeemable shares) in any manner permitted by the Law. Shares repurchased by the Company may be cancelled or held as treasury shares and dealt with by the Directors to the fullest extent permitted by the Law.

- 4.5 Subject to the provisions of the Law, the Company may at the discretion of the Board give financial assistance directly or indirectly for the purpose of or in connection with the acquisition of shares in the Company or in connection with reducing or discharging any liability incurred in connection with the purchase of shares in the Company.
- 4.6 Subject to the provisions of the Law, the Company may convert all or any of its fully paid shares the nominal amount of which is expressed in a particular currency into fully paid shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other date as may be specified therein.
- 4.7 The rights attached to A Class Shares and B Class Shares shall be identical and the rights of the Shares may only be altered, abrogated or varied with the consent in writing of the holders of not less than three-fourths of the issued Shares of both classes or with the sanction of a Special Resolution of the holders of the Shares of both classes. To any separate general meeting of a class the provisions of these Articles relating to general meetings shall apply but so that the necessary quorum shall be:
- 4.7.1 for a meeting other than an adjourned meeting, two persons present in person or by proxy holding at least one-third of the voting rights of the class in question;
- 4.7.2 for an adjourned meeting, one person present holding shares of the class in question; or
- 4.7.3 where the class has only one shareholder, that shareholder,
- and that any holder of shares of that class present in person or by proxy may demand a poll.
- 4.8 Subject to the Law and the provisions of these Articles, the unissued shares shall be at the disposal of the Board which may allot, grant options over, or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines. Fractions of shares may be issued or purchased by the Company.
- 4.9 Where an authorisation to issue shares or grant rights to subscribe for or to convert any security into shares specifies and expires on any date, event or circumstance, the Directors may issue shares or grant rights to subscribe for or to convert any security into shares after the expiry of such authorisation if the shares are issued or the rights are granted, in pursuance of an offer or agreement made by the Company before the authorisation expired and the authorisation allowed the Company to make an offer or agreement which would or might require shares to be issued, or rights to be granted, after the authorisation had expired.
- 4.10 The Company may pay commission in money to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares in the Company or procuring or agreeing to procure subscriptions whether absolute or conditional for any shares in the Company PROVIDED THAT the rate or amount of commission shall be fixed by the Board and disclosed in accordance with the Law. The Company may also pay brokerages.

5. REDEMPTION OF SHARES PRIOR TO THE REDEMPTION DATE

- 5.1 Prior to the Redemption Date there is no entitlement in favour of the Shareholders to have their Shares redeemed by the Company. Redemptions are wholly at the discretion of the Directors and any request for redemptions may be refused in whole or in part at the discretion of the Directors.
- 5.2 Redemption requests should be made in the manner set out in the Prospectus and are subject to the terms and conditions applying to redemptions as set out in the Prospectus (including, in particular, the redemption policy).
- 5.3 No redemption prior to the Redemption Date will be considered by the Directors, where:
- 5.3.1 such redemption would or might leave the Company with insufficient funds to meet any future contemplated obligations or contingencies; or
- 5.3.2 such redemption would render the Company insolvent; or
- 5.3.3 such redemption may in the opinion of the Directors be prejudicial to the Company or other Shareholders.
- 5.4 All redemptions of Shares prior to the Redemption Date will be subject to a settlement and registration fee of up to 1.25% of the total value of the applicable transaction of which 0.75% is payable to and for the account of the Investment Adviser and 0.5% of the total value of the applicable transaction is payable to and for the account of the Administrator. This fee will be deducted by the Administrator from the redemption proceeds due to the applicable Shareholder.

6 REDEMPTION ON A REDEMPTION DATE

- 6.1 Prior to the Second Redemption Date, and subject to the Debt Issuer or any relevant counterparty(ies) having fulfilled its/their repayment obligations to the Company as described in the Prospectus, the Company shall make an offer to each Shareholder to redeem the Shares held by such Shareholder subject to acceptance of the offer by such Shareholder and payment shall be effected by the Administrator to the relevant Shareholder no later than 10 Business Days after the Second Redemption Date. To be valid such acceptance must be made on such terms and by such date as the Directors shall determine.
- 6.2 On the Third Redemption Date, and subject to the Debt Issuer or any relevant counterparty(ies) having fulfilled its/their repayment obligations to the Company as described in the Prospectus, the Company shall be obliged to redeem all Shares and payment shall be effected by the Administrator to the relevant Shareholder no later than 10 Business Days after the Third Redemption Date.
- 6.3 The redemption price shall be determined by the Auditor, acting in a reasonable manner and in accordance with market practice, which price shall represent the Fair Market Value per Share.
- 6.4 No settlement and registration fees will be payable in respect of redemptions effected on the Redemption Date. The Administrator will pay the redemption proceeds to the relevant Shareholder, by no later than 10 Business Days after the Redemption Date, by electronic transfer into an account in the name of the relevant Shareholder.
- 6.5 In the event that the redemption proceeds cannot for any reason be paid to the relevant Shareholder by telegraphic transfer within 10 Business Days after the Redemption Date, the money will be transferred to the Trust which will hold it until claimed by the relevant Shareholder or until three years after the Redemption Date, whichever is the earlier, and if not claimed by the relevant Shareholder on such date, then it will be paid to a registered charitable institution in Guernsey.
- 6.6 All redemptions of Shares prior to the Redemption Date will be subject to a settlement and registration fee of up to 1% of the total value of the applicable transaction of which 0.5% is payable to and for the account of the Investment Adviser and 0.5% of the total value of the applicable transaction is payable to and for the account of the Administrator. This fee will be deducted by the Administrator from the redemption proceeds due to the applicable Member

7 INTERESTS IN SHARES

- 7.1 Without prejudice to Part XXIX of the Law, except as ordered by a court of competent jurisdiction or as required by law the Company shall not be affected or bound by or be compelled in any way to recognise (even when having notice) any equitable, contingent, future or partial interest in any share or fraction or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety in the registered holder and whether or not such share shall be entered in the Register as held in trust nor shall the Company be bound to see to the execution of any trust to which any share may be subject.
- 7.2 The Board shall have power by notice in writing to require any Shareholder to disclose to the Company the identity of any person other than the Shareholder (an interested party) who has any interest in the shares held by the Shareholder and the nature of such interest.
- 7.3 Any such notice shall require any information in response to such notice to be given in writing within such reasonable time as the Board shall determine.
- 7.4 If any Shareholder has been duly served with a notice given by the Board in accordance with Article 7.2 and is in default for the prescribed period (which is 28 clear days after service of the notice) in supplying to the Company the information thereby required, then the Board may in its absolute discretion at any time thereafter serve or cause to be served a notice (a "direction notice") upon such Shareholder which:-
- 7.4.1 may direct that, in respect of:-
- (a) any shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "default shares"); and
 - (b) any other shares held by the Shareholder;

the Shareholder shall not be entitled to vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by proxy to exercise any other right conferred by those shares in relation to meetings of the Company or of the holders of any class of shares of the Company; and

- 7.4.2 may additionally direct that in respect of the default shares:-
- (a) any dividend or part thereof which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the Shareholder;
 - (b) no transfer of the default shares held by such Shareholder shall be registered unless:-
 - (i) the Shareholder is not himself in default as regards supplying the information requested; and
 - (ii) when presented for registration the transfer is accompanied by a certificate by the Shareholder in a form satisfactory to the Directors to the effect that after due and careful enquiry the Shareholder is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but failure or omission by the Company to do so shall not invalidate such notice.

