

SBM PERPETUAL FUND LTD

(the “Fund”)

Prospectus in connection with the Issuance
of Participating Shares

August 2015

IMPORTANT NOTICE

This Prospectus and accompanying materials are confidential and has been prepared solely for consideration of a limited number of prospective qualified Investors interested in the offering described herein (the "Offering").

This Prospectus does not constitute or contain an offer or invitation to subscribe for or to purchase shares in any jurisdiction, unless in the relevant jurisdiction such an invitation could lawfully be made to an Investor without compliance with any registration or other legal requirements or where such registration or other legal requirements have been complied with. The information in this Prospectus is subject to change, alteration, modifications and amendments from time to time.

This Prospectus is being furnished to prospective Investors on a confidential basis for them to consider an investment in the SBM Perpetual Fund Ltd and may not be used for any other purpose. This Prospectus may not be reproduced or provided to others without the prior written permission of the board of Directors of the SBM Perpetual Fund Ltd (the "Board"). By accepting delivery of this Prospectus, each prospective Investor agrees to the foregoing.

This Prospectus is a prospectus and the interests herein are being offered to the public and constitute offer to the public in Mauritius.

THE INVESTORS MAY BE INVESTING IN THE PARTICIPATING SHARES IN SBM PERPETUAL FUND LTD ("FUND") SET UP AS AN OPEN-ENDED FUND. IN ADDITION, ANY U.S. INVESTORS MUST ALSO BE ACCREDITED INVESTORS AND QUALIFIED PURCHASERS (EACH AS DEFINED HEREIN). NO PERSON RECEIVING A COPY OF THIS PROSPECTUS IN ANY TERRITORY MAY TREAT THE SAME AS CONSTITUTING AN INVITATION TO HIM, UNLESS IN THE RELEVANT TERRITORY, SUCH AN INVITATION COULD LAWFULLY BE MADE TO HIM WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL REQUIREMENTS OR WHERE SUCH REGISTRATION OR LEGAL REQUIREMENTS HAVE BEEN COMPLIED WITH. BY ACCEPTING DELIVERY OF THIS PROSPECTUS, EACH PROSPECTIVE INVESTOR AGREES TO THE FOREGOING.

THE DISTRIBUTION OF THIS PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, IT IS CRITICAL THAT PERSONS WHO COME INTO WHOSE POSSESSION THIS PROSPECTUS INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTIONS.

IF YOU ARE IN DOUBT AS TO THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR LAWYER, ACCOUNTANT OR FINANCIAL ADVISER(S). THE CONTENTS OF THIS PROSPECTUS SHOULD NOT BE TREATED AS ADVICE RELATING TO INVESTMENT, LEGAL OR TAXATION MATTERS. PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN INDEPENDENT ADVISORS AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING THE FUND AND INVESTMENT THEREIN.

COPIES OF THE PROSPECTUS AND EACH OF THE FUND DOCUMENTS ARE AVAILABLE FOR INSPECTION AT THE REGISTERED OFFICE OF THE FUND DURING BUSINESS HOURS SITUATED AT SBM TOWER, 1 QUEEN ELIZABETH II AVENUE, PORT LOUIS, MAURITIUS.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include statements relating to:

- the Fund's business and operating strategies;
- the Fund's capital expenditure and investment plans;
- the amount and nature of, and potential for, future development of the Fund's business;
- the Fund's operations and business prospects;
- various business opportunities that the Fund may pursue;
- the prospective financial information regarding the Fund;
- the regulatory environment relating to the Fund;
- changes in political, economic, legal and social conditions in Mauritius and any selected markets in which the Fund will invest;
- other factors beyond our control.

In some cases, forward-looking statements are identified by such terminology as "may," "will," "should," "could," "would," "expect," "intend," "plan," "anticipate," "going forward," "ought to," "seek," "project," "forecast," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other comparable terminology. Such statements reflect the current views of the Fund with respect to future events, operations, results, liquidity and capital resources and are not guarantees of future performance and some of which may not materialize or may change. Although the Fund believes that the expectations reflected in these forward-looking statements are reasonable, it cannot assure you that those expectations will prove to be correct, and you are cautioned not to place undue reliance on such statements.

In addition, unanticipated events may adversely affect the actual results the Fund achieves. Important factors that could cause actual results to differ materially from our expectations are disclosed under the section entitled "Risk Factors" in this Prospectus. Except as required by law, the Fund undertakes no obligation to update or otherwise revise any forward-looking statements contained in this Prospectus, whether as a result of new information, future events or otherwise after the date of this Prospectus. All forward-looking statements contained in this Prospectus are qualified by reference to the cautionary statements set forth in this section.

LEGAL DISCLOSURE

THE FUND IS INCORPORATED AS A PUBLIC COMPANY LIMITED BY SHARES IN MAURITIUS UNDER THE ACT (AS DEFINED BELOW) AND IS ORGANISED AS A COLLECTIVE INVESTMENT SCHEME PURSUANT TO THE MAURITIUS SECURITIES ACT 2005 (THE "SECURITIES ACT"), AS AMENDED, AND THE SECURITIES (COLLECTIVE INVESTMENT SCHEMES AND CLOSED-END FUNDS) REGULATIONS 2008 ISSUED THEREUNDER (THE "REGULATIONS").

THE FUND HAS A SHARE CAPITAL COMPRISING OF MANAGEMENT SHARES AND PARTICIPATING SHARES. THE FUND IS OFFERING PARTICIPATING SHARES (SUBJECT TO CERTAIN TERMS AND CONDITIONS SPECIFIED BELOW IN THIS PROSPECTUS), DENOMINATED IN MAURITAN RUPEES ("MUR"), AND AS AN OPEN-ENDED FUND, SUCH PARTICIPATING SHARES SHALL BE AVAILABLE ONLY TO PROSPECTIVE ELIGIBLE INVESTORS. PARTICIPATING SHARES ARE OFFERED TO THE PUBLIC IN MAURITIUS AND THE FUND QUALIFIES AS A "REPORTING ISSUER" AS DEFINED UNDER THE SECURITIES ACT.

THE DIRECTORS OF THE FUND WHOSE NAME APPEAR IN THIS PROSPECTUS ACCEPT RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, AND THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, AND AFTER MAKING REASONABLE ENQUIRIES, THE INFORMATION CONTAINED IN THIS PROSPECTUS IS IN ACCORDANCE WITH THE FACTS AND THAT THE PROSPECTUS MAKES NO OMISSION LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION.

THIS PROSPECTUS HAS BEEN DRAWN UP IN COMPLIANCE WITH THE SECURITIES ACT, AS AMENDED, AND THE REGULATIONS. THE SUBMISSION OF THE CONSTITUTIVE DOCUMENTS OF THE FUND TO THE FSC AND THE APPROVALS GIVEN BY THE FSC TO THE FUND AND TO ITS MANAGER DOES NOT IN ANY WAY IMPLY THAT THE FSC HAS CONVEYED ITS APPROVAL OR OTHERWISE VOUCHES FOR THE FINANCIAL SOUNDNESS OR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE SAID DOCUMENTS WITH REGARDS TO THE FUND.

RISK DISCLOSURE

INVESTMENTS IN PARTICIPATING SHARES WILL INVOLVE SIGNIFICANT RISKS DUE TO, AMONG OTHER THINGS, THE NATURE OF THE FUND'S INVESTMENTS.

THE INFORMATION ON TAXATION CONTAINED IN THE PROSPECTUS IS A SUMMARY OF CERTAIN TAX CONSIDERATIONS BUT IS NOT INTENDED TO BE A COMPLETE DISCUSSION OF ALL TAX CONSIDERATIONS.

THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVES OF THE FUND WILL BE ACHIEVED AND INVESTMENT RESULTS MAY VARY SUBSTANTIALLY OVER SHORT PERIODS OF TIME. IN ADDITION, IN TRYING TO MEET ITS INVESTMENT OBJECTIVES, THE FUND MIGHT UNDERPERFORM THE MARKETS IN SCENARIOS OF STRONG UPWARD OR DOWNWARD CYCLES. THE FUND SEEKS TO GENERATE RETURNS OUT OF IDENTIFYING THEMES AND MARKET SEGMENTS THAT ARE LIKELY TO OUTPERFORM IN THE FUTURE.

AN INVESTMENT IN THE FUND IS NOT INTENDED TO BE A COMPLETE INVESTMENT PROGRAMME FOR ANY INVESTOR AND PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WHETHER AN INVESTMENT IN THE FUND IS SUITABLE FOR THEM IN LIGHT OF THEIR OWN CIRCUMSTANCES AND FINANCIAL RESOURCES.

BECAUSE OF THE RISKS INVOLVED, INVESTMENT IN THE FUND IS ONLY SUITABLE FOR SUCH INVESTORS WHO ARE ABLE TO BEAR THE LOSS OF A SUBSTANTIAL PORTION OR EVEN ALL OF THE MONEY THEY INVEST IN THE FUND, WHO UNDERSTAND THE HIGH DEGREE OF RISK INVOLVED, BELIEVE THAT THE INVESTMENT IS SUITABLE BASED UPON THEIR INVESTMENT OBJECTIVES AND FINANCIAL NEEDS AND HAVE NO NEED FOR LIQUIDITY OF INVESTMENTS. INVESTORS ARE THEREFORE ADVISED TO SEEK INDEPENDENT PROFESSIONAL ADVICE ON THE IMPLICATIONS OF INVESTING IN THE FUND.

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DEFINITIONS

"Act"	means the Companies Act 2001 of Mauritius, as amended.
"Administrator" and "Registrar"	means SBM Fund Services Ltd , a company incorporated under the laws of Mauritius and having its registered office at SBM Tower, 1 Queen Elizabeth II Avenue, Port Louis, Mauritius and includes such subsequent administrator, registrar as may be appointed by the Fund from time to time to provide administrative and registrar services to the Fund.
"Auditors"	means Ernst & Young having its office at Level 9, Tower 1, NeXTeracom, Cybercity, Ebene, Mauritius, or any subsequent auditors as may be appointed by the Management Shareholder in annual meetings from time to time.
"Business Day"	means any day on which banks in Mauritius are open for normal business
"Class"	A Class created by the Fund in accordance with Article 11 of the Constitution.
"Class Share"	means a Participating Share of whatever class, series or category, the proceeds of which issue are comprised in the Class Assets attributable solely to the Class in respect of which the Class Share was issued.
"Class Assets"	means in relation to any Class, the assets of the Fund attributable to that Class comprising assets represented by the proceeds of the issue of Participating Shares of that particular Class, reserves (including retained earnings and capital reserves) and all other assets attributable to that Class.
"Code of Corporate Governance"	means the Report on Corporate Governance for Mauritius, April 2004.
"Committees"	means the committees set up by the Board to which shall be assigned specific functions and which shall report and make recommendations to the Board.

