

# **OFFERING MEMORANDUM**

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**MERCHANT WEST GLOBAL VALUE FUND LIMITED**  
(investment non-cellular company limited by shares incorporated in  
Guernsey with registration number 44273 and authorised by the Guernsey Financial Services  
Commission as an open-ended collective investment scheme of Class B)

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14 April 2023

## IMPORTANT INFORMATION

The information furnished in this Memorandum is for use only by a prospective investor or his or its personal advisers for the purposes of evaluating a possible investment in participating redeemable shares of no par value (“**Shares**”) in the Fund. This Memorandum may not be reproduced or distributed to any other person. This Memorandum is distributed on a confidential basis in connection with a private placing of the Shares, none of which will be issued to any person other than a person to whom a copy of this document is sent.

The Directors, whose names appear in the Directory, accept full responsibility for the information contained in this Memorandum and confirm, having made all reasonable enquiries that to the best of their knowledge and belief the information contained in this Memorandum is in accordance with the facts and there are no other facts the omission of which would make any statement herein misleading.

No person is or has been authorised to give any information or to make any representation not contained in this Memorandum and any information or representation not contained or incorporated by reference herein must not be relied upon as having been authorised by or on behalf of the Fund. Neither the delivery of this Memorandum nor any offers or sales hereunder shall create an implication that there has been no change since the date of this Memorandum in the matters disclosed herein.

The distribution of this Memorandum and the offering of Shares in respect of the Fund may be restricted or prohibited by law in certain jurisdictions. Accordingly, persons into whose possession this Memorandum comes are required by the Fund to inform themselves about, and to observe, any such restrictions or prohibitions. None of the Fund or any affiliate thereof is making any representation or warranty, express or implied, to any prospective investor or purchaser of the Shares offered hereby regarding the legality of any investment therein by such offeree or purchaser under appropriate legal, investment or similar laws.

Distribution of this Memorandum is not authorised in any jurisdiction unless they are accompanied by the Fund’s most recent annual report and financial statements or, if more recent, its interim report and financial statements. Please note that interim report and financial statements will however not normally be published.

This Memorandum does not constitute, and may not be used for the purposes of an offer or solicitation by or on behalf of the Fund to subscribe for or purchase the Shares by any person in any jurisdiction in which such offer or solicitation is unlawful or to any person to whom it is unlawful to make such offer or solicitation. The Fund will effect the compulsory redemption of any Shares that are acquired by persons not entitled to acquire or hold such interest under applicable law or the Articles of Incorporation of the Fund.

The statements contained in this Memorandum are based on the law and practice currently in force in Guernsey and are subject to changes therein, and are also subject to the provisions of the Articles of Incorporation of the Fund.

The Fund may, at any time, require evidence from any Shareholder or any transferee thereof that such Shareholder or transferee is not a US Person and is not acquiring the Shares for the account or benefit of a US Person or with a view to offering or selling such Shares in the United States or to a US Person.

No action has been or will be taken by the Fund that would permit a public offering of the Shares or the circulation or distribution of this Memorandum or any related offering material in any country or jurisdiction where action for that purpose is required.

The Fund does not anticipate that the Shares will be listed on any stock exchange, or that any person

will undertake to provide a 'matched bargain' facility for transferring Shares, or that an active secondary market will develop for the Shares. Purchasers may therefore be required to hold, and accordingly bear the risks of their investment indefinitely, subject to the rights of each Shareholder to redeem its Shares as provided in this Memorandum.

In making an investment decision prospective investors must rely on their own examination of the Fund, and the terms of the offering, including the merits and the risks involved.

Prospective investors are not to construe the contents of this Memorandum or any other communication from the Fund or the Investment Adviser or any of their respective officers, employees, affiliates or representatives as legal, investment or tax advice and should consult their professional advisers as to: (a) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for such investment; (b) any foreign exchange restriction or exchange control requirements which they might encounter on subscription for or acquisition, holding or disposal of Shares; and (c) the potential taxation and financial consequences which might be relevant to the subscription for or acquisition, holding or disposal of Shares.

In Guernsey:

The Fund is registered in Guernsey and is authorised and regulated by the Commission as a Class B Collective Investment Scheme under The Protection of Investors (Bailiwick of Guernsey) Law, 2020 (the “**POI Law**”). In giving this authorisation the Commission does not vouch for the financial soundness of the Fund nor for the correctness of any of the statements made or opinions expressed with regard to the Fund.

It should be noted that investors in the Fund are not eligible for the payment of any compensation under The Collective Investment Schemes (Compensation of Investors) Rules 1988 (as amended) made under the POI Law. Copies of this Memorandum, which constitute Scheme Particulars for the purposes of the Rules, have been delivered to the Commission.

In the United Kingdom:

The Fund is an unregulated collective investment scheme for the purpose of the Financial Services and Markets Act 2000 (the “**Act**”), the promotion of which in the United Kingdom is restricted by section 238 of the Act. Interests in the Fund may not be offered or sold in the United Kingdom by an authorised person in the United Kingdom by means of this document other than in accordance with Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (SI 2001/1060), or the conduct of business rules of the United Kingdom Financial Conduct Authority (and in particular section 3.11 and Annex 5 thereof). Except as described above, no document, including this document, made or issued in connection with interests in the Fund in the United Kingdom may be passed on to any person unless in accordance with the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (SI 2001/1335).

In South Africa:

The South African Financial Sector Conduct Authority (the “**SAFSCA**”) is an independent institution established by South African statute to oversee the non-banking financial services industry in South Africa in the public interest. Their mission is to promote sound and efficient financial institutions together with mechanisms for investor protection in the markets they supervise. The Fund has received approval as an “approved” collective investment scheme in the Republic of South Africa.

It is the responsibility of investors resident in the Republic of South Africa to comply with the provisions

of the South African Exchange Control Regulations and the South African Income Tax Act.

In the European Economic Area (“**EEA**”):

The Fund is an alternative investment fund and acts as its own alternative investment fund manager (“**AIFM**”) (or is “self-managed”) for the purpose of the Alternative Investment Fund Managers Directive 2011/61/EU (“**AIFMD**”). The Fund may not be marketed (within the meaning given to the terms “marketing” under the AIFMD), and this Memorandum may not be sent, to prospective investors domiciled or with a registered office in any Member State of the EEA unless: (i) the Fund as the AIFM and/or the Fund benefits from the transitional provisions of Article 61 of the AIFMD (as transposed into domestic law) in the relevant EEA Member State in relation to such marketing; (ii) the Fund may be marketed under any other private placement regime or other exemption in the relevant EEA Member State; or (iii) such marketing was initiated by the prospective investor and not by the Fund as the AIFM or any other person/entity acting directly or indirectly on its behalf. In case of any conflict between this notice to EEA investors and any notices in respect of individual EEA Member States set out in this Memorandum, this notice shall prevail.

Shares will be offered and sold within the territory of the EEA to professional investors only, meaning investors that meet the criteria laid down in Annex II of Directive 2014/65/EU (MiFID II). The Shares cannot be offered and sold directly or indirectly to retail investors within the meaning of MiFID II (“**Retail Investors**”). Any application for subscription for Shares by a Retail Investor will be rejected. As a result, no key information document for the purposes of Regulation (EU) No 1286/2014 will be provided to prospective investors.

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## DIRECTORY

### **Registered Office of the Fund**

Ground Floor  
Dorey Court  
Admiral Park  
St. Peter Port  
Guernsey  
GY1 2HT

### **Directors of the Fund**

Ben Morgan  
Piet Viljoen  
Graham Sleep

all care of the Registered Office of the Fund

### **South African Representative of the Fund**

Sanlam Collective Investments (RF) Proprietary  
Limited  
Private Bag X8  
Tyger Valley  
7536  
South Africa

### **Legal Advisers to the Fund**

Carey Olsen (Guernsey) LLP  
P.O. Box 98, Carey House  
Les Banques  
St. Peter Port  
Guernsey  
GY1 4BZ

### **Administrator, Secretary, Paying Agent and Registrar of the Fund**

JTC Fund Solutions (Guernsey) Limited  
Ground Floor  
Dorey Court  
Admiral Park  
St. Peter Port  
Guernsey  
GY1 2HT

### **Banker to the Fund**

Northern Trust (Guernsey) Limited  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey  
GY1 3DA

### **Investment Adviser to the Fund**

Merchant West Investments Proprietary Limited  
6<sup>th</sup> Floor, The Terraces  
25 Protea Road  
Claremont, 7708  
South Africa

### **Auditor to the Fund**

Ernst & Young LLP  
Chartered Accountants  
Royal Chambers  
St Julian's Avenue  
St. Peter Port  
Guernsey  
GY1 4AF

### **Custodian of the Fund**

Northern Trust (Guernsey) Limited  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey  
GY1 3DA



## SUMMARY OF PRINCIPAL TERMS

*The following summary is taken from and is qualified in its entirety by reference to the full text of this Memorandum.*

### **The Fund**

Merchant West Global Value Fund Limited (the “**Fund**”) is an open ended investment company that was registered with limited liability in Guernsey on 31 January 2006.

### **The Investment Objective and Strategy**

The investment objective of the Fund is to achieve capital appreciation for its Shareholders. The Fund will seek to achieve its investment objective primarily through investing in securities (primarily consisting of listed equity investments) predominantly listed on Recognised Exchanges.

### **Base Currency**

The Fund and each class of Shares (unless otherwise stated) will be denominated in and their results reported in US Dollars.

### **Share Classes**

The Fund may offer Shares in separate classes which may be denominated in different currencies and may carry alternative rights in respect of dividends and/or fees. The Fund currently has in issue US\$ denominated “A” Shares, “B” Shares, “C” Shares, “D” Shares and “E” Shares. The “B” Shares are available to investors through independent financial advisors and other intermediaries which have entered into Distribution Agreements with the Fund. The “C” Shares are only available to institutional investors at the discretion of the Directors. The “D” Shares are only available to platform investors at the discretion of the Directors. The “E” Shares are only available to investors at the discretion of the Directors.

### **Investment Adviser**

The Fund has appointed Merchant West Investments Proprietary Limited, a private limited liability company registered under the laws of South Africa on 12 June 2006 to act as the investment adviser to the Fund. The Investment Adviser will, subject to the guidelines issued by the Directors, assist the Fund in identifying, selecting, investing and managing the assets of the Fund. Further details relating to the appointment of the Investment Adviser are detailed in the section “Administration, Custody and other Service Providers” below.

### **Administrator, Secretary, Registrar and Paying Agent**

JTC Fund Solutions (Guernsey) Limited, a limited liability company registered under the laws of Guernsey on 11 May 1978 with registration number 6946, has been appointed as the administrator, secretary, registrar and paying agent of the Fund. The Administrator’s registered office is Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 2HT, and it is authorised and regulated by the Commission. The ultimate holding company of the Administrator is JTC Plc, which is incorporated in Jersey and listed on the London Stock Exchange. The Administrator is responsible inter alia for the administration of the Fund, the calculation of the Net Asset Value and for keeping proper books and records. Further details relating to the appointment of the Administrator are detailed in the section “Administration, Custody and other Service Providers” below.

## **Custodian**

Northern Trust (Guernsey) Limited was incorporated in Guernsey with limited liability on 19 September 1972 and has been appointed to act as custodian of the Fund. In such capacity the Custodian is responsible for providing custodial services to the Fund. Further details relating to the appointment of the Custodian are detailed in the section “Administration, Custody and other Service Providers” below.

## **Distributors**

The Fund has engaged the services of the Distributors to provide distribution services to the Fund within South Africa with respect to the procurement of additional investments in the “B” Shares and the maintenance of existing investments in the “B” Shares. Further details relating to the appointment of the Distributors are detailed in the section “Administration, Custody and other Service Providers” below.

