

AFRICAN LIONS FUND LTD.

A British Virgin Islands Corporation

Minimum subscription:

USD 25,000

PRIVATE PLACEMENT MEMORANDUM

May 2021

Copy number:

This Private Placement Memorandum is issued by the Board of Directors of African Lions Fund Ltd. Accordingly the Board of Directors accepts responsibility for its contents.

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NOTICE

This Private Placement Memorandum has been prepared in connection with the private offering and sale of the shares of AFRICAN LIONS FUND LTD. (the "Fund") to a limited number of persons and may not be reproduced.

No person is authorised to issue any advertisement, give any information or make any representation not contained in this document in connection with the offering, subscription or sale of shares and any advertisement so issued or information or representation so made must not be relied upon as having been authorised by or on behalf of the Fund. The delivery of this Private Placement Memorandum at any time and the allocation of shares does not imply that the information contained herein is correct as at any time subsequent to its date.

The distribution of this document and the offering of the shares in certain jurisdictions may be restricted by law. Persons into whose possession this document comes, are required by the Fund to inform themselves about and to observe any such restrictions.

The shares of the Fund have not been registered under the U.S. Securities Act of 1933, as amended ("Securities Act") and the Fund itself has not been registered under the U.S. Investment Company Act of 1940, as amended.

The Fund has obtained a certificate of recognition as a Private Fund from the British Virgin Islands Financial Services Commission (the "Financial Services Commission") pursuant to the British Virgin Islands Securities and Investment Business Act, 2010 ("SIBA") and the Mutual Funds Regulations, 2010 (the "Regulations"). SIBA and the Regulations replaced the Mutual Funds Act, 1996 in May, 2010.

As a Private Fund the Fund is suitable for private investors only and any invitation to subscribe for Fund interests may be made on a private basis only. No such invitation to subscribe for shares in the Fund shall be generally circulated, nor shall subscriptions be solicited from members of the public.

The Fund is not subject to supervision by the Financial Services Commission or a regulatory authority outside the BVI. Further, the requirements considered necessary for the protection of investors that apply to public funds in the BVI do not apply to private funds. An investment in a private fund may present a greater risk to an investor than an investment in a public fund in the BVI. Each prospective investor is solely responsible for determining whether the Fund is suitable for its investment needs.

Prospective investors should not construe the contents of this Private Placement Memorandum as legal, tax or financial advice. Each prospective investor should consult his own professional advisors as to the legal, tax, financial or other matters relevant to the suitability of an investment in the shares of the Fund, for such investor.

This Private Placement Memorandum is intended solely for the use of the person to whom it has been delivered by the Fund, for the purpose of evaluating a possible investment by the recipient in the shares described herein, and it is not to be reproduced or distributed to any other person (other than professional advisors of the prospective investor receiving this document from the Fund).

Transferability of shares in the Fund is subject to the prior approval of the board of directors of the Fund ("Board of Directors" or "Directors") and there will be no public market for the shares. Shares will be redeemable by the shareholders of the Fund (the "Shareholders") on each Redemption Day (as defined herein). The Board of Directors may require a mandatory redemption in certain circumstances. Shares offered have not been traded prior to this offering.

The value of investments may fall as well as rise and there is no certainty of recouping the amount of money originally invested. There can be no assurance that the investment objectives of the Fund will be attained and that losses will not be realised. Consequently, the value of shares may go up or down.

All monetary amounts set forth herein are expressed in US Dollars (USD or US\$), unless indicated to the contrary.

SUMMARY

This Summary should be read in conjunction with and is qualified in its entirety by reference to the information appearing in the main text of the Private Placement Memorandum (the “Memorandum”) and the documents described herein.

FUND

African Lions Fund Ltd. is an open-ended investment company incorporated in the British Virgin Islands on July 20 2020.

INVESTMENT MANAGER

The Fund has appointed ST Funds Management Limited as its Investment Manager. The Investment Manager is an Australian unlisted public company owned by Tim Staermose and Chor Leng (Peter) Tan.

The Fund is not a registered managed investment scheme under Australian regulations, nor is it an offer made within Australia. As such investors should expect no oversight from Australian authorities as to the operation of the Fund.

However, the Investment Manager does hold Australian Financial Services License Number 416778 and is authorised to provide general financial advice to both retail and wholesale investors in Australia.

As such, investors may benefit from the regulatory oversight as it relates to the professional conduct of the Investment Manager.

ADMINISTRATOR

Circle Investment Support Services (Singapore) Pte. Ltd. has been appointed as administrator to the Fund with responsibility for all administrative and accounting matters and calculation of the net asset value of the shares (the “Administrator”). In addition, it will act as registrar, transfer and paying agent to the Fund.

INVESTMENT OBJECTIVE

The Fund’s investment objective is to achieve long-term capital growth and regular income from a long-only, concentrated, benchmark-unaware portfolio of listed securities that derive the majority of their revenue and earnings from sub-Saharan African economies, excluding South Africa. Up to 10% of the Fund’s investable assets may also be held in securities issued by companies operating in countries elsewhere, but which are not in the MSCI ACWI benchmark index.

The foregoing description of the Fund’s investment objective represents the Investment Manager’s present intentions in view of current market conditions and other factors. The Investment Manager may vary the foregoing investment objectives and guidelines to the extent it determines that doing so will be in the best interests of investors. Any such decision will be communicated to Investors in advance. Should an Investor disagree with such a decision, the Investor will be given an opportunity to redeem their shares, without redemption fees.

BUSINESS DAY

A day when banks are open for business in Singapore, United States of America and the British Virgin Islands or such other location as decided at the discretion of the Board of Directors (“Business Day”).

VALUATION DAY

The last Business Day of each calendar month or such other day as may be determined by resolution of the Board of Directors of the Fund (“Valuation Day”). The Board of Directors may establish additional Valuation Days.

NET ASSET VALUE

The net asset value per share (“Net Asset Value per Share”) on any Valuation Day is equal to the aggregate net asset value (as defined herein) of the Fund divided by the total number of shares outstanding on the Valuation Day.

AGGREGATE NET ASSET VALUE

The total value of the assets of the Fund (including all cash and cash equivalents, accrued interest, and the market value of all securities and all other financial instruments of the Fund) minus all accrued debts,

liabilities and obligations (including management, performance and professional fees) and any contingencies for which the Administrator determines that reserves or accruals should be made ("Aggregate Net Asset Value").

DEALING DAY

The first Business Day of each calendar month or such other day as may be determined by resolution of the Board of Directors of the Fund ("Dealing Day").

SUBSCRIPTIONS

The Fund is offering, through this Memorandum, Class B participating shares (the "Shares"). The Class B Shares shall be issued in Series. Unless the context otherwise indicates, the use of the word Series in the document includes Series of Shares.

The Fund has also issued Class A voting, non-participating shares which have been issued to the Investment Manager.

According to the Memorandum and the Articles of Association of the Fund, the Board of Directors may by resolution fix the designation, powers, preferences, rights, qualifications, limitations and restrictions of each class and series of Shares that the Fund is authorised to issue.

All Shares are, when issued, fully paid and non-assessable and shareholders have no personal liability for the debts of the Fund. All Shares have no pre-emptive, conversion, exchange or other rights or privileges.

The Fund may issue fractional shares and a fractional share shall have the corresponding fractional rights, obligations and liabilities of a whole share of the same class or series of shares.

The Shares subscribed to shall be issued on the next available Dealing Day following receipt of the subscription agreement (the "Subscription Agreement") at a subscription price calculated by reference to the Net Asset Value per Share calculated as at the Valuation Day immediately preceding the relevant Dealing Day.

During the initial subscription period Shares were offered at a price of USD 5,000 per share.

A duly completed and signed Subscription Agreement must be received by the Administrator at least one (1) Business Day prior to the relevant Dealing Day. Subscription monies must be received by the Fund in cleared funds at least one (1) Business Day prior to the relevant Dealing Day.

MINIMUM SUBSCRIPTION

Any initial subscription by an investor shall be for a minimum amount of USD 25,000 and additional subscriptions shall be for an amount of at least USD 5,000. The Board of Directors, in its discretion, reserves the right to alter these minimum subscription amounts.

REDEMPTION DAY

The first Business Day of each calendar quarter or such other day as may be determined by resolution of the Board of Directors of the Fund.

REDEMPTIONS

Shareholders may redeem Shares on each Redemption Day for an amount per Share equal to the Net Asset Value per Share on the preceding Valuation Day, following the receipt of a completed and signed redemption request form by the Administrator.

Redemption requests must be received by the Administrator (and, if sent by fax, neither the Administrator nor the Fund accept responsibility for errors in transmission) at least three (3) months prior to the Redemption Day on which the relevant Shares are to be redeemed. Any redemption request received with less than three (3) months' prior written notice, will be processed for the following Redemption Day. The Fund will usually arrange for payment to the Shareholder of the full redemption proceeds within 20 Business Days after the relevant Redemption Day.

The minimum redemption amount is USD 5,000 or such lower amount as the Board of Directors may in its absolute discretion decide. The Fund may under certain circumstances effect a compulsory redemption of Shares.

If redemptions of Shares result in a Shareholder's remaining balance of Shares having a Net Asset Value of less than USD 25,000 the Board of Directors, in its absolute discretion, shall have the right to require the compulsory redemption of all of the Shares held by the relevant Shareholder(s). Any such compulsory redemption shall be made at the Net Asset Value of the Valuation Day immediately following the issuance of a notice of redemption to the Shareholder. (For more on redemptions see heading "Shares of the Fund" of this Memorandum).

DIVIDENDS

The Fund does not anticipate that any dividends or other distributions shall be paid to Shareholders out of the Fund's earnings and profits, but rather such income will be reinvested. The Fund reserves the right to change this policy.

FEES AND EXPENSES

The Fund will bear its own organisational, managerial and administrative expenses. The Fund will pay the Investment Manager a management fee of up to 1.5% per annum of the Net Asset Value of the Shares. The Fund and the Investment Manager may agree to a reduced management fee for any period of time.

The Investment Manager will be entitled to a performance fee equal to 15% per annum, on returns that exceed the **S&P Africa Frontier BMI (USD) Total Return Index**, paid annually in arrears, and subject to a high-water mark principle.

To facilitate the payment of the Performance Fee, and to ensure equality of treatment of shareholders, the Shares will be offered in Series. This means that, on each Dealing Day on which Shares are subscribed for, a new Series of Shares is issued. These Series may then be consolidated into the Lead Series if certain conditions are met (as described herein). Therefore, a Series will be issued at the subscription price, which depending on the performance of the Fund may be either (i) the prevailing Net Asset Value per Series or (ii) the initial subscription price of the particular class of Shares. The issue of Series of Shares in no way prejudices existing or subscribing shareholders and is purely for purposes of ensuring fair and equitable allocation of the Investment Manager's Performance Fee.