"Constitution"	means the Constitution of the Fund dated the 22 nd September 2006.
"Custodian"	means SBM Bank (Mauritius) Ltd, having its registered office at SBM Tower, 1 Queen Elizabeth II Avenue Port Louis, Mauritius or any other custodian as may be appointed by the Board from time to time.
"Custody Agreement"	means the agreement between the Fund and the Custodian from time to time.
"Dealing Day"	means with respect to the issue of Participating Shares, the last Business Day of the month.
"Directors"	means the directors of the Fund whose names are set out under the caption "Management and Administration of the Fund" in Section I of this Prospectus being directors of the Fund for the time being or, as the case may be, the directors assembled as a Board in a Meeting or as a Committee of the Board.
"Eligible Investor"	means an investor in the Fund who is a Qualified Holder.
"FSC"	means the Financial Services Commission of Mauritius.
"FSC Rules"	means the Securities (Disclosure obligations of reporting issuers) Rules 2007 made by FSC or such other rules made by the FSC applicable to the Fund.
"Fund"	means " SBM Perpetual Fund Ltd ", a public company limited by shares having company number 65690 and with registered address at SBM Tower, 1 Queen Elizabeth II Avenue, Port-Louis, Mauritius.
"IFRS"	means the International Financial Reporting Standards.
"Investor"	means any Eligible Investor who is qualified to invest in Participating Shares being offered by the Fund.
"Investment Manager"	means SBM Mauritius Asset Managers Ltd (SBM MAM) a company incorporated under the laws of Mauritius and having its registered office at SBM Tower, 1 Queen Elizabeth II Avenue Port Louis, Mauritius.

“Investment Management Agreement”	means the investment management agreement entered into between the Fund and the Investment Manager as amended from time to time pursuant to which all investment / divestment decisions will be delegated, subject to the overall supervision of the Fund’s Board, to the Investment Manager.
“Management Shares”	means a share in the capital of the Fund of no par value designated as a Management Share and having the rights provided for under the Constitution with respect to such shares.
“Management Shareholder”	means the holder of one or more Management Shares.
“Minimum Holding”	in case of Participating Shares, means the equivalent of Rs 100,000 or as may be decided by the Board of Directors.
“Net Asset Value” or “NAV”	means the net asset value of the Fund or Participating Shares, as the context may require, calculated as described under the caption “Determination of Net Asset Value” in Section IV of this Prospectus.
“Offer Period”	means the period determined by the Board of the Fund or the Investment Manager during which the Participating Shares are offered for subscription at the prevailing NAV on the relevant Dealing Day. Duly completed Subscription Agreement must be received by the Administrator at least 1 (one) day prior to the relevant Dealing Day. Cleared funds in respect of the subscription monies must be received in full, in the Fund’s bank account at least 1 (one) Business Day prior to the relevant Dealing Day.
“Participating Shares”	means a participating redeemable preference share (“PS”) in the capital of the Fund of no par value issued in accordance with the provisions of the law and the Constitution and having the rights provided for under the Constitution with respect to the shares. The terms “Participating Share” shall embrace all classes of such shares except when referred to in their separate classes.
“Prospectus”	means this confidential Prospectus and all supplements hereto, and includes the Annexure hereto.

"Qualified Holder"	means any person (being over the age of 18), corporation or entity other than (i) any person, corporation or entity which cannot acquire or hold Shares without violating laws or regulations applicable to it; or (ii) any person, corporation, entity whose holding of shares, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage when the Fund might not otherwise have incurred or suffered;(iii) any person, corporation or entity whose holding of the Shares, in the opinion of the Directors, does not conform with the requirements of this Prospectus and the Constitution; (iv) a custodian, nominee or trustee for any person or entity.
"Redemption Date"	means any Dealing Day on which Participating Shares may be redeemed.
"Redemption Price"	means the price per Participating Shares at which such Participating Shares are redeemed in accordance with the Constitution.
"Securities"	means the fixed income securities.
"Share"	means a share in the capital of the Fund from time to time, which is either a Management Share, or a Participating Share and includes a Class Share.
"Shareholders"	means a person who is registered as the holder of shares for each class for the time being kept by or on behalf of the Fund.
"Subscription Agreement"	means the subscription agreement entered into by an Investor with the Fund for subscription to the Participating Shares of the Fund.
"Valuation Day"	means in relation to a Class, the last Business Day of the month
"Valuation Point"	means end of day of the relevant Valuation Day.

References herein to the sign “MUR” or “Rs” are to the currency of the Republic of Mauritius.

All references to time are to Mauritius time, unless otherwise stated. Capitalized terms not otherwise defined herein shall have the same meaning as ascribed to them in the Constitution and vice versa. The Constitution and the Prospectus shall be considered concurrently for the purposes of interpretation and construction thereof. In case of any conflict in any term of the Constitution and the Prospectus, recourse shall be made to the intention set out in the Prospectus.

DIRECTORY

Fund	<p>SBM Perpetual Fund Ltd</p> <p>Registered office: SBM Tower, I Queen Elizabeth II Avenue, Port-Louis, Mauritius</p>
Directors of the Fund	<p>(1) Mario Gebert</p> <p>(2) Ah Vee Li Chun Fong</p>
Investment Manager	<p>SBM Mauritius Asset Managers Limited</p> <p>Registered office at SBM Tower, I Queen Elizabeth II Avenue, Port-Louis, Mauritius.</p> <p>Tel: +230 202 1682</p> <p>Fax: +230 210 3369</p> <p>Email: sbm.assetm@sbmgroup.mu</p>
Directors of the Manager	<p>(1) Chandra Kumar Gujadhur</p> <p>(2) Pierre Marrier D'Unienville</p> <p>(3) York Shin Lim Voon Kee</p> <p>(4) Deeagarajen Manogaren (Sanda) Soondram</p> <p>(5) Pauline Seeyave</p>
Administrator	<p>SBM Fund Services Ltd</p> <p>Registered office at SBM Tower, 1 Queen Elizabeth II Avenue, Port-Louis, Mauritius.</p> <p>Tel: +230 202 1480</p> <p>Fax: +230 210 3369</p>
Auditors	<p>Ernst & Young</p> <p>Registered Office at Level 9, Tower 1, NeXTeracom, Cybercity, Ebene, Mauritius</p>

Custodian	<p>SBM Bank (Mauritius) Ltd</p> <p>Registered office at SBM Tower, I Queen Elizabeth II Avenue, Port-Louis, Mauritius.</p> <p>Tel: +230 202 1111</p> <p>Fax: +230 202 1234</p>
Banker	<p>SBM Bank (Mauritius) Ltd</p> <p>Registered office at SBM Tower, 1, Queen Elizabeth II Avenue, Port Louis, Mauritius.</p>
Legal Adviser	<p>BLC Chambers</p> <p>Registered office: 2nd Floor, The Axis, 26 Cybercity, Ebène, Mauritius.</p> <p>Email: chambers@blc.mu</p>

OVERVIEW OF THE FUND AND PRINCIPAL TERMS

The following summary is intended to highlight certain information in the body of this Prospectus and is intended only for quick reference. The information in this table is subject to more detailed information provided elsewhere in this Prospectus. The terms hereof are subject to modification or withdrawal. Potential Investors are urged to read carefully this entire Prospectus and the Appendices before making an investment in the Fund.

INTRODUCTION

This Prospectus describes details of Participating Shares being offered and the classes constituted therein, certain risks associated with Participating Shares, and the terms on which investments may be made.

Fund

SBM Perpetual Fund Ltd was incorporated on the 28th of September 2006 in Mauritius as a public company with limited liability. The registered office of the Fund is located at SBM Tower, 1 Queen Elizabeth II Avenue Port Louis, Mauritius. The Fund is authorised by the FSC to operate as a collective investment scheme pursuant to the Securities Act. The Fund also qualifies as a reporting issuer as defined under the Securities Act.

Investment Manager

SBM Mauritius Asset Managers Limited (SBM MAM), a private company incorporated with limited liability under the laws of Mauritius has been appointed the Investment Manager of the Fund pursuant to the Investment Management Agreement. The Investment Management Agreement grants to the Investment Manager, investment authority over the assets of the Fund and authorizes the Investment Manager to manage the Fund's securities portfolio on a day to day basis, subject to the overall supervision of the Board of the Fund.

The Investment Manager and its nominees may hold Management Shares as may be determined by the Board. The Management Shares will not participate in the profits or losses of the Fund, but shall carry all voting rights for the Fund, provided the holders of Participating Shares shall be entitled to vote only in cases of variation of their Class rights.

For more information about the Investment Manager, please refer to Section II titled "Management and Administration of the Fund".

Capital Structure

The share capital of the Fund is divided into the following classes of shares with the rights specified hereinafter:

- (a) One class of management shares ("Management Shares") of no par value to be issued to such person

or entity or corporation as approved by the Board with the following rights:

- (i) one vote for each Management Share and all voting rights relating to the management of the Fund will be vested in the Management Shares which are held by the Investment Manager
 - (ii) The holders of the Management Shares have no right to receive dividends nor any rights to participate nor receive surplus funds upon liquidation of the Fund other than a return of the nominal paid-up capital per Management Share in accordance with the Constitution; and
 - (iii) are non-redeemable;
- (b) One class of participating shares ("Participating Shares") for Investors, which shall be issued, at no par value in MUR as shall be determined by the Board of Directors with the following rights:
- (i) No voting rights, except where there is a variation of their rights;
 - (ii) the right to an equal share in dividends declared and authorized by the Board subject to satisfying the solvency test ;
 - (iii) the right to an equal share in the distribution of the surplus assets of the Fund.

Management Shares:

Management Shares of no par value, will hold all the voting rights in the Fund except (a) as provided in the Constitution, and (b) for the right of Shares of each Class to vote on variations of its Class rights. The Investment Board shall at its discretion determine who shall hold all the Management Shares issued by the Fund, which are non-redeemable, at no par value. The Management Shares will have no rights to receive dividends or other distributions from the Fund except for a return proportionate or fully paid up to value of the Shares when the Fund is wound up.

The Fund may also offer Participating Shares subsequent to the date hereof, on terms different than those received by the Shareholders set forth above and, accordingly, the Board of the Fund reserves the right to create additional classes of Participating Shares with rights, powers and duties different than those set forth above. This right of the Board of the

Fund will be subject to the statutory restriction that no action will be taken to vary the class rights attaching to Participating Shares without the prior approval by special resolution of the holders of the Participating Shares.

Administrator

The Fund has entered into an investment administration agreement (the "Investment Administration Agreement") with SBM Fund Services Ltd (the "Administrator"). The Administrator will perform NAV calculation, accounting, registrar, corporate actions and other administration services for the Fund.

Eligible Investors

No offer to sell (or solicitation of an offer to buy) is being made in any jurisdiction in which such offer or solicitation would be unlawful. The Participating Shares are a speculative investment and their purchase involves a high degree of risk. A subscription for the Participating Shares should be considered only by subscribers who have carefully read and understood this Prospectus.

Participating Shares may be subscribed only by Qualified Holders who can either be an institution or individual and resident or non-resident of Mauritius. The Fund will not knowingly offer or sell Participating Shares to any Investor who is not a Qualified Holder or to whom such offer or sale would be unlawful, or to any Investor who, by investing in the Fund, would commit a breach of the laws and regulations relating to the prevention of money laundering in his jurisdiction, or in Mauritius.