8. CERTIFICATES

- 8.1 Every person shall be entitled upon request:-
- 8.1.1 without payment to one certificate for all his shares of each class and when part only of the shares comprised in a certificate is sold or transferred to a balance certificate; or
 - 8.1.2 upon payment of such sum as the Board may determine to several certificates each for one or more shares of any class.
- 8.2 Any certificate issued shall specify the shares to which it relates and the amount paid up and the distinguishing numbers (if any).
- 8.3 All forms of certificate for shares or debentures or representing any other form of security (other than letters of allotment scrip certificates and other like documents) shall be issued under the Seal and shall be signed autographically unless there shall be in force a resolution of the Board adopting some method of mechanical signature in which event the signatures (if authorised by such resolution) may be effected by the method so adopted.
- 8.4 In respect of a share held jointly the Company shall not be bound to issue more than one certificate and shall only issue a certificate if requested and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 8.5 The Company shall not be bound to register more than four persons as the joint holders of any share or shares.
- 8.6 Where two or more persons are registered as the holders of any share they shall be deemed to hold that share as joint tenants, subject to the following provisions:-
- 8.6.1 the joint holders of any share shall be jointly and severally liable for all amounts payable in respect of that share;
 - 8.6.2 any joint holder of a share may give an effectual receipt for any dividend or return of capital payable on that share to the joint holders of the share;
 - 8.6.3 only the first named joint holder of any share shall be entitled to delivery of a certificate relating to the share or to receive notices from the Company to attend any general meeting and any notice given to the first-named joint holder of the share shall be deemed to be notice given to all joint-holders of the share;
 - 8.6.4 the vote of the first-named joint holder of a share who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders of the share; and
 - 8.6.5 for the purpose of this Article the first-named joint holder shall be the person whose name first appears in the Register in respect of the share.
- 8.7 If a share certificate is issued and is defaced lost or destroyed it may be replaced or renewed without charge (other than exceptional out of pocket expenses) on such terms (if any) as to evidence and indemnity as the Board thinks fit.

9. LIEN

- 9.1 The Company shall have a first and paramount lien (extending to all dividends payable) on all shares (not being fully paid) for all moneys whether presently payable or not called or payable at a fixed time in respect of those shares and for all the debts and liabilities of the holder to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person (other than such holder) and whether the time for payment or discharge shall have arrived or not and notwithstanding that the same are joint debts or liabilities of such holder and any other person (whether a Shareholder or not).
- 9.2 For the purpose of enforcing such lien the Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen clear days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been served on the holder for the time being of the shares or the person entitled by reason of his death or bankruptcy to the shares. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer to the purchaser thereof the shares so sold.

- 9.3 The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in relation to the sale.

10 CALLS ON SHARES

- 10.1 The Board may at any time make calls upon the Shareholders in respect of any moneys unpaid on their shares (whether on account of the nominal value or by way of premium and not by the conditions of allotment made payable at fixed times) and each Shareholder shall pay to the Company at the time and place appointed the amount called. A call may be revoked or postponed in whole or in part. A call may be required to be made by instalments. A person on whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
- 10.2 Joint holders shall be jointly and severally liable to pay calls.
- 10.3 If a sum called in respect of a share is not paid before or on the day appointed the person from whom the sum is due shall pay interest from the day appointed to the time of actual payment at such rate as the Board may determine.
- 10.4 Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in the case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 10.5 The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him beyond the sums actually called up thereon as payment in advance of calls, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may (until the same would, but for such advance, become presently payable) pay interest at such rate as the Shareholder paying such sum and the Directors agree upon **PROVIDED THAT** any amount paid up in advance of calls shall not entitle the holder of the shares upon which such amount is paid to participate in respect thereof in any dividend until the same would but for such advance become presently payable.
- 10.6 The Board may on an issue of shares differentiate between holders as to amount of calls and times of payment.

11 FORFEITURE AND SURRENDER OF SHARES

- 11.1 If a Shareholder fails to pay any call or instalment on the day appointed the Board may at any time during such period as any part remains unpaid serve notice requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and any expenses which may have been incurred by the Company by reason of non-payment.
- 11.2 The notice shall state a further day on or before which the payment required by the notice is to be made and the place where the payment is to be made and that in the event of non-payment the shares in respect of which the call was made or instalment is payable shall be liable to be forfeited. If the requirements of any such notice are not complied with any share in respect of which the notice has been given may at any time before payment has been made be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.
- 11.3 Notice of forfeiture shall forthwith be given to the former holder and an entry of such notice and forfeiture shall forthwith be made and dated in the Register opposite the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice or to make entry.
- 11.4 A forfeited share shall be deemed to be the property of the Company and may be sold re-allotted or otherwise disposed of on such terms as the Board shall think fit with or without all or any part of the amount previously paid on the share being credited as paid and at any time before a sale or disposition the forfeiture may be cancelled.
- 11.5 A person whose shares have been forfeited shall cease to be a Shareholder in respect of those shares but shall notwithstanding remain liable to pay to the Company all moneys which at the date of forfeiture were payable in respect of the shares with interest at such rate as the Board may determine. The Board may enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 11.6 The forfeiture of a share shall extinguish all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder and the Company.
- 11.7 The Board may accept from any Shareholder on such terms as shall be agreed a surrender of any shares in respect of which there is a liability for calls. Any surrendered share may be disposed of in the same manner as a forfeited share.
- 11.8 A declaration in writing by a Director or the Secretary that a share has been duly forfeited or surrendered on the date stated in the declaration shall be conclusive evidence of the facts therein as against all persons claiming to be entitled to the shares.

11.9 The Company may receive the consideration given for any share on any sale or disposition and may execute a transfer of the share in favour of the person to whom the same is sold or disposed of and he shall thereupon be registered as the holder and shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity or invalidity in forfeiture sale re-allotment or disposal.

12. COMPULSORY TRANSFER OR REPURCHASE OF SHARES

12.1 The Board shall have power (but shall not be under any duty) to impose such restrictions as it may think necessary for the purpose of ensuring that no share is acquired or held by:-

12.1.1 any US person other than pursuant to an exemption available under the United States Securities Act of 1933, as amended (the "1933 Act") and any other relevant securities law of the United States; or

12.1.2 any person whose holding of shares would or might result in the Company having more than 80 beneficial owners of shares (whether directly or by attribution pursuant to Section 3 (c)(1)(A) of the United States Investment Company Act of 1940, as amended (the "Investment Company Act") who are US persons or any person whose holding would require the Company to register as an "investment company" under the Investment Company Act; or

12.1.3 any person subject to the Employee Retirement Income Security Act of 1974, as amended or Section 4975 of the Internal Revenue Code of 1986, as amended; or

12.1.4 any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such shares or any money laundering regulations; or

12.1.5 any person or persons in circumstances which (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Board to be relevant), in the opinion of the Board, might cause or be likely to cause the Company or Shareholders as a whole some legal, regulatory, pecuniary, tax or material administrative disadvantage which the Company or Shareholders might not otherwise have incurred or suffered; or

12.1.6 (f) any person where the total subscription monies in AUD, received in relation to the subscription for Shares, from such investor amounts to at least AUD 16,000 or its equivalent in USD, on the Third Closing Date, however the Directors may at their sole discretion accept a subscription amount which is less than AUD16,000, or its equivalent in USD; or

12.1.7 any person whose holdings of shares would or might result in a South African resident holding 5% or more of the issued shares in the Company.

In this connection, the Board may: (i) reject in its discretion any subscription for shares or any transfer of shares to any persons who are so excluded from purchasing or holding shares; and (ii) pursuant to Article 12.4.1 below at any time repurchase or require the transfer of shares held by persons who are so excluded from purchasing or holding shares.

12.2 For this purpose the terms "US person" and "United States" as used herein shall have the meanings ascribed such terms in Section 902 (g) of Regulation S under the 1933 Act.