More information about expenses, fees and their calculation is set out in details under the heading "Fees & Expenses" of this Memorandum.

TAX STATUS

The Fund will not be subject to tax in the British Virgin Islands. It may be subject to taxes on its underlying investments, depending on the jurisdiction in which they are held. Each Shareholder should consult their tax advisor as to their own tax position.

THE FUND

African Lions Fund Ltd. is an open-ended investment company incorporated on July 20, 2020 under the laws of the British Virgin Islands. The Fund is open for subscriptions on a monthly basis and redemptions on a quarterly basis.

The financial year of the Fund will end on December 31 of each year. The Fund has appointed Baker Tilly Singapore to act as the independent auditor of the Fund's annual financial statements.

Investment Objective and Policies

The Fund's investment objective is to achieve long-term capital growth and regular income from a long-only, concentrated, benchmark-unaware portfolio of listed securities in that derive the majority of their revenue and earnings from sub-Saharan African "Frontier" economies. This excludes South Africa, which is classified as an Emerging Market, not a Frontier Market.

Up to 10% of the Fund's investable assets may also be held in securities issued by companies operating in Frontier markets elsewhere in the world; that is, in countries not included in the MSCI ACWI Index.

There is no specific listing location requirement, the Fund emphasises where the underlying company in which it invests operates; therefore, the Fund will consider securities listed on any exchange in the world.

The Fund's investment objective is a long-term investment strategy with a 5 to 10 year investment horizon.

As mentioned herein, the S&P Africa Frontier BMI (USD) Total Return Index (Ticker : STEIAFDP) will be the benchmark for the Fund and its investments.

This Index covers over 100 listed companies in the sub-Saharan frontier market countries of Botswana, Cote d'Ivoire, Ghana, Kenya, Mauritius, Namibia, Nigeria and Zambia

For full details: <https://us.spindices.com/indices/equity/sp-africa-frontier-bmi#overview>

Note that the Fund will not necessarily closely track this index in its portfolio construction.

The Fund will use the returns from this generic African frontier markets index as its benchmark for the calculation and payment of the Performance Fee ("Benchmark") for calculating the performance fees of the Investment Manager.

The Fund's objective is to outperform this benchmark with varied stock selection that follows the Investment Manager's proprietary process, without regard to the index.

The Investment Manager reserves the right to review this benchmark from time to time. A review will be prompted, for example, if the benchmark index is altered materially by the index provider; or, if for some reason the benchmark ceases to adequately and accurately represent the universe of securities that the Fund's mandate allows it to invest in.

Any change of benchmark will be communicated to investors at least one quarter in advance, and should an investor disagree with the new benchmark, the investor will be given the opportunity to redeem his investment at no charge.

Targeted returns

Targeted returns on individual investments will be up to 4x on a 5- to 10-year time horizon. The Fund seeks to invest only in businesses that the Investment Manager estimates have the potential to:

- at least double their sales and profits on a 5- to 10-year view, and
- which trade with a big enough margin of safety and at low enough current valuations that the Investment Manager believes the valuation multiple could possibly also double on a 5- to 10-year view.

Investors should note that markets are sometimes not reflective of fundamentals for long periods, being driven by liquidity; however, by aiming for returns of 4x in 5 to 10 years on each and every investment, the Investment Manager expects that the Fund will outperform its benchmark.

With the high economic growth rates and lofty returns on capital that exist in these early-stage developing markets, the Investment Manager expects that the targeted returns are attainable.

Investment markets are subject to considerable uncertainty, and all manner of risks that are beyond the control of the Fund. There is no guarantee that the Fund will meet the targeted returns.

Investment selection framework

The Investment Manager will employ a stringent selection framework to the Fund's investments, which has been honed over many years of prior stock picking and investment management experience.

The selection of the Fund's investments will follow the below selection methods:

Macro - does the target company operate in a country or jurisdiction the Investment Manager is comfortable with? What are the economic, political, legal, fiscal, monetary and exchange rate risks?

Market - does the target company have an addressable market size large enough, and sufficient growth potential that it can conceivably double its business over the next 5 to 10 years?

Model and Moat - does the target company have a superior business model, and a sufficiently strong competitive advantage and wide enough moat around its business to sustain its superiority over time?

Money - does the target company have a rock solid balance sheet, preferably with no net debt - unless operating in the financial or real estate sectors - which means it can withstand any catastrophe, and live to fight another day?

Management - is the management team of the target company ethical and competent; not just in business, but in life? Are they the sorts of people you would do business with privately, on a handshake?

My fellow shareholders - are there controlling shareholders of the target company? Are their interests aligned with those of the Investment Manager, and do they treat minority shareholders fairly and respectfully? Are there enough shares that are not closely held that the company's stock is sufficiently liquid?

Multiple - does the target company's equity trade at a low enough multiple of earnings, cash flow and book value that it can conceivably trade at double that multiple at some point in the next 5 to 10 years, or at some point over the course of the business cycle?

My exit - the Investment Manager (before making any investment) will carefully investigate under what circumstances the Fund would exit the investment in the target company, and how that exit might be accomplished, if not possible via a liquid market. The thesis of the Investment Manager is that liquidity in the Fund's target companies/markets will generally improve over time, and as long-term investors, that will benefit the Fund.

Investment process

1. The Investment Manager has identified and compiled a comprehensive database of listed equities trading in sub-Saharan Africa, on stock exchanges that are open to foreign investment. This database is kept up to date and amended periodically.
2. The Investment Manager regularly screens, at a country level, macro variables such as GDP growth, inflation rates, interest rates, money supply growth, bank credit, tax rates, government spending, and budget balances. The Investment Manager considers political risks, market regulation, the legal environment, law and order situation, general investment climate, and variables affecting the country's external debt position and foreign exchange market dynamics, such as trade and current account balances.

For any country where any of these macro variables alone, or combined with others, is such that they constitute an unacceptable risk to the Fund, the Fund will not invest; or if already invested, the Fund will suspend its investing activities and divest any holdings as soon as practically possible.

3. The Investment Manager screens the universe of potential investments based on market size and liquidity. Many companies in countries where the Fund may invest are closely held. Given the fact that the Fund aims to own only between 10 and 20 stocks, and generally, the Fund desires to invest meaningful amounts in each, this necessarily limits what the Fund can invest in, based on assets under management of the Fund.

As an example, if the Fund has USD 5mn under management and the Investment Manager is comfortable owning 10 stocks, the Fund has up to USD 500,000 to invest, initially, in any one target company. The Investment Manager generally requires the target company to have a free float worth at least USD 5mn in this scenario. Only in exceptional circumstance will the Fund take a position greater than 10% of a target company's free-float.

As the Fund grows, the Investment Manager will find investment options restricted to progressively larger companies. While there is no strict cap on the size of the Fund, at this stage it is not envisaged that the Fund will grow to more than USD 30mn.

4. Our research process at the target company level begins with downloading all relevant publicly disclosed announcements by the target company, going back as far as necessary for the Investment Manager to get comfortable with placing the investment.

This may include annual reports, unaudited results announcements, dividend declaration notices, annual meeting notices and minutes, and periodic disclosures to the stock exchanges, as well as any other material the target company has published, for example via its own website, or the via the media.

After the Investment Manager reviews the target company's primary source documents, assuming the Investment Manager is still interested in digging deeper, the Investment Manager will read third-party articles and reports about the target company in question.

The Investment Manager will also familiarize itself with the fundamentals of the industry in which the target company operates, both in its local country context and around the world, noting any peculiarities or particular advantages or challenges in the country concerned.

As long as the third-party commentary and a thorough review of the industry dynamics do not bring to the Investment Manager's attention something negative that it may have missed, which rules out investing, the Investment Manager will then progress to the next stage (face-to-face meetings with the representatives of the target company where at all possible).

The Investment Manager will also endeavor to speak with the target company's competitors, customers, suppliers, and anyone at all who might have direct first-hand knowledge of how the target company conducts its business and treats its stakeholders.

5. Assuming that the Investment Manager wants to invest in the target company after all this research is complete, it will determine a price at which the Investment Manager is comfortable to buy shares and, if within that target range, begin to accumulate a position.

The Fund will mostly be a long-term investor and having to slowly build positions in relatively illiquid or infrequently traded stocks does not faze the Investment Manager. The Investment Manager has considerable prior experience with such stocks and has grown accustomed to executing such trades.

Liquidity is never constant, and if the Fund's investment objective/thesis proves correct, there should be opportunities to exit in future when the stocks it owns become much more popular and actively traded following consistent business success, and/or the markets in which they are listed enjoy a return to favour and sentiment shifts.

To summarise, the Fund will be a contrarian value investor by style/nature. Where an investment works out as planned, the Fund will exit on price strength, once its targeted investment returns are met.

6. The Investment Manager will monitor existing positions to ensure that nothing has permanently or irrevocably altered with its investment thesis or initial assessments and forecasts for the Fund.

In the case that the Investment Manager has made a mistake, where new information becomes available, or where a target company's prospects are fundamentally damaged, The Fund will exit its holding in the target company.

7. Where a stock has appreciated significantly, and the valuation has become stretched in the view of the Investment Manager, the Fund will sell part or all of its position in the applicable target company. When fully invested, the Investment Manager may also sell and reallocate capital, if it finds an alternative investment of similar quality, but which is trading at a much lower valuation, and thus, in the Investment Manager's view, has much more upside potential.
8. If there are no suitable investments to be made, the Fund will hold cash or fixed-interest investments rather than equities.

Portfolio construction, risk control and risk mitigation

At the time of initial investment, no more than 20% of the Fund's net asset value will be invested in any one target company/security.

The Investment Manager envisages not having more than 50% of the Fund exposed to any one country at any time. As the Fund grows in size, the Investment Manager envisages greater country diversification.

The Fund will generally hold fewer than 20 individual investments.

The Investment Manager is of the belief that it is not possible to accurately track and intimately understand more than 20 investments at any one time, given the resources presently available to it.

The Fund may hold up to 100% of its investments in cash if no suitable investments are identified. The Fund may hold cash in any currency.

The Fund will not use leverage or borrow money. As is normal business practice, target companies that the Fund might invest in may borrow as part of their normal operations.

The Fund will invest only in listed equities. It will not initiate positions in unlisted companies. Where a formerly listed company is de-listed or suspended from trading, the Investment Manager may decide to continue to hold the Fund's investment in the same. The Fund will also sometimes hold bonds or fixed interest and cash investments.

The Fund employs a strict position-sizing methodology. At no time will the Investment Manager initiate an exposure to a single investment where, in its estimation, the worst-case scenario for that specific investment could see the total value of the Fund decline by 5% or more.

