

**Schedule of Similarities and Differences between**  
**a) Foreign (furnish name of country) & South African Regulations;**  
**b) Foreign (furnish name of country) & South African Collective Investment Scheme**

<b>Topic/Item</b>	<b>Foreign Regulation Foreign Scheme</b>	<b>South African Regulation South African Unit Trust</b>
	<b>RECM Global Fund</b> based in Guernsey and approved by the Guernsey Financial Services Commission	
1. Investment restriction of instruments issued by Government	No limit	No limit
2. Investment restriction on an individual security i.r.o. equity portfolios	Investment in the equity or equity-related securities of any single issuer will be limited to a level not exceeding 10% of the aggregate Net Asset Value of all of the classes. This limit applies at the time the relevant investment is made and the Fund will be permitted to exceed this limit as a result of subsequent market related movement, cash flows, or other significant non-trading events.	Maximum of 5% of portfolio if company market cap is less than R2 billion, else 10%
3. Investment restriction on a class of security i.r.o. equity portfolios	No specified limit on investment as a % of a class of a security in issue.	Maximum of 5% of amount in issue if company market cap. is less than R2 billion, else 10%.  An overall limit of 15% of the aggregate amount of securities in any one class issued by a concern within the same group as the manager across all portfolios.  An overall limit of 24% of the aggregate amount of securities in any one class issued by a concern other than a concern within the same group as the manager across all portfolios.
4. Investment restrictions for specialist funds eg. Money market portfolio or fund of funds or feeder funds	The Fund may not invest in collective investment schemes or mutual funds managed by the Manager or a connected person of the Manager and may not invest in a fund of funds.	Subject to certain limits prescribed in regulation (Applicant must Furnish detail regarding the specific type of portfolio is applicable)

<p>**</p> <p>5. Investment restrictions on the use of derivative instruments</p>	<p>The Fund and each share class is denominated in US Dollars. The Manager on behalf of the Fund may enter into currency hedging transactions where the Manager believes it is appropriate to hedge the currency risks associated with non-US Dollar denominated investments. The total liability of the Fund under such transactions will be limited to a level not exceeding 25% of the aggregate Net Asset Value. Of all of the classes Derivatives shall only be used for efficient portfolio management. No gearing, leveraging or margining will be allowed. Unlisted derivative instruments will only be allowed for unlisted forward currency, interest rate or exchange rate swap transactions where the Manager believes it is appropriate to hedge the currency risks associated with non-US Dollar denominated investments. No uncovered positions will be allowed.</p>	<p>100% effective exposure restricted for purposes of efficient portfolio management only/no gearing allowed.</p>
<p>**</p> <p>6. Investment in listed instruments</p>	<p>Investment in securities issued by companies that are not listed on Recognised Exchanges will be limited to a level not exceeding 10% of the aggregate Net Asset Value of all of the classes.</p> <p>Unlisted derivative instruments will only be allowed for unlisted forward currency, interest rate or exchange rate swap transactions.</p>	<p>90% of securities must be listed on Exchanges having obtained full membership of the World Federation of Exchanges. Over the counter derivative instruments that are allowed: forward currency swap, interest rate swap, exchange rate swap and index swap.</p>
<p>**</p> <p>7. Non-equity securities (other than issued by the Government)</p>	<p>Not less than 90% of all interest- bearing instruments must have been assigned a credit rating of "investment grade" on the international rating scale by a Rating Agency. Rating agency is defined as being any one or more of Standard &amp; Poor's, Moody's and Fitch Ratings.</p>	<p>Must comply with limits as prescribed in Regulation</p>