Minimum Investment

The minimum initial investment for the Participating Shares that will be accepted from an Eligible Investor is Rs 100,000 for Participating Shares. The Board may, after consulting the Investment Manager, and at its sole discretion, waive the minimum investment amount.

Subscriptions

The Participating Shares will be offered to Eligible Investors for subscription on a monthly basis ("Offer Period"). The subscription price per Participating Share shall be the Net Asset Value per Participating Share as on the Valuation Day immediately preceding the Dealing Day on which the Application is accepted. The form for Subscriptions must be sent to the Administrator at least 1 (one) Business Day prior to the relevant Dealing Day. Cleared funds in respect of the subscription monies relating to the Subscription must be received in full, in the Fund's bank account at least 1 (one) Business Day prior to the relevant Dealing Day. All applications for Subscriptions should be received in accordance with the form provided in the Subscription

Agreement entered into by the proposed Shareholder with the Fund.

Investment Objective

The overall objective of the Fund is to achieve long term capital appreciation by investing in a diversified portfolio of local fixed income investments

Investment Strategy

In order to achieve its objective the Fund will invest in a diversified portfolio of fixed income investment including but not restricted to Government Securities, term deposits with financial institutions and corporate bonds

Term of the Fund

The Fund will continue in existence indefinitely; provided that with the approval of the holders of Management Shares by special resolution, the Fund may, at any time dissolve, liquidate its investments and distribute its assets to the Shareholders. On the liquidation of the Fund, the assets available for distribution will be divided, subject to the Constitution, as follows:

(i) First, in the payment to the holders of Participating Shares of a sum in MUR (or in any other currency selected by the liquidator) as nearly as possible equal to the amount of the Participating Shares held by such holders respectively, provided that there are sufficient assets available in the Class to enable such payment to be made. In the event that there are insufficient assets available in the Class to enable such payment to be made, the available assets attributable to the Class shall be distributed exclusively to the holders of the Participating Shares pro rata to their respective Shareholdings;

(ii) Second, in the payment to the holders of the Management Shares of sums up to the par value paid up thereon out of the assets of the Fund. In the event that there are insufficient assets as aforesaid to enable such payment in full to the holders of the Management Shares to be made no recourse shall be made to any other assets of the Fund whether comprised within the Class or otherwise; and

(iii) Third, in the payment to the holders of Participating Shares of any balance then remaining in the Class, such payment being made as nearly as practicable in proportion to the number of Participating Shares held in the Class.

Risk Factors

An investment in the Fund involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their investment and who have limited need for liquidity in their investment. There can be no

assurance that the Fund will achieve its Investment Objective. An investment in the Fund carries with it the inherent risks associated with investments in securities and other instruments. In addition, in trying to meet its Investment Objective, the Fund might underperform the markets in scenarios of strong upward or downward cycles. The Fund seeks to generate returns out of identifying themes and market segments that are likely to outperform in the future. This may or may not happen. Each prospective Eligible Investor should review the Prospectus and the agreements referred to herein before deciding to invest in the Fund.

Side Letters

The Fund may from time to time enter into letter agreements or other similar agreements (collectively, "Side Letters") with one or more Participating Shareholders and/or its advisors which provide such Participating Shareholders and/or its advisors with additional and/or different rights (including, without limitation, with respect to the Subscription Fee, redemptions, access to information and minimum investment amounts) than other Participating Shareholders have pursuant to this Prospectus and the Constitution. Such Participating Shareholders and/or its advisors may be employees or affiliate of the Investment Manager, relatives of such persons, or certain large or strategic Investors. The Fund will not be required to notify any or all of the other Participating Shareholders of any such written agreements or any of the rights and/or terms or provisions thereof, nor will the Fund be required to offer such additional and/or different rights and/or terms to any or all of the other Participating Shareholders.

Dividend policy

In accordance with the Fund's Investment Objective, it is not envisaged that any income or gains derived from its investments will be distributed by way of dividend. This does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate to do so. In the event that a dividend is declared and remains unclaimed after a period of 6 years from the date of declaration, such dividend will be forfeited and will revert to the Fund. To the extent that a dividend may be declared, it will be paid in compliance with the Act.

Transfer Restrictions

Subject to the Constitution, no transfer or sale of Shares may be made without the prior written consent of the Board of the Fund, and any attempt to do so without such consent shall not be valid.

Exculpation and Indemnification

The Investment Manager, the Board of the Fund, the Administrator and certain of their affiliates are entitled to certain exculpation and indemnification rights under the Fund's Constitution, various service agreements with the Fund and the Prospectus.

Shareholder Reports

The following reports shall be made available on the website of the Investment Manager or its affiliates or upon request: (i) annual financial statements of the Fund prepared in accordance with IFRS and audited in accordance with International Standards of Auditing by an independent firm of chartered accountants established in Mauritius; (ii) in the discretion of the Investment Manager, periodically, a letter from the Investment Manager discussing the results of the Participating Shares; and (iii) other reports as determined by the Board of the Fund in its sole discretion. The Fund shall bear all fees incurred in providing such reports. In addition, copies of all annual reports and quarterly reports shall be made available to the public on the website of the Investment Manager.

The Investment Manager may agree to provide certain Shareholders with additional information on the underlying investments of the Fund, as well as access to the Investment Manager and its employees for relevant information.

Brokerage Practices

Portfolio transactions for the Fund will be allocated by the Investment Manager to brokers on the basis of best execution and in consideration of such brokers' ability to effect transactions, the brokers' facilities, reliability and financial responsibility, and the provision or payment of the costs of research and other brokerage related services. The Investment Manager will have the sole discretion of managing the broker practices.

Material Documents**or Fund Documents**

The Constitution, the Subscription Agreement, the Investment Management Agreement, the Investment Administration Agreement and the Custody Agreement.

Additional Information

Prospective Investors are invited to meet with the Investment Manager for a further explanation of the terms and conditions of the offering of Participating Shares and to obtain any information necessary to verify the information contained in the Fund Documents, to the extent the Investment Manager possesses such information or can acquire it without unreasonable effort or expense. Request for such information should be directed in writing to the

Investment Manager. However, no representations or warranties shall be binding on the Fund unless such representation and warranties are made in writing and signed by the Fund.

Functional Currency

The Fund's functional currency (i.e., the currency in which it maintains its books, records and financial statements) will be the MUR.

Investor Suitability Standards

No offer to sell (or solicitation of an offer to buy) is being made in any jurisdiction in which such offer or solicitation would be unlawful. The Participating Shares is a speculative investment and their purchase involves a high degree of risk. A subscription for Participating Shares should be considered only by subscribers who have carefully read and understood this Prospectus and the relevant Fund Documents.

The Shares shall be available only to Eligible Investors.

Legal Advisors to the Fund

BLC Chambers, 2nd Floor, The Axis, 26 Cybercity 72201, Ebène, Mauritius.

Company Secretary

Mrs Dayawantee Ramjug Chumun is the current Company Secretary of the Fund.

Custodian

SBM Bank (Mauritius) Ltd, a public company limited by shares incorporated under the laws of Mauritius with its registered address at SBM Tower, 1 Queen Elizabeth II Avenue Port Louis, Mauritius. The Custodian holds the assets of the Fund on behalf of Shareholders pursuant to the Custody Agreement. The Custodian may appoint sub-custodians, nominees, agents or delegates at the expense of the Fund or otherwise in the performance of its duties, subject to the Custody Agreement.

Auditors

Ernst & Young, a company incorporated under the laws of the Republic of Mauritius with its registered address Level 9, Tower 1, NeXTeracom, Cybercity, Ebene, Mauritius

SECTION 1

1. STRUCTURE OF THE FUND AND MANAGEMENT

1.1. STRUCTURE OF THE FUND

The Fund is a public company, limited by shares incorporated under the laws of Mauritius on 28th of September 2006. The registered office of the Fund is at SBM Tower, 1 Queen Elizabeth II Avenue, Port Louis, Mauritius.

At the date of this Prospectus, the Fund has in issue Management Shares and Participating Shares. The Participating Shares shall be issued to Eligible Investors who have subscribed for such shares pursuant to a Subscription Agreement. The Constitution allows the Fund to create further classes of shares with different rights should the Board deem appropriate.

The Fund shall also issue Management Shares which shall have all the voting rights, except in case of a modification or variation of rights of a specific Class, and which shall be held by the Investment Manager. No dividends shall be payable on the Management Shares.

The Fund has appointed SBM Mauritius Asset Managers Ltd, as the Investment Manager under the Investment Management Agreement, to manage investments of the Fund in accordance with Section III: Investment Objectives, Strategy and Process, as stated below.

The Fund is subject to the Act, the Securities Act, the Regulations, the Income Tax Act 1995 and such other laws and regulations as may be applicable to the Fund from time to time.

1.2. MANAGEMENT AND ADMINISTRATION OF THE FUND

1.2.1. BOARD OF DIRECTORS OF THE FUND

The Board is responsible for the overall management and control of the Fund in accordance with the Constitution. However, the Directors have delegated the investment responsibilities to the Investment Manager pursuant to the Investment Management Agreement and the day to day administrative functions to the Administrator pursuant to the Administration Agreement in accordance with its powers of delegation as set out in the Constitution. The Directors will periodically review the performance of the Investment Manager and Administrator. The Investment Manager and Administrator will provide such information as may from time to time be reasonably required by the Directors to facilitate such review. The Directors are entitled to indemnification in accordance with the Fund's Constitution. The Board may, as it deems appropriate, appoint prime brokers for the Fund from time to time.

The Fund's primary obligation, undertaken by its Board, is towards the participants of the scheme, in whose best interest the Board is required to Act. The Fund and the Investment Manager intend to adhere to a high level of ethical standards in the governance of the Fund. The Board will put in place measures to ensure good corporate governance in the spirit of the Code on Corporate Governance.

In particular, the Fund will adhere to the following principles:

- The Board will conduct and direct the affairs of the Fund in the best interest of its shareholders and other stakeholders.
- The Board will be composed of Directors who:
 - are fit and proper persons to be directors of the Fund;
 - are of caliber and have the expertise and proven track record;
 - are able to proficiently discharge their duties to the Fund and its shareholders and perform the functions of the Fund.

The broad responsibilities of the Board of Directors are to:

- Set the Company's vision, mission and values
- Determine the strategy and policy of the Company to achieve those objectives
- Monitor and evaluate the implementation of strategies, policies and performance measurements thereof
- Exercise leadership, enterprise, integrity and judgment in directing the Company
- Identify and assess key risk areas of the business and ensure measures are taken to mitigate those risks
- Ensure that effective internal control systems are in place to safeguard the Company's assets
- Ensure compliance with the Constitution and the applicable laws and regulations, including risk management and corporate governance practices and disclosure requirements
- Assess the internal and external audit functions
- Approve the annual report and financial statements of the Company
- Ensure adoption of good corporate governance practices
- Ensure effective communication with shareholders and other stakeholders

The names of the Directors on the Board and their biographies are as follows:

Mario Gebert

Mr Mario GEBERT is the founder & Managing Director of Fine Foods Marketing Ltd incorporated in 2003. He has valuable commercial & financial experience having served in senior managerial positions in a few Mauritian conglomerates prior to setting up his own business in 2003. Mr Gebert holds an MBA from Napier University & has been nominated for the World Entrepreneur Award of

Ernst & Young South Africa in 2011. In the same year, he was also a nominee of the Eco Austral Best Entrepreneur Award in Mauritius. He is also a member of the Mauritius Institute of Directors. Mr Gebert joined the Board of SBM Perpetual Fund Ltd as an independent and non-executive director in August 2015.

