

PROSPECTUS

For

**AXIOM AFRICA EQUITY
FUND LTD**

MAY 2019

AXIOM AFRICA EQUITY FUND LTD

Directors of the Fund

Jean Didier Merven

Constantin Robert Marie Joseph De Grivel

Louis Augustin Marie Lallia

Manager

AXYS INVESTMENT PARTNERS LTD

6/7th Floor, Dias Pier Building, Le Caudan Waterfront,

Caudan, Port Louis 11307, Mauritius

Fund Administrator

NWT (MAURITIUS) LIMITED

6/7th Floor, Dias Pier Building, Le Caudan Waterfront,

Caudan, Port Louis 11307, Mauritius

Auditors

BDO & Co

10, Frere Felix de Valois Street

Port Louis, Mauritius

Legal Advisor

Chambers of Urmila Boolell SC,

Temple Court- 2

Labourdonais street,

Port Louis, Mauritius

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IMPORTANT NOTICE

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Under no circumstances shall this PROSPECTUS constitute an offer to sell or the solicitation of an offer to buy, nor there any sale of the securities being offered, in any jurisdiction where it would be illegal to offer to sell or offer to buy securities. Recipients of this PROSPECTUS who intend to subscribe for or purchase the Shares are reminded that any subscription or purchase may only be made on the basis of the information contained in this PROSPECTUS. The final copy of the PROSPECTUS will be available from the registered office of AXYS Investment Partners Ltd.

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The objective of the Fund is to deliver an absolute performance to investors. By investing in the fund the investor will be taking certain risk characteristics. See section on "section on "risk factors" for more information

INVESTORS IN THE FUND ARE NOT PROTECTED BY ANY STATUTORY COMPENSATION ARRANGEMENTS IN MAURITIUS IN THE EVENT OF THE FUND'S FAILURE.

FORWARD LOOKING STATEMENTS

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

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

In some cases, you can identify forward looking statements by such terminology as "may," "will," "should," "could," "would," "expect," "intend," "plan," "anticipate," "going forward," "ought to," "seek," "project," "forecast," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other comparable terminology. Such statements reflect the current views of the Fund with respect to future events, operations, results, liquidity and capital resources and are not guarantees of future performance and some of which may not materialize or may change. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that those expectations will prove to be correct, and you are cautioned not to place undue reliance on such statements. In addition, unanticipated events may adversely affect the actual results we achieve. Important factors that could cause actual results to differ materially from our expectations are disclosed under the section entitled "Risk Factors" in this PROSPECTUS. Except as required by law, we undertake no obligation to update or otherwise revise any forward-looking statements contained in this PROSPECTUS, whether as a result of new information, future events or otherwise after the date of this PROSPECTUS. All forward looking statements contained in this PROSPECTUS are qualified by reference to the cautionary statements set forth in this section.

EXECUTIVE SUMMARY AND PRINCIPAL TERMS

The AXIOM AFRICA EQUITY FUND LTD registered at the address 6/7th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307, Mauritius has been set up to give local and regional investors the opportunity to invest and participate in diversified African equity markets. The Fund will invest in equity markets in accordance with a clearly specified investment strategy as laid down by this PROSPECTUS.

PRINCIPAL TERMS	
Name of Fund	AXIOM AFRICA EQUITY FUND LTD
Type of Fund	Collective Investment Scheme (Expert Fund)
Legal Form	A public company limited by shares with a global business licence
Reporting Currency	USD
Investment Objective	The Investment Objective of the Fund is to achieve long-term capital appreciation by investing in equity shares and equity related securities of African companies and/or of companies whose major economic exposure is derived from Africa.
Benchmark	While it is not intended that the investment policy will be dictated by a benchmark, performance achieved will be measured against the MSCI Emerging Frontier Markets Africa Index. The manager reserves the right to change the benchmark for a more appropriate one which would reflect better its objective. The base currency of the fund shall be the United States Dollar.
Dividend Policy	The Fund has no intention to declare any dividends. However, the board of the Fund has full discretion to effect distribution of income and capital gains and also decide on the method for distribution.
Valuation	Every Friday or if such day is not a Business Day, the immediately preceding Business Day or such other day as the Board of directors of the Fund may designate from time to time.
Liquidity	Units may be purchased or redeemed on any dealing day. The issue and redemption prices are based on Net Asset Value per share, subject to provisions of an initial charge and a redemption charge, if any.
Dealing Day	A Subscription Dealing Day or a Redemption Dealing Day, as the case may be.
Minimum Investment	For Class R Participating Shares: USD 100,000 or equivalent in EUR or MUR. For Class I Participating Shares: USD 1,000,000, or equivalent in EUR or MUR or at the discretion of the Board of directors.
Initial Charge	Up to a maximum of 2% of the subscription amount.
Redemption Charge	Up to a maximum of 2% of the redemption amount.
Management Fees	Up to 2.0% of NAV for Class R Participating Shares. Up to 1.50% of NAV for Class I Participating Shares.
Fund Administration Fee	0.15% of the net asset value of the Fund per annum, with a minimum of USD 8,000 equivalent per annum
Custodian Fee	Currently 0.15% of the net asset value of the Fund per annum, with maximum of 0.25% per annum