12.3 The Board shall, unless any Director has reason to believe otherwise, be entitled to assume without enquiry that none of the shares is held in such a way as to entitle the Board to give a notice in respect thereof pursuant to Article 12.4.1 below. The Board may, however, upon an application for shares or at any other time and from time to time require such evidence and/or undertakings to be furnished to it in connection with the matters stated in Article 12.1 above as it shall in its discretion deem sufficient or as it may require for the purpose of any restriction imposed pursuant thereto. In the event of such evidence and/or undertakings not being so provided within such reasonable period (not being less than 21 clear days after service of notice requiring the same) as may be specified by the Board in the said notice, the Board may, in its absolute discretion, treat any shares held by such a holder or joint holder as being held in such a way as to entitle them to give a notice in respect thereof pursuant to Article 12.4.1 below.

12.4

- 12.4.1 If it comes to the notice of the Board that any shares are or may be owned or held directly or indirectly or beneficially by any person or persons in breach of any restrictions imposed under Article 12.1 above or who have failed to provide or keep up-to-date the information, representations, certificates or forms referred to in Article 12.4.6 below (the "Relevant shares"), the Board may give notice to the person or persons in whose names the Relevant shares are registered requiring him to transfer (and/or procure the disposal of interests in) the Relevant shares to a person who is in the opinion of the Board a person who is eligible to hold them, and/or has provided or will provide the information, representations, certificates or forms referred to in Article 12.4.6 below, or (in the Board's discretion) to give notice in writing accepting the repurchase of the Relevant shares in accordance with these Articles. If any person upon whom such a notice is served pursuant to this Article 12.4.1 does not within 21 clear days after the giving of such notice (or such extended time as the Board in its absolute discretion shall consider reasonable) transfer the Relevant shares to a person who is eligible to hold them or (as appropriate) give notice as to the repurchase of the Relevant shares or establish to the satisfaction of the Board (whose judgement shall be final and binding) that he is not subject to such restrictions, or, as the case may be, provide to the satisfaction of the Board (whose judgement shall be final and binding) the information, representations, certificates or forms referred to in Article 12.4.6 below, the Board may in its absolute discretion upon the expiration of such 21 clear days arrange for the repurchase of all the Relevant shares or arrange and approve the transfer of all the Relevant shares to a person who is eligible to hold them (and/or has provided or will provide the information, representations, certificates or forms referred to in Article 12.4.6 below) in accordance with Article 12.4.3 below and the holder of the Relevant shares shall be bound forthwith to deliver his share certificate or certificates (if any) to the Board and the Board shall be entitled to appoint any person to sign on his behalf such documents as may be required for the purpose of the repurchase or transfer of the Relevant shares by the Company.
- 12.4.2 A person who becomes aware that he is holding or owning Relevant shares shall forthwith unless he has already received a notice pursuant to Article 12.4.1 above either transfer all his Relevant shares to a person who is eligible to hold them or give a request in writing for the repurchase of all his Relevant shares in accordance with these Articles.
- 12.4.3 A transfer of Relevant shares arranged by the Board pursuant to Article 12.4.1 above shall be by way of sale at the best price reasonably obtainable and may be of all or part only of the Relevant shares with a balance available for repurchase or transfer to other persons who are eligible to hold them. Any payment received by the Company for the Relevant shares so transferred shall be paid to the person whose shares have been so transferred subject to Article 12.4.3 below.
- 12.4.4 Payment of any amount due to such person pursuant to Articles 12.4.1, 12.4.2 or 12.4.3 above shall be subject to any requisite exchange control consents first having been obtained and the amount due to such person shall be deposited by the Company in a bank for payment to such person upon such consents being obtained against surrender of the certificate or certificates representing the Relevant shares previously held by such person. Upon deposit of such amount as aforesaid such person shall have no further interest in such Relevant shares or any of them or any claim against the Company in respect thereof except the right to receive such amount so deposited (without interest) upon such consents as aforesaid being obtained. Payment of any amount due to such person pursuant to Articles **Error! Reference source not found.** or 12.4.3 above shall also be subject to any withholding or deduction under FATCA or Similar Legislation.
- 12.4.5 The Board shall not be required to give any decisions, determination or declaration taken or made in accordance with these provisions. The exercise of the powers conferred by these provisions shall not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or beneficial ownership of shares by any persons or that the true, direct or beneficial owner of any shares was otherwise than appeared to the Board at the relevant date PROVIDED THAT the powers shall be exercised in good faith.
- 12.4.6 The Board may upon an application for Shares or at any other time and from time to time call upon any Shareholder (or any person who may acquire or hold Shares) by notice in writing to provide the Board with such information, representations, certificates or forms relating to such Shareholder or such person (or in either case its direct or indirect beneficial owners or account holders) that the Board determines are necessary or appropriate for the Company to:
- a) satisfy any account or payee identification, documentation or other due diligence requirements and any reporting requirements imposed under FATCA or the requirements of any Similar Legislation; or
 - b) avoid or reduce any tax otherwise imposed by FATCA or Similar Legislation (including any withholding upon any payments to such Shareholder or such person by the Company); or
 - c) permit the Company to enter into, comply with, or prevent a default under or termination of, an agreement of the type described in section 1471(b) of the US Internal Revenue Code of 1986 or under Similar Legislation.

- 12.4.7 In this connection, the Board may: (i) reject in its discretion any subscription for Shares or any transfer of Shares to any person who does not comply with a notice referred to in Article 12.4.6 above; and (ii) in the event of such information, representations, certificates or forms not being provided within such reasonable period (not being less than 21 days after service of notice requiring the same) as may be specified by the Board in a notice referred to in Article 12.4.6 above, the Board may, in its absolute discretion, pursuant to the provisions of this Article 12.4.1 repurchase or require the transfer of Shares held by person who do not comply with such notice.
- 12.4.8 Each Shareholder shall promptly notify the Company upon any change in circumstances that could affect the accuracy or correctness of the information, representations, documents, certifications or forms provided pursuant to Article 12.4.6.

13. TRANSFER AND TRANSMISSION OF SHARES

- 13.1 All transfers of shares may be effected by transfer in writing in any form as the Board may accept **PROVIDED THAT** any such instrument of transfer shall state the transferors' and transferees' full names and addresses and where deemed necessary by the Board their nationalities. Any instrument of transfer shall be dated upon execution and shall be signed by or on behalf of the transferor who shall be deemed to remain the holder until the name of the transferee is entered in the Register.
- 13.2 Every instrument of transfer shall be left at the Office or such other place as the Board may prescribe with the certificate of every share to be transferred (if any) and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the shares; and the transfer and certificate (if any) shall remain in the custody of the Board but shall be at all reasonable times produced at the request and expense of the transferor or transferee or their respective representatives. A new certificate shall on request be delivered free of charge to the transferee after the transfer is completed and registered on his application and when necessary a balance certificate shall be delivered if required by him in writing.
- 13.3 The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share which is not fully paid or on which the Company has a lien, provided, in the case of a listed share that this would not prevent dealings in the share from taking place on an open and proper basis. In addition, the directors may refuse to register a transfer of shares which is prohibited by a direction notice given by the Board in accordance with Article 7.4 and may also refuse to register a transfer of shares unless:-
- 13.3.1 it is in favour of a Permitted Transferee;
- 13.3.2 it is in favour of a single transferee or in the case of a transfer to joint holders the number of joint holders to whom the share is to be transferred does not exceed four; and
- 13.3.3 it is delivered for registration to the Company's Office or such other place as the Board may decide, accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.
- 13.4 If the Board refuses to register the transfer of a share it shall, within two months after the date on which the instrument of transfer was lodged with the Company, send notice of the refusal to the transferor and the transferee.
- 13.5 The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any one year) as the Board may decide and either generally or in respect of a particular class of share.
- 13.6 No fee shall be payable to the Company in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, instruction or other document relating to or affecting the title to any shares.
- 13.7 The Company shall keep the Register in accordance with the Law. The Register may be closed during such periods as the Board think fit not exceeding in all thirty days in any year.
- 13.8 On the death of a Shareholder the survivors where the deceased was a joint holder and the executors of the deceased where he was a sole holder shall be the only persons recognised by the Company as having any title to or interest in his shares; but nothing herein shall release the estate of a deceased joint holder from any liability in respect of any share jointly held.
- 13.9 A person so becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a Shareholder shall have the right to receive and may give a discharge for all dividends and other money payable or other advantages due on or in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company, or save as aforesaid, to any of the rights or privileges of a Shareholder unless and until he shall be registered as a Shareholder in respect of the share **PROVIDED ALWAYS** that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety clear days the Board may thereafter withhold all dividends or other monies payable or other advantages due in respect of the share until the requirements of the notice have been complied with.