<p>**</p> <p>8. Investment in unlisted instruments</p>	<p>Investment in securities issued by companies that are not listed on a Recognised Exchange will be limited to a level not exceeding 10% of the aggregate Net Asset Value of all of the classes. Such instruments will be valued at the value considered by the Directors, in good faith, to be the value thereof. The Investment Advisor to the Scheme is responsible for undertaking the appropriate analysis of such instruments as is necessary in respect of the investment decisions.</p>	<p>Maximum of 10% of portfolio value. Such instruments must be valued daily based on a generally recognised methodology and by a person acceptable to trustee.</p>
<p>9. Investment of own resources into the fund</p>	<p>No limitations</p>	<p>Seed capital of R1 million to be invested by the manager in each portfolio administered by the manager, provided that:</p> <p>a) the prescribed amount may be withdrawn once the portfolio reaches a size of R50million net asset value under management; and</p> <p>b) the sum of R1 million is to be re-invested in the portfolio where the net asset value of a portfolio has been reduced to below R50 million for a continuous period of 6 months.</p>
<p>**</p> <p>10. Borrowing Leveraging/Gearing (refer to 1)</p>	<p>The Fund has power to borrow, but any borrowings will be limited to ten per cent of the aggregate Net Asset Value of all of the classes at the time of borrowing and will only be used to fund redemptions when in the opinion of the Investment Adviser it is in the interests of the Shareholders to borrow rather than liquidate investments.</p> <p>Leveraging/gearing is not allowed.</p>	<p>10 % of the Value of the underlying portfolio permitted to meet its obligations in relation to the administration of a scheme relating to settlement of buying and sale transactions and repurchase or cancellation of participatory interests. Leverage/Gearing not allowed</p>
<p>11. Markets/Exchanges 11.1. Listed 11.2. OTC Markets**</p>	<p>90% of exchanges must be Recognised Exchanges.</p> <p>No OTC markets allowed except for unlisted forward currency, interest rate or exchange rate swap transactions where the inclusion of such transactions is only utilised for efficient portfolio management.</p>	<p>90% of exchanges must have been granted full membership of the World Federation of Exchanges, the rest must follow due diligence guidelines as prescribed by Regulation</p> <p>Not allowed</p>

<p>**</p> <p>12. Expenses/Charges  12.1. Costs to investors  12.2. Charges against income of the portfolio.</p>	<p>Full disclosure of fees and expenses in the Offering Memorandum. Notice sent to shareholders of a change.</p> <p>Brokerage, MST, VAT, stamp duties, taxes, audit fee, bank charges, trustee/custodian fees, other levies or taxes, service charge and share creation fees. This is disclosed in more detail in the Offering Memorandum.</p>	<p>Full disclosure in Deed and a notice to unitholders of change</p> <p>Brokerage, MST, VAT, stamp duties, taxes, audit fee, bank charges, trustee/custodian fees, other levies or taxes service charge and share creation fees payable to the Registrar of Companies</p>
<p>13. Determination of market value of investments</p>	<p>Fair market price, or as determined by stockbroker</p>	<p>Fair market price, or as determined by stockbroker</p>
<p>14. Risk factors</p>	<p>Dealt with in detail in the Offering memorandum on pages 17-19.</p>	
<p>**</p> <p>15. Capped or not capped</p>	<p>Not capped</p>	<p>Not capped</p>
<p>**</p> <p>16. Redemption (repurchase) of participatory interests</p>	<p>Shareholders may redeem their Shares on each Daily Dealing Day. The redemption price will be the Net Asset Value per Share on the Dealing Day (subject at the discretion of the Directors, to the deduction of an allowance for duties and charges which would be incurred if the investments held by the Fund were sold at the relevant Valuation Point) rounded to the nearest four decimal places. The minimum value of Shares which may be the subject of any one act of redemption is \$1,000. The Directors, in their absolute discretion, may vary or waive the minimum value of Shares that may be the subject of any one act of redemption.</p>	<p>Legally obliged to redeem at same day's or previous day's price as determined in Deed</p>
<p>17. Independent Trustee/custodian</p>	<p>Trustee/custodian must be completely independent</p>	<p>Trustee/custodian must be completely independent</p>

<p>**</p> <p>18. Taxation of Portfolio</p>	<p>No taxation in Fund. Funds are exempt from tax in Guernsey.</p>	<p>No taxation Interest and dividend portion taxable in the hands of the individual</p>
<p>**</p> <p>19. Taxation of unitholders</p> <p>19.1. Income</p> <ul style="list-style-type: none"> <li>- Dividends</li> <li>- Interest</li> </ul> <p>19.2. Capital gains</p>	<p>No income distributions will be made by the fund and SA investors will therefore not incur any Guernsey or South African income tax liability relating to dividends or interest.</p> <p>Guernsey does not levy tax on capital gains. South African investors will, however, be liable for tax arising from any capital gains in terms of South African tax legislation. It will be incumbent on the investor to declare such liability themselves.</p>	<p>Interest and dividends (dividend withholding tax introduced on 1 April 2012) are taxable.</p> <p>Capital gains tax introduced on 1 October 2001</p>
<p>**</p> <p>20. Interval at which participatory interests are priced</p>	<p>Daily</p>	<p>Daily</p>
<p>21. Distributions</p>	<p>No distributions will be made. All income will be reinvested. Refer page 9 of the offering Memorandum</p>	<p>All income distributed regularly or reinvested at option of the investor</p>
<p>**</p> <p>22. Switching</p>	<p>Not applicable, however shareholders shall be entitled to convert shares of one class into shares of another class. Refer page 26 of the Offering Memorandum.</p>	<p>Allowed – charges differ</p>