For example, if the Investment Manager assigns a probability that, in a worst-case scenario (barring completely unforeseen force majeure events), a single security could decline in value by 50%, the Investment Manager would not invest more than 10% of the Fund's total assets in that one security.

It is naturally possible that in some market circumstances the Fund's total value may decline by more than 5%, but given our portfolio construction methodology, the risk parameters employed by the Investment Manager are set such that no single security should contribute more than 5 percentage points of decline in The Fund's Net Asset Value - except in completely unforeseen circumstances.

The Investment Manager uses a probability-weighted, "expected value" methodology to assess risk and hypothesize target prices. Further, the Investment Manager is a fundamentals-driven, value investor and contrarian by nature. The Fund does not employ technical analysis or stop losses.

The Investment Manager believes in mitigating the risk of permanent capital loss by careful analysis, rigorous stock selection, and always seeking an adequate margin of safety, large enough that if for some reason the Investment Manager is wrong in the short term, in the long term it is difficult to envisage losing money.

The Fund will not hedge exchange rate exposures but will consider likely exchange rate moves in our investment decision making process. (See "Risk Factors" section for more detail.)

General

Income earned by the Fund's investment portfolio will be retained in the Fund, and reinvested, not paid out. There are no restrictions on the types of investments and trading activities the Fund is permitted to take, other than those stated herein.

Assets of the Fund may, to the extent deemed appropriate by the Investment Manager, be retained in deposit, call or current accounts or invested in short-term instruments such as commercial paper and certificates of deposit. The Fund may purchase debt obligations consisting of bonds, debentures and notes issued or guaranteed by governments and their agencies, or by private corporations. For temporary defensive purposes, the Investment Manager might determine that all of the Fund's investments should be made temporarily in short-term investment grade money market instruments, including bank deposits.

The foregoing description of the Fund's investment objective/strategy represents the Investment Manager's present intentions in view of current market conditions and other factors. The Investment Manager may vary

the foregoing investment objectives and guidelines to the extent it determines that doing so will be in the best interests of the Fund and the Shareholders. Should an Investor disagree, they can redeem their investment free of charge.

Investment Powers

The Investment Manager has broad investment powers and maximum flexibility and is not bound by any fixed guidelines in allocating the Fund's assets other than the above. The Investment Manager may reallocate the Fund's assets in response to changing market conditions.

RISK FACTORS

The Shares of the Fund are suitable for purchase only by sophisticated investors for which an investment in the Fund would not constitute a complete investment program and which fully understand, are willing to assume and have the financial resources necessary to withstand the risks involved in the Fund's investment program, and which are able to bear the potential loss of their entire investment. Prospective investors should maintain other investment holdings with risk characteristics different than those of the Fund. Each prospective investor is urged to consult with its own professional advisors to determine the suitability of an investment in the Fund and the relationship of such an investment to the prospective investor's overall investment program and financial and tax position. There can be no assurance that the investment objective of the Fund will be achieved.

There are certain risks to be considered that are common to an investment fund of this nature. These include but are not limited to:

General. The transactions in which the Fund generally will engage involve trading risks. Growing competition in the financial markets as well as the development of sophisticated technology that is able to discover investment opportunities more rapidly may limit the Investment Manager's ability to take advantage of opportunities in rapidly changing markets.

No assurance can be given that the investment styles selected by the Investment Manager and/or the investment and trading strategies employed by the Investment Manager will be successful or that Shareholders will realise net profits on their respective investments.

Because of the nature of the Fund's investment activities, the results of the Fund's operations may fluctuate from month to month. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results in future periods.

Markets. It may not always be possible to execute a buy or a sell order at the desired price or to liquidate an open position, either due to market conditions on exchanges or due to the operation of daily price fluctuation limits or "circuit breakers". It is also possible that an exchange or governmental authority may suspend or restrict trading on an exchange or in particular securities or other financial instruments traded on such exchange.

Subscription risk. Investors should be aware that subscription monies may be automatically invested by the Fund as soon as they have been credited in the Fund's bank account (i.e. before a contract note evidencing the investor's holding in the Fund has been issued). In this respect, should the Fund experience any difficulties in its investment portfolio (e.g. fraud, illiquidity, bankruptcy) it may not be able to return the subscription monies to the investor. Should the case arise, the investor will be treated as a Shareholder and not as a creditor.

Economic conditions. The success of any investment activity may be affected by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investors' participation in the markets for interest sensitive instruments, including equities. Market periods characterised by illiquidity or flattened volatility could impair the Investment Manager's ability to trade successfully.

Reliance on the Investment Manager. The Fund's success depends solely on the Investment Manager's ability to identify investments that will positively contribute to the Fund's performance. There can be no assurance that the investing and/or trading methods employed by the Investment Manager will produce profits. Moreover, the Investment Manager is dependent on the services of a limited number of key persons, and if the services of such persons were to become unavailable, this might have a serious impact on the Fund's performance and continuity. Although the Investment Manager and its principals have substantial experience in managing similar assets any past performance of the Investment Manager and its principals, directors and officers should not be construed as an indication of the future results of an investment in Shares of the Fund.

Mr. Tim Staermose, who assumes substantially all responsibility for the investment decision-making may become incapacitated or unable to perform his duties. The Investment Manager has endeavored to put in place an adequate contingency plan, and the Fund's management shares are owned by ST Funds Management Limited so that it may carry on the business and its board may decide the appropriate course of action.

Trading Risks. Substantial risks are involved in the trading of securities. Market movements can be volatile and are difficult to predict. Government policies can have a profound effect on interest rates which, in turn, substantially affect securities prices as well as the liquidity of Sub-Saharan African markets. Politics, recession, inflation, employment levels, trade policies, international events, war, plagues, pandemics and other unforeseen natural and man-made events can also have a significant impact on the price of securities.

Various techniques are employed to attempt to reduce the risks inherent in the trading strategies utilised by the Investment Manager. The ability to achieve the desired effect through a particular technique is dependent upon many factors, including the liquidity of the market at the desired time of execution. Thus, a substantial risk remains that the techniques employed on behalf of the Fund cannot always be effective in minimizing losses. At various times, the markets for exchange-listed securities may be “thin” or illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. The liquidity of the market may also be affected by a halt in trading on a particular securities exchange or exchanges.

Exchange Rate/Currency/Inflation Risk . The Fund is denominated in US dollars (“USD” or “US\$”). The Fund will invest primarily in the local currencies of those economies where it takes exposures. Therefore, the Fund and its Shareholders are exposed to exchange rate fluctuations - both fluctuations in the currencies of the Fund’s underlying investments against the US dollar, and fluctuations in the US dollar versus the home or base investment currency of each Shareholder.

While not in the control of the Fund, the Investment Manager does consider such likely fluctuations as part of the Fund’s investment process and aims to avoid unnecessarily risky currency exposures. The Investment Manager also tries to build in extra margins of safety to account for currency effects and any deleterious impact they may have on investment returns. The Fund does not employ, however, any currency hedging strategies as they are simply too costly to be effective.

Ultimately, Shareholders should acknowledge that even the US dollar presents inherent risks to their purchasing power. Over time, all currencies tend to lose purchasing power and buy less goods and services than they once did, due to inflation.

Market risk. The market price of financial instruments owned by the Fund may go up or down, sometimes unpredictably. The value of a security may decline due to general market conditions, such as real or perceived adverse economic conditions or general adverse investor sentiment. Financial instruments’ values may also decline due to factors which affect a particular industry or industries, such as production costs and competitive conditions within an industry.

Interest rate risk. Interest rate risk refers to fluctuations in the value of a fixed-income security resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of most fixed-income securities go down and vice versa. Financial instruments with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations.

Credit risk, default risk. The Fund could lose money if the issuer or the grantor of a fixed income security, or a repurchase agreement does not make timely payments or fails to honour its obligations. Debt instruments are subject to varying degrees of credit risks which are reflected in credit ratings. Debt instruments in the Fund’s portfolio may range in credit from unrated to “AAA” and other investment-grade debt.

Valuation. In valuing the interests of the Fund, the Administrator will be dependent upon financial information provided by independent parties or by banks, brokers or other parties. If such information would prove to be incorrect at any time this may lead to a correction of previously calculated Net Asset Values.

Counterparty risk. The intermediaries the Fund uses and relies on, such as, but not limited to, the Investment Manager, Administrator, Broker(s), Bank(s), Custodian(s), Auditor(s), and Legal Advisor(s), and the Stock Exchanges The Fund trades through, may not adequately perform the function expected of them, or become incapacitated or *unable* to perform the function expected of them, *when* it is expected of them.

Quotation risk. It may become difficult or even impossible to accurately value one or more of our investments in some circumstances, if an accurate, active, arms-length market in its securities ceases to exist for a time, or permanently.

Where a stock is not actively traded via the exchange where it is listed, the Administrator will use off-market block transactions as the reference price, or the highest bid price where there is a live bid, or the lowest offer price where there is a live offer, but no live bid, and no recent off-market transaction price for reference.

In other circumstances an auditor or other independent third party valuer may be called upon to provide a fair value estimate. The Fund will always endeavor to err on the side of conservatism when valuing its investments.

Minority Investments. The Fund usually invests in minority positions of target companies and in target companies for which the Fund has no right to appoint a director(s) or otherwise exert influence or protect its position. As such, the Fund will be significantly reliant on the existing management and board of director(s) of such target companies, which may include representation of other financial investors with whom the Fund is not affiliated.

Risks Relating to Changing Market, Economic and Political Conditions. Changing market and economic conditions and other factors, such as changes in tax laws, securities laws, bankruptcy laws or accounting standards, may make the business of the Fund less profitable or unprofitable.

The economies of individual countries in which the Fund may invest may differ favourably or unfavourably from the economies of more developed countries in such respects as growth of gross domestic product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payments position.

The economic and political risks described above may also adversely impact the value of securities that are linked to the performance of emerging markets.

Emerging and Frontier Markets Risk. With respect to any emerging country, there is the possibility of nationalisation, expropriation or confiscatory taxation, political changes, government regulation, social instability or diplomatic developments and war which could affect adversely the economies of such countries or the value of a Fund's investments in such countries. In addition, it may be difficult to obtain and enforce a judgement in a court in an emerging country.

Emerging and frontier markets can be significantly more volatile than developed markets, so that the value of investments may be subject to large fluctuations. Generally, emerging and frontier market securities are subject to greater risk than securities of developed markets in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with emerging and frontier market securities, the prices of such securities may tend to fluctuate more than those of developed markets. The market for emerging and frontier market securities is less liquid and less active than that for securities of developed markets, which can adversely affect the prices at which securities are bought and sold. In addition, bad publicity and investor perception about emerging and frontier market securities, whether or not based on fact, may contribute to a decrease in the value and liquidity of such securities.