14 ALTERATION OF CAPITAL

- 14.1 The Company may by Ordinary Resolution:-
- 14.1 consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
- 14.2 subject to Article 14.6 below, subdivide all or any of its shares into shares of a smaller amount provided that the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as that proportion in the case of the share from which the reduced share was derived;
- 14.3 cancel shares which, at the date of the passing of the resolution, have not been taken up or agreed to be taken up by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;
- 14.4 convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than 3 significant figures) current on the date of the resolution or on such other day as may be specified therein;
- 14.5 where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise.
- 14.6 In any subdivision under Article 14.2, the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as that proportion in the case of the Share from which the reduced Share was derived.
- 14.7 The Board on any consolidation of Shares may deal with fractions of Shares in any manner.
- 14.8 The Company may reduce its share capital in any manner and with and subject to any incident authorised and consent required by the Law.

15 GENERAL MEETINGS

- 15.1 Save as provided in the Law, an annual general meeting shall be held once at least in every calendar year but so that not more than 15 months may elapse between one annual general meeting and the next. Other meetings of the Company shall be called extraordinary general meetings. General meetings shall be held in Guernsey.
- 15.2 A Shareholder participating by video link or telephone conference call or other electronic or telephonic means of communication in a meeting at which a quorum is present shall be treated as having attended that meeting **PROVIDED THAT** the Shareholders present at the meeting can hear and speak to the participating Shareholder.
- 15.3 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Shareholders participates and all participants can hear and speak to each other shall be a valid meeting which shall be deemed to take place where the Chairman is present unless the Shareholders resolve otherwise.
- 15.4 Any general meeting convened by the Board unless its time shall have been fixed by the Company in general meeting or unless convened in pursuance of a requisition may be postponed by the Board by notice in writing and the meeting shall subject to any further postponement or adjournment be held at the postponed date for the purpose of transacting the business covered by the original notice.
- 15.5 The Board may whenever it thinks fit and shall on the requisition in writing of one or more holders representing not less than one-tenth of the issued share capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an extraordinary general meeting.
- 15.6 The requisition shall be dated and shall state the object of the meeting and shall be signed by the requisitionists and deposited at the Office and may consist of several documents in like form each signed by one or more of the requisitionists.
- 15.7 If the Board does not proceed to call a general meeting within twenty-one days from the date of the requisition being so deposited to be held within 28 days after the date of the notice convening the meeting, the requisitionists or any of them representing more than one half of the total voting rights of the requisitionists may themselves convene the meeting.
- 15.8 Any meeting convened by requisitionists shall be convened in the same manner (as nearly as possible) as that in which meetings are convened by the Board.

16 NOTICE OF GENERAL MEETINGS

- 16.1 Not less than ten clear days' notice specifying the time and place of an annual general meeting and not less than fourteen clear days' notice in respect of any other general meeting shall be given by notice (which may be published on a website in accordance with Section 208 of the Law) to every Shareholder and every Director **PROVIDED THAT** with the consent in writing of all the Shareholders entitled to attend and vote, the meeting may be convened by a shorter notice or at no notice and in any manner they think fit. In every notice there shall appear:
- 16.1.1 the time and date of the meeting;
 - 16.1.2 the place of the meeting;
 - 16.1.3 a statement of the general nature of the business to be dealt with at the meeting;
 - 16.1.4 where the notice contains a resolution to be passed as a Special Resolution, a Waiver Resolution or an Unanimous Resolution, the text of the resolution and the intention to propose the resolution as a special, waiver or Unanimous Resolution (as the case may be).
 - 16.1.5 contain a statement that the Shareholder who is entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a Shareholder.
- 16.2 The accidental omission to give notice of any meeting to or the non-receipt of such notice by any Shareholder shall not invalidate any resolution (or any proposed resolution otherwise duly approved) passed or proceeding at any meeting.
- 16.3 All Shareholders are deemed to have agreed to accept communications from the Company by Electronic Means in accordance with Article 38.2.

17 PROCEEDINGS AT GENERAL MEETINGS

- 17.1 The ordinary business of a general meeting shall be to receive and consider the profit and loss account and the balance sheet of the Company and the reports of the Directors and the Auditors to elect Directors and appoint Auditors in the place of those retiring to fix the remuneration of the Auditors to sanction or declare dividends (if required by these Articles) and to transact any other ordinary business which ought to be transacted at such meeting. All other business shall be deemed special and shall be subject to notice as hereinbefore provided.
- 17.2 The quorum for a general meeting shall be two (2) Shareholders present in person or by proxy, at least one of whom shall be the holder of a Management Share provided that, if the Company shall have only one (1) Shareholder entitled to attend and vote at the general meeting, that Shareholder shall constitute a quorum.
- 17.3 If within half an hour after the time appointed for the meeting a quorum is not present the meeting if convened by or upon a requisition shall be dissolved. If otherwise convened it shall stand adjourned for seven clear days at the same time and place or to such other day and at such other time and place as the Board may determine and (subject to Article 17.3) no notice of adjournment need be given. On the resumption of an adjourned meeting, those Shareholders entitled to attend and vote present in person or by proxy shall constitute the quorum.
- 17.4 The Chairman (if any) or, if absent, the Deputy Chairman (if any) of the Board or, failing him, some other Director nominated by the Directors shall preside as Chairman at every general meeting of the Company, but if at any meeting none of the Chairman nor the Deputy Chairman nor such other Director be present within fifteen minutes after the time appointed for holding the meeting, or if none of them be willing to act as Chairman, the Directors present shall choose some Director present to be Chairman, or if no Directors be present, or if all the Directors present decline to take the chair the Shareholders entitled to attend and vote present in person or by proxy shall choose some Shareholder present to be Chairman.
- 17.5 The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting at any time and to any place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 17.6 At any meeting a resolution put to the vote shall be decided by a show of hands or by a poll at the option of the Chairman. Nevertheless before or on the declaration of the result a poll may be demanded:-
- 17.6.1 by the Chairman; or
 - 17.6.2 a holder of a Management Share: or
 - 17.6.3 by not less than five (5) Shareholders having the right to vote on the resolution; or
 - 17.6.4 a Shareholder or Shareholders representing not less than ten (10) percent (10%) of the total voting rights of all Shareholders having the right to vote on the resolution.

The demand for a poll may be withdrawn.

- 17.7 Unless a poll be demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded.
- 17.8 A poll if demanded shall be taken at the meeting at which the same is demanded or at such other time and place as the Chairman shall direct and the result shall be deemed the resolution of the meeting.
- 17.9 If a poll is duly demanded, it shall be taken in such manner and at such place as the Chairman may direct (including the use of ballot or voting papers or tickets) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may, in the event of a poll appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 17.10 A poll demanded on the election of a Chairman and a poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the Chairman directs not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded.
- 17.11 In case of an equality of votes on a show of hands or on a poll the Chairman shall have a second or casting vote.