Ah Vee Li Chun Fong

Mr Ah Vee is a partner of Kingston Marks and director of Kingston Marks Consultants Ltd. He is also a fellow member of the Association of Chartered Certified Accountants and a member of the Mauritius Institute of Directors. He held various post in the past ranging from Chief Accountant of the foods division of Happy World Ltd to audit manager of Price Waterhouse. He was also engagement partner with H&A Partners before joining Kingston Marks.

Moreover, Mr Ah Vee is a consultant in financial and banking matters and performed a feasibility of a five star hotel project for a famous international group company.

Mr Ah Vee joined the Board of SBM Perpetual Fund Ltd in August 2015.

1.3. COMMITTEES

In order to assist the Board to effectively discharge its duties in accordance with generally accepted standards of good business practice and corporate governance and to meet all the legal and regulatory requirements, the Fund has established the following committees:

- a) The Compliance Committee; and
- b) The Corporate Governance Committee.

The Committees are composed of at least an equal number of independent directors. Shareholders, on request, shall be able to obtain a copy of the current terms of reference of the Audit Committee at the registered office of the Fund.

SECTION 2

2. FUNCTIONARIES OF THE FUND

2.1. INVESTMENT MANAGER

The Fund has appointed SBM Mauritius Asset Managers Ltd (SBM MAM), as the Investment Manager under the Investment Management Agreement, to manage and invest the assets of the Fund. SBM MAM was incorporated as a private company limited by shares on the 17th October 2007 in Mauritius and is licensed as a CIS Manager by the FSC.

Subject to the Investment Management Agreement, the Investment Manager may delegate, with the approval of its board of directors, the management of the Funds' portfolio, or any part thereof, to other investment professionals or related companies. The Investment Manager or its appointed investment advisor is not restricted from providing administration services to the Fund. The board of directors of the Investment Manager consists of the following persons:

(i) *Chandra Kumar Gujadhur*

(ii) *York Shin Lim Voon Kee*

(iii) *Pauline Seeyave*

(iv) *Sanda Soondram*

(v) *Pierre Marrier D'Unienville*

The profiles of the directors of the Investment Manager are set out below.

The appointment of the Investment Manager is indefinite but may be terminated by either party upon giving six months' notice in writing to the other party to the Investment Management Agreement.

Chandra Kumar Gujadhur

Mr. Chandra Kumar Gujadhur is the Managing Director of Apex Fund Services (Mauritius) Ltd. He is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Society of Trust and Estate Practitioners, has long standing experience in auditing of offshore funds, fund structuring and tax planning.

He was a member of the Accounting and Auditing task team of the Corporate Governance Committee of Mauritius and the Chairman and member of the Consultative Sub-Committee on the drawing up of the New Listing Rules of the Stock Exchange of Mauritius. He retired as a senior partner with Deloitte at the end of September, 2006 after 18 years to assume the responsibility of Managing Director at Apex Mauritius. As a board member of numerous India focused funds and companies he has gained extensive experience and knowledge on key industries in India and its principal capital markets.

York Shin Lim Voon Kee

Mr. Ben Lim (age 46) is the CEO of Intercontinental Trust Ltd and has been actively involved in the Mauritius Global Business sector since its inception. He is a fellow of the Institute of Chartered Accountants in England & Wales and has a great deal of experience in international tax planning. Until April 2000, he was an international tax and offshore services Partner with De Chazal Du Mée and a Director of a leading trust company in Mauritius.

Mr Ben is a past President of the Association of Offshore Management Companies in Mauritius and is a member of the following bodies:

- International Fiscal Association;
- Society of Trust and Estate Practitioners; and
- Mauritius Institute of Directors (Fellow Member)

On the local front, Mr Ben has been involved in the legal and regulatory reform process. He was a member of the Mauritius Offshore Business Activities Authority ("MOBAA") Task Force and a member of the Company Law Advisory Committee ("CLAC"). Mr Ben is currently a member of the Financial Services Consultative Council and chairs two sub-committees on "Integration of the financial services sector" and "Double Taxation Treaties". He also participated as a Sub-Committee Member of the Policy Unit (Prime Minister's Office) in the reform of the Financial Services Sector and the Pension Reform Committee. He is currently a Board Member with the Board of Investment, the apex promotion body in Mauritius.

Mr Ben was appointed to the Board on August 2015.

Pauline Seeyave

Ms Pauline is a presently heading the Corporate Credit Division of SBM Bank (Mauritius) Ltd and is a fellow of the Institute of Chartered Accountant in England and Wales. She was previously Director of the State Insurance Company of Mauritius Ltd, SICOM General Insurance Ltd and Club Mediterranean Albion Resort Ltd. Before joining SBM Group in 2002, she was previously managing a portfolio of clients in Audit & Business Assurance in an international firm of Chartered Accountants in London. Until February 2011, she was heading various functions within the SBM including Risk Management, Value Based Performance management and Finance.

Ms Pauline was appointed to the Board on August 2015.

Deeagarajen Manogaren (Sanda) Soondram

Mr Soondram has over 20 years of experience with a wide experience at international level in the Investment Banking and Corporate Finance fields. He was exposed to the international market in Corporate Finance for a renowned UK based Investment Bank regulated by the Financial Conduct Authority ("FCA") where he was responsible for identifying and evaluating project risks, developing valuation models suitable for different projects, IPOs, appraising and advising clients on opportunities, offering corporate restructuring and management advice, capital raising etc. He has extensive experience in the fields of Mergers & Acquisitions, Equity and Debt structuring in Mauritius and UK across various industries including financial services. He has strong relationships

with international fund management and investment banking firms in UK, Africa, Middle East and India.

Mr Soondram joined SBM Group as Head of Value Based Performance Management in 2013. He is currently the Head of the Non-Banking Financial Cluster of SBM Group responsible for the Asset Management, Stock Broking, Private Equity and Corporate Finance Advisory.

Mr Soondram was the Vice President and Program Chair for the CFA Institute in Mauritius, a member Society of the CFA Institute, from 2003 to 2007 and had also taught at the University of Mauritius from 2004 to 2006 in the fields of International Business, Foreign Exchange Market, Corporate Finance and Business & Company Valuation.

Mr Soondram holds a BSc Econ (Hons) Financial Economics and MSc Finance from the Birkbeck College, University of London. He is also Associate Member of the Chartered Institute of Management Accountant (ACMA) and Chartered Global Management Accountant (CGMA). He has an MBA and is a Regular Member of the CFA Institute.

Pierre Marrier D'Unienville

Mr Pierre Marrier d'Unienville was born in Mauritius in 1969 and educated at the college du St Esprit. He graduated with a Licence in "Sciences économiques" at the University Paul Cezanne in Aix en Provence, France. He then attended and graduated from Institut d'Etudes Politiques de Paris. After working with Ernst & Young in Paris, he returned to Mauritius in 1996.

His first job was as Finance Manager at Phoenix Camp Mineral Ltd, which he left to create the Mauritius branch of South African investment bank, Brait. He ran Brait Mauritius from 1994 to 2004, acting as Investment Banker/advisor on a number of transactions.

In July 2004, Mr d'Unienville acquired Brait Mauritius, which was then renamed Infinite Corporate Finance Ltd, and he continued to source, advise on and structure acquisitions and disposals, as Infinite remained active on the mergers and acquisitions market.

In December 2007, Infinite acquired Le Warehouse Ltd from IBL, and Mr Marrier d'Unienville started personally running the company, Infinite's major investment, from January 2009. He is also a Director of Amro Chemicals Ltd, another Infinite investee Company. Mr Marrier d'Unienville is a Director of one listed company, Omnicane Limited.

Mr Pierre was appointed to the Board on August 2015.

The appointment of the Investment Manager is for the term of the Fund unless otherwise determined by either the Fund or the Investment upon giving 6 months' notice in writing to the other party.

2.2. ADMINISTRATOR

SBM Fund Services Ltd, a company incorporated under the laws of Mauritius has been appointed as the Fund's administrator, registrar and paying agent (the "Administrator"). The Administrator and its affiliates provide administrative services for other investment funds.

The Administrator is a licensed Administrator under the Securities Act. The Administrator is a wholly owned subsidiary of State Bank of Mauritius Ltd, a licensed bank under the laws of Mauritius.

The office address of the Administrator is at SBM Tower, 1 Queen Elizabeth II Avenue, Port Louis, Mauritius and the telephone number is +230 202 1480.

Pursuant to an investment administration agreement between the Fund and the Administrator (the "Administration Agreement"), the Administrator is responsible, under the ultimate supervision of the Directors, for certain matters pertaining to the administration of the Fund, including: (i) maintaining the Fund's accounts, (ii) calculating the Net Asset Value and the Net Asset Value per Participating Share (iii) maintaining the Fund's principal corporate records, (iv) communicating with Shareholders, (v) accepting the subscriptions of new Participating Shareholders, (vi) making redemptions of the Participating Shares, and (vii) ensuring compliance with Mauritius law and regulation (including but not limited to anti-money laundering regulations). The fee payable to the Administrator is based on its standard schedule of fees charged by the Administrator for similar services.

The Administration Agreement is governed by the laws of Mauritius and generally subject to termination by the Administrator or by the Fund upon 90 days' written notice given by either one of them to the other. Under the Administration Agreement between the Fund and the Administrator, the Administrator shall not be responsible for any loss or damage which the Fund may sustain or suffer as a result of or in the course of the discharge of its duties under the Administration Agreement other than loss or damage arising by reason of the wilful or intentional neglect or misconduct or fraudulent behaviour of the Administrator and the Fund will indemnify the Administrator or any company or entity associated with the Administrator or any director, officer, shareholder or employee thereof against, and hold them harmless on a full indemnity basis from, any expense, loss, liability or damage arising out of any claim asserted or threatened to be asserted by any third party in connection with the Administrator's serving or having served as such pursuant to the Administration Agreement; provided however, that the Administrator will not be indemnified with respect to any expense, loss, liability or damage which was caused by its own wilful or intentional neglect or misconduct or fraudulent behaviour. The Administrator is not responsible for valuing the Fund's investments and, in providing services to the Fund, will not act as guarantor or offeror of the Participating Shares in any respect nor is the Administrator responsible for monitoring any investment restrictions or compliance with the investment restrictions and therefore will not be liable for any breach thereof.

The Administrator has no responsibility with respect to trading activities, the Investment Manager, the management or performance of the Fund, or the accuracy or adequacy of this Prospectus.