Risks Relating to the Lack of Management Control by Investors. Shareholders have no right or power to take part in the management or control of the business of the Fund. The Fund is managed by the Directors and/or Investment Manager, engaged by the Fund. Shareholders must rely on the judgment of the Directors and/or the Investment Manager, in selecting investments and should not invest in the Fund unless willing to entrust all aspects of the portfolio management of the Fund to the Directors and/or the Investment Managers.

Distributions In-Kind. It is possible that not all investments of the Fund can be realised. In such cases, in the Directors' discretion, there may be in-kind distributions by the Fund of illiquid securities or instruments. There can be no assurance that Shareholders will be able to dispose of such securities or instruments or that the fair market value of such securities or instruments determined by the Fund for purposes of the determination of the distribution amount payable to the relevant Shareholders ultimately will be realised.

Withholding Tax Risk. Investors should note that proceeds from the sale of the Fund's investments in some markets or the receipt of dividends, distributions or other payments in respect of such investments may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities of the relevant markets, including taxation levied by withholding at source. The Investment Manager does however factor this into its investment selection process, always considering net, after-tax returns.

FATCA generally imposes a 30% withholding on certain US sourced or other payments. If the Fund fails to comply with the relevant FATCA related requirements or obligations, the Fund could be subject to

withholding tax on payments received by the Fund, which would adversely affect the value of the Shares. Although the Fund will attempt to satisfy any obligations imposed on the Fund to avoid the imposition of the FATCA withholding tax, there is no guarantee that the Fund will be able to satisfy these obligations. The Fund may not be able to allocate the relevant withholding tax to the investor that caused or contributed to the imposition of the withholding tax. The administrative expenses arising from compliance with FATCA may also result in an increase in the operating expenses of the Fund.

Note however, it is not envisaged that the Fund will make any investments in securities that trade in the United States.

Tax Compliance Risk. The Fund may take such action as it considers necessary in relation to an investor's holding or redemption proceeds, as a result of relevant legislation and regulations, including but not limited to, AEOI Regulations, as further detailed in the section of this Memorandum entitled "Taxation". Such actions may include, but are not limited to the following:

1. The disclosure by the Fund or such other Service Provider or delegate of the Fund, of certain information relating to an investor to the TIA or equivalent authority and any other foreign government body as required by AEOI Regulations. Such information may include, without limitation, confidential information such as financial information concerning an investor's investment in the Fund, and any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such investor.
2. The Fund may redeem any Shares held by an investor in accordance with the terms of this document and may deduct relevant amounts from a recalcitrant investor so that any withholding tax payable by the Fund or any related costs, debts, expenses, obligations or liabilities (whether internal or external to the Fund) are recovered from such investor(s) whose action or inaction (directly or indirectly) gave rise or contributed to such taxes, costs or liabilities. Failure by an investor to assist the Fund in meeting its obligations pursuant to AEOI Regulations may therefore result in pecuniary loss to such investor.

Investments in Companies with Limited Lines of Business. Investments in companies with limited lines of business, while often presenting greater opportunities for growth, may also entail larger risks than are customarily associated with investments in companies with more diversified lines of business. Such companies may have more limited product lines and may also face competition. As a result, these companies may be more vulnerable to general economic trends and to specific changes in markets and technology.

Limited Liquidity of Shares; No Initial Public Offering. An investment in the Fund is an illiquid investment that involves a high degree of risk because the right to redeem and transfer Shares is subject to restrictions. Only investors, who are financially able to maintain their investment and who can afford to lose all or a substantial part of that investment, should invest in the Fund. Furthermore, the Directors do not anticipate that an active secondary market will be developed in the Shares. Accordingly, investors may be able to realize their investment in the Shares only through the redemption of their Shares by the Fund.

The securities exchange on which underlying investments are listed may be relatively illiquid compared to investments in securities listed on securities exchanges in developed countries. Therefore, the Fund may take longer to liquidate positions in such listed securities than would normally be the case for other publicly-traded securities. Although the Investment might be resold in privately negotiated transactions, the price realised on such sales could be less than that originally paid by the Fund.

Ability to Acquire Investments. While the Fund intends to acquire investments as described in this document, the ability of the Fund to actually make such investments may depend on a number of external factors beyond the control of the Fund. There can be no assurances that the Fund will be able to secure some or all of the anticipated investments when the Fund commences operations.

Limitation on Liability of the Investment Manager. Pursuant to the Investment Management Agreement between the Fund and the Investment Manager, the Investment Manager is not responsible for losses arising out of an error of judgment or negligence, but only responsible for losses resulting from willful misfeasance, bad faith or a reckless disregard of their duties and obligations. Accordingly, Shareholder losses will not be recoverable from the Investment Manager if they resulted from an erroneous decision made in good faith or negligence. In order for a Shareholder to obtain a recovery from the Investment Manager, the Shareholder will have to demonstrate a high degree of misconduct on the part of the Investment Manager. Such a high burden of proof may serve to effectively insulate the Investment Manager from liability in the event a Shareholder suffers a loss.

Absence of Secondary Market. There is no public market for the Shares and it is unlikely that an active secondary market will develop. Shares are not being registered to permit a public offering under the securities law of any jurisdiction. Investors will be able to dispose of their Shares in The Fund only by means of redemption on the relevant Redemption Day at the redemption price and subject to the restrictions set out under “Redemptions” in the absence of an active secondary market. In addition, the Board of Directors have the power to suspend and compel redemptions subject to the limitations outlined in “Compulsory Redemptions”.

Institutional risks. Institutions such as brokerage firms and banks will have custody of the assets of the Fund. Such firms may encounter financial difficulties which impair the operating capabilities or the capital position of the Fund.

Exchange rate fluctuations. The Fund’s base currency of accounting is the USD. Certain of the investments of the Fund may be in currencies other than the USD. Similarly, certain expenses of the Fund, including organisational, offering and operating expenses and the fees of the Board of Directors and service providers, have and will continue to be incurred in currencies other than the USD. Accordingly, the Fund is at risk and liable for any gain or loss incurred as a result of exchange rate fluctuation, when such investments are realised or when such expenses are paid. Thus, Shareholders -indirectly- bear the risk of exchange rate fluctuations in respect of any purchase of Shares. The Fund will not employ a currency hedge overlay program.

Concentration of Investments. The Fund’s portfolio will normally be diversified among a variety of different investments as stated herein. However, the Fund’s assets may from time to time be concentrated within a limited number of investments.

Changes in investment styles. The Investment Manager may decide to alter the Fund’s investment styles without prior approval by the Fund or its Shareholders if the Investment Manager decides that such change is in the best interests of the Fund. Any such change of strategy could result in the exposure of the Fund’s assets to additional risks.

Environmental, social and governance. The Fund may, and likely will, invest in companies that sell alcoholic beverages and cigarettes. It may also invest in companies that manage gambling establishments, and ones that raise and slaughter animals. It will certainly also invest in companies that produce or burn fossil fuels. It may also own stocks where the employees, management teams, or boards of directors are not diversified by race or gender.

If your religious beliefs or moral codes preclude you from making such investments, please be advised that the Fund may not be appropriate for you.

Effects of substantial redemptions. Substantial redemptions of Shares within a limited period of time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect both the value of the Shares being redeemed and the value of the remaining outstanding Shares. In addition, regardless of the period of time during which redemptions occur, the resulting reduction in the Fund’s assets could make it more difficult for the Fund to generate profits or recover losses.

Substantial fees and expenses. The fees and expenses to which the Fund will be subject can be substantial. The Fund will therefore be required to make significant investment profits in order to avoid depletion or exhaustion of its assets.

Contingent liabilities. The Fund may find it necessary upon the redemption of Shares by a Shareholder to set up a reserve for un-amortised, undetermined or contingent liabilities and withhold a certain portion of a Shareholder’s redemption proceeds.

Lack of regulation. Although the Fund is in possession of a license as a Private Fund under SIBA and the Regulations of the British Virgin Islands, this does not imply that there will be any restrictions on the Fund’s trading and investment choices other than those set out in this document, nor does this imply that the activities of the Fund will be monitored on a regular basis by a supervisory body.

Absence of voting power. The Shares are non-voting and as such will not entitle any of the holders thereof to participate in the management of the Fund.

Potential Conflicts of Interest. The Directors, the Investment Manager and their respective affiliates may from time to time act as Directors, manager, advisor, administrator, registrar, custodian or dealer in relation to, or be otherwise involved in, other funds or accounts including those that have similar investment objectives to those of the Fund. The Directors, the Investment Manager and their respective affiliates may also own Shares and hold, dispose or otherwise deal with such Shares as well as hold or deal in any investments notwithstanding that similar investments may be held by or for the account of the Fund. Thus each may be subject to conflicting demands in respect of allocating management time (if any), services and other functions between the activities each can undertake with respect to the Fund and the activities each can undertake with respect to other investors or accounts. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. Each will at all times have regard in such event to its obligations to the Fund and will endeavor to ensure that such conflicts are resolved fairly.

The Directors, the Investment Manager and their respective affiliates may contract with or enter into any financial, banking or other transaction with the Fund, any Shareholder or any company or body whose assets are held by or for the account of such Fund. The Directors, the Investment Manager or their respective affiliates shall not be liable to account to any person for any profits or benefits made or derived by them in connection with any such transaction.

The Investment Manager and its respective affiliates may give advice and recommend securities to other managed accounts or investment funds, which may differ from advice given to, or securities recommended or bought or sold for the Fund even though their investment objectives may be the same as or similar to the Fund's objectives.

The Investment Manager may share with any other person (including, but not limited to, any investor or any person including investors) any fees and other benefits to which it may be entitled from the Fund. The Investment Manager and any person connected with it, including any employee of the Investment Manager or their associated companies, may invest in the Fund.

AMS Management Ltd., AMS Law, AMS Secretaries Ltd., and the Authorised Representative are affiliated to AMS Financial Group. Mr. van Aalst is a director of AMS Trustees Limited, AMS Secretaries Ltd., and also a director of the Fund. Instances may arise, where the interests of AMS Financial Group and its affiliates may be opposed to those of the Fund.

The Board of Directors will take such steps, as it deems necessary to minimise the risk that an affiliated transaction will adversely affect the interests of the Fund and its Shareholders, but no assurance can be given that such procedures will prevent, in all circumstances, such a result. Furthermore, each of the service providers to the Fund may have certain conflicts in relation to the Fund. Should any such conflicts arise, the Board of Directors will take those measures it deems fit to resolve any such conflict in a fair and equitable manner.