A. PRESENTATION OF THE FUND

1. Definitions

- 1.1 **"ADR"** or American Depositary Receipts are negotiable security instruments issued by a US bank against a certain number of shares held in its custody of shares in a foreign company that trades in US financial markets
- 1.2 **"Affiliates"** means of any person means any other person that, either directly or indirectly through one or more intermediate persons, controls, is controlled by or is under common control with such person.
- 1.3 **"Auditors"** means an accounting firm or corporation described in the Companies Act, of Mauritius and for the time being appointed as the auditors of the Fund.
- 1.4 **"Authorized Investment"** means (a) any Quoted Investment; (b) any Investment in respect of which an application for listing for permission to deal has been made to a Recognized Market and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding twelve weeks (or such other period as may be agreed by the Manager) or in respect of which the Manager is satisfied that the subscriptions or other transactions will be cancelled if the application is refused; (c) any Unquoted Investment; and (d) any Investment which is not covered by paragraphs (a) to (c) of this definition but is selected by the Manager.
- 1.5 **"Business Day"** any day (other than Saturday or Sunday or public holiday) on which banks and other financial institutions in Mauritius are generally open for business or any other day as the Manager may decide.
- 1.6 **"Class I Participating Shares"** means redeemable class I participating shares in the capital of the Fund to issue by the Fund on the terms and conditions set out in this PROSPECTUS, and having the rights provided for under the Constitution with respect to Participating Shares.
- 1.7 **"Class R Participating Shares"** means redeemable class R participating shares in the capital of the Fund issued or to be issued by the Fund on the terms and conditions set out in this PROSPECTUS, and having the rights provided for under the Constitution with respect to Participating Shares.
- 1.8 **"Constitution"** means the constitution of the Fund as amended from time to time.
- 1.9 **"Dealing Day"** means a Subscription Dealing Day or a Redemption Dealing Day, as the case may be.
- 1.10 **"GDR"** or Global Depositary Receipts are negotiable security instruments issued by one country's bank against a certain number of shares held in its custody but traded on the stock exchange of another country
- 1.11 **"Illiquid asset"** means an asset that may not be readily disposed of through market facilities on which public quotations are widely available, at an amount at least equal to the amount at which the asset is valued in calculating the net asset value, or a restricted security, the resale of which is prohibited for any reason.
- 1.12 **"Initial Charge"** means a charge upon the issue of Shares of such amount as the Manager may from time to time determine generally or in relation to any specific transaction or class of transactions, but not exceeding the maximum stipulated in this PROSPECTUS.
- 1.13 **"Investment"** means any share, stock, bond, note, debenture, debenture stock and any other tradable securities.
- 1.14 **"Investor or Investors"** means any person acquiring the Participating Shares and registered in the register of shareholders of the Company as being the holder of one or more Participating Shares.
- 1.15 **"Issue Price"** means the price per Participating share on any Subscription Dealing Day ascertained by the Manager by:
 - (1) determining the Net Asset Value at the latest Valuation Day preceding or on the Dealing Day of the Fund;
 - (2) adding thereto:
 - (a) any Transactions Adjustment; and
 - (b) any Initial Charge.