18 VOTES OF SHAREHOLDERS

- 18.1 Save as otherwise provided in these Articles and subject to any special rights or restrictions for the time being attached to any class of share:-
 - 18.1.1 On a show of hands every holder of a Share present in person or by proxy shall have 1 (one) vote and every holder of a Management Share present in person or by proxy shall have 10,000 (ten thousand) votes.
 - 18.1.2 On a poll every holder of a Share present in person or by proxy shall have 1 (one) vote for each share held by him and every holder of a Management Share present in person or by proxy shall have 10,000 (ten thousand) votes for each fully paid Management Share held by him.
- 18.2 Where there are joint registered holders of any share such persons shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the Register shall alone be entitled to vote.
- 18.3 Any Shareholder being incapable or of unsound mind may vote by his curator or other legal guardian. Any such persons may vote either personally or by proxy.
- 18.4 On a poll votes may be given either personally or by proxy and a Shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A proxy need not be a Shareholder. An instrument of proxy may be valid for one or more meetings.
- 18.5 No Shareholder shall be entitled to be present or take part in any proceedings or vote either personally or by proxy at any meeting unless all calls due from him have been paid. No Shareholder shall be entitled to vote in respect of any shares unless he has been registered as their holder.
- 18.6 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed shall be valid for all purposes. Any objection made in due time shall be referred to the Chairman whose decision shall be final and binding.
- 18.7 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of an officer or attorney duly authorised.
- 18.8 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default unless the Board directs otherwise the instrument of proxy shall not be treated as valid.
- 18.9 The instrument appointing a proxy may be in any form which the Board may approve and may include an instruction by the appointor to the proxy either to vote for or against any resolution to be put to the meeting.
- 18.10 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and shall be as valid for any adjournment as for the meeting to which it relates.
- 18.11 Without prejudice to Section 226 of the Law, a vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or disability of the principal or revocation of the proxy or of the authority under which the proxy was executed PROVIDED THAT no intimation in writing of such death disability or revocation shall have been received by the Company at the Office before the commencement of the meeting or adjournment or the taking of the poll at which the proxy is used.
- 18.12 Any corporation which is a Shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Shareholders of the Company or to approve any resolution submitted in writing and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Shareholder of the Company.

19 NUMBER AND APPOINTMENT OF DIRECTORS

- 19.1 The first Directors of the Company shall be appointed by the subscribers to the Memorandum. Unless otherwise determined by Ordinary Resolution of the Company the Directors (disregarding alternate Directors) will not be less than 3 (three) nor more than 10 (ten). At no time shall a majority of Directors be resident in either the United Kingdom or in the Republic of South Africa.
- 19.2 The Board shall have power at any time to appoint any person eligible in accordance with Section 137 of the Law to be a Director either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number (if any) fixed pursuant to these Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.
- 19.3 No person other than a Director retiring at an annual general meeting shall unless recommended by the Directors be eligible for election by the Company to the office of Director unless not less than four nor more than twenty-eight clear days before the date appointed for the general meeting there shall have given to the secretary of the Company notice in writing signed by a Shareholder duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected. There is no provision for the retirement of Directors on their attaining a certain age.
- 19.4 The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by appointing a person thereto by Ordinary Resolution and in default the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at such meeting it is expressly resolved not to fill the vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and lost. The Company at such meeting may also (subject to Article 19.1) fill any other vacancies.
- 19.5 Without prejudice to the powers of the Board the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.
- 19.6 At a general meeting a motion for the appointment of two or more persons as Directors of the Company by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.
- 19.7 The Directors or Secretary shall cause to be maintained a register of Directors in accordance with Sections 143 and 147 of the Law.

20 QUALIFICATION AND REMUNERATION OF DIRECTORS

- 20.1 A person must not be appointed as a Director unless he has, in writing, consented to being a Director and declared that he is not ineligible to be a Director under the Law.
- 20.2 A Director need not be a Shareholder of the Company but shall be entitled to receive notice of and attend all general meetings of the Company.
- 20.3 A Director shall be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company, regardless of whether that Director is a Shareholder of the Company or of the relevant class.
- 20.4 No fee will be paid to the Directors save as provided in Article 20.5.
- 20.5 Notwithstanding Article 20.4, if any Director having been requested by the Board shall render or perform extra or special services or shall travel or go to or reside in any country not his usual place of residence for any business or purpose of the Company he shall be entitled to receive such sum as the Board may think fit for expenses and also such remuneration as the Board may think fit either as a fixed sum or as a percentage of profits or otherwise and such remuneration may as the Board shall determine be either in addition to or in substitution for any other remuneration which he may be entitled to receive.

21 ALTERNATE DIRECTORS

- 21.1 Any Director may by notice in writing under his hand served upon the Company appoint any person (whether a Shareholder or not) as an alternate Director, other than a person resident in the United Kingdom or in the Republic of South Africa, unless the Director seeking to appoint the alternate director is himself resident in the United Kingdom or in the Republic of South Africa (as the case may be), to attend and vote in his place at any meeting of the Directors at which he is not personally present or to undertake and perform such duties and functions and to exercise such rights as he could personally and such appointment may be made generally or specifically or for any period or for any particular meeting and with and subject to any particular restrictions. Every such appointment shall be effective and the following provisions shall apply:-
- 21.2 Every alternate Director while he holds office as such shall be entitled:-
- 21.2.1 if his appointor so directs the Secretary, to notice of meetings of the Directors; and
- 21.2.2 to attend and to exercise (subject to any restrictions) all the rights and privileges of his appointor at all such meetings at which his appointor is not personally present.
- 21.3 Every alternate Director shall ipso facto vacate office if and when his appointment expires by effluxion of time or his appointor vacates office as a Director or removes the alternate Director from office as such by notice in writing under his hand served upon the Company.
- 21.4 No alternate Director shall be entitled as such to receive any remuneration from the Company but every alternate Director shall be entitled to be paid all reasonable expenses incurred in exercise of his duties.

- 21.5 Director may act as alternate Director for another Director and shall be entitled to vote for such other Director as well as on his own account but no Director shall at any meeting be entitled to act as alternate Director for more than one other Director.

22 BORROWING POWERS OF THE BOARD

Subject to the Company borrowing only up to 10 per cent of the value of its net assets and only for temporary purposes, the Board may exercise all the powers of the Company to borrow or raise money and secure or discharge any debt or obligation of or binding on the Company in any manner, including, subject to the Law, the issue of debentures and other securities and to secure the repayment of any money borrowed raised or owing by guarantees mortgage charge hypothecate pledge or lien upon all or any part of its undertaking property or assets (present or future) and uncalled capital and also by a similar mortgage, charge, pledge or lien to secure and guarantee the performance of any debt, obligation or liability of the Company or of any third party.

23 OTHER POWERS AND DUTIES OF THE BOARD

- 23.1 The business of the Company shall be managed by the Board who may exercise all such powers of the Company as are not required to be exercised by the Company in a general meeting subject nevertheless to these Articles and to the Law and to such regulations as may be prescribed by the Company in a general meeting but no regulation so made shall invalidate any prior act of the Board. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
- 23.2 The Board may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies and the Board may on behalf of the Company make such arrangements as it thinks advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing assisting or subsidising any such subsidiary company or guaranteeing its contracts obligations or liabilities.
- 23.3 The Board may establish any local boards or agencies for managing any of the affairs of the Company and may appoint any one or more of its number or any other persons to be members of such local Boards or any managers or agents and may fix their remuneration and may delegate to any local board manager or agent any of the powers authorities and discretions vested in the Board with power to sub-delegate and may authorise the Shareholders of any local board to fill any vacancies and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board may remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- 23.4 The Board may at any time by power of attorney given under the hand of such person or persons duly authorised in that behalf appoint any person or any fluctuating body of persons whether nominated directly or indirectly by the Board to be the attorney of the Company for such purposes and with such powers and discretions and for such periods and subject to such conditions as the Board may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any attorney as the Board may think fit and may also authorise any attorney to sub-delegate all or any of his powers and discretions.
- 23.5 All cheques promissory notes drafts bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed drawn accepted endorsed or otherwise executed in such manner as the Board shall at any time determine.
- 23.6 The Board shall cause minutes to be made and maintained at the Office in books provided for the purpose:-
- 23.6.1 of all resolutions and proceedings at meetings of the Board and of Board committees in accordance with Section 154 of the Law; and
- 23.6.2 of all proceedings at general meetings of the Company or otherwise and all decisions of a sole Shareholder in accordance with Sections 228 and 230 of the Law.