<p>** 23. Pledging of securities</p>	<p>Subject as described under "Borrowings" on page 16 of the Offering Memorandum, the Directors may exercise all the powers of the Fund to borrow money for the purposes of redemption. As security for the repayment of the loan the manager may -</p> <p>(a) cede a proportionate share of the assets of the portfolio to the lender on condition that ownership of the ceded assets will only be transferred to the lender if the manager is in default; or</p> <p>(b) grant an option to the lender to purchase a proportionate share of the assets, equal in value to the outstanding amount of the loan, at the end of the term of the loan;</p> <p>The manager may only borrow funds if liquidity cannot reasonably be obtained without encumbering the assets of the portfolio and the amount borrowed must be limited to an amount necessary to repurchase or cancel participatory interests;</p>	<p>Allowed only for purposes of borrowing (refer to borrowing in par 10 above)</p>
<p>** 24. Scrip lending  Scrip borrowing</p>	<p>The Fund will not enter into stock lending or stock borrowing transactions.</p>	<p>Allowed, may not exceed 50% of market value the portfolio, plus other conditions as prescribed in Deed.  Not allowed</p>
<p>** 25. Certificates, if issued and needed for redemption</p>	<p>All shares will be issued in registered form only.</p>	<p>Issued on request</p>

26. Reporting to supervisory authority	Annual plus numerous notifications required on the happening of certain events.	Quarterly and annually
27. Inspection powers by supervisory authority	The GFSC has full powers of inspection and production of documentation	Yes
** 28. Reporting to investors	Annually	Annually
** 29. Legal structure if different from trust	Open ended investment company ("OEIC")	Collective Investment Scheme, whether trust based or Open Ended Investment Company
30. Interest earned on funds pending investment and redemption	Any interest earned will be used to defray the bank charges incurred in having a client bank account.	Interest paid to clients
** 31. Any other material difference		

**\*\* To be elaborated upon in detail in paragraph format and both the tabular and paragraph formats must be disclosed in all marketing material (see attached examples)**

**More detail:**

**5. Hedging**

Only currency related hedging transactions are permitted. The Fund and each class is denominated in US Dollars. Derivatives shall only be used for efficient portfolio management. No gearing, leveraging or margining will be allowed. Unlisted derivative instruments will only be allowed for unlisted forward currency, interest rate or exchange rate swap transactions where the Manager believes it is appropriate to hedge the currency risks associated with non-US Dollar denominated investments. No uncovered positions will be allowed. The total liability of the Fund under such transactions will be limited to a level not exceeding twenty-five percent of the aggregate Net Asset Value of all of the classes.

**6. Investment in listed instruments**

Investment in securities issued by companies that are not listed on a Recognised Exchange will be limited to a level not exceeding ten per cent of the aggregate Net Asset Value of all of the classes.

Unlisted derivative instruments will only be allowed for unlisted forward currency, interest rate or exchange rate swap transactions where the Manager believes it is appropriate to hedge the currency risks associated with non-US Dollar denominated investments. No uncovered positions will be allowed.

The Fund will not invest in any instrument that compels the physical delivery of a commodity and the Fund is prohibited from accepting physical delivery.

**7. Non-equity securities**

Not less than 90% of all interest-bearing instruments must have been assigned a credit rating of “investment grade” on the international rating scale by a Rating Agency. Rating agency is defined as being any one or more of Standard & Poor’s, Moody’s and Fitch Ratings.

**8. Investments in unlisted instruments**

Investment in securities issued by companies that are not listed on Recognised Exchanges will be limited to a level not exceeding ten per cent of the aggregate Net Asset Value of all of the classes.