## **Representative**

The Fund has engaged the services of Sanlam Collective Investments (RF) Proprietary Limited to act as its representative in South Africa as is required in connection with the Fund's approval by the Financial Sector Conduct Authority (as established by the Financial Sector Regulation Act, 2017, which replaced the FSB and the Registrar of Collective Investment Schemes effective 1 April 2018) (the "FSCA") under section 65 of the Collective Investment Schemes Control Act, 2002 (Act 45 of 2002) and all regulations, declarations, codes and notices thereunder as amended from time to time (the "Act"). Further details relating to the appointment of the Representative are detailed in the section “Administration, Custody and Other Service Providers” below.

## **Platform Providers**

The Fund has engaged various platform providers (the “**Platform Providers**”) pursuant to the terms of the fund provider fee discount letter and/or rebate terms agreement in respect of the Shares. Further details relating to the appointment of the Platform Providers are detailed in section “Administration, Custody and other Service Providers”.

## **Distribution Policy**

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.

## **Valuation**

The Fund will be valued as at 11.00 p.m. 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.

## **Issue of Shares**

The Directors may at their discretion accept applications for Shares on any Dealing Day subject to such applications being received by the Administrator by 3.30 p.m. (Guernsey time) on the Business Day preceding the relevant Dealing Day (unless agreed otherwise by the Directors). The issue price will be the Net Asset Value per Share of the relevant class on the relevant Dealing Day (subject at the discretion of the Directors to the addition of an allowance for duties and charges which would be incurred if the investments of the Fund were acquired at the relevant Valuation Point) rounded to the nearest four decimal places. The minimum amount which new investors may subscribe for Shares in any class on any Dealing Day is US\$1,000. Additional subscriptions by existing Shareholders in any class may be made in increments of US\$500. The Directors, in their absolute discretion, may vary or waive the minimum amount for initial and subsequent investments in the Share classes of the Fund.

## **Redemptions**

Shareholders may redeem their Shares in the relevant class on any Dealing Day. The redemption price will be the Net Asset Value per Share of the relevant class 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 in any class is US\$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.

### **Borrowings**

The Fund may borrow up to 10% of the Net Asset Value of the Fund in order to meet redemptions when, in the opinion of the Directors, in the interests of Shareholders, such a course of action is preferable to the liquidation of investments. Borrowing will not be used to gear the Fund's investments.

### **Reports**

Copies of the audited report and financial statements of the Fund will be made available to all Shareholders annually.

### **Fees and 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 RECM Global Management Limited, the previously appointed manager of the Fund.

On an ongoing basis, the Fund will pay all expenses incurred in the ordinary and usual course of business, including all legal, accounting and audit expenses, expenses related to portfolio brokerage, and the fees and expenses of the Administrator, and the Custodian, as well as the fees payable to the Investment Adviser, each Distributor, each Platform Provider and the Representative.

## DEFINITIONS

Throughout this Offering Memorandum the following words shall have the meanings opposite them unless the context in which they appear requires otherwise:-

<b>1940 Act</b>	United States Investment Company Act of 1940, as amended.
<b>1933 Act</b>	United States Securities Act of 1933, as amended.
<b>“A” Share</b>	a Participating Share in the capital of the Fund, issued and designated as an “A” Share and having the rights set out in this Memorandum and the Articles.
<b>“B” Share</b>	a Participating Share in the capital of the Fund, issued and designated as a “B” Share and having the rights set out in this Memorandum and the Articles.
<b>“C” Share</b>	a Participating Share in the capital of the Fund, issued and designated as a “C” Share and having the rights set out in this Memorandum and the Articles.
<b>“D” Share</b>	a Participating Share in the capital of the Fund, issued and designated as a “D” Share and having the rights set out in this Memorandum and the Articles.
<b>“E” Share</b>	a Participating Share in the capital of the Fund, issued and designated as an “E” Share and having the rights set out in this Memorandum and the Articles.
<b>Accounting Date</b>	31 March in each year or such other date as the Directors shall determine from time to time.
<b>Administrator</b>	JTC Fund Solutions (Guernsey) Limited.
<b>Articles</b>	the Articles of Incorporation of the Fund for the time being.
<b>Associate</b>	has the meaning ascribed to it in the Rules.
<b>Auditor</b>	Ernst & Young LLP.
<b>Benchmark</b>	MSCI ACWI
<b>Business Day</b>	any day on which banks in Guernsey are open for normal banking business (excluding Saturdays and Sundays).
<b>Code</b>	the U.S. Internal Revenue Code of 1986, as amended.
<b>Commission</b>	the Guernsey Financial Services Commission.
<b>Companies Law</b>	The Companies (Guernsey) Law, 2008, as amended.
<b>Conduct of Business Rules</b>	The Licensees (Conduct of Business) Rules and Guidance, 2021.
<b>Custodian</b>	Northern Trust (Guernsey) Limited.

<b>Dealing Day</b>	normally each Business Day, being the day on which the Administrator issues or transfers Shares in response to applications from investors, converts Shares in accordance with conversion requests and redeems Shares in accordance with redemption requests, in each case received from Shareholders by 3.30 pm (Guernsey time) on the Business Day preceding the relevant Dealing Day.
<b>Dealing Day's Notice</b>	Such period of time being sufficient to permit Shareholders to deal in the Shares.
<b>Distributor(s)</b>	Such persons or entities as appointed by the Fund from time to time to provide distribution services to the Fund pursuant to the terms of a Distribution Agreement.
<b>Directors</b>	the Directors of the Fund.
<b>Extraordinary Resolution</b>	A resolution of the Shareholders (or a class of Shareholders) who are entitled to vote passed by a majority of not less than three quarters of the votes of members entitled to vote in person or by attorney or proxy cast at a meeting or not less than three quarters of the total voting rights of eligible members by written resolution.
<b>FATCA</b>	the United States Foreign Account Tax Compliance Act provisions of the US Hiring Incentives to Restore Employment Act 2010, which implemented sections 1471 through 1474 of the Code, any agreements entered into pursuant to section 1471(b)(1) of the Code, any intergovernmental agreements entered into in connection with the implementation of such sections of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to such intergovernmental agreements entered into in connection with sections 1471 through 1474 of the Code.
<b>Fees</b>	The fees payable to the Administrator, the Custodian, the Investment Adviser, the Representative, each Distributor and each Platform Provider as described under "Fees and Expenses" below.
<b>Fund</b>	Merchant West Global Value Fund Limited.
<b>Fund's Return</b>	the return of the Fund relevant to a class of Shares over the relevant period and as calculated in accordance with standard industry practice.
<b>Guernsey</b>	the Island of Guernsey.
<b>Investment Adviser</b>	Merchant West Investments Proprietary Limited.
<b>Investment Grade</b>	a credit rating of BBB- or higher by Standard and Poor's or Fitch or Baa3 or higher by Moody's.

<b>Management Shares</b>	a share in the capital of the Fund of 1 US Dollar par value issued and designated as a “Management Share” and having the rights set out in the Articles.
<b>Memorandum</b>	this offering memorandum relating to the Fund.
<b>Net Asset Value</b>	the value of the assets of a class less the liabilities attributable to that class determined in accordance with the Articles and described in "Calculation of Net Asset Value" below.
<b>Ordinary Resolution</b>	a resolution of a general meeting of the Fund passed as an ordinary resolution in accordance with the Companies Law by a simple majority of the total number of votes recorded, including any votes cast by proxy.
<b>Platform Provider(s)</b>	such entities as appointed by the Fund from time to time, who make Shares available for investment on their platforms, pursuant to the terms of fund provider fee discount letter and/or rebate terms agreement.
<b>Privacy Notice</b>	the Privacy Notice of the Fund.
<b>Prohibited Person</b>	any person, as determined by the Directors, (1) to whom a sale or transfer of Shares would be in breach of the laws or requirements of any jurisdiction or governmental authority; or (2) in circumstances (whether taken alone or in conjunction with other persons or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Fund and/or the Shareholders as a whole incurring any liability to taxation or suffering any other regulatory, pecuniary, legal or material administrative disadvantage that the Fund might not otherwise have suffered or incurred, and for this purpose US Persons, without the consent of the Directors, are Prohibited Persons.
<b>Rating Agency</b>	any one or more of Standard & Poor’s, Moody’s, and Fitch Ratings.
<b>Recognised Exchange</b>	any stock exchange which is regulated within the meaning of the law of the country concerned including the London Stock Exchange, the New York Stock Exchange and any exchange which is a full member of, or is owned by a full member of, the World Federation of Exchanges.
<b>Redemption Form</b>	the document in such form as the Directors may from time to time determine to be completed by Shareholders requesting to redeem their Shares and available from the Administrator.
<b>Registrar</b>	JTC Fund Solutions (Guernsey) Limited.
<b>Representative</b>	Sanlam Collective Investments (RF) Proprietary Limited.
<b>Rules</b>	The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021.

<b>Shareholder</b>	a registered holder of a Share.
<b>Share or Participating Share</b>	a participating redeemable share of no par value in the capital of the Fund issued and designated as a “Participating Share” having the rights set out in the Articles, which may be issued in classes.
<b>Special Resolution</b>	a resolution of a general meeting of the Fund passed as a special resolution in accordance with the Companies Law by a majority of not less than three quarters of the total number of votes recorded, including any votes cast by proxy.
<b>Subscription Agreement</b>	the document in such form as the Directors may from time to time determine to be completed by prospective investors when making an application to subscribe for Shares and available from the Administrator.
<b>Top Up Form</b>	the document in such form as the Directors may from time to time determine to be completed by Shareholders when making an application to subscribe for additional Shares and available from the Administrator.
<b>United States or U.S.</b>	means the United States of America, its territories and possessions and any area subject to its jurisdiction, including the Commonwealth of Puerto Rico.
<b>US Dollars or US\$</b>	the lawful currency of the United States.
<b>US Person</b>	a “US Person,” for the purpose of this Memorandum means any person that is a citizen or resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States or any political subdivision thereof, an estate the income of which from sources without the United States is included in gross income for U.S. federal income tax purposes regardless of its connection with the conduct of a trade or business within the United States or a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have authority to control all substantial decisions of the trust (it being understood that all terms used in this clause (x) (other than “United States”)) have the definitions ascribed to them pursuant to Section 7701(a) of the Code) and (y) has the meaning provided in Reg. (S)230.901 -- 230.904 of the 1933 Act.
<b>Valuation Point</b>	11.00 p.m. in Guernsey on the Business Day immediately preceding a Dealing Day.

# THE FUND

## **Introduction**

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

The base currency of the Fund and of each class of Shares (unless otherwise stated) is US Dollars.

The Directors are permitted to amend the following investment objectives and restrictions (including any borrowing and hedging powers) applicable to the Fund provided that no material change shall be effected without Shareholders being given a Dealing Day's Notice of such change. Shareholders will not be required to approve any amendments to the following investment objectives and restrictions (including any borrowing and hedging powers) applicable to the Fund although the Directors reserve the right to seek approval from Shareholders by Extraordinary Resolution if they consider it appropriate to do so.

## **Investment Objectives and Strategy**

The primary objective of the Fund is to achieve long-term capital appreciation for its Shareholders.

The Fund will seek to achieve its objective primarily through investing in securities listed on Recognised Exchanges around the world; these assets will primarily consist of listed equity investments.

## **Investment Restrictions**

The Directors have resolved to adopt the following restrictions in relation to the investment of the assets of the Fund:

1. 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 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.
2. 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.
3. 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.
4. The Fund's investment in other collective investment schemes or mutual funds will not exceed 10% of the aggregate Net Asset Value of all of the classes. When investing in units or shares of other collective investment schemes, such schemes must have a risk profile which is not significantly higher than the risk profile of the Fund.