2.3. CUSTODIAN

In accordance with the terms of the Custody Agreement, the Custodian shall have the authority to complete and sign any affidavits, certificates of ownership or other certificates relating to the securities and/or cash which may be required by the tax or any other regulatory authority; collect and receive all income and other payments and distributions in respect of the securities and/or cash, and credit the same to the Fund account; to receive and hold for the account of the Fund any capital arising out of or in connection with the securities and/or cash whether as a result of its being called or redeemed or otherwise becoming payable and credit the same to the Fund's account; receive and hold for the account of the Fund all securities received by the

Custodian as a result of a stock dividend, share sub-division or reorganization, capitalization of reserves or otherwise; exchange interim or temporary receipts for definitive certificates, and old or over stamped certificates for new certificates; make cash disbursements or payments for any fees, taxes, duties, levies, expenses and/or any payments except for settlement of securities/foreign exchange transactions; undertake any currency conversion at the prevailing rate as reasonably determined by the Custodian where any payment is received or to be made in a different currency and do all such acts as the Custodian may consider to be necessary or desirable for the above or in order to perform its duties under the Custodian Agreement.

The Custodian shall inform the Fund of notices that it receives in respect of any bonus issues, rights issues, payment calls, takeover bids or general meetings of the issuers/companies in relation to the securities. The Custodian shall also be responsible to review corporate action notice/offer documents, which may contain restriction or exclusion clauses and act upon the same in accordance with the instructions from the Fund.

The Custodian shall not mingle its own assets with the securities held for the Fund and where securities are physically held by the Custodian, such securities shall be physically segregated from the securities of the Custodian or other clients of the Custodian and maintain separate records with respect to securities held for the Fund.

The Fund will indemnify the Custodian and hold it harmless against all charges, costs, damages, losses, claims, liabilities, expenses, fees and disbursements (together with any value added tax or similar tax imposed from time to time), which the Custodian may suffer or incur howsoever in connection with or arising from the Custody Agreement, except in case of negligence or willful misconduct of the Custodian.

The Custodian Agreement may be terminated by either party by giving prior written notice of not less than 60 days to the other party.

2.4. AUDITORS

The Auditor of the Fund is Ernst & Young having its office at Level 9, Tower 1, NeXTeracom, Cybercity, Ebene, Mauritius

SECTION 3

3. INVESTMENT OBJECTIVES, STRATEGY, PROCESS, RESTRICTIONS AND RISK CONSIDERATIONS

3.1. INVESTMENT OBJECTIVE

The overall objective of the Fund is to achieve long term capital appreciation by investing in local fixed income investments.

3.2. INVESTMENT STRATEGY

In order to achieve its objective the Fund will invest in a diversified portfolio of fixed income investment including but not restricted to Government Securities, term deposits with financial institutions and corporate bonds. Key financial highlights are the last 3 financial years are as follows:

	FY 2014	FY 2013	FY 2012
Net Asset Value at start (Rs.)	865,802,728	720,363,189	561,610,928
Total number of shares at start	5,620,841	4,911,645	4,050,848
Net Asset Value per share (Rs.)	154.03	146.66	138.64
Net results for the year (Rs.)	40,657,250	38,179,626	37,869,815
Net Asset Value at end (Rs.)	922,626,815	865,802,728	720,363,189
Total number of units at end	5,728,236	5,620,841	4,911,645
Net Asset Value per share (Rs.)	160.79	154.03	146.66
Returns on investment	4.39%	5.03%	5.78%

In pursuing its Investment Objectives, the Fund shall:

- (a) comply with all applicable laws;
- (b) deal with regulators in an open and co-operative manner;
- (c) prohibit the making of payments as improper inducement to confer preferential treatment on the Fund, its agents or advisers;
- (d) properly record, report and review financial and tax information;
- (e) clearly define responsibilities, procedures and controls;
- (f) only use information received from its partners in the best interest of the business relationship;
- (g) ensure that it continues to assess and adopt new international standards as they are enunciated; and

- (h) seek to make investments which uphold high standards of business integrity and honesty and operate in accordance with local and international laws and good practice, including those intended to prevent extortion, bribery and financial crime.

3.3. INVESTMENT RESTRICTIONS

- 3.3.1.** The Board may from time to time specify in writing investment restrictions, as may be, considered or desirable for efficiency of the operations of the Fund or for conforming to regulatory restrictions.
- 3.3.2.** Different investment restrictions may be imposed by the Board in respect of different Classes of Shares
- 3.3.3.** The Fund shall not advance any loans.
- 3.3.4.** The Fund shall not borrow money or provide for the creation of any encumbrance on its assets except in the two following situations –
- 3.3.4.1.** the transaction is a temporary measure to accommodate requests for the redemption of securities of the Fund while the Fund effects an orderly liquidation of its assets, and, after giving effect to the transaction, the outstanding amount of all borrowings of the Fund does not exceed 5% of the net assets of the Fund taken at market value at the time of the borrowing;
- 3.3.4.2.** the encumbrance secures a claim for the fees and expenses of the custodian or a sub-custodian for services rendered in that capacity
- 3.3.5.** The Fund shall not purchase a security, other than a debt security issued by the Government of Mauritius or the government of any other country, if, immediately after the purchase, more than 5% of its net assets, taken at market value at the time of purchase, would be invested in securities of that issuer.
- 3.3.6.** The Fund shall not purchase a security of an issuer where, immediately after the purchase, the Fund would hold more than 10% of a class of securities of that issuer.
- 3.3.7.** The Fund shall not purchase real estate.
- 3.3.8.** The Fund shall not purchase mortgage.
- 3.3.9.** The Fund shall not purchase a security for the purpose of exercising control or management of the issuer of the security.
- 3.3.10.** The Fund shall not purchase an illiquid asset if, immediately after the purchase more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of illiquid assets.
- 3.3.11.** The Fund shall not purchase or sell derivatives.
- 3.3.12.** The Fund shall not purchase or sell a physical commodity, including precious metals.
- 3.3.13.** The Fund shall not subscribe for securities offered by a company under formation.

3.3.14. The Fund shall not engage in the business of underwriting or marketing securities of any other issuer.

3.3.15. The Fund shall not lend money, securities or other assets.

3.3.16. The Fund shall not guarantee securities or obligations of another person.

3.3.17. The Fund shall not purchase a security from, or sell a security to, one of the following persons –

- a) the CIS Manager or the Custodian
- b) an officer of the CIS Manager or the Custodian
- c) an affiliate of the CIS Manager or the Custodian unless the purchase from or sale to the affiliate is carried out at arm's length.

3.3.18. The Fund shall not invest in other collective investment scheme.

SECTION 4

4. CONDITIONS OF OPERATION

4.1. STATED CAPITAL, INITIAL OFFERING AND SUBSCRIPTIONS

4.1.1. Stated Capital of the Fund

The stated capital of the Fund shall comprise of all amounts received by the Fund in respect of the Management Shares and Participating Shares. The stated capital will vary upon the issue and redemption of Shares.

4.1.2. Offer

Upon acceptance by the Fund of the subscription for Participating Shares, the subscriber shall be issued such number of fully paid up Participating Shares as shall be equal to the subscriber's investment, net of all bank charges, divided by the subscription price per Participating Share. For the avoidance of doubt, the issue of partly paid shares is not allowed.

4.1.3. Subscriptions

The Participating Shares will be offered to Eligible Investors for subscription on a monthly basis. The subscription price per Participating Share shall be the Net Asset Value per Participating Share as on the Valuation Day immediately preceding the Dealing Day when the Application is accepted. The form for Subscriptions needs to be sent to the Administrator at least 1 (one) day prior to the relevant Dealing Day (or such other dates and/or times as the Board of the Fund may determine). Cleared funds in respect of the subscription monies relating to the Subscription must be received in full, in the Fund's bank account at least 1 (one) Business Day prior to the relevant Dealing Day. All applications for Subscriptions should be received in accordance with the form provided in the Subscription Agreement entered into by the Shareholder with the Fund. For the avoidance of doubt, the Investment Manager shall not give credit to Investors or potential Investors in connection with the subscription of Shares in the Fund.

Applicants for the Participating Shares during the Initial Offer Period should complete the Subscription Agreement and send it along with the relevant KYC documents to the Administrator first by e-mail or fax with the original to follow thereafter. These documents should reach the Administrator no later than 5.00 p.m. on the last day of the Offer Period. Subscribers should be aware of the risks associated by sending documentation in this manner and that the Administrator will not be responsible in the event of non-receipt of any documents sent by email or facsimile. Cleared funds in respect of the subscription monies must be received in full, in the Fund's bank account at least 1 (one) Business Day prior to the relevant Dealing Day, failing either of which the application will, subject to the discretion of the Board of the Fund, be held over to the following Dealing Day and the Shares will then be issued at the Subscription Price on that Dealing Day. The subscription price must be fully paid up before the Fund can act on the order to purchase shares of the Fund.

Fractions of Participating Shares will be truncated downwards to nearest whole number. The Fund reserves the right to reject any application in whole or part at its absolute discretion, in which event

the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming acceptance of their application. Once completed applications have been received by the Administrator, they become irrevocable.

Applications for Participating Shares will not be dealt with and Participating Shares will not be issued until receipt of notification that an applicant's funds have been cleared in the full amount of the subscription. Subject thereto, Participating Shares are deemed to be issued on the relevant Dealing Day.

4.1.4. Minimum Investment

The minimum initial investment in Participating Shares from Eligible Investors is MUR 100,000 or such lesser amount as the Board of the Fund may in any particular case determine. These requirements will not apply to direct subscriptions by the Investment Manager. Existing Shareholders may also subscribe for additional Participating Shares and the minimum subsequent investment amount is MUR 100,000 for Participating Shares or such lesser amount as the Board of the Fund may determine from time to time.

4.1.5. Entry Load

The Fund shall have the right to impose an entry load of up to **0.5%** on the Participating Shares. The entry load will be retained by the Investment Manager to meet any administration costs in relation to subscription of shares.

Notwithstanding anything written hereinabove, the Fund shall have the right to determine the extent of entry load to be imposed on each Class Share that seeks to subscribe in the Participating Shares.

4.1.6. Exit Load

The Fund shall have the right to impose an exit load of up to **1.00%** in year 1, 0.75% in year 2, 0.50% in year 3 and nil after year 3 on Participating Shares, if these Participating Shares are redeemed on or before 1 year from date of investment. The exit load will be retained by the Investment Manager to meet any administrative costs in relation to redemption of shares and such cognate expenses.

Notwithstanding anything written hereinabove, the Fund shall have the right to determine the extent of exit load to be imposed on each Class Share in relation to Investors that seeks to subscribe in the Participating Shares.

4.1.7. Ineligible Applicants

The Subscription Agreement requires each prospective applicant for the Participating Shares to represent and warrant to the Fund that, among other things, he/she is able to acquire and hold the Participating Shares without violating applicable laws.

The Participating Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Board of the Fund or the Investment Manager, might result in the Fund

incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund or the Investment Manager being required to register under any applicable US securities laws.