Any such minutes if purporting to be signed by the Chairman of the meeting at which the proceedings took place, or by the Chairman of the next succeeding meeting, shall be evidence of their proceedings.

24 CONFLICTS OF INTEREST

- 24.1 A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with Section 162 of the Law, the nature and extent of that interest.
- 24.2 Article 24.1 does not apply if:-
- 24.2.1 the transaction or proposed transaction is between the Director and the Company; and
- 24.2.2 the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.

- 24.3 A general disclosure to the Board to the effect that a Director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.
- 24.4 Nothing in Articles 24.1, 24.2 or 24.3 applies in relation to:-
- 24.4.1 remuneration or other benefit given to a Director;
- 24.4.2 insurance purchased or maintained for a Director in accordance with Section 158 of the Law; or
- 24.4.3 qualifying third party indemnity provision provided for a Director in accordance with Section 159 of the Law
- 24.5 A Director who is interested in a transaction entered into, or to be entered into, by the Company, may:-
- 24.5.1 vote on a matter relating to the transaction;
- 24.5.2 attend a meeting of Directors at which a matter relating to the transaction arises and be included among the Directors present at the meeting for the purpose of a quorum;
- 24.5.3 sign a document relating to the transaction on behalf of the Company; and
- 24.5.4 do any other thing in his capacity as a Director in relation to the transaction;
- as if the Director was not interested in the transaction.
- 24.6 Subject to Article 24.7, a Director is interested in a transaction to which the Company is a party if the director:-
- 24.6.1 is a party to, or may derive a material benefit from, the transaction;
- 24.6.2 has a material financial interest in another party to the transaction;
- 24.6.3 is a director, officer, employee or Shareholder of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;
- 24.6.4 is the parent, child or spouse of another party who may derive a material financial benefit from the transaction;
- or
- 24.6.5 is otherwise directly or indirectly materially interested in the transaction.
- 24.7 A director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.
- 24.8 A Director may hold any other office or place of profit under the Company (other than Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any such other office or place of profit or as vendor purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- 24.9 Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

25 DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 25.1 The office of a Director shall ipso facto be vacated:-
- 25.1.1 if he (not being a person holding for a fixed term an executive office subject to termination if he ceases from any cause to be a Director) resigns his office by written notice signed by him sent to or deposited at the Office, provided that the Company may agree to accept the resignation to take effect on a later date as specified by the resigning Director;
- 25.1.2 if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of twelve months and the Board resolves that his office shall be vacated;
- 25.1.3 if he becomes bankrupt, suspends payment or compounds with his creditors, or is adjudged insolvent or has his affairs declared en désastre or has a preliminary vesting order made against his Guernsey realty;
- 25.1.4 if he becomes of unsound mind or incapable;
- 25.1.5 if he becomes insolvent suspends payment or compounds with his creditors;
- 25.1.6 if he is requested to resign by written notice signed by all his co-Directors;
- 25.1.7 if the Company in general meeting shall declare that he shall cease to be a Director;
- 25.1.8 if he becomes prohibited from acting as Director pursuant to the Law; or
- 25.1.9 if he becomes resident in the United Kingdom or in the Republic of South Africa and, as a result thereof, a majority of the Directors are resident in the United Kingdom or in the Republic of South Africa.
- 26 If the Company in general meeting removes any Director before the expiration of his period of office it may by an Ordinary Resolution appoint another person to be a Director in his stead who shall retain his office so long only as the Director in whose stead he is appointed would have held the same if he had not been removed. Such removal shall be without prejudice to any claims such Director may have for damages for breach of any contract of service between him and the Company.

27 PROCEEDINGS OF DIRECTORS

- 27.1 The Board may meet for the despatch of business adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman at the meeting shall have a second or casting vote. All meetings of Directors shall take place outside of the United Kingdom and the Republic of South Africa and any decision reached or resolution passed by the Directors at any meeting held within the United Kingdom or in the Republic of South Africa or at which a majority of United Kingdom or South African resident directors is present shall be invalid and of no effect.
- 27.2 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Directors participates and all participants can hear and speak to each other shall be a valid meeting **PROVIDED THAT** no Directors physically present in the United Kingdom or in the Republic of South Africa at the time of any such meeting may participate in a meeting by means of video link, telephone conference call or other electronic or telephonic means of communication.
- 27.3 The Board shall also determine the notice necessary for its meetings and the persons to whom such notice shall be given.
- 27.4 A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the Board.
- 27.5 The continuing Directors may act notwithstanding any vacancy but if and so long as their number is reduced below the minimum number fixed pursuant to these Articles the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting but for no other purpose. If there be no Directors able or willing to act then any holder may summon a general meeting for the purpose of appointing Directors.
- 27.6 The Board may elect one of their number as Chairman of their meetings who will hold office only for the duration of the meeting at which he was elected. If no such Chairman be elected or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same the Directors present may choose one of their number to be Chairman of the meeting.
- 27.7 The Board may delegate any of their powers to committees consisting of such one or more Directors as they think fit. Such committees shall meet only outside the United Kingdom and the Republic of South Africa. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.
- 27.8 The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two except that where the minimum number of Directors has been fixed at one a sole Director shall be deemed to form a quorum. For the purposes of this Article an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.

28 EXECUTIVE DIRECTOR

- 28.1 The Board may at any time appoint one or more of their body (who is resident outside the United Kingdom and the Republic of South Africa) to be holder of any executive office including the office of Managing Director for such periods and upon such terms as the Board may determine and may revoke or terminate any such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.
- 28.2 The Board may entrust to and confer upon a Director holding any executive office any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as it thinks fit either collaterally with or to the exclusion of their own powers and may at any time revoke withdraw alter or vary all or any of such powers.

29 SECRETARY

- 29.1 The Secretary shall be appointed by the Board. Anything required or authorised to be done by or to the Secretary, may, if the office is vacant or there is for any other reason no Secretary capable of acting be done by or to any assistant or deputy secretary or if there is no assistant or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors.
- 29.2 No person shall be appointed or hold office as Secretary who is:-
- 29.2.1 the sole Director of the Company, or
 - 29.2.2 a corporation the sole Director of which is the sole Director of the Company, or
 - 29.2.3 the sole Director of a corporation which is the sole Director of the Company.

- 29.3 Where the Company has appointed a Secretary, and without prejudice to the responsibility of any other person or to any other responsibilities he may hold, the functions and responsibilities of a Secretary are those which are set out in any agreement under which the Secretary is appointed from time to time or, failing such agreement the Secretary shall take reasonable steps to ensure:
- 29.3.1 that all registers and indexes are maintained in accordance with the provisions of the Law;
 - 29.3.2 that all notices and documents required to be filed or served upon the Registrar of Companies or other persons are duly so filed or served;
 - 29.3.3 that all resolutions, records and minutes of the Company are properly kept;
 - 29.3.4 that copies of the Memorandum and Articles are kept fully up to date; and
 - 29.3.5 that the Directors are aware of any obligations imposed by the Articles.
- 29.4 The Secretary may be removed by resolution of the Directors or otherwise in accordance with Article 25 which shall apply mutatis mutandis as if the Secretary were a Director, save that Article 25.1.9 shall not apply.