The Directors may from time to time act as directors or be otherwise involved in, other collective investment schemes which have similar investment objectives to those of the Fund. It is therefore possible that they may, in the course of their business, have potential conflicts of interest with the Fund. They will at all times have regard in such event to their obligations to act in the best interests of the Shareholders so far as practicable, having regard to their obligations to other clients where conflicts of interests may arise and they will endeavour to resolve such conflicts fairly.

No Separate Counsel/No Independent Verification. AMS Law acts as British Virgin Islands counsel to the Fund. AMS Law does not represent investors in the Fund, and no independent counsel has been retained to represent investors in the Fund. This document was prepared based on information provided by the Directors and the Investment Manager and AMS Law has not independently verified such information.

Handling of mail. Mail addressed to the Fund and received at its Registered Office will be couriered unopened to the Administrator within ten Business Days of receipt by the Registered Office. None of the Fund, its Directors, Investment Manager officers or service providers will bear any responsibility for any delay howsoever caused in mail reaching the Administrator. In particular the Directors will not receive, open or deal directly with mail addressed to the Fund.

Litigation. The Fund might be named as a defendant in a lawsuit or regulatory action stemming from the conduct of its business and the activities of the Investment Manager. In the event such litigation was to

occur, the Fund would bear the costs of defending against it and be at further risk if the defence in the litigation were unsuccessful.

It should be noted that the Investment Manager and the Board of Directors have consulted with lawyers, accountants and other experts regarding the formation of the Fund. Such personnel are accountable to the Fund only and not to Shareholders themselves. Each prospective Shareholder should consult their own legal, tax and financial advisors regarding the desirability of an investment in the Fund.

THE FUND'S INVESTMENT PROGRAM ENTAILS SUBSTANTIAL RISKS. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVES OF THE FUND WILL BE ACHIEVED.

MANAGEMENT AND ADMINISTRATION

Board of Directors

The Fund's Board of Directors has overall management responsibility for the Fund, including establishing its investment, dividend and distribution policy (if any), and has the authority to select and replace the Fund's administrator, bank and broker and any officers of the Fund and other persons or entities with management or administrative responsibilities to the Fund.

The directors of the Fund are Tim Staermose, Chor Leng (Peter) Tan, Engelbert van Aalst, and AMS Management Ltd.

Mr. Staermose and Mr. Tan each have decades of experience in investment markets, having met in 2001 as colleagues in the Equity Research Department at Lehman Brothers (Asia) Limited in Hong Kong.

Mr. Tan is an Executive Director of the Investment Manager. He resides in Singapore.

Mr. Tan is a qualified Chartered Accountant with Bachelor's degrees in Accounting and Computer Science from Murdoch University in Western Australia. In recent years, Mr. Tan has been a full-time private investor. He shares his ideas and provides regular commentary at <https://double-digit-dividends.com/>. He is also the Portfolio Manager at The Double Digit Dividend Fund.

Mr. Staermose serves as the Investment Manager's CEO. He is a Permanent Resident of Hong Kong. He has relocated to Tanzania, as the fund is now established and has reached sufficient size.

Mr. Staermose has Bachelor's degrees in Economics and Asian Studies (Korean) from the Australian National University in Canberra. Mr. Staermose is currently Chief Investment Strategist at Sovereign Man (www.sovereignman.com) where he also writes *The 4th Pillar* newsletter focused on deep value investments around the world.

He has also historically managed a number of individually managed accounts for high-net-worth individuals, and an Australian, unlisted investment company Wonfair Investments Pty Ltd, which focuses among other things on deep-value activist investments.

Mr. Staermose plans to devote substantially all his time spent managing investments to the Fund. He is a key person and will ultimately make all the Fund's investment decisions.

Mr. Staermose writes extensively at his website <https://globalvaluehunter.com/>

Mr. van Aalst is the managing director of AMS Trustees Limited in the British Virgin Islands.

Mr. van Aalst has held a variety of senior positions in the international corporate services industry over the past 30 plus years of his career, including 23 years in a business and product development role in New York, USA.

Mr. van Aalst is knowledgeable in corporate laws and regulations in a variety of international jurisdictions and he has developed a great network of professional advisors around the world. He is dedicated, solution oriented, client driven and he prides himself on his professional integrity.

AMS Management Ltd. is part of AMS Financial Group, a group of corporate and financial services companies with activities in regulatory and compliance services, legal, consultancy and business support solutions. AMS Management Ltd. is licensed to provide directorship services in the BVI.

For the purpose of clarification, it is acknowledged that Mr. van Aalst, AMS Management Ltd., AMS Law, AMS Secretaries Ltd., AMS Authorised Representative Limited, and AMS Trustees Limited are all part of the of AMS Financial Group.

Secretary

AMS Secretaries Ltd. serves as the Secretary of the Fund and is part of AMS Financial Group, a group of corporate and financial services companies with activities in regulatory and compliance services, legal,

consultancy and business support solutions. AMS Secretary Ltd. is licensed to provide corporate secretarial services in the BVI

Investment Manager

ST Funds Management Limited is an Australian unlisted public company owned by Mr. Staermose and Mr. Tan.

The board of directors of the Investment Manager consists of Mr. Tan (Chairman of the Board), Mr. Andrew Meakin and Mr. Shaun Stone (the latter two are independent directors). Under the rules of the Australian Securities and Investment Commission (ASIC) any Australian Financial Services License (AFSL) holder licensed to give advice to retail investors must either have an independent board of directors, or a Compliance Committee.

The Investment Manager holds the Class A voting, non-participating shares of the Fund.

The Fund is not a registered managed investment scheme under Australian regulations, nor is it an offer made within Australia. As such investors should expect no oversight from Australian authorities as to the operation of the Fund.

However, the Investment Manager does hold Australian Financial Services License Number 416778 and is authorised to provide general financial advice to both retail and wholesale investors in Australia.

As such, investors may benefit from the regulatory oversight as it relates to the professional conduct of the Investment Manager.

Administrator

The Fund has appointed Circle Investment Support Services (Singapore) Pte Ltd. to act as the administrator, registrar and transfer agent of the Fund (the “Administrator”). The Administrator is an affiliate of Circle Partners, an international group providing management, accounting and corporate finance services to private clients, companies and institutions from its offices in the Netherlands, Luxembourg, the British Virgin Islands, the Cayman Islands, Switzerland, Curacao, the United States of America, the Slovak Republic, Singapore and Hong Kong.

Pursuant to the administration, registrar and transfer agency agreement (the “Administration Agreement”) between the Administrator and the Fund, the Administrator is responsible, inter alia, for the following matters under the general supervision of the Directors:

- Communicating with shareholders;
- Maintaining the registers of Shares;
- Administrative processing of subscriptions, transfers and redemptions of Shares;
- Preparing and maintaining the financial and accounting records and statements of the Fund;
- Controlling whether the costs of the Fund are in conformity with regulatory requirements;
- Determining the Net Asset Value of the Shares;
- Preparing financial statements;
- Arranging for the provision of accounting, clerical and administrative services;
- Maintaining corporate records; and
- Disbursing payments of fees, if any.

It should be noted that in providing services as an administrator, the Administrator does not act as a guarantor of the Shares herein described. Moreover, the Administrator is not responsible for any trading decisions of the Fund (all of which will be made by the Investment Manager) or the effect of such investment decisions on the performance of the Fund.

The Administrator shall not, in any way at any time, be involved with any investment decision to be made on behalf of the Fund, nor with the execution thereof.

Further, the Administrator will not be responsible for verifying that the investment strategy, policies and in particular any restrictions and limitations as contained and defined herein, are being adhered to by the Fund and/or the Directors.

The Administrator and its directors, officers, employees, agents and nominees and their respective personal representatives, successors in title and estates shall be indemnified and held harmless by the Fund against

all liability, loss, damage, claims, actions, accounts, proceedings and demands and any costs and expenses whatsoever which may be incurred or suffered by the Administrator arising out of its appointment except where shall arise through the dishonesty, wilful default, fraud or gross negligence of the Administrator.

Pursuant to the Administration Agreement, the Administrator will receive from the Fund remuneration for services rendered in respect of the Fund as invoiced to the Fund at the Administrator's standard rates as approved by the Directors. Disbursements (such as telecommunication, postage, courier and others) are recharged separately. Fees are calculated and payable monthly in arrears, based on the average monthly net assets of the Fund.

Auditor

The Fund has appointed Baker Tilly Singapore as its auditor.

Bank

The Fund has appointed The Northern Trust International Banking Corporation to serve as the bank of the Fund

Prime Broker

EFG Hermes.

Secondary Broker

Orbit Securities Tanzania.

Custodians

Stanbic Bank

EFG Hermes

Legal advisor

AMS Law of Tortola, British Virgin Islands has advised the Fund as to matters arising under British Virgin Islands law. In connection with the offering of the Shares and subsequent advice to the Fund and Directors, AMS Law is not representing investors in the Fund. No independent counsel has been retained to represent investors in the Fund.

FEES AND EXPENSES

Operating and organisation costs

Operating costs such as BVI government fees, license fees, registered agent/registered office fees, authorised representative fees (not including costs of the Investment Manager, Auditor, Administrator and Bank, Prime Broker and Custodian), legal and other expenses, together with the Board of Directors' fees will be paid by the Fund.

The Fund's promoter has paid for non-recurring start-up/organisational costs such as incorporation and license fees and legal expenses and these will not be charged to the Fund.

Fees of the Investment Manager

The Fund will pay the Investment Manager a management fee of up to 1.5% per annum of the net asset value of the Shares. The management fee is accrued and paid quarterly in arrears. The Fund and the Investment Manager may agree to a reduced management fee for any period of time.

The Management Fee is charged purely to pay the annual expenses/fees of the Fund and the Investment Manager and if there is a shortfall, the Investment Manager will cover the same.

The Investment Manager will also earn a performance fee ("Performance Fee") of 15% of any outperformance above the **S&P Africa Frontier BMI (USD) Total Return Index**, which is the Fund's benchmark, subject to a high-water mark.

The Investment Manager will receive the Performance Fee for any increase in the Net Asset Value of the Shares (including net unrealized gains), if any, during the relevant period as specified hereinafter.

Performance fees are calculated and accrued quarterly and paid yearly in arrears. A Performance Fee shall only be payable to the extent that the Net Asset Value of Shares at the end of such calendar quarter exceeds the highest Net Asset Value of the Shares in previous periods (High Water Mark principle) and outperforms the Benchmark. The relevant Net Asset Value shall be adjusted to take into account the effects of any subscriptions, redemptions and distributions.

While the Fund may outperform its benchmark if the Fund's Net Asset Value falls by less than the benchmark in a down year, the High Water Mark Principle ensures that investors will not pay a performance fee in a year where the Fund's net asset value has declined.

The Fund may issue Series of Shares or employ a consolidation method (such as the consolidation shares approach) for calculation of the Performance Fee in the future.