4.1.8. Eligible Investors

Investment in the Shares is limited to Qualified Holders as provided earlier in this Prospectus and as per the terms of the Subscription Agreement, each applicant for, and transferee of, the Shares must warrant on the relevant Subscription Agreement that he is a Qualified Holder and that he (i) has the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Fund, (ii) is aware of the risks inherent in investing in the assets in which the Fund will invest and the method by which these assets will be held and/or traded, and (iii) can bear the loss of his entire investment in the Fund.

4.2. RIGHTS OF SHAREHOLDERS

4.2.1. Rights of the Shares

Both Participating Shares and Management Shares shall be denominated in MUR.

Each Participating Share shall not have voting rights. The Participating Shares of any Class carry a right to dividends (if any) declared by the Fund in respect of that Class.

The holder of any Participating Share is not entitled to receive notice of, attend or vote at meetings of Shareholders. In a winding-up, each holder of Participating Shares of a given Class has a right, provided that there are net assets available, to the return of the amount proportionate to the said Shares in surplus assets relating to that Class.

Shareholders holding Participating Shares have no right to participate in the management or control of the Fund. As a result, the Participating Shareholders must rely entirely on the Investment Manager and the Board to manage the Fund and its investments.

Each Management Share shall, subject to this Prospectus and applicable Law, have attached to it the following rights and obligations as set out in the Constitution including without limitation:

- a. Voting rights in any Meeting; and
- b. No dividends shall be payable on the Management Shares and the Management Shares are non-redeemable shares.

4.2.2. Transfer of shares

All transfer of shares of the Fund shall be effected in accordance with the provisions of the Constitution. According to these provisions, no shares may be transferred without the prior written consent of the Board. The transfer form should be sent to the Fund and should contain all necessary information concerning the transferor and transferee. The transferee should abide by the rules and conditions of subscription in the Fund and any other conditions as the Fund may impose.

4.2.3. Pledging of Shares

No shares may be pledged without the prior written consent of the Board. A Shareholder shall inform the Fund of its intention to pledge its shares and seek approval accordingly. Upon approval, the Investment Manager shall inform the registrar of such pledge.

4.2.4. Form of Shares

All the Shares will be in inscribed/registered form. Entry in the Register of Shareholders is prima facie evidence of the title to those shares.

4.3. ANTI-MONEY LAUNDERING

To ensure compliance with the Financial Intelligence and Anti-Money Laundering Act 2002, as amended, and the Code on the Prevention of Money Laundering and Terrorist Financing ("Code") issued by the FSC, the Administrator will require an applicant for Participating Shares to provide certain information and documents for the purpose of verifying the identity of the applicant, the source of funds and obtain confirmation that the application monies do not represent directly or indirectly, the proceeds of any crime. The request for information may be reduced where an applicant is a regulated financial services business based in Mauritius or in an equivalent jurisdiction (i.e. subject to the supervision of a public authority) or in the case of public companies listed on recognized stock exchanges, as set out in the Code.

The Administrator may, at any time, request such additional information as may be required to comply with the Fund's reporting obligations in Mauritius and abroad.

Measures aimed at the prevention of money laundering and financing of terrorism require an applicant for the Participating Shares to verify his identity and the source of funds as part of customer due diligence to the Administrator. These measures are applied in accordance with FSC's Codes and anti money laundering legislations applicable in Mauritius.

The Administrator will request such information and documentation as it considers is necessary to verify the identity or source of funds of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto or may refuse to process a redemption request until proper information has been provided. As a general rule, the Administrator will only pay redemption proceeds to the account, held on the name of the Shareholder, from which the subscription monies were remitted. Each applicant for the Participating Shares acknowledges that the Administrator shall be held harmless against any loss arising as a result of a failure to process his application for the Participating Shares if such information and documentation, as has been requested by the Administrator, has not been provided by the applicant.

Each applicant for the Participating Shares will be required to make such representations as may be required by the Board of the Fund or the Investment Manager in connection with its anti-money laundering program.

4.4. LIQUIDATION

If the Fund should become insolvent, the Participating Shareholders in the Fund may be required to repay any distributions wrongfully made to them and forfeit any undistributed profits.

4.5. DISTRIBUTIONS

The ability of the Fund to make distributions depends on it meeting the solvency test prescribed by the Act. In particular, the Fund will not be required to make any distributions:

- (a) unless there is sufficient cash available; or
- (b) which would render the Fund insolvent,

which, in the reasonable opinion of the Board, would or might leave the Fund with insufficient funds or profits to meet any present or future contemplated obligations, liabilities or contingencies. All distributions are to be made in the discretion of the Board.

During the last 3 completed financial years, the Fund did not declare any dividend.

4.6. REDEMPTIONS

Subject to the Constitution and the Act, the Participating Shares may be redeemed on each Dealing Day at the request of a Participating Shareholder, upon delivery of a prior written notice to the Fund at least 3 (three) calendar days in advance of the Dealing Day. The redemptions on each Dealing Day will be at the Net Asset Value per Participating Share prevailing on that Dealing Day, i.e. calculated on the close of Business Day unless the Board of the Fund consents, no partial redemption of a Participating Share will be permitted if the value of the Participating Shareholder's outstanding Shares after such redemption monthly with 30 days' notice is implemented will be less than MUR 100,000 for Participating Shares.

The maximum Net Asset Value of Participating Shares that may be redeemed on any Dealing Day is 2% of the Net Asset Value of the Fund, unless such limitation is waived by the Directors in their sole discretion.

An exit load of **1.00%** in year 1, 0.75% in year 2, 0.50% in year 3 and nil after year 3 on Participating Shares will apply if the Participating Shares are redeemed during the first year of investment.

Redemption requests may be submitted by fax to the Administrator provided that:

- 1) the original signed redemption request is received by the Administrator prior to the relevant Dealing Day; and
- 2) the Investor receives written confirmation from the Administrator that the faxed redemption request has been received.

Subject to the Constitution, a request for a partial redemption of Participating Shares may be refused, or the holding redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Participating Shares would be less than the Minimum Holding.

A redemption request, once given, is irrevocable unless the Board of the Fund or the Investment Manager determine otherwise.

4.6.1. Redemption Price

The Redemption Price per Participating Share on each Dealing Day will be at the Net Asset Value per Participating Share prevailing on that Dealing Day, i.e. calculated on the close of business of the Valuation Day preceding that Dealing Day. An exit load of **1.00%** in year 1, 0.75% in year 2, 0.50% in year 3 and nil after year 3 on Participating Shares will be payable on shares redeemed within 12 months of the date on which they are issued. The redemption proceeds will be reduced by the amount of the exit load and the net amount paid to the Redeeming Shareholder. The directors may waive the payment of an exit load at their discretion generally or in any particular case. The exit load will be retained by the Investment Manager to meet administrative costs in relation to any redemption of shares and such cognate expenses.

4.6.2. Payments of Redemption proceeds

Unless the Directors, agree otherwise, the Fund will only pay redemption proceeds to the account in the name of the Participating Shareholder from which subscription proceeds originated. No third party payments will be made.

A Participating Shareholder who makes a full or partial request for redemption of Shares shall be paid the Redemption Price within the 30 (thirty) Days of the applicable Dealing Day, or after receipt of the completed original redemption documentation, whichever is later.

Payment of redemption proceeds may be withheld or delayed if information required to satisfy verification of identity is not provided in a timely manner.

4.6.3. Limitation on Redemptions

The ability of the Fund to effect redemption of Participating Shares depends on it meeting the solvency test prescribed by the Act. The Fund shall not make any payment to redeem Participating Shares issued where there are reasonable grounds for believing that the Fund is, or would after the payment, be unable to satisfy the solvency test. The Fund shall satisfy solvency test under the Act where:

- (a) the fund is able to pay its debts as they become due in the normal course of business; and
- (b) the value of the Fund's assets is greater than the sum of the value of its liabilities and its stated capital.

The Fund may suspend, or postpone the payment on Participating Shares (i) during the existence of any state of affairs which, in the opinion of the Board of the Fund, makes the disposition of the Fund's investments attributable to such Participating Shares impractical or prejudicial to the Participating Shareholders of the relevant Class, or where such state of affairs, in the opinion of the Board of the Fund, makes the determination of the price or value of the Fund's investments impractical or prejudicial to the Participating Shareholders of such Class; (ii) where any withdrawals or distributions attributable to such Class, in the opinion of the Board of the Fund, would result in the violation of any applicable law or regulation; or (iii) for such other reasons or for such other periods as the Board of the Fund may in good faith determine. The Board of the Fund may further

suspend redemptions if the Board of the Fund deems it necessary to do so to comply with anti-money laundering laws and regulations or any other legal requirements applicable to the Fund, the Investment Manager, any other service provider to the Fund and/or any affiliates of any of them.

4.6.4. Compulsory Redemptions

Subject to the Constitution, the Board of the Fund may, in its sole discretion, for any reason or no reason, at any time, compulsorily redeem or require a Participating Shareholder to redeem all or any portion of its Participating Shares upon not less than 7 (seven) Days prior written notice.

The Fund also reserves the right to require compulsory redemption of all Participating Shares held by a holder of Shares if the Net Asset Value of the Participating Shares held by the holder of Participating Shares is less than the Minimum Holding and in certain other circumstances as described in the Constitution. Where the Net Asset Value of the Participating Shares held by a holder of Participating Shares is less than the Minimum Holding and the Fund decides to exercise its right to compulsorily redeem, the Fund will notify the Participating Shareholder in writing and allow such holder of Shares, 15 (fifteen) days to purchase additional Participating Shares to meet the minimum requirement.

4.6.5. Reserves

The Fund may establish such reserves as it deems reasonably necessary for Fund expenses and any other contingent Fund liabilities, which could reduce the amount of a distribution upon redemption.

4.6.6. Other Redemption Provisions

If the Board of the Fund in its discretion permits a Participating Shareholder to redeem Participating Shares other than on a regularly scheduled Redemption Date, the Board of the Fund may impose an additional administrative fee to cover the legal, accounting, administrative, brokerage, and any other costs and expenses associated with such withdrawal.

The Investment Manager believes (but cannot guarantee) that the monies of Participating Shares will be invested in a manner that would allow the Fund to satisfy redemption requests. The Fund has the right to pay cash or in-kind, or a combination of both, to Participating Shareholder that makes a redemption.

4.7. DETERMINATION OF NET ASSET VALUE

It is the Fund's intention to invest in fixed income securities for which no readily available secondary market exists. The Fund provide investors with a monthly liquidity hence the Net Asset Value of the Fund and the Net Asset Value per Participating Share will be determined monthly by the Administrator under the overall supervision and direction of the Directors, and will be communicated to the Investment Manager as at the close of business on each Valuation Day or at such other times as the Board of the Fund after consulting the Administrator may determine.

On any Valuation Day, the value of investments of the Participating Shares will be computed as set forth in the Constitution and Prospectus. The Board may, at their discretion, permit any other method of valuation if they consider that such method better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice.

The Net Asset Value of the Fund and Net Asset Value per Share will be calculated by the Administrator in the manner described below at each Valuation Day.