- 1.16 **"Key Persons"** means any person responsible for the management of the fund, including the persons employed as portfolio managers by the Manager.
- 1.17 **"Management Fee"** means the remuneration of the Manager which shall not exceed the maximum fee stipulated in this PROSPECTUS, payable out of the capital or income of the Fund as the Manager in its discretion may decide month a calendar month of the year.
- 1.18 **"Net Asset Value"** has the meaning ascribed to that term in section 15 of this PROSPECTUS.
- 1.19 **"OTC Market"** means any "over-the-counter" market in any part of the world.
- 1.20 **"Participating Share"** means Class R Participating Shares, and/or Class I Participating Shares and/or any further redeemable participating shares as may be issued by the Fund from time to time.
- 1.21 **"Quoted Investment"** means any Investment which is for the time being quoted, listed or dealt in on a Recognized Market or on an OTC Market established by any such Recognized Market.
- 1.22 **"Redemption Charge"** is the charge upon the redemption of a Participating Share, of such amount as may from time to time be fixed by the Manager generally or in relation to any specific transaction or class of transaction, but not exceeding the maximum stipulated in this PROSPECTUS.
- 1.23 **"Redemption Dealing Day"** means the first Business Day following the Valuation Day on which a holder of Participating Shares can redeem his shares, or such other day as the Board may determine as being a day on which Participating Shares may be redeemed.
- 1.24 **"Redemption Price"** is the price per Participating Share ascertained by the Manager by:
- (1) determining the Net Asset Value, as at the latest Valuation Day preceding or on the Dealing Day on which a redemption request is received, of the Fund;
 - (2) deducting there from:
 - (a) the Redemption Charge; and
 - (b) the Transactions Adjustment.
- 1.25 **"Securities Act"** means the Securities Act 2005 of Mauritius as the same may be modified, amended, supplemented, re-enacted or reconstituted from time to time.
- 1.26 **"SEM"** means the Stock Exchange of Mauritius Ltd.
- 1.27 **"Subscription Dealing Day"** means the first Business Day following the Valuation Day on which a person can subscribe for Participating Shares, or such other day as the Board may determine as being a day on which Participating Shares may be subscribed for.
- 1.28 **"Transactions Adjustment"** means:
- (1) in relation to the issue of a Participating Share, an adjustment of up to such amount (if any) as the Manager determine represents the duties and charges which would have been payable in purchasing the Investments for the account of the Fund divided by the number of Participating Shares issued and deemed to be in issue as at that time and such amount shall not exceed such percentage as the Manager may from time to time agree; and
 - (2) in relation to the cancellation and redemption of a Participating Share, an adjustment of up to such amount (if any) as the Manager determine represents the duties and charges which would have been payable in selling the Investments for the account of the Fund divided by the number of Participating Shares in issue and deemed to be in issue as at that time which amount shall not exceed such percentage as the Manager may from time to time agree.
- Such expression when used in the context of a given date shall refer to the amount or amounts so determined by the Manager and applicable on that date.
- 1.29 **"Valuation Day"** means every Friday or if such day is not a Business Day, the immediately preceding Business Day or such other day as the Board of directors of the Fund may designate from time to time.
- 1.30 **"Year"** is defined as a calendar year

2. Basic Information

2.1 Name and structure of the Fund

The collective investment scheme offered in this PROSPECTUS is known as the AXIOM AFRICA EQUITY FUND LTD (“the Fund”).

The Fund is an open-ended Collective Investment Scheme Expert Fund established under the laws of Mauritius as a public company limited by shares.

2.2 Authorization of the Fund

All consents, approvals, authorizations or other permissions of the Fund as well as of all regulatory authorities required by the Fund under the laws of Mauritius have been obtained for the establishment of this PROSPECTUS and the issue of Shares and for the Fund to undertake and perform its obligations under the PROSPECTUS.

A copy of this PROSPECTUS was submitted to the FSC on **XXX**.

2.3 Investment objective

The Investment objective of the Fund is to achieve long-term capital appreciation by investing in equity shares and equity related securities of African companies and/or of companies whose major economic exposure is derived from Africa.

3. Disclaimers and other Important Information

3.1 The Fund is an authorized collective investment scheme under the Securities Act. The FSC assumes no responsibility for the contents of this PROSPECTUS. Authorization of this PROSPECTUS by the FSC does not imply that the FSC, or any other relevant legal or regulatory requirements have been complied with. The FSC has not, in any way, considered the investment merit of the Fund.

3.2 The Manager accepts full responsibility for the accuracy of the information set out in this PROSPECTUS and confirms, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this PROSPECTUS misleading.

3.3 This PROSPECTUS does not constitute an offer or solicitation for the purchase of shares to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation and may be used only in connection with this offering of Participating Shares by the Fund or its approved distributors.

3.4 Investment in the Fund requires consideration of the normal risks involved in investment and participation in securities. Details of the risks involved are set out in paragraph 24 of this PROSPECTUS. Investors should consider these risks carefully before making an investment decision.

3.5 Investors should seek independent professional advice to ascertain:

- (i) The possible tax consequences;
- (ii) The legal requirements; and
- (iii) Any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence or domicile, and which may be relevant to the subscription, holding or disposal of Shares.

3.6 No application has been made for the Fund to be listed on any stock exchange. Investors may purchase or sell Shares through the Manager or their approved distributors in accordance with the provisions of this PROSPECTUS and the Constitution.

B. Organization and Management of the Fund

4. The Manager

4.1 Name and Address

The Manager of the Fund is AXYS INVESTMENT PARTNERS LTD, 6/7th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307, Mauritius. AXYS INVESTMENT PARTNERS LTD (“AIPL” or the “Manager”) is a team of professionals with an extended experience in asset, wealth and financial management. AIPL provides investment management service to both institutional clients such as pension funds, insurance companies, investment companies and high net worth individuals. It has built its reputation over the years on delivering performance to our clients throughout all major asset classes. AIPL holds a CIS Manager license.