Redemption Fee

A redemption fee of up to 1% will be deducted from the gross redemption amount to pay for the expenses of handling the redemption. Such fee will be for the Fund for the benefit of remaining investors in the Fund.

Fees of the Administrator

Pursuant to the Administration Agreement, the Administrator will receive from the Fund remuneration for services rendered as invoiced to the Fund at the Administrator's standard rates for such services as approved by the Board of Directors.

Remuneration of Directors

Per the Director Services Agreement, the Fund will pay Mr. van Aalst an annual fee of USD 6,000.00 for directorship services rendered by Mr. van Aalst during each calendar year (pro-rated for part years).

The Fund will also pay an annual fee of USD 3,000.00 to AMS Management Ltd. for directorship services rendered during each calendar year (pro-rated for part years) pursuant the Director Services Agreement.

The Fund shall also pay or reimburse Mr. van Aalst's and AMS Management Ltd.'s Representative's out-of-pocket expenses including, without limitation, travel and hotel expenses reasonably incurred in attending board and member meetings, travel and hotel expenses reasonably incurred in site meetings, photocopying, fax, telephone, postage and other communications charges and such other expenses as may be properly incurred pursuant to the Director Services Agreements.

Currently the remaining Directors do not envisage charging any directors fees. However, the remaining Directors may be reimbursed for travel, lodging and out-of-pocket expenses relating to the attendance to meetings and other matters.

The remaining Directors reserve the right to charge directorship fees in the future.

Secretary Compensation

The Fund shall pay the Secretary an annual fee of USD 1,000.00 for services rendered by the Secretary during each calendar year (pro-rated for part years) pursuant to the Secretarial Services Agreement.

The Fund shall also pay or reimburse the Secretary's Representative for its out-of pocket expenses including, without limitation, travel and hotel expenses reasonably incurred in attending board and member meetings, travel and hotel expenses reasonably incurred in site meetings, photocopying, fax, telephone, postage and other communications charges and such other expenses as may be properly incurred pursuant to the Secretarial Services Agreement.

Other operating expenses

The Investment Manager and the Administrator will be responsible for providing all office personnel, office space and office facilities required for the performance of their services, as well as paying for all expenses incurred in the identification and research of investments. The Fund will bear all other expenses incidental to its operations and business, including:

- brokerage commissions and custody charges;
- interest on debit balances;
- fees of the Fund's legal advisors, accountants and auditor;
- the costs of maintaining the Fund's registered office in the British Virgin Islands;
- any income taxes, withholding taxes, transfer taxes and other governmental charges and duties occurring for the Fund; and
- the costs of printing and distributing any prospectuses and reports, as well as notices to the Shareholders.

SHARES OF THE FUND

Authorised shares

The Fund is authorised to issue a maximum of 50,000 shares divided into two classes of shares as follows:

- 100 Class A management shares of no par value, having voting rights but not participating in any of the profits of the Fund. The management shares have all been issued to the Investment Manager;
- 49,900 Class B participating shares of no par value, having no voting rights.

The Shares will usually be issued in book entry form (but on request may be issued in the form of share certificates) and are, when issued, fully paid and non-assessable, and Shareholders have no personal liability for the debts of the Fund, save as in limited circumstances described by the BVI Business Companies Act, 2004 (as amended). The Shares have no pre-emptive, conversion, exchange or other rights or privileges. Shareholders will participate on a pro rata basis in the assets of the Fund upon liquidation and in dividends and other distributions as declared.

Subscriptions

Shares in the Fund are available for subscription in accordance with the Articles at the subscription price as determined by the directors from time to time. Shares will be available for subscription on each Dealing Day at a price equal to the Net Asset Value per Share of the relevant class as calculated at the close of business on the Valuation Day immediately preceding the relevant Dealing Day. A Dealing Day will be determined in accordance with the Articles.

The Directors have the discretion to establish new Class and/or Series of Shares from time to time.

The Board of Directors reserves the right to reject subscriptions in its absolute discretion and without providing reasons for the rejection.

The minimum initial subscription amount will be USD 25,000. The initial price per share will be USD 5,000.

To facilitate the payment of the Performance Fee, and to ensure equality of treatment of shareholders, the Shares will be offered in Series. This means that, on each Dealing Day on which Shares are subscribed for, a new Series of Shares is issued. These Series may then be consolidated into the Lead Series if certain conditions are met (as described herein). Therefore, a Series will be issued at the Subscription Price, which depending on the performance of the Fund may be either (i) the prevailing Net Asset Value per Series or (ii) the initial subscription price of the particular class of Shares. The issue of Series of Shares in no way prejudices existing or subscribing shareholders and is purely for purposes of ensuring fair and equitable allocation of the Investment Manager's Performance Fee.

In the event that the Board of Directors accepts subscriptions for Shares in currencies other than USD, such subscriptions will be converted into its USD equivalent at prevailing exchange rates at time of issuance of the Shares, which valuation in USD will be the basis for such Share issuance. Furthermore, the Fund will not apply any currency hedging policy.

The Directors reserve the right to lower or raise the minimum subscription amount as they may deem appropriate.

Subscription monies and supporting subscription documentation must be received one (1) Business Day prior to the applicable Dealing Day or such other period as agreed by the directors but may be accepted outside this period at the discretion of the Directors.

The Administrator will confirm in writing within five (5) Business Days of receipt of all subscription proceeds which are received in good order, except in the instance where shareholders have access to the Administrator's web access tool in which instance no written confirmation will be sent. Investors failing to receive such written confirmation from the Administrator within five (5) Business Days should contact the Investor Relations Department at the Administrator.

Investor Suitability

Subscriptions will be accepted only by eligible investors (“Eligible Investors”). An Eligible Investor is any person who is not prohibited by the Directors to invest in the Fund. The Fund may decline subscriptions for any reason from any investor in its sole discretion.

The Investment Manager is licensed to provide general financial advice to both retail and wholesale investors in Australia.

However, this offer is not made under Australian law, and no offer document has been prepared under the laws of any country other than the British Virgin Islands where the Fund is incorporated.

Shareholders warrant that:

- The Investment Manager has not solicited you for an investment;
- *you* found the Investment Manager and expressed an interest to invest in the Fund to the Investment Manager; and
- the offer to invest in the Fund is made privately, to you personally, directly by the Investment Manager and not through any financial intermediary or via any generally available public notice, offer, or invitation to invest.

If you are a sophisticated or accredited investor under the laws of the jurisdiction where you reside, the Fund may ask you to submit with your Subscription Form the appropriate paperwork.

All investors in the Fund will be asked to acknowledge, by signing the appropriate section of the Subscription Form, that they are **not protected by the financial regulators** in the jurisdiction where they reside when it comes to an investment in the Fund, which is a BVI entity.

If you are resident in Australia, please note that we will not be accepting more than 20 investors who are not Sophisticated or Qualifying investors under s708 of the Corporations Act 2001 (Cth). And the Investment Manager will not be accepting more than A\$2 million in total from these 20 investors.

If you are a US Person (resident, citizen, or Green Card holder) please note that we can only accept up to 15 US Persons in total for the Fund, relying on the Exempt Foreign Advisor Provisions of the Dodd-Frank Act.

The Fund has reached the maximum number of 15 US Persons as investors.

If you are not one of the 15 persons the Fund initially accepted, you can choose to be put on a waiting list, and you may be invited to invest if another US investor subsequently redeems and exits the Fund.

If interest from US Persons is sufficiently large, the Investment Manager will examine the possibility of putting in place the necessary infrastructure to become licensed to accept further US clients in future.

It is the responsibility of each investor to verify that the purchase of and payment for the Shares is in compliance with all relevant laws of the investor's jurisdiction of residence.

Transfers

Shares may not be sold, assigned, transferred, pledged, mortgaged, encumbered or otherwise disposed of (each a “Transfer”) without the prior written consent of the Directors. The Directors may consent to a partial transfer of Shares. As a matter of policy, the Directors generally will withhold consent if such Transfer may, in the sole judgment of the Directors, result in regulatory, pecuniary, legal, taxation or material administrative disadvantage to the Fund or any investor. Any attempt to Transfer Shares without the prior written consent of the Directors will be null and void. Except as otherwise determined by the Directors in their discretion, a Transfer shall be treated as a redemption by a transferor and a subscription by the transferee. The Fund will not be liable to the transferor or transferee for any loss suffered by them as a result of the delay in or the non-registration of a Transfer.

The Directors have a right to require Shareholders to transfer their Shares to any other person they deem appropriate. Such right includes, but is not limited to, compelling a transfer of Shares under circumstances in which the Directors have reason to believe that Shares are held in violation of any applicable law, rule, regulation, interpretation, guideline or policy.

Anti - Money Laundering

To ensure compliance with statutory and other generally accepted principles aimed at the prevention of money laundering, the Fund and/or the Administrator may require a detailed verification of a prospective investor's identity. Depending on the circumstances of each application, a detailed verification may not be required if:

- the applicant makes the payment from an account held in the applicant's name at a recognised financial institution;
- the application is made through a recognised financial institution.

These exceptions will only apply if the recognised financial institution referred to above is within a country recognised as having sufficient anti-money laundering regulations, such as a member state of the European Union which is subject to the EC Money Laundering Directive (Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing) or one of the countries which makes up the Financial Action Task Force ("FATF") and which is subject to the FATF recommendations.

An individual may be required to produce a certified copy of a passport or identification card certified by a notary public and a utility bill. Corporate applicants or other legal entities may be required to produce a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business addresses of all directors and the signatory card verifying the authority of officers to sign on behalf of the corporate entity. Trusts, or similar organisational units without specific beneficial owner, which subscribe to the Fund must demonstrate organisational documents which verify their existence and the authority of one or more signatories to sign subscriptions on their behalf.

Pending the provision of evidence satisfactory to the Administrator as to the identity of any prospective investor, the evidence of title in respect of Shares may be retained at the absolute discretion of the Administrator. If within a reasonable period of time following a request for verification of identity, the Administrator has not received evidence satisfactory to it as aforesaid, it may, in its absolute discretion, refuse to issue the Shares applied for in which event application monies will be returned without interest to the account from which such moneys were originally debited.

In addition to the information required under the Subscription Agreement or application form, the Fund reserves the right to request such further information as is necessary to verify the identity of a prospective Shareholder. The Fund also reserves the right to request such identification evidence in respect of a transferee of Shares. In the event of delay or failure by the prospective investor or transferee to produce any information required for verification purposes, the Fund may refuse to accept the application or (as the case may be) to register the relevant transfer and (in the case of a subscription of Shares) any funds received will be returned without interest to the account from which the monies were originally debited.

The Fund also reserves the right to refuse to make any redemption, payment, or distribution to a Shareholder otherwise than to the account from which the corresponding subscription funds were paid where applications have not been supported by the required anti-money laundering information.