5. The Fund may not invest in a fund of funds.
6. The Fund will not invest directly in real estate.
7. The Fund will not enter into stock lending or stock borrowing transactions.
8. The Fund will not pledge shares other than as described under “Borrowing Powers” below.
9. The Directors intend that the Fund should normally be invested in opportunities which individually and collectively are priced to deliver returns in excess of the Fund’s Benchmark over time. Through market valuation cycles, the extent of such opportunities might vary. When attractive opportunities cannot be found, the Fund will retain the residual assets in cash or near cash form to enable efficient deployment as and when opportunities present and for ready settlement of liabilities (including redemptions).
10. The Fund will not invest in any instrument that compels the acceptance of physical delivery of a commodity and the Fund is prohibited from accepting physical delivery.

The above restrictions apply as at the date of the relevant transaction or commitment to invest. Changes in the portfolio do not have to be effected merely because, owing to appreciations or depreciations in value, redemptions or by reason of the receipt of, or subscription for, any rights, bonuses or benefits in the nature of capital or of any acquisition or merger or scheme of arrangement for amalgamation, reconstruction, conversion or exchange or of any redemption, any of the restrictions would thereby be breached, but regard shall be had to these restrictions when considering changes or additions to the portfolio.

#### **Share Classes**

The Fund may issue Shares in separate classes which may be denominated in different currencies and may carry alternative rights in respect of dividends and/or fees. The Fund currently has in issue US\$ denominated “A” Shares, “B” Shares, “C” Shares, “D” Shares and “E” Shares. The “B” Shares are available to investors through independent financial advisers and other intermediaries which have entered into Distribution Agreements with the Fund. The “C” Shares are only available to institutional investors at the discretion of the Directors. The “D” Shares are only available to platform investors at the discretion of the Directors. The “E” Shares are only available to investors at the discretion of the Director.

#### **Hedging**

The Fund and each share class are denominated in US Dollars. The Investment Adviser on behalf of the Fund may enter into currency hedging transactions where the Investment Adviser 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 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 Investment Adviser believes it is appropriate to hedge the currency risks associated with non-US Dollar denominated investments. No uncovered positions will be allowed.

#### **Borrowings**

The Fund has power to borrow, but any borrowings will be limited to 10% of the aggregate Net Asset Value of all the classes at the time of borrowing and will only be used to fund redemptions when in the opinion of the Directors it is in the interests of the Shareholders to borrow rather than liquidate investments.

**Distribution Policy**

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

## **RISK FACTORS**

The general objective of the Fund is to secure capital growth and investors should regard investment in the Fund as long term in nature. The value of the Fund is subject to market fluctuations and to the risks inherent in all investments and there can be no assurance therefore that the Fund's investment policy will be successful or that the investment objective of the Fund will be attained. Consequently, investors should be aware that the value of Shares may fall as well as rise, the level of distributions is not guaranteed and investors may not receive back, on redemption or otherwise, the amount originally invested. Accordingly, an investment in the Fund should only be made by persons who are able to bear the risk of loss of capital invested.

The success of the Fund will be dependent on the performance of the Investment Adviser. No assurance can be given that they will succeed in meeting the Fund's investment objective or that their assessments of the short-term or long-term prospects, volatility and correlation of the types of investments referred to in this Memorandum will prove accurate.

The ability of the Investment Adviser to achieve the Fund's objective may be affected by the following risk factors set out below:

### **Foreign Currency Considerations**

The Net Asset Value of each class will be calculated in US Dollars, whereas investments held for the account of the Fund could be acquired in other currencies. The value in terms of US Dollars of the investments of the Fund, which may be designated in any currency, may rise and fall due to exchange rate fluctuations of individual currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital.

Certain expenses of the Fund may be incurred in currencies other than US Dollars and the Fund is, therefore, the beneficiary of or at risk and liable for any gain or loss incurred as a result of exchange rate fluctuations when such expenses are paid.

### **Principal Risks**

The Net Asset Value of the classes will increase or decrease with changes in the market value of the Fund's investments. Shares of all classes are subject to market, economic and business risks that cause their prices to fluctuate. The Fund is also subject to the risk that the Investment Adviser's judgment about the potential of a particular security's shares/units is incorrect and the perceived value of such shares/units is not realised by the market and the Net Asset Value will decline. An investment in the Fund is not guaranteed and an investor could lose some, or all, of the amount invested in the classes of the Fund.

### **Equity Risk**

Equity securities represent ownership interests in a company or corporation, and include common stock, preferred stock and warrants and other rights to acquire such instruments. The principal risk of investing in the classes of the Fund is equity risk. Equity risk is the risk that the prices of the securities held by the Fund will change due to general market and economic conditions, perceptions regarding the industries in which the companies issuing the securities participate and the issuer company's particular circumstances. Investment in equity securities in general are subject to market risks that may cause their prices to fluctuate over time. The value of convertible equity securities is also affected by prevailing interest rates, the credit quality of the issuer and any call provisions. Fluctuations in the value of equity securities in which the Fund invests would cause the Net Asset Value of the classes to fluctuate.

### **Fixed Income Securities**

Fixed income securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors

as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). The fixed income securities in which the Fund will invest are interest rate sensitive. An increase in interest rates will generally reduce the value of fixed income securities while a decline in interest rates will generally increase the value of fixed income securities. The performance of the Fund will therefore depend in part on the ability to anticipate and respond to such fluctuations on market interest rates and to utilise appropriate strategies to maximise returns while attempting to minimise the associated risks to investment capital.

### **Risks relating to the Investment Adviser**

*The ability of the Fund to achieve its investment objective is dependent upon the Investment Adviser carrying out its role with due care and skill*

The success of the Fund with respect to its investments will depend largely on the ability of the Investment Adviser to identify suitable investment opportunities for capital growth and to assess those opportunities. Identification and exploration of the investment opportunities to be pursued by the Fund involves a high degree of uncertainty. No assurance can be given that the Investment Adviser will be able to locate suitable investment opportunities in which to deploy all of the Fund's assets in the securities markets and therefore there can be no assurance that the Fund's investment objective or investment strategy will be successful.

*The Investment Adviser is dependent upon the expertise of key personnel in providing investment management and advisory services to the Fund*

The ability of the Fund to achieve its investment objective is significantly dependent upon the expertise of the Investment Adviser, its managers and employees and the Investment Adviser's and its affiliates' ability to attract and retain suitable staff. The impact of the departure for any reason of a key individual (or individuals) on the ability of the Investment Adviser to achieve the investment objective of the Fund cannot be determined and may depend on amongst other things, the ability of the Investment Adviser to recruit other individuals of similar experience and credibility.

### **AIFMD**

The Directors have resolved that the Fund shall be self-managed for the purposes of AIFMD and as such, the Fund will be the non-EU AIFM for the purposes of the AIFMD. The Fund as the non-EU AIFM is not, as of the date hereof, required to seek authorisation under the AIFMD. However, the Fund as the non-EU AIFM may be required to seek authorisation at some point in the future should the passport process be extended to non-EU AIFMs and should the Fund wish to market into the EEA on that basis.

### **Tax Risks**

*The Fund is exposed to changes in its tax residency and changes in the tax treatment or arrangements relating to its business*

To maintain its non-UK tax resident status, the Fund must be centrally managed and controlled outside the United Kingdom. The composition of the board of Directors (the "**Board**"), the place of residence of the Board's individual members and the location(s) in which the Board makes its decisions will be important factors in determining and maintaining the non-UK tax residence status of the Fund. Whilst the Fund is incorporated in Guernsey and a majority of the Directors reside outside the United Kingdom, the Fund must pay continued attention to ensure that its strategic decisions are not made in the United Kingdom or the Fund may lose its non-UK tax resident status. Should the Fund be considered to be UK tax resident, it will potentially be subject to UK corporation tax on its worldwide income and gains. The Fund must similarly take care that it does not become tax resident in other jurisdictions.

If the Fund were treated as resident, or as having a permanent establishment, or as otherwise being engaged in a trade or business, in any country in which it invests or in which its investments are managed, all of its income or gains, or the part of such gain or income that is attributable to, or effectively connected with, such permanent establishment or trade or business, may be subject to tax in that country, which could have a material adverse effect on the Fund's performance and the value of the Shares.

*Other changes in tax laws or regulation affecting the Fund or the unexpected imposition of tax on its investments could adversely affect its performance*

There can be no assurance that the net income of the Fund will not become subject to tax in one or more countries as a result of the way in which activities are performed by it, adverse developments or changes in law, contrary conclusions by the relevant tax authorities or other causes. The imposition of any such unanticipated net income taxes could materially reduce the Fund's post-tax returns, which could have a material adverse effect on the performance of the Fund and the value of the Shares. Changes to the tax laws of, or practice in, Guernsey, the United Kingdom, South Africa, the United States or any other tax jurisdiction affecting the Fund could adversely affect the value of the investments held by the Fund and the value of the Shares. Additionally, gross income and gains arising on the investments themselves may be subject to certain taxes which may not be recoverable by the Fund.

#### **Automatic Exchange of information under Inter-Governmental Agreements**

As a result of the development of automatic exchange of information between governments there may be due diligence procedures and information required to be reported either to the Director of Revenue Service in Guernsey, who may make further disclosures to certain jurisdictions, or directly to the relevant jurisdiction.

**Potential investors who are in any doubt as to the risks involved in investing in the Fund are recommended to obtain independent financial advice before making an investment in the Fund.**

## **SUBSCRIPTION AND REDEMPTION OF SHARES**

### **Recording of Telephone Conversations**

Your attention is drawn to the fact that telephone conversations with the Custodian, the Administrator and their delegates may be recorded.

### **Data Protection**

The Administrator, Investment Adviser and the Custodian may hold and process data relating to the Fund and the investors, including personal data, for any and all of the purposes outlined in the Privacy Notice. The Administrator, Investment Adviser and the Custodian will hold and process such data in accordance with the Data Protection (Bailiwick of Guernsey) Law, 2017 as the same may be amended from time to time, as well as the European Data Protection Directive (95/46/EC) and the European Privacy and Electronic Communications Directive (Directive 2002/58/EC) (as introduced by the General Data Protection Regulation (Regulate 2016/679)) and in accordance with applicable laws and regulations and with internal policies.

Detailed data protection information, relating to the types of the personal data processed and collected, retention or personal data and shareholder's rights and duties are contained in the Privacy Notice which is available on the designated website: [www.cpam.co.za](http://www.cpam.co.za); or can be obtained, free of charge, from the Administrator or from [info@cpam.co.za](mailto:info@cpam.co.za) on request as either a pdf file by e-mail or in printed form by post.

### **Subscriptions**

Shares of any class will be available for subscription by eligible investors on each Dealing Day at the Subscription Price of the relevant class. The Articles grant the Directors a general discretion to refuse to accept applications for Shares, but they anticipate that they will only exercise this in the case of applications from eligible investors in circumstances where the Fund has, or will have if further subscriptions are accepted, more cash than can be invested in accordance with the Fund's investment strategy and objectives.

### **Subscription Price**

In order to calculate the price at which Shares of any class will be issued ("**Subscription Price**") on any Dealing Day, the Administrator will determine the Net Asset Value of the relevant class as at the Valuation Point and divide the resulting amount by the number of Shares of that class in issue or deemed to be in issue. The value per Share thus produced is rounded to the nearest four decimal places to arrive at the Subscription Price of the relevant class. 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 Subscription Price of any class, to add an allowance for the duties and charges which would be incurred on the assumption that the investments held for the Fund relevant to that class were to be acquired at the relevant Valuation Point.

Except for sales commission payable by an investor to such investor's broker, if any, no commission or sales charge will be payable to the Fund by an investor investing in the Fund.

### **Minimum Subscription**

The aggregate minimum subscription for Shares of any class that will be accepted is US\$1,000. Additional subscriptions in any class may be made in increments of US\$500. The Directors, in their absolute discretion, may waive or reduce the minimum amount for the initial and subsequent investments.