The Net Asset Value for each Class as at the relevant Valuation Day shall be the value of all the assets of the Class less the liabilities of that Class, calculated in accordance with the Constitution.

The Net Asset Value per Participating Share of a Class as at any Valuation Day shall be the Net Asset Value at the applicable Valuation Point divided by the total number of Shares of that Class in issue immediately before that Valuation Point and rounding the resultant amount downwards to the nearest four decimal places. The Net Asset Value and Net Asset Value per Participating Share will include both realised and unrealised gains and losses in securities and other assets of the Participating Shares.

The Net Asset Value of a class of the Fund shall be valued as follows:

- a) securities traded on a stock exchange or other regulated market are to be valued generally at the last known traded price or last price quoted on the relevant exchange or market on or before the day preceding the relevant Dealing Day;
- b) Unlisted equity securities will be valued initially at cost and thereafter with any reduction or increase in value (as the case may be) as the Directors shall in their absolute discretion deem appropriate in the light of the circumstances;
- c) Unlisted securities (other than equities) for which there is an ascertainable market value are to be valued generally at the last known transacted price or last transacted price dealt on the market on which the securities are traded on or before the day preceding the relevant Dealing Day;
- d) Unlisted securities (other than equities) for which there is no ascertainable market value will be valued at cost plus interest (if any) accrued from purchase to (but exceeding) the relevant Dealing Day plus or minus the premium or discount (if any) from par value written off over the life of the security;
- e) Any value otherwise than in MURs shall be converted into MURs at the market rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard inter alia to any premium or discount which they consider may be relevant and to the costs of exchange;
- f) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest accrued and not yet received shall be deemed to be the full amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such deduction or discount as the Directors may consider appropriate to reflect the true value thereof;
- g) The value of units or other security in any unit trust, mutual fund, investment corporation, or other similar investment vehicle or collective investment scheme shall be derived from the last prices published by the managers thereof on or before the day preceding the relevant Dealing Day;
- h) Notwithstanding the foregoing, the Directors may permit some other method of valuation

to be used if they consider that such valuation better reflects the fair value; and

- i) For the purpose valuing the assets of the Class as aforesaid the Directors may with due care and in good faith rely upon the opinions of any persons who appear to them to be competent to value assets of any class or classes by reason of any appropriate professional qualification or of experience of any relevant market.

Notwithstanding the foregoing, where at the time of any valuation any asset of the relevant Class has been realized or contracted to be realized there shall be included in the assets of the Class in place of such asset the net amount receivable by the Class in respect hereof Provided That if such amount receivable is not payable until some future time after the time of any valuation the Board may make such allowance as they consider appropriate.

The Liabilities of the Class shall be deemed to include all its liabilities and such provisions and allowances for contingencies (including tax) payable by the Class but not liabilities represented by Participating Shares of another Class of the Fund. In determining the amount of such liabilities the Board may calculate any liabilities of a regular or recurring nature on an estimated figure for yearly or other periods in advance and accrue the same in equal proportion over any such period.

4.7.1. Publication of Net Asset Value

The Net Asset Value per Participating Share of each Class will be available at the registered office of the Fund and shall be disclosed to the FSC on a quarterly basis. The Net Asset Value is also available at the offices of the Administrator and/or the website of the Investment Manager. The Fund does not accept any responsibility for any error or delay in the publication or for non-publication of prices.

4.7.2. Suspension

The Fund's Constitution provides that the Directors, acting unanimously, may declare a temporary suspension of the determination of the Net Asset Value at the time of the sale, issue or redemption of the Participating Shares in the events set out under Article 19 of the Constitution.

4.8. FEES AND EXPENSES

4.8.1. Management Fee

For Participating Shares, the fee payable to the Investment Manager by the Fund under the Investment Management Agreement (the "Management Fee") will not exceed **0.75 %** per annum of the Net Asset Value of the Outstanding Class Shares or such rates as to be determined by the Board of Directors from time to time.

The Management Fee is payable monthly in arrears.

4.8.2. Administrator and Registrar of the Fund

For performing and supervising the performance of administrative services necessary for the operation and administration of the Fund and for acting as Registrar, the Administrator will receive its customary monthly fee for each Class. This fee has been set at **0.225%** per annum and will be paid monthly in arrears.

The Administrator will also be reimbursed for all reasonable out-of-pocket expenses agreed to in advance with the Fund.

4.8.3. Custodian of the Fund

The Custodian will receive from the Fund a fee in accordance with the Custody Agreement entered into between the Fund and the Custodian and as agreed between the Fund and the Custodian from time to time.

The current fees are categorized as follows:

1. Transactions Fees: which will be depending on the market traded and type of security traded
2. Custody Fees: **0.086%** per annum on the value of securities held under custody on behalf of the Fund and are payable to the Custodian

As per the Custody Agreement, the Fund shall also pay or reimburse the Custodian out of pocket expenses (including but not limited to stamp duty, regulatory charges, any expenses on clients instructions) and depository charges.

4.8.4. Other Fees and Expenses

Organisational Expenses: The Fund will pay all expenses reasonably incurred in the formation and organisation of and offer and sale of interests in, the Fund, including external legal and administration and regulatory expenses, other professional fees and expenses, printing costs (including costs of preparing and printing this Prospectus, as well as any necessary updates), expenses (including travel costs, expenses in connection with set up, etc.). The Fund's financial statements shall be prepared in accordance with International Financial Reporting Standards ("IFRS"). IFRS does not permit the amortisation of organisational costs. For the purposes of Net Asset Value calculation, organizational costs may be amortised over 1 year or written off over such period as the Board of the Fund may determine from time to time and which the Directors believe provide a more equitable treatment to Shareholders. A note reconciling the Net Asset Value calculation at the year-end shall be included in the statutory financial statements of the Fund.

Operating Expenses: The Fund shall pay or reimburse the Investment Manager and its affiliates for (i) all expenses incurred in connection with the ongoing Offering of Shares, including, but not limited to, printing of the Prospectus and exhibits and documentation of performance and the issuance of additional Shares, and (ii) all operating expenses of the Fund such as auditors fees, tax preparation fees, governmental fees and taxes, administrator fees, director fees and expenses, costs of communications with Shareholders, and ongoing legal, accounting, auditing, bookkeeping, consulting and the insurance premium expenses for the professional indemnity insurance which the Fund/Investment Manager would incur and other professional fees and expenses.

All Operating Expenses listed above will be charged on actual to the Fund or reimbursed to the Investment Manager on actual. The reimbursement to the Investment Manager will be on monthly basis, unless otherwise determined by the Investment Manager. The Investment Manager at its sole discretion has the right to waive off any of the expenses.

Other Operating Expenses: The Fund shall pay or reimburse all expenses related to the trading / operations of the fund (e.g. brokerage commissions, margin interest, expenses related to short sales, custodial fees and clearing and settlement charges, fees payable to the FII under the Agreement, administrator charges, legal fees, India tax consultant fees etc).

All fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims, assertion of rights or pursuit of remedies, by or against the Fund” including, without limitation, professional and other advisory and consulting expenses and travel expenses, and whether or not pursuant to bankruptcy or other legal proceedings, or participation in informal committees of creditors or other security holders of an issuer will be borne by the Fund.

The Investment Manager or any of its affiliates, in its sole discretion, may from time to time pay for any of the foregoing Fund expenses. Any such person may elect to be reimbursed for such expenses, or to waive its right to reimbursement for any such expenses, as well as terminate any such voluntary payment or waiver of reimbursement.

Investment Manager Expenses: The Investment Manager will pay its own general operating and overhead expenses associated with providing the services required under the Investment Management Agreement. These expenses include all expenses incurred by the Investment Manager in providing for its normal operating overhead, including, but not limited to, the cost of providing relevant support and administrative services (e.g., employee compensation and benefits, rent, office equipment, insurance, utilities, telephone, secretarial, clerical and bookkeeping services, etc.), but not including any Fund operating expenses described above.

	FY 2014	FY 2013	FY 2012
Total Expense Ratio	1.20%	1.02%	0.86%

*per annum as a % of net assets under management

SECTION 5

5. RISK FACTORS

5.1. RISK CONSIDERATIONS

All securities investments present a risk of loss of capital. The Investment Manager hopes to moderate this risk of loss through a careful selection of investments. However, no guarantee or representation is made that the Fund's investment strategy will be successful.

The Fund's investments in portfolio companies may be subject to wide swings in value. The Investment Manager will follow an investment policy, which, if unsuccessful, could involve substantial losses. Although the Investment Manager has the flexibility to react to changing market conditions, adverse changes in a portfolio company's situation could involve substantial losses. The Investment Manager makes no guarantee, either oral or written, that the Fund's investment objective will be achieved. Under the Investment Management Agreement, the Investment Manager is not liable for any error in judgment and/or for any investment losses the Fund may experience, in the absence of bad faith, fraud, gross negligence, willful misconduct or a willful violation of applicable law.

Eligible Investors should be aware of the risks associated with the Fund's investment policies and are advised to consult with their professional advisors, such as lawyers, financial advisors or accountants, when determining whether an investment in the Fund is suitable for them. An investment in the Fund may lead to returns in the long-term, and Investors should be aware that they may not achieve capital appreciation/income in the short-term.

5.2. RISK MANAGEMENT AND RISK FACTORS

The Fund's positions will be the result of extensive research and due diligence analysis. This includes diversification by industries, geographies, security types and market capitalization. The positions in the portfolio comply with certain concentration limits as may be decided by the Investment Manager from time to time. The areas of concentration include limits on exposure to any single security, market sector concentration, and market capitalization concentration.

Eligible Investors should consider, among others, the following non-exhaustive list of factors, before subscribing in the Participating Shares:

5.2.1. Investment-Related Risks

Since the Fund has a contrarian style of investment, it might underperform the markets in scenarios of strong upward or downward cycles. The Fund seeks to generate returns out of identifying themes and market segments that are likely to outperform in the future. This may or may not happen.

5.2.2. Stock Market Volatility

The stock markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of equity securities may react differently to these developments. For example, small cap stocks may react differently from large cap stocks. Issuer, political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market as a whole.

Securities listed on exchanges may have low market capitalization and trading volume. There can be no assurance that sales on such exchanges will provide a viable exit mechanism for the Fund's investments.

The prices of financial instruments in which the Fund may invest can be highly volatile. Price movements in which the Funds' assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Fund also is subject to the risk of the failure of any of the exchange on which its positions trade or of its clearing house.

5.2.3. Liquidity or Marketability Risk

The securities that are listed on exchanges carry lower liquidity risk, but the ability to sell these securities is limited by the overall trading volumes

5.2.4. Leverage

The Fund has no intention to use any leverage except for the purpose described in paragraph of the investment restrictions sub-section in Section III.

5.2.5. Business Risk

There can be no assurance that the Fund will achieve its investment objective. The investment results of the Fund are reliant upon the success of the Investment Manager. Moreover, the past performance of the Investment Manager may not be indicative of their future performance.