30 RESIDENT AGENT

If Part XXIX of the Law applies to the Company, the Board shall ensure that a resident agent is appointed in accordance with the Law.

31 THE SEAL

If the Board determines to maintain a Seal it shall provide for the safe custody of the Seal which shall only be used by authority of the Board or of a committee and every instrument to which the Seal shall be affixed shall be signed by any such persons as are authorised by the Board in that behalf. The Board may authorise the use of a duplicate or facsimile Seal for use outside Guernsey in such manner as the Board may at its discretion determine.

32 COMMON SIGNATURE

- 32.1 The common signature of the Company may be either:-
- 32.1.1 the name of the Company with the addition of the signature(s) of one or more of the Directors or officers of the Company authorised generally or specifically by the Board for such purpose, or such other person or persons as the Board may from time to time appoint; or
 - 32.1.2 if the Board resolves that the Company shall have a Seal, it shall be affixed in such manner as these Articles or the Board may from time to time provide.

33 AUTHENTICATION OF DOCUMENTS

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the Company (including the Memorandum and these Articles) and any resolutions passed by the Company or the Board and any books records documents and accounts relating to the business of the Company and to certify copies or extracts as true copies or extracts; and where any books records documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having their custody shall be deemed to be a person appointed by the Board as aforesaid.

34 DIVIDENDS

- 34.1 Subject to the Law the Company in general meeting may at any time declare dividend's but no dividend shall exceed the amount recommended by the Board. All dividends will be paid in accordance with the policy of the Bermuda Stock Exchange.
- 34.2 Subject to the Law the method of payment of dividends shall be at the discretion of the Board.
- 34.3 Subject to Article 18, unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid according to the amounts paid up or credited as paid-up on the shares in respect whereof the dividend is paid.
- 34.4 The Directors may at any time if they think fit declare and pay such interim dividends as appear to be justified by the position of the Company.
- 34.5 With the sanction of the Company in general meeting, any dividend may be paid wholly or in part by the distribution of specific assets and, in particular, of paid-up shares of the Company. Where any difficulty arises in regard to such distribution the Board may settle the same as it thinks expedient and in particular may issue fractional shares and fix the value for distribution of such specific assets and may determine that cash payments shall be made to any Shareholders upon the footing of the value so fixed in order to adjust the rights of Shareholders and may vest any such specific assets in trustees for the Shareholders entitled as may seem expedient to the Board.
- 34.6 The Board may deduct from any dividend payable to any Shareholder on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
- 34.7 The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.
- 34.8 The Board may retain dividends payable upon shares in respect of which any person is entitled to become a Shareholder until such person has become a Shareholder.

- 34.9 Any dividend interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post at the risk of the person entitled to the money represented thereby to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the Register. Any one of two or more joint holders may give effectual receipts for any dividends interest bonuses or other moneys payable in respect of their joint holdings.
- 34.10 No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
- 34.11 All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. No dividends will bear interest against the Company. All dividends unclaimed for a period of six years after having been declared or became due for payment shall be forfeited and shall revert to the Company and the payment by the Directors of any unclaimed dividend or other monies payable on or in respect of a share into a separate account will not constitute the Company a trustee in respect thereof.

35 RESERVES

The Board may before recommending any dividend set aside such sums out of the profits or otherwise of the Company as it thinks proper as reserves which shall at the discretion of the Board be applicable for any purpose to which such sums may be properly applied and pending such application may either be employed in the business of the Company or be invested in such investments as the Board may at any time think fit. The Board may also without placing the same to reserve carry forward any profits or other sums which it may think prudent not to distribute.

36 ACCOUNTS AND REPORTS

- 36.1 The Board shall cause proper books of account to be kept with respect to all the transactions assets and liabilities of the Company in accordance with the Law and international accounting standards.
- 36.2 The books of account shall be kept at the Office or at such other place as the Board shall think fit and shall at all times be open to the inspection of the Directors but no person other than a Director or Auditor or other person whose duty requires and entitles him to do so shall be entitled to inspect the books, accounts and documents of the Company except as provided by the Law or authorised by the Board or by the Company in general meeting.
- 36.3 The accounts shall include a balance sheet and profit and loss account and shall be laid before the Company at its annual general meeting in each year. Save where the Directors' duty to prepare a report is exempted or waived in accordance with the Law, the accounts shall be accompanied by a report of the Directors which includes a statement of the principal activities of the Company in the course of the Financial Year and may be in summary form. The Auditors' report shall be attached to the accounts or there shall be inserted at the foot of the accounts a reference to the report.
- 36.4 A copy of the accounts and of all documents annexed thereto including the reports of the Directors (if any) and the Auditor shall at least twenty one days before the date of the meeting be delivered or sent by post or electronically to each of the registered holders and to the Auditor. Any holder may by written notice served on the Company waive this requirement.

37 AUDITORS

- 37.1 A Director shall not be capable of being appointed as an Auditor.
- 37.2 A person other than a retiring Auditor shall not be capable of being appointed Auditor at an ordinary general meeting unless notice of intention to nominate that person as Auditor has been given by a Shareholder to the Company not less than fourteen clear days before the meeting and the Board shall send a copy of any such notice to the retiring Auditor and shall give notice to the Shareholders not less than seven clear days before the meeting **PROVIDED THAT** if after notice of the intention to nominate an Auditor has been so given a meeting is called for a date fourteen clear days or less after such notice has been given the requirements of this provision as to time in respect of such notice shall be deemed to have been satisfied and the notice to be sent or given by the Company may instead of being sent or given within the time required by this Article be sent or given at the same time as the notice of the meeting.
- 37.3 The first Auditor shall be appointed by the Board before the first general meeting and they shall hold office until the first ordinary general meeting unless previously removed in which case the Shareholders at such meeting may appoint the Auditors.
- 37.4 The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditors (if any) may act.

- 37.5 The remuneration of the Auditor shall be fixed by the Company in a general meeting or in such manner as the Company may determine except that the remuneration of any Auditors appointed by the Board shall be fixed by the Board.
- 37.6 Every Auditor shall have a right of access at all times to the books accounts and documents of the Company and as regards books accounts and documents of which the originals are not readily available shall be entitled to rely upon copies or extracts certified by an officer of the Company and shall be entitled to require from the Board such information and explanations as may be necessary for the performance of their duties and the Auditors shall make a report to the Shareholders on the accounts examined by them and the report shall state whether in their opinion the accounts give a true and fair view of the state of the Company's affairs and whether they have been prepared in accordance with the Law.
- 37.7 Any Auditor shall be eligible for re-election.