### **Application Procedure**

Subsequent to an initial offering of Shares of any class, Shareholders can subscribe for Shares of that

class on any Dealing Day by completing, executing and delivering to the Administrator the appropriate Subscription Agreement. The Administrator must receive applications by 3.30 pm (Guernsey time) on the Business Day immediately preceding the relevant Dealing Day (unless agreed otherwise by the Directors). Applications may be sent by fax, e-mail or by post, but, if sent by fax or e-mail, the Administrator must receive a duly completed original Subscription Agreement within five Business Days following the relevant Dealing Day.

Cleared funds must be received by the Administrator by 3.30 pm (Guernsey time) on the Business Day immediately preceding the relevant Dealing Day (unless agreed otherwise by the Directors) and, where payment is not received in due time, the subscription for Shares will occur on the next available Dealing Day at which point, subject to the receipt of the cleared funds, the subscription will be processed at the Subscription Price ruling on that day. Subscriptions will normally only be held over for five Dealing Days and thereafter, if funds are not received, the subscription may be cancelled and the application destroyed without further notice to the applicant.

Details of how payments may be made can be found in the Subscription Agreement.

The Directors reserve the right to reject an application or to accept any application in part only or to treat as valid any applications which do not fully comply with the terms and conditions of application. The Administrator will require verification of the identity of applicants and the source of wealth and/or source of funds and will defer any application pending receipt of satisfactory evidence. Details of the information and documentation required can be found in the Subscription Agreement. If satisfactory evidence is not received within five Business Days, subscriptions may be cancelled.

If a subscription is cancelled or rejected, any funds received by the Administrator shall be returned without interest, less any charges, to the remitting bank, to the account of the remitter quoting the applicant's name.

Any subscription monies received other than in US Dollars will be converted by the Administrator on behalf of the Fund to US Dollars at the relevant spot rate of exchange offered by the Fund's banker (on their normal terms and conditions) on the subscription date or the relevant Dealing Day. This service will be at the risk and expense of the investor.

#### **Anti-Money Laundering & Countering the Financing of Terrorism Disclosure and Agreement**

The Administrator and the Fund comply with applicable anti-money laundering and countering of financing of terrorism (“**AML/CFT**”) legislation and guidance. In particular, they must meet the criteria set by the Commission and any legal and regulatory requirements in Guernsey from time to time. Neither the Administrator nor the Fund accepts cash or money derived from, or intended for use in, any illegal activity. To comply with its AML/CFT obligations, the Fund and/or the Administrator will seek, and investors will be required to provide, any information and documentation required to ensure AML/CFT compliance.

By investing in the Fund, investors agree to provide truthful information and documentation, upon request, regarding their identity, background, source of investment income, and any other matters that the Fund and/or the Administrator deem necessary to comply with applicable AML/CFT legislation and guidance. Investors further agree that, if they are investing on behalf of a third party, they have obtained sufficient information about that third party to determine that the party (a) is not involved in illegal activities, and (b) is investing funds from a legitimate source.

Information and documentation required by the Fund and/or the Administrator are detailed in the Subscription Agreement. The Fund and/or the Administrator may also require references from other financial institutions and other information and documentation that the Fund and/or the Administrator deems necessary to ensure compliance with applicable laws and regulations, including AML/CFT

legislation and guidance.

Pending the provision of information and documentation sufficient to satisfy the Fund's and/or the Administrator's AML/CFT obligations, the Administrator and/or the Fund may retain an investor's money without issuing or transferring Shares to the prospective investor. Interest (if any) earned on subscription monies held by the Fund or the Administrator pending satisfaction of these requirements will be added to the assets of the Fund. If sufficient information and documentation is not provided within a reasonable period of time, the Fund and/or the Administrator may return the investor's money without processing the subscription. The Fund and/or the Administrator reserves the right to reject any subscription or to redeem any shareholdings if the Fund and/or the Administrator deems such action necessary to comply with any legal obligation or if the Fund and/or the Administrator believes that an investor has failed to provide truthful information or documentation, as requested by the Fund and/or the Administrator, regarding the investor's identity, background, source of investment funds, or other information or documentation relevant to the Fund's and/or the Administrator's AML/CFT obligations.

A new investor into the Fund need only complete the information requested once. This information will be kept on file and will only need to be updated should there be any relevant changes made, or, if there is requirement for out-of-date documentation to be updated. If further documentation is requested, payment of any redemption proceeds may be delayed pending receipt of such documentation.

### **Contract Notes and Certificates**

A contract note will be sent by e-mail or by fax (or by post if the applicant does not have an e-mail address or fax number) to the applicant on acceptance of the application within seven Business Days after the relevant Dealing Day, providing details of the transaction and a Shareholder number which should be quoted in any correspondence by the Shareholder with the Administrator.

If you have not received a contract note within seven Business Days of the expected Dealing Day please contact the Administrator. Please note that neither a "read e-mail receipt" from the remitting party/sender nor a fax confirmation receipt generated by the sending fax machine, will be considered a confirmation of receipt of a deal by the Administrator in the absence of a contract note sent by the Administrator confirming the deal and relevant Dealing Day.

All Shares will be issued in registered form only and the register will be conclusive evidence of ownership.

Any changes to a Shareholder's personal details must be notified immediately to the Administrator in writing.

### **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 p.m. (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, 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\$1,000 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 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 Directors may, at their 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 Fund (as its authorised agent) to sell such underlying investments on its behalf (and at its expense which will include the Fund's fee for such service based on the number of underlying investments and agreed in advance between the Administrator and the redeeming Shareholder) and, following the completion of such sale, instruct the Fund 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 Fund 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, subject to the appropriate verification procedure being completed, 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 Administrator 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. If any of the above circumstances shall come to the notice of the Administrator or the Directors, they may give notice to such person requiring him (i) to provide the Administrator and/or the Fund within thirty days with sufficient satisfactory documentary evidence to satisfy the Administrator and/or the Fund 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 Administrator and/or the Fund with satisfactory evidence of such sale or transfer; or (iii) to request that the Fund 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 Administrator and/or the Fund (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 Administrator and the Fund 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\$1,000 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 Administrator, the Investment Adviser, the Custodian and any other service providers, 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" below.

### **Valuation**

The Fund will be valued as at 11.00 p.m. 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.

### **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 Directors only be entitled to convert shares on the applicable Dealing Day(s) subject to receipt of a conversion request by the Administrator.

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 p.m. (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 p.m. (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 Directors, 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 Administrator 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 Administrator 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 Directors 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.

### **Suspension of Calculation of Net Asset Value and Dealing**

The Directors, with the prior agreement of the Custodian, may suspend the calculation of the Net Asset Value and the issue and redemption of Shares if:-

- (a) by reason of the closure of or the suspension of trading on any money market or stock exchange or over-the-counter market or any other exchange or market or for any other reason circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable for the Fund to realise or dispose of any of its assets or fairly to determine the Net Asset Value;
- (b) as a result of an emergency state of affairs, the reasonable disposal of any of the assets owned by the Fund becomes impossible or there exist circumstances which the Directors deem will cause material harm or serious prejudice to the Members;
- (c) the communications system normally used for the determination of the price or the value of any of the assets owned by the Fund is damaged, or there are reasons why the prompt and correct establishment of the prices or values of any of the assets owned by the Fund is not reasonably practicable;

- (d) the Directors deem it impossible to transfer any of the funds of the Fund at normal exchange rates at the time of acquisition of any assets by the Fund.

Following a suspension, the calculation of the Subscription Price and Redemption Price of each of the classes of Shares will commence at the Valuation Point for the Dealing Day next after the last day of the suspension period. The fees of the Custodian, the Investment Adviser, the Administrator and any other service providers will continue to accrue during the period of suspension and will be calculated by reference to the last valuation at the Valuation Point prior to the suspension coming into effect.

### **Eligible Investors**

Each investor must represent and warrant to the Directors that, *inter alia*, he is able to acquire and hold Shares without violating applicable laws.

Shares will not knowingly be offered or sold to any investor to whom such offer or sale would be in breach of the law or requirements of any country or governmental or regulatory authority, or in the opinion of the Directors might result in any class or the Fund incurring any liability for taxation or suffering any other pecuniary or other disadvantage which any class or the Fund might not otherwise incur or suffer, or which may cause the Fund to be classified as an “investment company” under the 1940 Act. Shares may not be held by any person in breach of the law or requirements of any country or governmental authority including, without limitation, exchange control regulations.

### **Transfers of Shares**

The Shares are freely transferable although the Directors have absolute discretion to refuse to register a transfer of Shares in the circumstances described under the section headed “Additional Information 3.7 Transfer and Compulsory Redemption of Participating Shares” below.

The Directors will not exercise such discretion unreasonably. Every transfer form submitted for registration must be accompanied by a Subscription Agreement duly and properly completed by the transferee, including the transferee’s redemption payment instructions and the Directors reserve the right to refuse to register a transfer until such instructions have been lodged. All transfer forms which shall be registered shall be retained by the Fund, but any transfer form which the Directors may decline to register shall (except in any case of fraud) be returned to the person depositing the same.

The Administrator will require verification of the identity of the transferee and shall defer the registration of any transfer pending receipt of satisfactory evidence of the identity of the transferee.

## ADMINISTRATION, CUSTODY AND OTHER SERVICE PROVIDERS

### Board of Directors of the Fund

Ben Morgan, Piet Viljoen and Graham Sleep have been appointed as Directors of the Fund. Mr Sleep and Mr Morgan will each receive an annual fee of £15,000. Mr Viljoen has waived his entitlement to a fee. The Directors will be reimbursed for out-of-pocket expenses relating to attendance at meetings of the Board of Directors.

The address of the Directors is the registered office of the Fund. Mr Morgan is a partner in Carey Olsen (Guernsey) LLP, the legal adviser to the Fund. Mr Viljoen is a director of the Investment Adviser.

Ben Morgan is a partner with Carey Olsen (Guernsey) LLP in Guernsey in the Corporate Group. Mr Morgan qualified as a solicitor in 1992 and practised with the London city law firm Norton Rose, before joining Olsens in 1999. He is a director of a number of Guernsey investment funds.

Piet Viljoen started out as a lecturer at the University of Pretoria, and subsequently joined SARB as an economic analyst. He joined Allan Gray Investment Counsel in 1991 as a portfolio manager and later moved to Investec Asset Management in 1995. He founded Regarding Capital Management Proprietary Limited in 2003. He is an executive director of Regarding Capital Management Proprietary Limited and Calibre Limited and a non-executive director of Astoria Investments Ltd.

Graham Sleep is a dedicated accounting and finance professional with over seventeen years' experience in the financial services industry, with exposure to Channel Islands, South African, Irish, London and Cayman markets. Graham joined JTC in 2015 following the acquisition of Kleinwort Benson's fund administration business, and in 2021 joined JTC's Guernsey office as a client director. Graham has wide ranging technical expertise having filled varying senior roles in trust and fiduciary, financial reporting and business systems support and analysis. He has experience managing large third party fund administration operational and accounting teams, covering a wide range of asset classes including property, aircraft leasing and renewables. Graham's portfolio consists of predominantly Guernsey funds, LSE listed UK investment trusts and REITs and SFS listed specialist funds. Graham qualified as a chartered accountant while working in Dublin for a large London listed banking, insurance and investment management company as a senior accountant in their Group Consolidations and Group Financial Control team.

### Administrator, Secretary, Registrar and Paying Agent

JTC Fund Solutions (Guernsey) Limited is appointed to act as administrator, secretary, registrar and paying agent to the Fund pursuant to an Amended and Restated Administration, Secretarial, Registrar and Paying Agent Agreement dated 1 July 2021 which amends and restates the terms of an administration, secretarial, registrar and paying agent agreement dated 24 March 2006, as further assigned amended and restated by an agreement dated 18 December 2013 (the "**Administration Agreement**").