**10. Borrowings**

The Fund has power to borrow, but any borrowings will be limited to ten per cent of the aggregate Net Asset Value of all of the classes at the time of borrowing and will only be used to fund redemptions when in the opinion of the Investment Adviser it is in the interest of the Shareholders to borrow rather than liquidate investments.

### **Leveraging / gearing.**

No gearing, leveraging or margining will be allowed

### **11.2 OTC markets**

No OTC markets allowed except for unlisted forward currency, interest rate or exchange rate swap transactions where the inclusion of such transactions is only utilised for efficient portfolio management.

### **12. Expenses**

All the costs and expenses associated with the organisation of the Fund and the initial offering of the "A", "B" and "C" Shares were paid by the Fund and have been written off.

All costs and expenses associated with the initial offering of the "D" and "E" Shares were paid by the Manager.

### **Fees of the Manager**

For the services performed under the Management Agreement, the Fund will pay the Manager a management fee equal to 1.00% per annum of the Net Asset Value relevant to the "A" Share class, 1.5% per annum of the Net Asset Value relevant to the "B" Share class, 0.5% per annum of the Net Asset Value relevant to the "C" Share class, 0.9% per annum of the Net Asset Value relevant to the "D" Share class and 1.25% per annum of the Net Asset Value relevant to the "E" Share class.

The Manager's fee shall accrue at each Valuation Point and be payable monthly in arrears in US Dollars. The Manager's fee shall be paid pro-rata for any period shorter than the month in respect of which such fee is payable. The Manager pays the fees of the Administrator and the Investment Adviser.

### **Initial Fees and Exit Fees**

Under the terms of the Fund's Articles the Manager may, at its discretion, impose an initial fee of not more than 7.5% of the Subscription Price or transaction amount in respect of subscriptions into Share classes of the Fund. The Manager does not intend to charge any initial fees or exit fees although a sales commission by an investor to such investor's broker may be charged.

### **Fees of the Custodian**

For the services performed under the Custodian Agreement and in payment for the facilities and personnel provided by the Custodian pursuant to the Custodian Agreement, the Fund will pay the Custodian a fee calculated by reference to the assets under management (“AUM”) subject to a minimum annual fee of US\$40,000. The Custodian is also entitled to levy and receive a transaction charge (which range from US\$5 to US\$190 depending on the country) in respect of each transaction it undertakes and sub-custody fees as per the Custodian’s standard global custody rate card.

The following table set out the fees payable by the Fund to the Custodian:

AUM Tier per Cell/Portfolio	Safekeeping Fees % p.a.
US\$0 - US\$200 million	0.05%
US\$200 million – US\$350 million	0.045
> US\$350 million	0.03%

The Custodian's fee shall accrue at each Valuation Point and be payable monthly in arrears in US Dollars. The Custodian fees shall be paid pro-rata for any period shorter than the period in respect of which such fee is payable.

### **Other Operating Expenses**

The Manager and the Administrator will be responsible for providing all office personnel, office space and office facilities required for the performance of their services. The Fund will pay ongoing legal, audit and administrative expenses incidental to its operations and business, including but not limited to (1) brokerage commissions and charges, foreign exchange costs and registration fees relating to investments; (2) interest on permitted borrowings and fees and charges incurred in negotiating, effecting, varying the terms of, or terminating such borrowings; (3) fees and charges (including legal fees) incurred in modifying the Fund’s Memorandum, unless such modification is primarily for the benefit of the Manager; (4) the cost of holding any meeting of Shareholders; (5) the fees and charges of the Fund’s Auditor; (6) any fees and charges (including legal fees) associated with obtaining and maintaining the Fund’s approval as a Guernsey collective investment scheme of Class B and/or the approval of any regulatory body in any other jurisdiction in which the Fund’s Shares are or may be

marketed; (7) fees and charges associated with publishing the Fund's Memorandum and the Fund's annual and any interim reports; (8) any reasonable expenses incurred in the preparation and provision of tax vouchers, contract notes, warrants, or forms of proxy; (9) any costs associated with the publication of the Net Asset Value; (10) fees and charges of clearing agents; (11) the cost of providing professional indemnity insurance for the Directors and the Manager; (12) interest on debit balances, including permitted borrowings, and other bank charges; (13) the costs of maintaining the Fund's registered office in Guernsey; and (14) any income taxes, withholding taxes and other government charges and duties for which the Fund is liable.