The Administrator reserves the right to request such information as is necessary to verify the identity 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.

Redemptions

Shares are redeemable at the option of the holder on any Redemption Day for an amount per Share equal to the Net Asset Value per Share on the immediately preceding Valuation Day. A redemption fee of up to 1%, to be paid to the Fund, applies.

Requests for redemptions must be received by the Fund at the offices of the Administrator or elsewhere as may be directed by the Board of Directors at least ninety (90) days prior to the relevant Redemption Day. Any redemption request received with less than ninety (90) days' prior written notice will be processed for

the following Redemption Day. Redemption requests may be accepted with less days' prior written notice at the discretion of the Board of Directors.

Each request for redemption must be signed by the Shareholder(s) in whose names the Shares are registered and bear signature guarantees or other appropriate evidence of authenticity, when required by the Fund. Redemption requests are deemed received by the Fund on the date they are received by the Administrator or other applicable agent from time to time. Unless redemptions are suspended by the Fund, redemption requests cannot be withdrawn, unless the Directors approve such a request.

The Administrator will confirm in writing within five (5) Business Days of receipt of all redemption requests which are received in good order, except in the instance where shareholders have access to the Administrator's web access tool in which instance no written confirmation will be sent. Investors failing to receive such written confirmation from the Administrator within five (5) Business Days should contact the Investor Relations Department at the Administrator. Failure to obtain such written confirmation will render instructions void.

Payments of the redemption proceeds will be made only to the accounts of registered Shareholders as advised in the Redemption Form.

A portion of the redemption proceeds may be held back at the discretion of the Board of Directors pending completion of the next occurring annual audit to mitigate against a situation where the redemption price calculated by the Administrator differs from that approved by the auditor at the end of the financial year. This is possible in, among other circumstances, where some of the Fund's holdings are not liquid enough to be considered Level 1 securities. Promptly after completion of the audit, the balance, if any, of the amount to which such redeeming Shareholder is entitled, after taking into account any adjustment made to the relevant Redemption Price as a result of the audit, will be paid to such redeeming Shareholder. No interest will be paid in respect of the amount held back until the audit.

The Fund will usually arrange for payment to the Shareholder of the full redemption proceeds within twenty (20) Business Days after the relevant Redemption Day.

A partial redemption request for an amount of less than USD 5,000 will not be accepted unless the Board of Directors in its absolute discretion agrees to accept a lower amount. Redemptions of Shares resulting in a remaining balance with a Net Asset Value of less than USD 25,000 at the moment of redemption may result in the compulsory redemption of all of the Shares held by the relevant Shareholder. Any such compulsory redemption will be made at the Net Asset Value per Share as calculated on the Valuation Day next following the issuance of a notice of redemption to the Shareholder.

The Board of Directors has the right to require the compulsory redemption of all Shares held by a Shareholder in accordance with the Articles.

Suspension of the calculation of the Net Asset Value, the redemption and sale of the Shares

The Board of Directors may suspend the calculation of the Net Asset Value of the Shares and consequently may suspend the right to require the Fund to issue or to redeem any Shares of the Fund in any of the following events:

- a) when any securities exchange or organised inter-dealer market on which a significant portion of the Fund's assets is regularly quoted or traded is closed (other than for holidays) or trading thereon has been restricted or suspended;
- b) when as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Fund, disposal of the assets of the Fund is, in the opinion of the Board of Directors, not reasonably or normally practicable without being seriously detrimental to Shareholders' interests;
- c) if it is not reasonably practicable to determine the Net Asset Value of the Shares on an accurate and timely basis whether because a fair value of the assets held by the Fund cannot be ascertained or otherwise;
- d) if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions and/or payments on behalf of the Fund are rendered impracticable or if purchases and sales of the Fund's assets cannot be effected at normal rates of exchange;

- e) when a substantial portion of the Company's investments are illiquid or are experiencing illiquidity issues;
- f) when as a result of excessive redemptions the disposal of assets of the Company is not reasonable or normally practicable without being seriously detrimental to Shareholders' interests;
- g) upon the decision to liquidate and dissolve the Fund or at such other times as the Directors, in their discretion, may determine; or
- h) for any other reason the Board of Directors believe merit a suspension of the net asset valuation, subscriptions and/or redemptions.

Net Asset Valuation

The Net Asset Value of the Fund will be determined on the relevant Valuation Day of the Fund by calculating the value of the assets of the Fund and deducting the attributable liabilities in accordance with the Articles and this Memorandum.

The Net Asset Value per Share of a particular Class or Series relating to the Fund shall be the Net Asset Value of the relevant Class or Series divided by the number of Shares of such Class or Series in issue as at the relevant Valuation Day.

The value of the assets of the Fund shall be calculated by the Administrator in accordance with the following policies:-

- (i) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, pre-paid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Directors shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount in which event the value thereof shall be deemed to be such value as the Directors shall deem to be the reasonable value thereof;
- (ii) except in the case of any interest in a unit trust, mutual fund corporation, open-ended investment company or other similar open-ended investment vehicle (a "managed fund") to which paragraph (iii) below applies and subject as provided in paragraphs (iv), (v) and (vi) below, all calculations based on the value of investments quoted, listed, traded or dealt in on any stock exchange shall be made by reference to the last traded price on the principal stock exchange for such investments as at the close of business in such place on the day as of which such calculation is to be made; and where there is no such stock exchange, all calculations based on the value of the investment quoted by any person, firm or institution making a market in the investment (and if there shall be more than one such market maker then such particular market maker as the Directors may designate) shall be made by reference to the mean of the latest bid and asked price quoted thereon; provided always that if the Directors in their discretion consider that the prices ruling on a stock exchange other than the principal stock exchange provide in all the circumstances a fairer criterion of value in relation to any such investment, they may adopt such prices;
- (iii) subject as provided in paragraphs (iv), (v) and (vi) below, the value of each interest in any managed fund which is valued as at the same day as the Fund shall be the net asset value per unit, share or other interest in such managed fund calculated as at that day or, if the Directors so determine or if such managed fund is not valued as at the same day as the Fund, shall be the last published net asset value per unit, share or other interest in such managed fund (where available) or (if the same is not available) the last published redemption or bid price for such unit, share or other interest;
- (iv) if no net asset value, bid, asked or redemption prices or price quotations are available as provided in paragraphs (ii) or (iii) above, the value of the relevant asset shall be determined from time to time in such manner as the Directors shall determine;
- (v) for the purposes of ascertaining quoted, listed, traded or market dealing prices, the Directors, the Administrator, or their agents shall be entitled to use and rely upon mechanized and/or electronic systems of valuation dissemination with regard to valuation of investments of the Fund and the prices provided by any such system shall be deemed to be the last traded prices for the purposes of paragraph (ii) above;
- (vi) notwithstanding the foregoing, the Directors may, at their absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the fair value; and

(vii) any value (whether of a security or cash) otherwise than in the Base Currency of the Fund shall be converted into the Base Currency at the 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 costs of exchange.

The term 'last traded price' referred to in paragraph (ii) above, refers to the last traded price reported on the exchange for the day, commonly referred to in the market as the 'settlement' or 'exchange price', and represents a price at which members of the exchange settle between them for their outstanding positions. Where a security has not traded then the last traded price will represent the 'exchange close' price as calculated and published by that exchange in accordance with its local rules and customs.

The Fund will prepare its annual accounts in accordance with IFRS. To the extent that the valuation basis adopted by the Fund deviates from IFRS, the Directors may be required to make adjustments in the annual accounts of the Fund in order to comply with IFRS. If relevant, a reconciliation note may be included in the annual accounts of the Fund to reconcile values as shown in the annual accounts prepared in accordance with IFRS to those derived by applying the Fund's valuation rules.

Generally, in calculating Net Asset Value per Share, the Administrator may rely solely, without further inquiry, upon information and communications received by the Administrator in good faith from any source, including (without limitation) the Fund, the Prime Broker, Secondary Broker, Custodian(s), any pricing agent, any automatic pricing services or any other person, firm or corporation whatsoever, and the Administrator shall not (in the absence of negligence, fraud, willful default or bad faith on the part of the Administrator) be liable for any loss suffered by the Fund or any Shareholder by reason of any error in such calculations by the Administrator resulting from any inaccuracy in any such information or the failure by such persons to provide any information relevant to the calculation of the Net Asset Value per Share.

Registration and transfer of Shares and certificates

Shares will be issued in registered book form. Share certificates representing Shares are not usually issued but may be issued in accordance with the Memorandum and Articles of Association of the Fund. Instead of share certificates, the Administrator issues book confirmations in favour of the Shareholders. These confirmations may be retained by the Shareholder following any redemption request.

The Fund maintains a current list of the registered names and addresses of the Fund's Shareholders at the registered office of the Fund in the British Virgin Islands and at the office of its Administrator.

Transfers of Shares can only take effect by serving upon the Fund in the manner described by law, and in accordance with the Memorandum and Articles of Association of the Fund, an instrument of assignment signed by or on behalf of the transferor and the transferee.

The Fund has designated (under agreement) the Administrator to perform the above-mentioned duties.

The Administrator will confirm in writing within five (5) Business Days of receipt of all transfer requests which are received in good order, except in the instance where shareholders have access to the Administrator's web access tool in which instance no written confirmation will be sent. Investors failing to receive such written confirmation from the Administrator within five (5) Business Days should contact Administrator. Failure to obtain such written confirmation will render instructions void.

Any transferee will have to furnish the same information, which would be required in connection with a direct subscription in order for a transfer application to be considered by the Administrator. Violation of applicable ownership and transfer restrictions may result in compulsory redemption and financial penalties.

For the time being, the Shares are not listed on any securities exchange, and it is not anticipated that there will be any secondary market for trading in the Shares.

Reinvestment policy

Since the business objective of the Fund is directed towards achieving capital appreciation, it is not expected that the Fund will declare any regular dividends. All of the Fund's earnings normally will be retained for re-investment. However, the Fund reserves the right to declare dividends or make distributions if the Board of Directors so decide and the Board of Directors will have sole discretion in determining the amount and frequency of such distributions, if any.

TAX CONSIDERATIONS

The Fund

The Fund will not be subject to taxation in the British Virgin Islands, as per the BVI Business Companies Act, 2004 (as amended). The Fund should not be generally subject to any tax on its entire income or revenues in any other jurisdiction, although the Fund may be subject to income taxes or withholding taxes at source on dividends, interest and capital gains derived from certain jurisdictions. The Board of Directors intends to conduct the affairs of the Fund in such a manner as to minimise its exposure to taxation.

The Shareholders

Persons interested in purchasing the Shares should inform themselves as to any tax consequences particular to their circumstances arising in the jurisdiction in which they are resident or domiciled for tax purposes in connection with the acquisition, ownership, redemption or disposition of the Shares.