The Administrator is ultimately owned by JTC Plc.

The Administrator was incorporated with limited liability in Guernsey on 11 May 1978 and is licensed by the Commission pursuant to the POI Law to conduct certain restricted activities in relation to controlled investment business.

The Administrator is responsible, *inter alia*, for the administration of the Fund, the calculation of the Net Asset Value and for keeping proper books and records, keeping the register of Shareholders, which may be inspected at the Fund's registered office, and acting as paying agent.

The Administrator's registered office is at Ground Floor, Dorey Court, Admiral Park, St Peter Port,

Guernsey GY1 2HT.

The Administration Agreement provides that the Administrator shall not be liable to the Fund or the Shareholders for any error of judgement or for any loss suffered by the Fund or the Shareholders in connection with its services in the absence of negligence, fraud or wilful default in the performance or non-performance of its obligations or duties. The Administration Agreement contains provisions for the indemnification of the Administrator by the Fund against liabilities to third parties arising in connection with the performance of its services, except under certain circumstances.

The Administration Agreement may be terminated by either the Fund or the Administrator on not less than six months' prior written notice or forthwith in the event of breach by the other party, the other party being put into liquidation or declared 'en désastre', or if the Administrator shall cease to be licensed under the POI Law. The Administrator shall be entitled to a fee in respect of its services, as set out in "Fees and Expenses" below.

### **Custodian**

Pursuant to the terms of a custody agreement dated 29 March 2016 between Northern Trust (Guernsey) Limited and the Fund, the Custodian has been appointed to act as custodian of the Fund's assets. In such capacity the Custodian is responsible for providing custodial services to the Fund. The Custodian was incorporated in Guernsey with limited liability on 19 September 1972 and is a bank licensed under the provisions of the Banking Supervision (Bailiwick of Guernsey) Law, 1994. As at the date of this document, the authorised share capital of the Custodian is £10,000,000 all of which has been issued as ordinary shares of £1 each, credited as fully paid. The Custodian's registered office is Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3DA, and the ultimate holding company of the Custodian is Northern Trust Corporation. The Custodian's principal activities are providing banking, trustee and custodial services.

The Custodian may appoint sub-custodians, agents or delegates ("Sub-Custodians") to hold the assets of the Fund. The Custodian will use reasonable skill, care and diligence in the selection of a suitable Sub-Custodian. The Custodian will be responsible to the Fund for the duration of any sub-custody agreement and for satisfying itself as to the ongoing suitability of the Sub-Custodian to provide custodial services to the Fund. The Custodian will also maintain an appropriate level of supervision over the Sub-Custodians and will make appropriate enquiries periodically to confirm that the obligations of Sub-Custodians continue to be competently discharged. The Fund will reimburse the Custodian for the reasonable fees and customary agents' charges paid by the Custodian to any Sub-Custodian appointed which shall be charged at normal commercial rates together with value added tax, if any thereon. The Custodian shall be entitled to a fee in respect of its services as set out in "Fees and Expenses" below.

The Custodian will be responsible for all assets of the Fund other than (subject to compliance with the Rules) assets deposited as margin with brokers. Such assets will be held by the Custodian in a separate client account and will be separately designated in the books of the Custodian as belonging to the Fund. Assets other than cash, which are so segregated, will be unavailable to the creditors of the Custodian in the event of its bankruptcy or insolvency. Subject to compliance with the Rules, assets deposited as margin need not be segregated and may become available to the creditors of brokers.

The Custodian is not liable for any acts or omissions in the performance of its services or any of its appointed Sub-Custodians under the Custodian Agreement in the absence of wilful default, negligence or fraud and, subject thereto, the Custodian is entitled to be indemnified by the Fund against all third party actions, proceedings, claims, costs, demands and expenses arising in connection with the performance of its services or any of its appointed Sub-Custodians.

Subject to the Articles and the Rules, the Custodian's appointment may be terminated by either party on not less than ninety days' notice, or earlier upon certain breaches of contract or the insolvency or

receivership of either party.

The Custodian is not responsible for the selection or valuation of the Fund's investments.

### **Investment Adviser**

The Fund has appointed Merchant West Investments Proprietary Limited (formerly Counterpoint Boutique Proprietary Limited) (the "**Investment Adviser**"), a private limited liability company registered under the laws of South Africa on 12 June 2006, to act as the investment adviser to the Fund effective 14 May 2021 and pursuant to the terms of a Deed of Assignment and Amendment in relation to an Investment Advisory Agreement dated 24 March 2006, (the "**Investment Advisory Agreement**").

Under the terms of the Investment Advisory Agreement, the Investment Adviser will, subject to guidelines issued by the Directors, assist the Fund in identifying, selecting, investing and managing the assets of the Fund.

The Investment Adviser has been approved by the South African Financial Sector Conduct Authority as a financial services provider with licence number 44508 in terms of the South African Financial Advisor and Intermediary Services Act No. 37 of 2002 and is under no restriction and remains free, at any time, to sponsor and advise new investment vehicles with investment profiles similar or identical to those of the Fund. Mr Viljoen, a director of the Fund, is a director of the Investment Adviser.

The Investment Adviser shall be entitled to a fee in respect of its services as set out in "Fees and Expenses" below.

Under the Investment Advisory Agreement, the Investment Adviser will not, in the absence of negligence, fraud or wilful default, be liable for any loss or damage suffered by the Fund or any Shareholder arising out of any error of judgment or oversight or mistake of law or otherwise arising as a result of or in the course of discharge by the Investment Adviser of its duties under the Investment Advisory Agreement. The Investment Advisory Agreement provides for indemnification of the Investment Adviser for all actions, proceedings, claims and demands (including costs and expenses directly incidental thereto) which may be made against the Fund in respect of any loss or damage suffered or alleged to have been suffered other than those which constitute negligence, wilful default or fraud on its part in the performance of its duties.

The Investment Adviser will be subject to the overall policies, directions and control of the Directors. The Investment Advisory Agreement is terminable by either the Fund or the Investment Adviser for breach by the other party which is failed to make good within thirty days of receipt of notice requiring it to do so, or if an order is made or a resolution passed for the winding up of other party, or a receiver is appointed or is declared 'en désastre', or if the Fund ceases to be licensed under the POI Law or on six months' notice in writing.

### **Distributors**

The Fund has engaged the services of the Distributors to provide distribution services to the Fund within South Africa with respect to the procurement of additional investments in "B" Shares and the maintenance of existing investments in "B" Shares.

The Fund has appointed each Distributor, on a non-exclusive basis, pursuant to a distribution agreement (each a "**Distribution Agreement**" and, together, the "**Distribution Agreements**").

Under the terms of each Distribution Agreement, the services to be performed by the Distributor are limited to South Africa and include promoting interest in sales of the "B" Shares; maintaining existing investment in "B" Shares and providing strategic promotional guidance to the Fund. Distributors must, inter alia, properly manage their clients' investment and redemption applications and ensure that their



clients are kept informed of their investment performance in the Fund.

Each Distribution Agreement contains provisions for the indemnification of the Distributor by the Fund against liabilities to third parties arising in connection with the performance of its services, except under certain circumstances to include liabilities arising from the wilful default, bad faith or negligence of the Distributor.

Each Distribution Agreement may be terminated by either the Fund or the Distributor on not less than three months' prior written notice or forthwith in the event of material breach by the other party (which is not remedied within 30 days of being notified of the breach) or the other party being put into liquidation or declared '*en désastre*'.

Each Distributor shall be entitled to a fee in respect of its services as set out in "Fees and Expenses" below.

### **Representative**

Pursuant to the terms of a representative agreement dated 13 May 2021 (the "**Representative Agreement**"), the Fund has engaged the services of Sanlam Collective Investments (RF) Proprietary Limited to act as its representative in South Africa as is required in connection with the Fund's approval by the Financial Sector Conduct Authority as established by the Financial Sector Regulation Act, 2017, which replaced the FSB and the Registrar of Collective Investment Schemes effective 1 April 2018 (the "**FSCA**") under section 65 of the Collective Investment Schemes Control Act, 2002 (Act 45 of 2002) and all regulations, declarations, codes and notices thereunder as amended from time to time (the "**Act**").

Under the terms of the Representative Agreement, the Representative is responsible, *inter alia*, for ensuring that the Fund complies with the Act in respect of soliciting investments in South Africa.

The Representative Agreement contains provisions for the indemnification of the Representative by the Fund against liabilities to third parties arising in connection with the performance of its services, except under certain circumstances to include liabilities arising from the fraud, wilful misconduct or gross negligence of the Representative.

The Representative Agreement may be terminated by either the Fund or the Representative by written mutual agreement at any time or forthwith in the event of material breach by the other party (which is not remedied within 20 business days of being notified of the breach); the other party being put into liquidation; the Fund ceasing to exist or either party ceasing to be appropriately licensed or qualified to act.

The Representative shall be entitled to a fee in respect of its services as set out in "Fees and Expenses" below.

### **Platform Providers**

The Fund has engaged various platform providers (the "**Platform Providers**") pursuant to the terms of fund provider fee discount letters and/or rebate terms agreements (each a "**Platform Provider Agreement**" and, together, the "**Platform Provider Agreements**").

The Platform Providers make Shares available for investment on their platforms by their clients. The Platform providers hold Shares through designated custodian or nominee accounts which hold the interests in the Shares for the benefit of their clients.

Each Platform Provider Agreement may be terminated by either the Fund or the Platform Provider on not less than three months' prior written notice (unless the parties agree to a shorter notice period) and in some cases, forthwith in the event of material breach by the other party (which is not remedied within

30 days of being notified of the breach) or the other party being put into liquidation or the Platform Provider ceasing to be appropriately licensed to act.

Each Platform Provider shall be entitled to a fee in respect of its services as set out in “Fees and Expenses” below.

**The Auditor**

Ernst & Young LLP, Chartered Accountants, have been appointed as auditor to the Fund.

## FEES AND EXPENSES

### Establishment Costs

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 previously appointed manager of the Fund.

### Initial Fees and Exit Fees

Under the terms of the Fund’s Articles the Fund 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 Fund 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\$42,800. 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:

<b>AUM Tier per Cell/Portfolio</b>	<b>Safekeeping Fees % p.a.</b>
US\$0 - US\$200 million	0.05 %
US\$200 million – US\$350 million	0.04 %
> 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.

### Fees of the Administrator

For the services performed under the Administration Agreement, the fees payable to the Administrator by the Fund shall be a tiered amount based on its Net Asset Value of the Fund, being:

Net Asset Value	Appropriate Percentage
Up to US\$500 million	0.12% per annum, plus
US\$500 million up to US\$750 million	0.08% per annum, plus
US\$750 million or more	0.04% per annum

The above fee shall be subject to a minimum administration fee of US\$97,500 per annum. The minimum fee may be reviewed annually in line with the increase in RPI in Guernsey, such increase to be effective from the financial year end of the Fund and any proposed increase to be agreed with the Fund. In addition, a shareholder transaction fee of US\$55 and an investment trade transaction fee of US\$7.5 shall

also be applied.

The Fund shall also pay or reimburse the Administrator in respect of all out of pocket expenses incurred by it in the performance of its duties.

#### **Fees of the Investment Adviser**

For the services performed under the Investment Advisory Agreement, the Fund will pay the Investment Adviser a fee equal to 1.00% per annum of the Net Asset Value relevant to the "A" Share class, 1.00% 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 Investment Adviser's fee shall accrue at each Valuation Point and be payable monthly in arrears in US Dollars. The Investment Adviser's fee shall be paid pro-rata for any period shorter than the month in respect of which such fee is payable.