The Directors are entitled to receive a fee for acting as directors of the Fund which in aggregate shall not exceed US\$100,000 in any financial year or such higher amount as may be approved by an Ordinary Resolution of the Shareholders in general meeting. James Tracey and Ben Morgan currently each receive a fee of £10,000 per annum. Jan van Niekerk has waived his entitlement to a director's fee. All Directors will be reimbursed for any reasonable travel and other expenses relating to the management of the Fund.

The Fees (as defined in the section headed "Definitions" in the Offering Memorandum) shall only be increased (and additional expenses shall only be introduced) provided that no change shall be effected without Shareholders being given a Dealing Day's Notice of such change. Shareholders will not be required to approve increases in fees and expenses payable by the Fund although the Directors reserve the right to seek approval from Shareholders by Extraordinary Resolution. In seeking approval from the Shareholders as aforesaid the Directors may also request Shareholders to approve a general waiver of the aforementioned requirement to provide at least one Dealing Day's Notice of the proposed amendments to the fees and expenses. Shareholders should note that the waiver, if passed, would apply to all Shareholders of the Fund or a Class Fund (as applicable) regardless of whether or not they voted in favour of the waiver. In any case, such approval(s) would be sought by means of an Extraordinary Resolution of the Fund or a Class Fund (as applicable) if the Directors consider it appropriate.

## **15. Capped or not capped**

The Fund was registered in Guernsey on 31 January 2006 under the provisions of The Companies (Guernsey) Laws, 1994 to 2001, as amended, and subsequently re-registered under the provisions of The Companies (Guernsey) Law, 2008, as amended, as a non-cellular company limited by shares (registered number: 44273) under the name of RE:CM Global Fund Limited. By Special Resolution dated 18 December 2013 the Shareholders approved the change of name to RECM Global Fund Limited. The Fund has issued 1,000 Management Shares, all of which have been allotted and issued to the Manager, 2 of which have been credited as fully paid up and 998 as nil paid, and may create an unlimited number of Participating Shares, which shares may be issued in classes. The Fund currently has in issue US\$ denominated "A" Shares, "B" Shares, "C" Shares, "D" Shares and "E" Shares.

## **16. Redemptions**

### **Redemption Procedure**

Shares of any class may be redeemed on any Dealing Day. Shareholders wishing to redeem some or all of their Shares should complete a Redemption Form and forward it to the Administrator.

Redemption Forms must be received by the Administrator by 3.30 pm (Guernsey time) on the Business Day immediately preceding the relevant Dealing Day ("the Relevant Dealing Day"). Where a Redemption Form is received with incorrect or incomplete information, the Shareholder shall be informed thereof and the Redemption Form shall be deemed to be received at the time that the correct or complete information is received in writing.

The minimum value of Shares of any class which may be the subject of any one act of redemption is US\$1,000. The Directors or the Manager, in their absolute discretion, may vary or waive the value of Shares that may be the subject of any one act of redemption.

A request for redemption of part of a Shareholder's holding of Shares of any class may be treated as a request to redeem the entire holding if, as a result of such partial redemption, a Shareholder would then hold Shares in the class concerned with a value of less than US\$50,000 or its equivalent in the base currency of the class concerned.

Notice of redemption of Shares of any class may be given by e-mail or facsimile (with the original being forwarded by pre-paid post) or in writing to the Administrator and must specify the number or value of Shares of the relevant class to be redeemed and should quote the relevant Shareholder number. The Administrator will be deemed to be authorised to make such redemption if instructed to do so by any person purporting to be the Shareholder and reciting the relevant Shareholder number. All such redemptions shall normally be paid in accordance with the details contained in the redemption payment instructions in the original Subscription Agreement. Unless specified otherwise in accordance with the procedure set out below.

It is not the policy of the Fund or the Administrator to make payment of redemption proceeds to third parties. If payment is to be made other than to the bank account specified in the Redemption Payment Instruction in the original Subscription Agreement or the account from which the subscription monies were received, then such revised payment instruction must be notified to the Administrator in advance in writing. In the case of joint Shareholders, all must sign the revised payment instructions. The Administrator will require details relating to the third party and may need to undertake additional AML/CFT checks before making the payment. The Administrator reserves the right to request any documentation in support of such third party payment and reserves the right to refuse to affect such payment.