Each Shareholder should consult a tax advisor as to his own tax position.

European Union Council Directive

It is the current understanding of the Board of Directors that the Fund should be treated as “out of scope” of the European Union Council Directive 2003/48/EC on Taxation of Savings Income in the form of Interest Payments (“EUSD”) all in accordance with the bi-lateral agreements entered into between the BVI Government with each EU Member State and Switzerland.

Please note that this Private Placement Memorandum should not be construed as legal or tax advice. Should a Shareholder require a more detailed explanation on the possible implications of the EUSD, the Board of Directors recommends any and all Shareholders to contact their legal counsel and/or tax advisor.

FATCA

Under the U.S. Foreign Account Tax Compliance Act (“FATCA”), the United States will impose a withholding tax of 30% on certain U.S. sourced gross amounts not effectively connected with a U.S. trade or business paid to certain Foreign Financial Institutions (“FFI”), including the Fund, unless some information reporting requirements are complied with. The Fund will use reasonable efforts to satisfy any obligations imposed on it in order to avoid the imposition of this withholding tax (except with respect to the interest of “recalcitrant account holders” as described in §1.1471-5(g)(2) of FATCA). A fund’s ability to satisfy its obligations under an agreement with the IRS will depend on whether each shareholder of such fund will provide that fund with any information, including information concerning the direct or indirect owners of such shareholder, that a fund determines is necessary to satisfy such obligations. Any such information provided to a fund will be shared either with the fund’s local tax authority or the IRS, depending on the model of the Intergovernmental Agreement. An investment fund that is classified as subject to FATCA requirements will be required to register with the IRS and obtain a Global Intermediary Identification Number and agree to have policies and procedures in place to identify certain direct and indirect U.S. account holders or equity holders. For these purposes the Fund would fall within the definition of an FFI for the purposes of FATCA.

Each prospective investor agrees by signing the Subscription Agreement to provide such information upon request from the Fund. If a fund fails to satisfy such obligations or if a shareholder of a fund fails to provide the necessary information to such fund, as applicable, payments of U.S. source income and payments of proceeds will generally be subject to a 30% withholding tax.

Through its Directors, the Fund may exercise its right to completely redeem a shareholder that fails to provide the Fund with the requested information in order for the Fund to satisfy its FATCA obligations, and the Directors of the Fund may take any other action deemed necessary in relation to a shareholder’s shares or redemption proceeds to ensure that such withholding is eventually borne by the relevant shareholder whose failure to provide the necessary information would impose the withholding tax on the Fund. Prospective investors and shareholders are strongly encouraged to consult with their own tax advisers regarding the possible implications of FATCA on their investment in the Fund.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely about the collecting of withholding tax) and the difficulties which may arise in certain

jurisdictions with respect to compliance with FATCA by FFIs, the U.S. government has developed an alternative intergovernmental approach to the implementation of FATCA. In this regard the British Virgin Islands and U.S. governments signed an Intergovernmental Agreement ("U.S. IGA") on June 30, 2014 and provision has been included in the local enabling legislation for the implementation of the U.S. IGA which also permits regulations to be made by the designated authority with regard to registration and reporting requirements arising from the U.S. IGA.

The U.S. IGA is intended to reduce the burden for FFIs of complying with FATCA by simplifying the compliance process and minimizing the risk of withholding tax. Under the U.S. IGA, information about relevant U.S. investors and recalcitrant investors will be provided on an annual basis by each FFI (unless the FFI is exempted from the FATCA requirements) directly to the designated authority, who will then provide such information to the IRS without the need for the FFI to enter into an FFI agreement with the IRS (although some form of registration is necessary). Under the U.S. IGA, FFIs should generally not be required to apply 30% withholding tax.

To the extent the Fund does suffer U.S. withholding tax on its investments as a result of FATCA, the Directors may take any action in relation to an investor's investment in the Fund to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI gave rise to the withholding.

Each prospective investor in the Fund should consult their own tax advisor regarding the requirements under FATCA with respect to their own situation.

The Common Reporting Standard

The British Virgin Islands is one of multiple jurisdictions which have agreed to the automatic exchange of financial account information on the basis of the standard published by the Organisation for Economic Co-operation and Development (the "Common Reporting Standard" or "CRS"). Financial institutions resident in jurisdictions which have agreed to CRS, should report certain account holder information to their local tax authorities who will then exchange such information with jurisdictions where account holders are tax residents. It can provide timely information on non-compliance where tax has been evaded, particularly where tax administrations have had no previous indications of non-compliance.

For the purposes of efficiency, CRS was deliberately built on the framework of FATCA and replicates many of its principles, although there is no withholding tax regime or requirement for reporting financial institutions to register with Foreign Tax Authorities (as defined below). Furthermore, certain CRS client classification, due-diligence and reporting requirements differ from or are more expansive to those deriving from FATCA. Further intergovernmental agreements will therefore be entered into with other third countries by the British Virgin Islands government from time to time to enable reporting to such third countries' tax authorities ("Foreign Tax Authorities") as provided in the CRS.

By investing or continuing to invest in the Fund, shareholders shall be deemed to acknowledge that:

- (i) the Fund is considered to be a reporting financial institution under the CRS and the Fund (or its agent) will be required to disclose to the competent tax authority of the British Virgin Islands certain confidential information in relation to the shareholder, including but not limited to the shareholder's name, address, tax identification number (if any), social security number (if any) and certain information relating to the shareholder's investment;
- (ii) the competent tax authority of the British Virgin Islands will be required to automatically exchange information as outlined above with the Foreign Tax Authorities;
- (iii) the Fund (or its agent) will be required to disclose to the Foreign Tax Authorities certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent directly) with further enquiries;
- (iv) the Fund may require the Shareholder to provide additional information and/or documentation which the Fund will be required to disclose to the competent tax authority of the British Virgin Islands;
- (v) in the event a Shareholder does not provide the requested information and/or documentation, whether or not that actually leads to breach of the applicable laws and

regulations by the Fund, a risk for the Fund or the Fund's shareholders being subject to withholding tax or penalties under the relevant legislative or intergovernmental regimes, the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the shareholder concerned;

- (vi) no Shareholder affected by any such action or remedy shall have any claim against the Fund (or its agent) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with the CRS, any further intergovernmental agreements or any of the laws and regulations related to the CRS; and
- (vii) all information to be reported under CRS will be treated as confidential and such information shall not be disclosed to any persons other than the competent tax authority of the British Virgin Islands and the Foreign Tax Authorities or as otherwise required by law.

ADDITIONAL INFORMATION

Reports

The Fund furnishes audited annual reports in accordance with International Financial Reporting Standards to its Shareholders for each financial year ending December 31, upon written request. The Fund's first financial year runs from its date of incorporation through December 31, 2021. Net Asset Value quotations as of the close of the most recent Valuation Day may be obtained by contacting the Administrator.

Relevant documentation

This Memorandum is not intended to provide a complete description of the Fund's Memorandum and Articles of Association or the agreements with the Investment Manager, and the Administrator. Copies of all such documents are available for inspection by Shareholders during normal business hours at the office of the Administrator.

Governing Law

This Memorandum and all offers of Shares hereunder shall be governed by and construed in accordance with the laws of the British Virgin Islands.

Inquiries

Inquiries concerning the Fund and its Shares (including information concerning subscription and redemption procedures and current Net Asset Values) should be directed to the Administrator at:

Circle Investment Support Services (Singapore) Pte. Ltd.
80 Robinson Road
#19-01A, Singapore 068898
Singapore
Tel: +65 6909 6861
E-mail: investors.sg@circlepartners.com

Material Contracts

The following contracts have been entered into by the Fund (other than in the ordinary course of business) since incorporation and are, or may be, material.

Investment Management Agreement, as amended from time to time between the Fund and the Investment Manager specifies the terms whereby the Investment Manager agrees to act as Investment Manager to the Fund. This agreement will continue in force unless and until terminated by any party giving to the other not less than 90 days' written notice, except that this agreement may be terminated immediately by either of the parties if the other shall commit any breach of its obligations under it subject to a thirty day remedy period or go into liquidation or otherwise become insolvent. The Investment Manager is empowered under the agreement to delegate its functions, powers, discretions, privileges and duties, as it deems appropriate.

Administration, Registrar & Transfer Agency Agreement, as amended from time to time between the Fund and the Administrator specifies the terms whereby the Administrator agrees to act as administrator for the Fund. This agreement contains an indemnity to the Administrator in respect of actions brought against it provided such actions are not in respect of expense, loss, liability or damage which was caused by the Administrator's own willful misfeasance, bad faith or gross negligence.

Copies of the above contracts are available for inspection by Shareholders during normal business hours at the office of the Administrator.

Conflicts of Interest

Instances may arise where the interests of the Directors, the Investment Manager, or their principals or affiliates conflict with interests of the Fund and its Shareholders. Such conflicts include, but are not limited to, the principal(s) of the Investment Manager may be engaged in other substantial activities apart from the

activities with respect to the Investment Manager and the Fund and may devote to the Investment Manager or and the Fund only as much time as is reasonably necessary, in their judgment, for their respective management.

Moreover, the Directors of the Fund are also owners of the Investment Manager. The Directors will ensure that all agreements and decisions adopted on behalf of the Fund are done on an arms' length basis.

Certain entities, of which members of the Board of Directors are either directors or shareholders, may be appointed to manage assets of the Fund.

The Board of Directors, the Investment Manager, the Administrator and their respective principals will not devote their time exclusively to the management of the Fund, and each will devote time to pursuit other businesses, including other investment funds and managed accounts. The Investment Manager will provide a variety of investment management/advisory services to clients other than the Fund, using investment methods or strategies which are the same or different than those used on behalf of the Fund. Other investments by the Investment Manager may gain preference over the Fund in being allocated to certain investment fund managers which have a limited capacity on absorbing and managing additional money.

The performance fee arrangement between the Fund and the Investment Manager may create an incentive for the Investment Manager to make investments that are more speculative or subject to a greater risk of loss than would be the case if no such performance fee arrangement existed.

The Board of Directors will take such steps, as it deems necessary to minimise the risk that an affiliated transaction will adversely affect the interests of the Fund and its Shareholders, but no assurance can be given that such procedures will prevent, in all circumstances, such a result. Furthermore, each of the service providers to the Fund may have certain conflicts in relation to the Fund. Should any such conflicts arise, the Board of Directors will take those measures it deems fit to resolve any such conflict in a fair and equitable manner.

The Fund and the Investment Manager have been represented by single legal counsel in connection with this offering of Shares. Such counsel has not represented and will not represent investors in the Fund. No independent counsel has been retained to represent investors in the Fund.