#### **Fees of the Representative**

For the services performed under the Representative Agreement, the Fund will pay the Representative an annual fee of 0.03% of the total Net Asset Value of the Participating Shares held by Shareholders resident in South Africa.

#### **Fees payable to the Distributors**

For the services performed under the Distribution Agreements, each Distributor is entitled to receive a fee in connection with investments in the "B" Shares introduced by it (the "**Applicable Shares**"). The Fund will pay each Distributor a fee at the rate of 0.5% per annum of the Net Asset Value of the Applicable Shares. Such fee will accrue from 14 May 2021 and will continue to be paid to each Distributor so long as:

- (a) the Applicable Shares continue to be registered in the name of the clients introduced by the Distributor; and
- (b) the respective Distribution Agreement remains in effect.

The fees payable to each Distributor shall be calculated in US Dollars, shall accrue monthly and be payable quarterly in arrears at the end of March, June, September and December. No payments will be made unless the amount accrued and payable at the end of a Payment Period is at least US\$125.00 (the "**Minimum Amount**"). If the amount accrued is less than the Minimum Amount no payment will be made and there is no right to carry forward any accrued but unpaid balances to the next payment period.

As at the date hereof, the Fund has appointed a total number of two Distributors who are entitled to receive the fee described above.

#### **Fees payable to the Platform Providers**

Each Platform Provider is entitled to receive a fee of 0.5% per annum of the market value of "B" Shares held in its designated custodian account for the benefit of its clients.

The fees payable to each Platform Provider shall be calculated in US Dollars, shall accrue monthly and be payable quarterly in arrears at the end of March, June, September and December. No payments will be made unless the amount accrued and payable at the end of a payment quarter is at least US\$125.00 (the "**Minimum Amount**"). If the amount accrued is less than the Minimum Amount no payment will

be made and there is no right to carry forward any accrued but unpaid balances to the next payment quarter.

As at the date hereof, the Fund has appointed a total number of three Platform Providers.

### **Other Operating Expenses**

The Administrator will be responsible for providing all office personnel, office space and office facilities required for the performance of its 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; (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; (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. Graham Sleep and Ben Morgan currently each receive a fee of £15,000 per annum. Piet Viljoen 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" above) 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.

## CONFLICTS OF INTEREST

Under the Investment Advisory Agreement the Fund and the Investment Adviser each acknowledge or will acknowledge, respectively, that the Investment Adviser may provide investment management and other advisory services to various other clients. The Fund further acknowledges and agrees that the Investment Adviser may hold or deal in securities, property or other assets which may be the same or different from the securities, property or other assets recommended for sale, purchase or retention by the Fund, and that the Investment Adviser may give advice and take action, with respect to any of those clients that may differ from the advice given, or the time or nature of action taken, in respect of the assets of the Fund. The Investment Adviser will ensure that such allocations will be made in such a manner which does not unfairly prejudice the interests of the Shareholders as a whole. The Investment Adviser is under no obligation to recommend any security to be purchased for or sold from the Fund, or to effect transactions for the account of the Fund, with respect to any security, property or other asset recommended, purchased or sold for the Investment Adviser.

The Directors, the Administrator, the Custodian, the Distributors, the Representative and the Platform Providers and any other service provider may from time to time act as sponsor, manager, managing director, supervisory director, investment adviser, registrar, transfer agent, administrator, trustee, custodian, broker, distributor, placing agent or representative to, or be otherwise involved in, other collective investment vehicles that have similar investment objectives to those of the Fund or otherwise provide discretionary management or administration, custodian, brokerage services to investors with similar investment objectives to those of the Fund. There is no prohibition on dealings in the assets of the Fund with entities related to the Directors, the Administrator, the Custodian, the Distributors, the Representative and the Platform Providers or any other service provider. It is therefore possible that any of them may, in the course of their business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to act in the best interests of the Fund insofar as practicable, having regard to its obligations to other clients, when undertaking any transactions where conflicts of interests may arise and they will resolve such conflicts fairly.

Mr Piet Viljoen is a director of the Investment Adviser.

## TAXATION

This is a summary of the principal Guernsey income tax consequences applicable to the Fund and its Shareholders. While this summary is considered to be a correct interpretation of existing laws in force on the date of this Memorandum, there can be no assurances that such laws will agree with the interpretations below or that changes in such laws will not occur, possibly with retrospective effect. Each prospective investor should consult his or her own tax adviser to determine the application of the tax law and practice in his or her own particular circumstances.

In view of the number of different jurisdictions where local laws may apply to Shareholders, this Memorandum does not discuss the local tax consequences to a potential investor arising from the purchase, ownership or disposition of Shares. Prospective investors are urged to consult their own tax advisors regarding the possible tax, exchange control or other consequences with respect to the purchase, ownership or disposition of Shares under the laws of jurisdiction of which they are citizens, residents or domiciliaries and in which they conduct business.

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

### *The Fund*

The Fund has received tax exempt status in Guernsey pursuant to the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989, as amended. 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.

## ***The Shareholders***

In the case of Shareholders who are not resident in Guernsey for tax purposes (and do not have a permanent establishment in Guernsey) the Fund's distributions can be paid to such Shareholders, either directly or indirectly, without giving rise to a liability to Guernsey income tax, nor will the Fund be required to withhold Guernsey tax on such distributions.

Shareholders who are individuals resident for tax purposes in Guernsey (which includes Alderney and Herm) or who are not so resident but have a permanent establishment in Guernsey to which the holding of their Shares is related, will incur Guernsey income tax at the applicable rate on a distribution paid to them by the Fund. So long as the Fund has been granted tax exemption the Fund will only be required to provide the Director of Revenue Service such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of Revenue Service may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment.

Guernsey currently does not levy taxes upon capital, inheritances, capital gains (unless the varying of investments and the turning of such investments to account is a business or part of a business), gifts, sales or turnover.

There are no estate duties in Guernsey (save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

## ***Other***

### ***Foreign Account Tax Compliance and CRS***

Under the United States Foreign Account Tax Compliance Act provisions of the US Hiring Incentives to Restore Employment Act 2010, which implemented sections 1471 through 1474 of the Code ("**FATCA**"), the Fund could become subject to a 30 per cent. withholding tax on certain payments of US source income (including dividends and interest), and (from no earlier than two years after the date of publication of certain final regulations defining "foreign passthru payments") a portion of non-US source payments from certain non-US financial institutions to the extent attributable to US source payments, if it does not comply with certain registration, due diligence and reporting obligations under FATCA. Pursuant to the intergovernmental agreement between Guernsey and the United States (the "**US-Guernsey IGA**") and Guernsey legislation implementing the US-Guernsey IGA, the Fund may be required to register with the US Internal Revenue Service (the "**IRS**") and report information on its financial accounts to the Guernsey tax authorities for onward reporting to the IRS.

Guernsey, along with approximately 100 jurisdictions, has implemented the Organisation for Economic Co-operation and Development's "Common Reporting Standard" ("**CRS**"). Certain disclosure requirements will be imposed in respect of certain Shareholders in the Fund falling within the scope of the CRS. As a result, Shareholders may be required to provide any information that the Fund determines is necessary to allow the Fund to satisfy its obligations under such measures. Shareholders that own the Shares through financial intermediaries may instead be required to provide information to such financial intermediaries in order to allow the financial intermediaries to satisfy their obligations under the CRS. *US-Guernsey Intergovernmental Agreement*

On 13 December 2013 Guernsey signed an intergovernmental agreement with the US ("**US-Guernsey IGA**") regarding the implementation of the Foreign Account Tax Compliance Act, or FATCA, under which certain disclosure requirements will be imposed in respect of certain Shareholders in the Fund



who are residents or citizens of the US.

The US-Guernsey IGA has been implemented through the Income Tax (Approved International Agreements) (Implementation) (United Kingdom and United States of America) Regulations, 2014. The States of Guernsey Revenue Service published updated guidance notes on 30 April 2015 relating to the reporting due on 30 June 2015 for filing reports in Guernsey under the US-Guernsey IGA, the first reporting on US Investors to the IRS was completed in June 2015.

Certain due diligence obligations will also be imposed. Where applicable, information that will need to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Fund.

Under the terms of the US-Guernsey IGA, Guernsey resident financial institutions that comply with the due diligence and reporting requirements of Guernsey's domestic legislation will be treated as compliant with FATCA and, as a result, should not be subject to FATCA withholding on payments they receive and should not be required to withhold under FATCA on payments they make. If the Fund does not comply with these obligations, it may be subject to a FATCA deduction on certain payments to it of US source income (including interest and dividends) and (from no earlier than two years after the date of publication of certain final regulations defining "foreign passthru payments") a portion of non-US source payments. The US-Guernsey IGA is implemented through Guernsey's domestic legislation in accordance with local guidance that is published in draft form.

Such compliance may result in additional burdens being placed on the Fund and/or the Administrator in relation to information reporting and other requirements and may result in additional costs for the Fund. Compliance with the requirements of the local regulations giving effect to the multilateral intergovernmental agreements may also result in additional burdens being placed on investors in the Fund to provide information/documentation required to enable the Fund to comply with its obligations.

#### *Common Reporting Standard*

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

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

If the Fund fails to comply with any due diligence and/or reporting requirements under Guernsey legislation implementing the US-Guernsey IGA and/or the CRS then the Fund could be subject to (in the case of the US-Guernsey IGA) US withholding tax on certain US source payments, and (in all cases) the imposition of financial penalties introduced pursuant to the relevant implementing regulations in

Guernsey. Whilst the Fund will seek to satisfy its obligations under the US-Guernsey IGA and the CRS and associated implementing legislation in Guernsey to avoid the imposition of any financial penalties under Guernsey law, the ability of the Fund to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Shareholders (if any). There can be no assurance that the Fund will be able to satisfy such obligations.

#### *Request for Information*

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

**INVESTORS ARE ADVISED TO CONSULT THEIR PROFESSIONAL ADVISORS AS TO THE IMPACT OF THE US-GUERNSEY IGA, FATCA, THE CRS AND ANY OTHER SIMILAR LEGISLATION AND/OR REGULATIONS ON THEIR INVESTMENT IN THE FUND AND AS IT APPLIES TO THE LAWS OF THEIR COUNTRY OF DOMICILE AND/OR RESIDENCE AND/OR CITIZENSHIP.**

**IF A SHAREHOLDER FAILS TO PROVIDE THE FUND OR THE ADMINISTRATOR WITH INFORMATION THAT IS REQUIRED BY ANY OF THEM TO ALLOW THEM TO COMPLY WITH ANY OF THE ABOVE REPORTING REQUIREMENTS, OR ANY SIMILAR REPORTING REQUIREMENTS, ADVERSE CONSEQUENCES MAY APPLY.**

#### **General**

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.

#### **Reporting Fund Status**

The “A” Shares and “B” Shares were each registered as “Reporting Funds” under the UK Reporting Fund Regime (“UKRFR”) from 1 April 2014 and to date has and intends to continue to comply with the UKRFR in subsequent years so as to maintain such authorisation. Further details regarding the UKRFR can be obtained from the HMRC website.”

**The above paragraphs do not constitute advice as to the individual tax circumstances of any particular investor or potential investor nor should they be considered a definitive explanation of the tax status of the Fund. Persons interested in purchasing 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 by them of Shares.**

## **ADDITIONAL INFORMATION**

### **1. Incorporation and Share Capital**

- 1.1 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. By Special Resolution dated 18 June 2021 the Shareholders approved the change of name to Counterpoint Global Value Fund Limited. By Special Resolution dated 6 March 2023, the Shareholders approved the change of name to Merchant West Global Value Fund Limited, following the change of name of the Investment Adviser from Counterpoint Boutique (Pty) Limited to Merchant West Investment (Pty) Limited. The Fund has issued 1,000 Management Shares, all of which have been allotted and issued to the Investment Adviser, 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.
- 1.2 Save as disclosed above, and save for Participating Shares issued to investors, no share or loan capital of the Fund has been issued or agreed to be issued and no such capital of the Fund is proposed to be issued or is under option or agreed conditionally or unconditionally to be put under option.