For a redemption of 5% or more in value of the total number of Shares in issue of a particular class, the Manager may, at its absolute discretion and having given prior written notice to the Shareholder concerned not later than the close of business on the second Business Day following the date on which the request is received, elect to transfer underlying investments, rather than cash, in satisfaction of the redemption provided such distribution does not prejudice the interests of other Shareholders in that class. In such circumstances, the redeeming Shareholder has the right to instruct the Manager (as its authorised agent) to sell such underlying investments on its behalf (and at its expense which will include the Administrator's fee for such service based on the number of underlying investments and agree in advance between the Administrator and the redeeming Shareholder) and, following the completion of such sale, instruct the Manager to arrange for the cash payment to it of the net sale proceeds. In connection with any such sale, the redeeming Shareholder will be deemed to have acknowledged that the amount that may be realised by the Manager from the sale of such underlying investments may be less than the valuation given to those investments in the valuation of the class for redemption purposes. The amount that the redeeming Shareholder shall receive after such sale will be net of all sale charges.

Provided that the Redemption Form is in order, payment of the redemption proceeds will normally be made on or before the fourth Business Day following the Relevant Dealing Day, to the Bank specified on the original Subscription Agreement unless the Administrator is advised of any further instructions as above. Settlement will be effected by telegraphic transfer in accordance with the redeeming Shareholder's instructions. All redemption monies will be paid in US Dollars. In all cases, payment will be effected at the risk of the redeeming Shareholder and his expense as regards bank charges. No redemption proceeds shall bear interest against the Fund, the Manager or any other person.

A contract note detailing the number of Shares of the relevant class redeemed will be sent to the redeeming Shareholder within seven Business Days of the Relevant Dealing Day.

### **Redemption Price**

Shares in any class will be redeemed at a price per Share (the "Redemption Price") which is determined by reference to the Net Asset Value per Share of the relevant class calculated as at the Valuation Point for the Relevant Dealing Day. The Redemption Price for any class of Share is arrived at by dividing the Net Asset Value of the relevant class by the number of Shares of that class in issue or deemed to be in issue and rounding the resulting amount to the nearest four decimal places. The benefit of any rounding will accrue to the benefit of the Fund. Under the terms of the Articles, the Directors may authorise the Administrator, when calculating the Redemption Price, to deduct an allowance for duties and charges which would be incurred if the investments held for the Fund relevant to the class were to be sold at the relevant Valuation Point.

### **Deferral of Redemptions**

The Directors may limit the total number of Shares in a class which may be redeemed on any Dealing Day to 10% (or such other percentage as the Directors may determine) of the total number of Shares

of that class in issue. The limitation will be applied pro rata to all Shareholders who have requested redemptions to be effected on or as at such Dealing Day so that the proportion of each holding redeemed is the same for all such Shareholders. Any Shares which, by virtue of this limitation, are not realised on any particular Dealing Day shall be carried forward for redemption on the next following Dealing Day at the Redemption Price of the relevant class ruling on that Dealing Day. In respect of any Dealing Day to which redemption requests ("Deferred Requests") are deferred, such requests will be dealt with in priority to other requests for redemption of Shares on that day ("Other Requests") until the Deferred Requests have been satisfied in full. The deferral powers described in this paragraph shall apply mutatis mutandis to any Other Requests which, as a result of the above limit, have not been satisfied in full on any Dealing Day.