38 NOTICES

- 38.1 Any Shareholder may notify the Company of a Relevant Electronic Address for the purpose of his receiving communications by Electronic Means from the Company at any time.
- 38.2 Any document or notice which, in accordance with these Articles, may be transmitted by the Company in electronic form and by Electronic Means shall, if so transmitted, be deemed to be regarded as served immediately after it was transmitted. Proof (in accordance with the formal recommendations of best practice contained in the guidance issued by the United Kingdom Institute of Chartered Secretaries and Administrators) that a communication was transmitted by Electronic Means by the Company shall be conclusive evidence of such transmission.
- 38.3 A communication by Electronic Means shall not be treated as served by the Company if it is rejected by computer virus protection arrangements.
- 38.4 A notice may be given by the Company to any Shareholder either personally or in electronic form by Electronic Means (including publication on a website in accordance with Section 208 of the Law) or by sending it by prepaid post addressed to such Shareholder at his registered address or if he desires that notices shall be sent to some other address or person to the address or person nominated for such purpose. Notices to be posted to addresses outside the Channel Islands and the United Kingdom shall so far as practicable be forwarded by prepaid airmail.
- 38.5 The Company shall, where no other period is specified in these Articles, give all Shareholders sufficient notice to enable them to exercise their rights or comply with the terms of the notice.
- 38.6 Any notice or other document, if served by post (including registered post, recorded delivery service or ordinary letter post), shall be deemed to have been served on the second day after the day on which the same was posted from Guernsey to an address in the United Kingdom, the Channel Islands or the Isle of Man and, in any other case, on the third day following that on which the same was posted and, in each case, excluding any day which is a Saturday, Sunday, Good Friday, Christmas Day, bank holiday in Guernsey, or a day appointed as a day of public thanksgiving or public mourning in Guernsey.
- 38.7 Any notice or document delivered or sent by post to or left at the registered address of any Shareholder shall notwithstanding the death disability insolvency of such Shareholder and whether the Company has notice thereof be deemed to have been duly served in respect of any share registered in the name of such Shareholder as sole or joint holder and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such share.
- 38.8 Service of a document sent by post shall be proved by showing the date of posting, the address thereon and the fact of pre-payment.
- 38.9 Any notice or other document, if transmitted by Electronic Means, facsimile transmission or other similar means which produce or enable the production of a document containing the text of the communication, shall be regarded as served immediately after it was transmitted.
- 38.10 A notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder first named in the Register in respect of the Share.
- 38.11 All Shareholders shall be deemed to have agreed to accept communication from the Company by Electronic Means in accordance with Sections 523, 524 and 526 and Schedule 3 of the Law unless a Shareholder notifies the Company otherwise. Notice under this Article must be in writing and signed by the Shareholder and delivered to the Company's Office or such other place as the Board directs.

39 RECORD DATES

- 39.1 Subject to any restriction thereon contained in the Law, for the purposes of serving notices of meetings, whether under the Law or under a provision in these Articles or any other instrument, the Directors may determine that those persons who are entered on the Register at the close of business on a day determined by the Directors shall be persons who are entitled to receive such notices provided that such day may not be more than 21 days before the day on which the notices of the meeting are sent.
- 39.2 For the purposes of determining which persons are entitled to attend or vote at a meeting, and how many votes they may cast, the Directors may specify in the notice of the meeting a time, being not more than 48 hours, excluding any days which are not Business Days, before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting.
- 39.3 Notwithstanding any provision to the contrary in these Articles, changes to entries on the Register after the time specified under Article 39.2 shall be disregarded in determining the rights of any person to attend or vote at the meeting unless the Directors in their discretion decide otherwise.
- 39.4 Subject to any restriction thereon contained in the Law or in the terms of issue of any share in the Company, for the purposes of issuing any share, making any distribution or paying any dividend, the Directors may determine that those persons who are entered on the Register at the close of business on a day determined by the Directors shall be the persons who are entitled to receive such shares, dividends or distributions.

40 WINDING UP

- 40.1 In the event of the Company being wound up, the Liquidator will apply the assets of the Company, subject to the provisions of the Law, in satisfaction of the costs associated with the liquidation creditors' claims in such manner and order as he thinks fit.
- 40.2 The assets available for distribution among the Shareholders shall then be applied in the following priority:-
- 40.2.1 firstly, in payment to the Shareholders a sum equal to the nominal amount of the Shares held by such holders respectively;
- 40.2.2 secondly, in the payment to holders of Management Shares of sums up to the nominal amount paid up thereon; and
- 40.2.3 thirdly, in payment to the Shareholders of any balance then remaining, such payment being made in proportion to the number of shares held.
- 40.3 If the Company shall be wound up whether voluntarily or otherwise the Liquidator may with the authority of a Special Resolution divide among the Shareholders in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The Liquidator may with the like authority vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the Liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no Shareholder shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.
- 40.4 If thought expedient subject to the obtaining of any necessary consents or sanctions any such division made in accordance with Article 40.2 above may be otherwise than in accordance with the then existing rights of the Shareholders and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in default of any such provision the assets shall subject to the rights of the holders of shares issued with special rights or privileges or on special conditions be distributed rateably according to the amount paid up on the shares.
- 40.5 In case any of the shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within fourteen clear days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall if practicable act accordingly.
- 40.6 Where the Company is proposed to be or is in course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company (the "transferee") the Liquidator of the Company may, with the sanction of an Ordinary Resolution, conferring either a general authority on the Liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares policies or other like interests in the transferee for distribution among the Shareholders of the Company or may enter into any other arrangement whereby the Shareholders of the Company may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee.

41 DURATION

- 41.1 The Company is of unlimited duration subject to the right of the Directors to convene an extraordinary general meeting of the Company to be held within 25 days after the Redemption Date at which a Special Resolution shall be proposed requiring that the Company be wound up voluntarily. At such meeting the vote of those Shareholders entitled to vote shall be taken by poll and the provisions of Article 41.2 shall apply in relation to such vote.
- 41.2 At any such extraordinary general meeting, those holders of shares who (being individuals) are present in person or by proxy or (being corporations) are present by proxy or by duly authorised representative and entitled to vote and who vote in favour of the resolution shall, on a poll, have such number of votes in respect of each share held by them (including fractions of a vote) so that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of votes cast against the resolution and each Shareholder present in person or by proxy and entitled to vote and who votes against such resolution shall on a poll have one vote for each share held.

42 INDEMNITY

To the greatest extent possible under the Law, every Director Managing Director manager agent Auditor Secretary and other officer or servant for the time being of the Company and any trustee (if any) for the time being acting in relation to any of the affairs of the Company and each of their respective heirs and executors shall be fully indemnified out of the assets and profits of the Company from and against all actions expenses and liabilities which they or their respective heirs or executors may incur by reason of any contract entered into or any act in or about the execution of their respective offices or trusts except such (if any) as they shall incur by or through their own negligence, default, breach of duty or breach of trust respectively and none of them shall be answerable for the acts receipts neglects or defaults of the others of them or for joining in any receipt for the sake of conformity or for any bankers or other person with whom any moneys or assets of the Company may be lodged or deposited for safe custody or for any bankers or other persons into whose hands any money or assets of the Company may come or for any defects of title of the Company to any property purchased or for insufficiency or deficiency of or defect in title of the Company to any security upon which any moneys of the Company shall be placed out or invested or for any loss misfortune or damage resulting from any such cause as aforesaid or which may happen in or about the execution of their respective offices or trusts except the same shall happen by or through their own negligence, default, breach of duty or breach of trust.

43 INSURANCE

Without prejudice to any other provisions of these Articles, the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company, or of any other body (whether or not incorporated) which is or was its subsidiary of the Company (together "Group Companies") or otherwise associated with the Company or any Group Company or in which the Company or any such Group Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, including (without prejudice to the generality of the foregoing) insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and discretions and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body.

44 INSPECTION OF DOCUMENTS

The Board shall determine whether and to what extent and at what times and places and under what conditions the accounts books and documents of the Company shall be open to inspection and no Shareholder shall have any right of inspecting any account or book or document except as conferred by the Law or authorised by the Board.

45 AMENDMENT TO ARTICLES

These Articles may from time to time be amended in accordance with the Part IV of the Law **PROVIDED THAT** no such amendment shall be made unless prior written approval has been sought and obtained from the Bermuda Stock Exchange for such amendment (including any deletion or addition) for so long as any shares are listed on the Bermuda Stock Exchange.

46 MISCELLANEOUS

The Company or its agents shall, if required to do so under the legislation of any jurisdiction to which any of them are subject, be entitled to release or disclose any information in their possession regarding the Company or its affairs or any of its Shareholders (or their direct or indirect owners or account holders), including without limitation information required under FATCA or Similar Legislation. In making payments to or for the benefit of Shareholders, the Company may also

make any withholding or deduction required by FATCA or Similar Legislation.