### **2. Memorandum of Incorporation**

- 2.1 The Memorandum of Incorporation does not restrict the objects of the Fund.

### **3. Articles of Incorporation**

- 3.1 The following is a summary of the principal provisions of the Articles of Incorporation of the Fund in so far as they have not been described earlier in this document.
- 3.2 Variation of Class Rights and Alteration of Capital
- 3.2.1 Subject to the provisions of Guernsey law all or any of the special rights for the time being attached to any class of shares for the time being issued may (unless otherwise provided by the terms of issue of the shares of that class or the Articles) from time to time (whether or not the Fund is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-quarters of the issued shares of that class or with the sanction of a resolution passed by a majority of three-quarters of the votes cast at a separate general meeting of the holders of such shares. All the provisions of the Articles as to general meetings of the Fund shall *mutatis mutandis* apply to any such separate general meeting but so that the necessary quorum shall be two members holding or representing by proxy a total in aggregate of not less than one-third of the voting rights of the class in question, and any holder of shares of the class shall be entitled on a poll to one vote for every whole share held by him and a further part of one vote proportionate to any fraction of a share held by him and that any holder of shares of the class present in person or by proxy may demand a poll.
- 3.2.2 The rights attached to the Shares shall be deemed to be varied by the creation or issue of any shares (other than Shares) ranking in priority to them as respects participation in the profits or assets of the Fund.

3.2.3 Subject to the preceding paragraph, the special rights attached to any Participating Shares shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by:-

- (a) the creation, allotment and issue of further Participating Shares ranking pari passu therewith; or
- (b) the creation, allotment and issue of Management Shares; or
- (c) the exercise by a liquidator of its powers in a winding up of the Fund; or
- (d) the redesignation of the whole, or any particular class, of its shares into shares of another class;
- (e) the conversion of all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other date as may be specified therein; or
- (f) where its shares are expressed in a particular currency or former currency, the denomination or redenomination it, whether expressing its amount in units or subdivisions of that currency or former currency, or otherwise.

3.2.4 The Fund may by Ordinary Resolution:-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide its shares, or any of them, into shares of a smaller amount than is fixed by the Memorandum or Articles or Ordinary Resolutions, such that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (c) cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its shares by the amount of the shares so cancelled;
- (d) redesignate the whole, or any particular class, of its shares into shares of another class;
- (e) convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other date as may be specified therein; and
- (f) where its shares are expressed in a particular currency or former currency, denominate or redenominate it whether expressing its amount in units or subdivisions of that currency or former currency, or otherwise.

3.3 Share capital

Subject to the law and the other provisions of the Articles, the Directors have the power to issue 1,000 Management Shares of 1 US Dollar par value each and in addition the Directors have the power to issue an unlimited number of Participating Shares of no par value. Shares may be issued and designated as Management Shares or Participating Shares or such other classes of shares as the Board of Directors shall determine, in each case in such classes, and denominated

in such currencies, as shall be determined at the discretion of the Board of Directors.

### 3.4 Share rights

Subject to the terms and rights attaching to shares already in issue and the Articles, any new shares shall be of such class and amount and have such preference or priority as regards dividends or in the distribution of assets or as to voting or otherwise over any other shares of any class whether then issued or not or be subject to such stipulations deferring them to any other shares with regard to dividends or in the distribution of the assets or as to voting or otherwise and such other rights and restrictions as the Board of Directors may determine in accordance with the Companies Law.

### 3.5 Issue of Shares

3.5.1 Without prejudice to the authority conferred on the Directors pursuant to the Articles, the Directors are generally and unconditionally authorised to exercise all powers of the Fund to create, allot and issue, grant rights to subscribe for, or to convert any securities into, an unlimited number of shares of each class in the Fund.

3.5.2 Any shares may, with the sanction of the Board of Directors, be issued on terms that they are, at the option of the Fund or the holder, liable to be redeemed on such terms and in such manner as the Board of Directors before the issue may determine. Subject to the approval of the holders of the relevant class of shares having been obtained in accordance with the Articles, the Board of Directors shall have the power to determine that any shares already in issue shall be converted into shares that are redeemable in accordance with the provisions of these Articles and the law.

3.5.3 The Fund may acquire its own shares (including any redeemable shares). Any shares so acquired by the Fund may be cancelled or held as treasury shares provided that the number of shares of any class held as treasury shares must not at any time exceed 10% (or such other percentage as may be prescribed from time to time by the States of Guernsey Commerce and Employment Department) of the total number of issued shares of that class. Any shares acquired in excess of this limit shall be treated as cancelled.

3.5.4 Except with the consent of the majority of votes cast at a separate general meeting of the holders of Participating Shares, no shares in the capital of the Fund, other than Participating Shares and Management Shares shall be issued.

### 3.6 Classes of Shares

#### *Management Shares*

The Management Shares may only be issued at par and to the Administrator or the Investment Adviser or the nominee of the Administrator or the Investment Adviser for the time being of the Fund. The rights attaching to the Management Shares are as follows:-

(a) Voting Rights:

Management Shares carry no right to vote unless there are no other shares then in issue.

(b) Dividends and distribution of assets on a winding up:

The Management Shares carry no right to receive any distribution whether by way of dividend, return of capital or otherwise other than the return (on a winding up) of the issue price paid on such Management Shares.

(c) Redemption:

The Management Shares are not redeemable and may be compulsorily repurchased, at a price equivalent to their par value, if they are not held by the Administrator or the Investment Adviser or a nominee thereof.

*Participating Shares*

Participating Shares may be issued in classes. The rights attached to the Participating Shares are as follows;

(a) Voting Rights:

On a show of hands, every holder of Participating Shares who is present in person or by proxy or by a duly authorised representative shall have one vote and, on a poll, every holder of Participating Shares present in person or by proxy or by a duly authorised representative shall have one vote for every whole Participating Share held by him and a further part of one vote proportionate to any fraction of a Participating Share held by him.

(b) Dividends and Distributions:

The Directors may from time to time authorise dividends and distributions to be paid to the holders of the Participating Shares of a particular class in accordance with the procedure set out in the Law and subject to any rights of holders attaching to their Participating Shares. The Directors may pay dividends and distributions of differing amounts as between classes of Participating Shares. The declaration of the Directors as to the amount of the dividend or distribution available shall be final and conclusive. (See further, section 3.10 “Dividends and Distributions” below).

(c) Winding Up:

On a winding up, the assets available for distribution shall be paid to the holders of Participating Shares of the relevant class in proportion to the number of Participating Shares of that class held subject to the payment to the holders of the Management Shares of the nominal amount paid up thereon.

(d) Redemption:

The Participating Shares of any class may be redeemed by Shareholders on any Dealing Day at a price based on the Net Asset Value of such Participating Shares of that class.

3.7 Transfer and Compulsory Redemption of Participating Shares

3.7.1 All transfers of shares shall be effected by transfer in writing in any usual or common form in use in the Island of Guernsey or in any other form approved by the Directors but need not be under seal, and every form of transfer shall state the full name and address of the transferor and transferee and be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.

3.7.2 The Directors may, in their absolute discretion, decline to register the transfer of shares:-

- (a) if the transfer would result in the transferor or the transferee being the holder of less than the minimum number of Participating Shares or minimum amount in value of a holding of Participating Shares;

- (b) if it appears to the Directors that the transferee is not qualified to hold shares in the Fund or that the registration of the transferee as a Shareholder 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 the classification of the Fund as an "investment company" under the 1940 Act;
- (c) if it appears to the Directors that the transferee is a US Person;
- (d) if the transferee fails or refuses to furnish the Directors with such information or declarations as they may require.

3.7.3 The Directors shall decline to recognise any transfer of shares unless:-

- (a) the instrument of transfer is deposited at the registered office of the Fund or such other place as the Directors may reasonably require, accompanied by the certificate of the shares to which it relates (if one has been issued) or such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; and
- (b) the instrument of transfer relates to shares of one class only.

3.7.4 If the Directors decline to register a transfer of any share they shall, within one month after the date on which the transfer was lodged with the Fund, send to the transferee notice of the refusal.

3.7.5 The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration of transfers shall not be suspended for more than thirty days in any year.

3.7.6 The Directors may, by notice to a member, at any time request a member to furnish a declaration, in a form satisfactory to the Directors, as to his place of residence, citizenship or domicile and any such information as may be reasonably required by the Directors to satisfy themselves that such person is qualified to hold shares in the Fund.

3.7.7 All instruments of transfer which shall be registered shall be retained by the Fund, but any instrument of transfer which the Directors may decline to register shall (except in any case of fraud) be returned to the person depositing the same.

3.7.8 The Directors shall not be bound to register more than four persons as joint holders of any Participating Share.

3.7.9 The Articles entitle the Directors to require the transfer of Participating Shares in the circumstances described under the section "Compulsory Redemption" above.

3.8 Directors

3.8.1 Unless otherwise determined by an Ordinary Resolution of the Shareholders in general meeting, the number of Directors shall not be subject to any maximum and the minimum number shall be two. At no time shall a majority of the Board be either (a) resident in the United Kingdom for United Kingdom tax purposes or (b) resident in South Africa for South African tax purposes. Each Director shall immediately inform the Board of any change, potential or intended, to his residential status for tax purposes or otherwise.

3.8.2 The Directors shall not be required to hold any shares by way of qualification.

3.8.3 The Directors may be removed by an Ordinary Resolution of Shareholders. Other or additional directors may be elected by an Ordinary Resolution of the Shareholders. Any other or additional Directors appointed by the Directors will be subject to re-election by the Shareholders. Under the Articles, the Fund will not hold the Directors liable for any acts or omissions in the performance of its or their duties to the extent that due care and diligence has been exercised, and will indemnify the Directors, subject to the fullest extent permitted by the Companies Law,

against liabilities arising in connection with the proper performance of their duties.

- 3.8.4 The Directors and any alternate Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Fund or separate meetings of the holders of any class of shares or debentures or in connection with the business of the Fund, and all reasonable expenses incurred in seeking independent professional advice on any matter that concerns them in the furtherance of their duties as a Director. The Directors shall be entitled to be paid by way of remuneration for their services such sum as is stated in this Memorandum or such higher sum as may be voted to them by Ordinary Resolution of the Shareholders in general meeting which shall be divided between them as they shall agree or failing agreement equally. Such remuneration will accrue from day to day. The Directors may grant extra remuneration to any Director who is called on to perform any special duties or services outside his ordinary duties as a Director or at the request of the Fund. An alternate Director shall only be entitled to such part of the remuneration otherwise payable to his appointor as his appointor may direct by notice in writing to the Fund.
- 3.8.5 A Director may be a director, managing director, manager or other officer, employee or member of any company in which the Fund may be interested, which may be promoted by the Fund or with which the Fund has entered into any transaction, arrangement or agreement and no such Director shall be accountable to the Fund for any remuneration or other benefits received thereby.
- 3.8.6 Provided the nature and extent of any material interest of his is or has been declared to the other Directors in accordance with the Companies Law, a Director notwithstanding his office:-
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Fund, or in which the Fund is otherwise interested;
  - (b) may act by himself or through his firm in a professional capacity for the Fund (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
  - (c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, a shareholder of or otherwise directly or indirectly interested in, any body corporate promoted by the Fund or with which the Fund has entered into any transaction, arrangement or agreement or in which the Fund is otherwise interested; and
  - (d) shall not by reason of his office, be accountable to the Fund for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 3.8.7 A Director shall be counted in the quorum at any meeting in relation to any resolution in respect of which he has declared an interest and may vote thereon.