### **Compulsory Redemption**

The Directors have the power under the Articles to compulsorily redeem at any time the Shares of any investor (i) who holds Shares directly or beneficially in breach of any law or requirement of any country or governmental or regulatory authority; or (ii) who is not qualified to hold such Shares; or (iii) in circumstances which will or may result in the Fund incurring any liability to taxation or suffering any pecuniary or other disadvantage which the Fund might not otherwise have incurred or suffered; or (iii) if more than 25 % of the capital of the Fund were owned by "Benefit Plans" or in some other way the Fund may be deemed to be in jeopardy of having "Plan Asset" status or which may cause the Fund to be classified as an "investment company" under the 1940 Act. In any of the above circumstances shall come to the notice of the Manager, it may give notice to such person requiring him (i) to provide the Manager within thirty days with sufficient satisfactory documentary evidence to satisfy the Manager that such person shall not cause the Fund to be classified as an investment company under the 1940 Act; or (ii) to sell or transfer his Shares to a person qualified to own the same within thirty days and within such thirty days to provide the Manager with satisfactory evidence of such sale or transfer; or (iii) to request that the Manager redeem the Shares pursuant to the Articles. If any person upon whom such a notice is served pursuant to this paragraph does not within thirty days after such notice transfer his Shares to a person qualified to own the same or establish to the satisfaction of the Manager (whose judgment shall be final and binding) that he is qualified and entitled to own the Shares he shall be deemed upon the expiration of such thirty days to have given a redemption request in respect of all his Shares and the Manager shall be entitled to treat such redemption request as if the period of notice referred to in this paragraph had already expired.

The Directors have the power under the Articles to compulsorily redeem on any Dealing Day any holding of Shares with a redemption value of less than US\$50,000 of any class at the Redemption Price on that day.

In addition, the Directors have the power under the Articles to give not less than 3 weeks' notice (expiring on a Dealing Day) to compulsorily redeem all Shares in issue, if the Net Asset Value of all classes then in issue as at each Valuation Point falling within a period of four consecutive weeks is less than, the equivalent of US\$10,000,000. A power of compulsory redemption, or conversion into Shares of another class, is also exercisable by the Directors (subject to notice as aforesaid) in the

event that, if at any time, the Net Asset Value of any class of Shares as at each Valuation Point for a period of 4 consecutive weeks is less than the equivalent of US\$5,000,000. This power is without prejudice to the ability of Shareholders generally under the Articles to convert their Shares of a particular class into Shares of another class.

### **Calculation of Net Asset Value**

The Net Asset Value of each class will be calculated by the Administrator as at each Valuation Point. Under the Articles, the Net Asset Value is determined by deducting the value of the total liabilities of a class from the gross value of the total assets of that class. Total assets include all cash, accounts receivable, accrued interest and the current market values of all investments. Total liabilities include any fees payable to the Manager and the Custodian, all borrowings, provision for taxes (if any), allowances for contingent liabilities and any other costs and expenses reasonably and properly incurred in effecting the acquisition or disposal of securities. Further information on the valuation of assets is provided under the section headed "Additional Information 3.12 Valuation of Net Assets" in the Offering Memorandum.

### **Valuation**

The Fund will be valued as at 11.00 pm in Guernsey on the Business Day immediately preceding each Dealing Day for the purpose of calculating the prices at which Shares in each of the relevant classes shall be issued or redeemed on that Dealing Day.

### **Publication of Prices**

The Subscription Price and the Redemption Price of each of the classes in respect of the immediately preceding Dealing Day will be available on request from the Administrator.

## **18. Taxation of Portfolio**

The Fund has received tax exempt status in Guernsey pursuant to the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989. The exemption is granted on an annual basis, subject to the payment of an annual fee of £1,200. It is the intention of the Directors to continue to apply for an exemption annually.

Exemption must be applied for annually and will be granted, subject to the payment of an annual fee, which is currently fixed at £1,200, provided that the Fund continues to qualify for tax exemption. It is the intention of the Directors to conduct the affairs of the Fund so as to ensure that it will continue to qualify for exempt company status.

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

Distributions made by exempt companies to non-Guernsey residents will be free of Guernsey withholding tax and reporting requirements.

In the absence of tax exempt status, the Fund would be Guernsey tax resident and taxable at the Guernsey standard rate of company income tax of zero percent.

It is intended for the Fund to invest in listed securities. In the normal course of events, it is expected that the only tax that may be levied on the Fund will be withholding tax deducted at source on dividends received from underlying equity investments.

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

## **19. Taxation of Unitholders**

Unitholders from South Africa will be taxed on foreign dividends and interest as well as any capital gains made.

## **20. Interval for Pricing**

The Fund will be valued daily as at 11.00 pm in Guernsey on the Business Day immediately preceding a Dealing Day.

## **21. Distributions**

The Directors do not currently intend to make any distributions of income to Shareholders. Any income will instead be invested by the Fund in accordance with the Fund's investment objective and strategy.