5.2.6. Availability and Accuracy of Information

The Investment Manager will select investments for the Fund on the basis of information and data derived from first-hand research by the Investment Manager. Although the Investment Manager intends to evaluate all such information and data and to seek independent corroboration when the Investment Manager consider it appropriate and when it is reasonably available, the Investment Manager will not in many cases be in a position to confirm the completeness, genuineness or accuracy of such information and data.

5.2.7. Availability of and Ability to Acquire Suitable Investments

While the Investment Manager believes that many attractive investments of the type in which the Fund may invest are currently available and can be identified, there can be no assurance that such investment will continue to be available in the future, or that available investments will meet the

Fund's investment criteria. Furthermore, the Investment Manager may be unable to find a sufficient number of attractive investment opportunities to meet the Fund's investment objective.

5.2.8. High Portfolio Turnover and Recognition of Gains

The Fund's investment strategy may result in a short holding period before investments are rolled over into new investments or sold. This will cause the recognition of any investment gains on a more frequent basis than other investment strategies. Many of those gains will not likely qualify for the holding period needed for capital gains tax treatment. Therefore, taxable Investors in the Fund may have a greater need to pay regular taxes (out of their own resources or by requesting redemptions) than compared to other investment strategies that hold investments longer.

5.2.9. Dividend related risk

Payments of dividends are not currently contemplated. Those who anticipate the need for income from dividends from their investments should not invest in the Fund. It is presently intended that all earnings of the Fund will be reinvested.

5.2.10. Availability of Investment Strategies

Identification and exploitation of the investment strategies to be pursued by the Fund involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to identify suitable investment opportunities in which to deploy all of the Fund's assets or to exploit discrepancies in the securities markets. A reduction in corporate sector activity and the pricing inefficiency of the markets in which the Fund will seek to invest, as well as other market factors, will reduce the scope for the Fund's investment strategies.

5.2.11. Concentration of Investments

Although it will be the policy of the Fund to diversify its investment portfolio, the Fund may at certain times hold relatively few investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

5.2.12. General Economic Conditions

The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of Investor participation in the markets interest-sensitive securities. Unexpected volatility or illiquidity in the markets in which the Fund (directly or indirectly) holds positions could impair the Fund's ability to carry out its business or cause it to incur losses.

5.2.13. Government Intervention

The prices of instruments in which the Fund may trade or invest will be subject to certain risks arising from government regulation of or intervention in the markets, through regulation of the local market, restrictions on investments by foreign residents or limits on flows of investment funds. Such regulation or intervention could adversely affect the Fund's performance.

5.2.14. Dependence upon the Investment Manager

The Fund is highly reliant upon the knowledge and expertise of the Investment Manager in selecting, acquiring, monitoring and ultimately disposing of suitable investments. The success of the Fund will therefore depend significantly upon the ability of the Investment Manager and its continuing involvement with the Fund. Should the services of the Investment Manager not be available to the Fund for part of or the entire duration of the operation of Fund the success of the Fund may be adversely affected.

5.2.15. Management Participation

Participating Shareholders will not participate in the management of the Fund or in the conduct of its business. In addition, the Participating Shareholders are not able to remove or replace the Investment Manager, the Administrator, or any other agents of the Fund, a decision to do so being a matter entirely for the Directors of the Fund and the holder of the Management Shares.

5.2.16. Counterparty Risk

The Fund will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

5.2.17. Net Asset Value Considerations

The Net Asset Value per Participating Share is expected to fluctuate over time with the performance of the Fund's investments. A Participating Shareholder may not fully recover his initial investment when he chooses to redeem his Participating Shares or upon compulsory redemption if the Net Asset Value per Participating Share at the time of such redemption is less than the Subscription Price paid by such Shareholder or if there remain any unamortised costs and expenses of establishing the Fund.

5.2.18. Investments in Initial Public Offerings

The Fund may invest in initial public offerings. Such investments offer the opportunity for significant appreciation; however, they are speculative and involve a high degree of risk. It is characteristic of the initial public offerings market that certain companies may be extremely successful, while a much higher percentage of newly public companies fail.

5.2.19. Track Record

No assurance can be given that the Fund will succeed in meeting its investment objective or that its assessments of the short-term or long-term prospects, volatility and correlation of the types of investments referred to in this Prospectus will prove accurate.

5.2.20. Illiquidity

It is not anticipated that there will be an active secondary market for the securities and it is not expected that such a market will develop. Participating Shareholders will, however, be able to realise their investment in the Fund by redeeming their Participating Shares or by a transfer to an Investor who is an Eligible Investor as described under Section V below. Redemptions will generally

only be accepted on a monthly basis and may, in appropriate circumstances, also be deferred at the discretion of the Directors as set out under Section VI below.

5.2.21. Substantial Redemptions

Substantial redemptions by Participating Shareholders within a short period of time could cause the Investment Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the Net Asset Value of the Fund. The resulting reduction in the Net Asset Value of the Fund could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

5.2.22. Compulsory Redemptions

Under certain circumstances, as outlined under Section IV, the Fund may compulsorily redeem Participating Shareholder's Shares.

5.2.23. Early Termination

In the event of a premature termination of the Fund's activities, the Fund would have to distribute to the Participating Shareholders their pro rata interest in the assets of the Fund. At the time of such sale or distribution, certain securities held by the Fund may be illiquid and could therefore be worth less than the initial cost of such securities, resulting in loss to Shareholders.

5.2.24. Price Fluctuations

It should be remembered that the value of securities and the income (if any) derived from them can go down as well as up.

5.2.25. Transaction Costs

The Fund's investment approach may generate substantial transaction costs which will be borne by the Fund. Brokers' commissions may vary depending upon the broker and upon the level of service provided by such broker.

5.2.26. Indemnification

Under the Fund's Constitution, the Directors of the Fund are entitled to be indemnified out of Fund's assets against costs, losses and expenses which such person may incur or become liable in connection with the execution of such person's duties. In addition, the Investment Manager, the Administrator and the Custodian are entitled to indemnity by the Fund under the terms of their respective agreements for services with the Fund. These obligations could require the Fund to make substantial indemnification payments.

5.2.27. Tax Considerations

Where the Fund invests in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund will not be able to recover such withheld tax and so any change would have an adverse effect on the Net Asset Value of the Fund. Where the Fund sells securities short that are subject to withholding

tax at the time of sale, the price obtained will reflect the withholding tax liability of the purchaser. In the event that in the future such securities cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to the Fund.

The foregoing factors are not exhaustive and do not purport to be a complete explanation of all the risks and considerations involved in investing in the Fund. In particular, the performance of the Fund may be affected by changes in market, economic, legal, regulatory and tax requirement.

SECTION 6

6. REPORTS AND FINANCIAL STATEMENTS

The Fund's fiscal year end is the 30th of June. The audited financial statements of the Fund for the period ended 30 June 2014 presented in accordance with the Regulations can be viewed from the website of the investment manager on www.sbmam.com.

The annual meeting of the shareholders of the Fund shall be held every year at the registered office of the Fund or at any other place in Mauritius as may be specified by the notice of the meeting. However it is to be noted that Participating Shares have the right to receive notice of meeting but shall not be entitled to voting rights except in case of a variation of Class rights.

Special meetings of Shareholders shall be in accordance with the Constitution of the Fund at such time and place in Mauritius as may be specified by the notice of the meeting.

Notice of any meeting of Shareholders shall be mailed by registered letter to each registered Shareholder entitled to receive notice of the Meeting, at least 14 (fourteen) Business Days prior to the meeting or sent by electronic means and would be taken to have been received by the Shareholder on the date that it is transmitted.

Shareholders will be sent a copy of the Fund's annual report and audited financial statements, prepared in accordance with IFRS, within 90 days of the end of the period to which they relate and not less than 14 days before the annual meeting.

The annual report and the audited financial statements shall be filed with the FSC and with the Mauritius Registrar of Companies within 90 days of the end of the period to which they relate.

The annual report shall include a report on the Fund's adherence to the Code of Corporate Governance and any material information on the Committees including their composition, terms of reference, number of meetings, remuneration shall be disclosed in the annual report.

A director's report relating to the previous accounting period shall be prepared in accordance with FSC Rules and shall be filed with the FSC and sent to every Shareholder within 90 days of the balance sheet date.

The Fund shall also file with the FSC and shall send to every Shareholder quarterly financial statements prepared in accordance with IFRS and quarterly reports prepared in accordance with FSC Rules, within 45 days after the end of the respective quarter.

SECTION 7

7. TAX CONSIDERATIONS

The following tax summary is of a general nature only, is based on current law and practice and is therefore subject to changes therein, and is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser. Prospective purchasers of Participating Shares should consult their own tax advisers as to the potential tax consequences of the acquisition, holding or disposition of the Participating Shares under the laws of the countries of their citizenship, residence or domicile.

In view of the number of different jurisdictions where local laws may apply to Participating Shareholders, except as specifically set forth herein, this Prospectus does not discuss the tax consequences to a potential investor under the laws of the jurisdictions of which they are citizens, residents or domiciliaries and in which they conduct business. Prospective Investors are urged to consult their own professional advisers regarding the possible tax consequences of buying, holding, selling or redeeming the Participating Shares.

The Fund will provide regular financial information, including annual audited financial statements to its shareholders in compliance with the legal and regulatory requirements applicable to the Fund, but, except as specifically described below, will not be responsible for providing (or for the costs of providing) any other information which Shareholders may, by virtue of the size of their holdings or otherwise, be required to obtain or provide to the taxing or other authorities of any jurisdiction.

In addition, investments in international markets may involve the possible imposition of withholding or other taxes on income received from, or gains with respect to, such investments.

7.1. TAXATION OF THE FUND

The Fund is organised as a domestic company and is tax resident in Mauritius. Under the current legislation, the Fund will be liable under Mauritius Income Tax Act 1995 to a uniform rate of corporate tax rate of 15% on its business profits.

7.2. TAXATION OF DIVIDEND

Under the Mauritius fiscal regime, there are no withholding taxes on dividends distributed by a Mauritian company to its non-resident and resident shareholders. The responsibility of ascertaining the tax position of Investors is that of the Investors. At no time does the Fund guarantee that any distribution will be made tax free.

7.3. CAPITAL GAINS TAX

There is no capital gains tax in Mauritius. Any gains realized by a non-resident or resident shareholder on disposition of its Participating Shares in the Fund are not liable to tax in Mauritius.

7.4. ESTATE DUTY AND INHERITANCE TAX

There are no estate duties or inheritance taxes in Mauritius.

7.5. DOUBLE TAX TREATIES

Mauritius has concluded various treaties for the avoidance of double taxation. To be eligible to a tax treaty benefit, the Fund must have its central management and control/ place of effective management at all times in Mauritius and meets the tax residence requirements under the laws of Mauritius. The Fund has to apply for a tax residence certificate from the Mauritius Revenue Authority in order to avail of the treaty benefits.

Name: ~~*~~ **ANVEE K.C. LI CHUN FONG**

Designation: Director of Fund

Signature: 

Date: 18 August 2015

Name: **MARIO GIBERT**

Designation: Director of Fund

Signature: 

Date: 26th August, 2015