### 3.9 Borrowing Powers

Subject as described under “Borrowings” above, the Directors may exercise all the powers of the Fund to borrow money for the purposes of redemption.

As security for the repayment of any loan the Fund 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 Fund 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 Fund 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.

### 3.10 Dividends and Distributions

3.10.1 Subject to the Companies Law, and as hereinafter set out, the Directors may from time to time declare dividends on Participating Shares to be paid to the holders of such Shares according to their respective rights and interests.

3.10.2 No dividend shall be payable on the Management Shares.

3.10.3 The Directors may, with the sanction of an Ordinary Resolution of the holders of Participating Shares of a particular class, satisfy any dividend or distribution, in whole or in part, by distributing in specie any of the assets of the relevant class of the Fund, and in particular of paid up shares, or other securities of any other company and, where any difficulty arises in regard to the dividend or distribution, the Directors may settle it as they think expedient and in particular may authorise any person to sell and transfer any fractions or may ignore fractions altogether and may fix the value for dividend and distribution purposes of any assets or any part thereof and may determine that cash shall be paid to any holders of Participating Shares upon the footing of the value so fixed in order to secure equality of dividend or distribution and may vest any assets the subject of a dividend or distribution in trustees as may seem expedient to the Directors.

3.10.4 All dividends and distributions unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the relevant class of the Fund until claimed. No dividend or distribution shall bear interest against the Fund. Any dividend or distribution unclaimed after a period of six years from the date of declaration thereof will, if the Directors so resolve, be forfeited and cease to remain owing by the Fund and will thenceforth revert to the relevant class of the Fund and the payment by the Directors of any unclaimed dividend or distribution or other sum payable on or in respect of a Participating Share into a separate account will not constitute the Fund a trustee in respect thereof.

3.10.5 The receipt of the person appearing by the register of members to be the holder of any Participating Shares shall be a sufficient discharge to the Fund for any dividend or distribution or other monies payable in respect of such shares; and where several persons are the joint holders of a share the receipts of any one of them shall be a good discharge to the Fund for any dividends or distributions or other monies payable thereon.

3.10.6 A transfer of shares shall not pass the right to any dividend or distribution declared thereon before the registration of the transfer.

### 3.11 Class Accounts

In order to calculate the Net Asset Value of each class of Shares, a separate class account will be established in the books of the Fund in respect of each class of shares. An amount equal to the proceeds of issue of shares of the relevant class will be credited to the relevant class account. Any decrease in the Net Asset Value of the Fund arising from the redemption or repurchase of Shares of a particular class will be debited to the relevant class account. Any increase or decrease in the Net Asset Value of the Fund's portfolio which is attributable to more than one class of shares (disregarding for these purposes any increases or decreases in Net Asset Value attributable to issues, repurchases or redemptions of shares or any dividend or other distribution

paid by the Fund or any designated adjustments (as defined below)) will be allocated among the relevant class accounts *pro rata* to the respective Net Asset Value of such class accounts. There will then be allocated to each class account the “designated adjustments”, being those foreign exchange items, pre-paid expenses, assets, profits, gains or income which the Directors determine relate to a single separate class.

### 3.12 Valuation of Net Assets

The determination of the Net Asset Value is the responsibility of the Directors. Valuations made pursuant to the Articles are binding on all persons. In determining the Net Asset Value the Articles provide, *inter alia*, that:-

- (a) deposits shall be valued at their principal amount plus accrued interest calculated on a daily basis;
- (b) certificates of deposit shall be valued with reference to the best price bid for certificates of deposit of like maturity, amount and credit risk, for settlement as at the relevant Valuation Point;
- (c) Treasury Bills and Bills of Exchange shall be valued with reference to prices ruling in the appropriate markets for such instruments for settlement as at the relevant Valuation Point;
- (d) where any security owned or contracted for by the Fund is listed or dealt in on a Recognised Exchange or on any over-the-counter market, all calculations of the Net Asset Value which are required for the purpose of computing the price at which Participating Shares are to be issued or redeemed, shall be based on the latest bid price therefor as at the relevant Valuation Point. When such security is listed or dealt in on more than one Recognised Exchange or over-the-counter market the Directors may in their absolute discretion select any one of such Recognised Exchanges or over-the-counter markets for the foregoing purposes;
- (e) if and whenever the price of an investment as notified to the Fund pursuant to paragraph (d) above shall be a single price such price shall be taken to be the bid price;
- (f) in respect of any security the quotation of which has been suspended or in which there has been no recent trading, the value shall be taken to be a reasonable estimate of the amount which would be received by a seller by way of consideration for an immediate transfer or assignment from the seller at arm's length less any fiscal charges, commission and other sales charges which would be payable by the seller;
- (g) the value of any investment which is not quoted, listed or normally dealt in on a Recognised Exchange or over-the-counter market shall be the value considered by the Directors, in good faith, to be the value thereof;
- (h) the Directors shall be entitled, at their discretion, to apply a method of valuing any investment different from that prescribed hereunder if such method would in their opinion be more equitable for Shareholders; and
- (i) forward foreign exchange contracts will be valued by reference to the market value of similar contracts as at the relevant Valuation Point.

For the purpose of the determination assets and liabilities denominated in foreign currencies will be translated into US Dollars at the rate of exchange ruling at the relevant Valuation Point.

### 3.13 Winding up

The Fund may be wound up voluntarily if the members pass a Special Resolution requiring the Fund to be wound up voluntarily. The Directors shall be bound to convene an extraordinary general meeting for the purpose of passing a Special Resolution for the winding up of the Fund

if the Fund's authorisation under the POI Law is revoked (unless the Commission otherwise agrees). On a winding up a liquidator will be appointed firstly to pay

the debts of the Fund and then to distribute its assets amongst Shareholders, according to the rights attached to their Shares.

#### **4. Variation of Custodian Agreement or Articles**

4.1 No modification, alteration or addition shall be made to the the Custodian Agreement unless approved by an Extraordinary Resolution provided that no such approval is required for any modification, alteration or addition which is required solely:-

- (a) to implement any change in the law; or
- (b) as a direct consequence of any such change in applicable legislation; or
- (c) to change the dates on which any accounting period begins or ends or to change any income allocation date; or
- (d) to replace the or the Custodian when it has been removed or wishes to retire or has retired; or
- (e) to remove any obsolete provisions; or
- (f) to make any modification, alteration, amendment or addition which the Custodian certify (i) does not materially prejudice the interests of the Shareholders, (ii) does not to any material extent release the Custodian or any other person from any liability or responsibility to the Fund or its Shareholders; and (iii) does not increase the costs and charges payable from the assets of the Fund; or
- (g) to correct a manifest error.

4.2 No modification may be made to the Articles or the Custodian Agreement which would result in the Fund no longer being able to qualify as an authorised scheme pursuant to the provisions of the POI Law.

#### **5. Directors' and Other Interests**

5.1 Details of any other directorships that are held and have been held in the past five years by the Directors will be made available during usual business hours on any Business Day to any potential holder at the registered office of the Fund.

5.2 Save as set out below there are no potential conflicts of interest between any duties to the Fund of the Directors and their private interests and other duties:

- (a) Piet Viljoen is a director of the Investment Adviser.
- (b) Ben Morgan is a partner of Carey Olsen (Guernsey) LLP, the legal adviser to the Fund;

- 5.3 As at the date of this document, none of the Directors, , the Custodian, the Administrator, the Investment Adviser or the Auditor are interested in the share capital of the Fund
- 5.4 Save as set out in this paragraph and in respect of the Custodian Agreement, the Investment Advisory Agreement and the Administration Agreement, none of the Directors (and no member of his immediate family) has, or has had, any interest in any transactions which are or were unusual in their nature or conditions or significant to the business of the Fund which have been effected by the Fund since its incorporation.
- 5.5 The Fund will maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Fund.

## **6. Regulatory Consents**

All consents, approvals, authorisations or other orders of all regulatory authorities (if any) required by the Fund under the laws of Guernsey for the issue and marketing of Shares and for the Administrator, the Custodian and the Investment Adviser to undertake their respective obligations under their respective agreements referred to in paragraph 11 below have been given.

## **7. Communication with Shareholders**

- 7.1 The new Articles contain provisions which include enabling communication with Shareholders by making documents available on a website.
- 7.2 By the passing of the Special Resolution to adopt the Articles, Shareholders will from 2 January 2014 be deemed to have agreed to accept communications from the Fund by means of a website. Therefore, in future, it is proposed that, among other things, notices of annual general meetings, annual reports and accounts and other notices, documents and information, may be communicated to Shareholders by publication on a designated website.
- 7.3 Shareholders will continue to be notified each time that a statutory communication relating to the Fund is placed on a designated website. This notification will be sent to Shareholders by e-mail or letter and will confirm the location of the relevant website. Shareholders will continue to be able to receive documents in hard copy by post upon request from the Administrator.

## **8. Report and Accounts**

- 8.1 The Fund's accounting period will end on the Accounting Date in each year, with the first year ended on 31 March 2007. Copies of the audited report and financial statements of the Fund will be available to all Shareholders and filed with the Commission not more than six months after the end of the period to which they relate. Copies of the most recent audited report and financial statements shall also be laid before each annual general meeting.
- 8.2 The Fund's accounts will be drawn up in US Dollars in compliance with United Kingdom Accounting Standards and the Statement of Recommended Practice for Authorised Funds issued by the Investment Association and the Companies Law.

Shareholders will be notified by e-mail or letter as soon as the Fund's audited report and financial statements or interim report and financial statements (if any) have been published and are available on the designated website: [www.cpam.co.za](http://www.cpam.co.za) or can be obtained, free of charge, from the Administrator on request as either a pdf file by e-mail or in printed form by post.

## **9. General Meetings**

- 9.1 Notices convening the general meeting in each year will be sent to Shareholders at their registered addresses or given by advertisement giving a minimum of ten clear days' notice of

the date fixed for the meeting.

- 9.2 Annual general meetings shall be held once in each year at such place and time (so that no more than fifteen months may elapse between one annual general meeting and the next) as may be determined by the Directors, and in default of an annual general meeting any member may, not less than fourteen days after the last date upon which the meeting ought to have been held, apply to the Royal Court in Guernsey to make such order as the court thinks fit.
- 9.3 Other general meetings (which shall be called extraordinary general meetings) may be convened from time to time by the Directors by sending notices to Shareholders at their registered addresses or by Shareholders requisitioning such meetings in accordance with the Companies Law. Any general meeting may be held in Guernsey or elsewhere as the Directors may from time to time determine.
- 9.4 The Directors are bound to convene an extraordinary general meeting on the written requisition of Shareholders representing 10% or more of the Fund's issued Shares. Such a requisition shall be signed and dated by the relevant Shareholders and shall set out the matters to be considered at the extraordinary general meeting.

## **10. Litigation**

The Fund has not since its incorporation been nor is it engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are pending or threatened against the Fund.

## **11. General**

- 11.1 At the date of this document, the Fund has no subsidiaries.
- 11.2 The Fund does not have nor has it had any employees since its incorporation.
- 11.3 This Memorandum constitutes Scheme Particulars for the purposes of Rules.

## **12. Documents available for inspection**

- 12.1 Copies of the following documents may be inspected during usual business hours on any Business Day at the offices of the Administrator and the Custodian in Guernsey in each case at the addresses stated in the Directory;
- (a) the Memorandum and Articles of Incorporation of the Fund;
  - (b) the Investment Advisory Agreement;
  - (c) the Custodian Agreement;
  - (d) the Administration Agreement; and
  - (e) the Companies Law.
- 12.2 The most recently published audited report and financial statements of the Fund will also be available for inspection during normal business hours on any Business Day at the offices of the Administrator in Guernsey.