## **22. Switching**

Not applicable. However shareholders may convert shares of one class into shares of another class.

### *Conversion Procedure*

Shareholders shall, subject to the approval of the Directors, be entitled to convert Shares of one class (the "Original Class") into Shares of any other class then in existence or agreed by the Directors to be brought into existence (the "New Class") and are required to give the same period of notice for the conversion of Shares of the Original Class as they would have to give for the redemption of those Shares. Shareholders may at the option of the Manager only be entitled to convert shares on the applicable Dealing Day(s) subject to receipt of a conversion request by the Manager.

The conversion of Shares comprised in the relevant conversion request shall occur on the Dealing Day after the Business Day on which prior to 3.30 pm (Guernsey time) (or such other time as the Directors may determine either generally or in relation to a particular class or in any specific case)

the Fund or its authorised agent is in receipt of such conversion request or on such other Business Day as the Directors, at the request of the Shareholder, may agree. Any conversion request received after 3:30 pm (Guernsey time) (or such other time as the Directors may determine either generally or in relation to a class or in any specific case) on any Business Day may be deemed to have been received on the next following Business Day. At the option of the Manager, conversions may be processed as a redemption on one Dealing Day funding a subsequent investment on a following Dealing Day only once the redemption proceeds of the Original Class have been made available to the New Class to fund the subscription.

Instructions for the conversion of Shares may be given by facsimile or by e-mail (with the original to follow by post) or in writing to the Manager at its address stated in the Directory and such instructions must specify the number or value and the class of Shares to be converted, the class of Shares into which they are to be converted and should quote the relevant Shareholder number. The Manager will be deemed to be authorised to make such conversion if instructed to do so by any person purporting to be the Shareholder and reciting the relevant Shareholder number.

All conversion requests must be accompanied by a duly completed Subscription Agreement for the New Class unless Shares are already held by the Shareholder concerned in such class.

The conversion will be effected at the applicable Subscription Price and Redemption Price of Shares in the relevant classes in accordance (or nearly as may be in accordance) with the following formula:

$$NS = ((OS \times RP \times CF) - CC) \div SP$$

where:-

NS is the number of Shares of the New Class to be allotted and issued;

OS is the aggregate number of Shares of the Original Class to be converted comprised in the conversion notice;

RP is the Redemption Price per Share of the Original Class ruling on the relevant Dealing Day;

CF is the currency conversion factor determined by the Manager as representing the effective rate of exchange on the relevant Dealing Day between the base currency of the relevant classes;

CC is the conversion charge, if any, due upon conversion of Shares in the Original Class into Shares of the New Class; and

SP is the Subscription Price per Share for the New Class ruling on the relevant Dealing Day plus any initial charge payable thereon.

Contract notes confirming the conversion between the classes will be issued in accordance with the Conduct of Business Rules.

### **23. Pledging**

Subject as described under “Borrowings” on page 16 of the Offering Memorandum, the Directors may exercise all the powers of the Fund to borrow money for the purposes of redemption.

As security for the repayment of the loan the manager may -

- (a) cede a proportionate share of the assets of the portfolio to the lender on condition that ownership of the ceded assets will only be transferred to the lender if the manager is in default; or
- (b) grant an option to the lender to purchase a proportionate share of the assets, equal in value to the outstanding amount of the loan, at the end of the term of the loan.

The manager may only borrow funds if liquidity cannot reasonably be obtained without encumbering the assets of the portfolio and the amount borrowed must be limited to an amount necessary to repurchase or cancel participatory interests.

### **24. Scrip lending and scrip borrowing**

The Fund will not enter into stock lending or stock borrowing transactions.

### **25. Certificates**

All shares will be issued in registered form only.

### **28. Reporting to investors**

As described on page 49 of the Offering Memorandum, copies of the audited financial statements of the Fund, will be available to all Shareholders not more than six months after the end of the period to which they relate.

The Subscription Price and the Redemption Price in respect of the immediately preceding Dealing Day will be available on request from the Administrator.

## **29. Legal structure**

The Fund is an open-ended investment company registered with limited liability in Guernsey on 31 January 2006 and has been authorised by the Guernsey Financial Services Commission as a collective investment scheme under the Rules.

3 April 2020