4.2 Main Functions of the Manager

The Fund has appointed AXYS INVESTMENT PARTNERS LTD as Manager to manage the Fund under the terms and conditions of an investment management agreement between the Manager and the Fund. Under the said agreement, the Manager shall manage the investment and re-investment of the Fund’s moneys with a view to achieving the investment objectives of the Fund.

5. Custodian

5.1 Name and address of Custodian

The custodian for the Fund is The Mauritius Commercial Bank Ltd (“MCB” or the “Custodian”), Sir William Newton Street, Port Louis, Mauritius.

5.2 Main functions of the Custodian

The Fund has appointed MCB to act as Security Custodian to the Fund to hold the asset of the Fund on its account for safekeeping purposes. As custodian, MCB will upon receipt of instructions, receive and hold securities delivered to it. It will further under receipt of appropriate instructions and pursuant to steps and procedures required by local settlement and market practice or otherwise effect such Instructions, transfer, exchange or deliver the properties in the required form and manner.

6. The Fund Administrator

6.1 Name and address

The Fund Administrator for the Fund is NWT (MAURITIUS) LIMITED. (“NWT” or the “Fund Administrator”), 6/7th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307, Mauritius. NWT specializes in the incorporation and administration of offshore companies and cross border trusts. They also provide comprehensive global business solutions to foreign companies and high net worth individuals.

6.2 Main functions of the Fund Administrator

The Fund has appointed NWT (MAURITIUS) LIMITED as Fund Administrator to carry out the general administration of the Fund in Mauritius under the terms and conditions of a fund administration agreement between the Fund Administrator and the Fund. Under the said agreement, the Fund Administrator will monitor the anti-money laundering and regulatory compliance programs of the Fund; monitor the Fund’s compliance with international standards of good corporate governance; carry out the general administration of the Fund including processing of applications, redemptions and notices; maintain the share register; ensure the safekeeping of the seal of the Fund; compute

the Net Asset Value of the Fund; act as secretary to the Fund and maintain the accounts of the Fund.

7. Other Parties

7.1 Distributor of the Fund

The principal distributor of the Fund is AXYS INVESTMENT PARTNERS LTD, 6/7th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307, Mauritius. AIPL holds both a CIS Manager license and a fund distributor license. It has broad network of private and institutional clients.

7.2 The Auditors

The Auditor for the Fund is BDO & Co of 10, Frere Felix de Valois Street, Port Louis, Mauritius.

7.3 Termination of agreement - CIS Manager, Custodian and Administrator

The Board of Directors has the power to terminate and replace the CIS manager, Custodian or Administrator if whenever they believe it to be in the interest of Investors.

8. The Board of Directors

8.1 List of directors and profile

The board of directors of the Fund consists of 3 members, namely:

Name	Function	Date of appointment
Jean Didier Merven	Director	November, 03 2014
Constantin Robert Marie Joseph De Grivel	Director	November, 03 2014
Louis Augustin Marie Lallia	Director	November, 03 2014

Mr. Jean Didier Merven

Didier Merven began his career at a Perth-based stock broking company. On moving to Mauritius in 1988, he started portfolio management on an individual basis before setting up in 1991 Portfolio and Investment Management Ltd - one of the very first professional portfolio management companies in Mauritius. In October 1996, he joined AXYS as Director.

Mr. Constantin Robert Marie Joseph De Grivel

Constantin holds a MSc in Civil Engineering from Ecole Speciale des Travaux Publics in Paris and a M.A in Finance from Ecole Superieure de Commerce de Paris. As from 2005 he spent 4 years with JPMorgan in London in the European Derivatives Corporate Group where he was responsible for structuring and marketing derivative products for both European corporates and HNW individuals. Constantin joined AXYS in 2010 to develop the business within the region and for the structuring of new financial products. He then became the Managing Director of AIPL.

Mr. Louis Augustin Marie Lallia

Louis Augustin Marie Lallia holds a B.A in Modern Literature from the 'Université de la Sorbonne-Nouvelle' and is an Alumni of l'Institut des Etudes Politiques de Paris (Sciences-Po Paris)' from which he holds an M.A in Finance and Strategy. Louis started his career in 2005 as an investment analyst with Silchester International Investors, a London based 'Long Term Equity Investment Fund' with over USD 20bn under management. In 2008 he became a Director at AlphaOne Associates, an Independent

Wealth Manager based in London. He moved to Mauritius in 2009 and set up the Front Office in the region for Plurigestion S.A., a Swiss-based Financial Advisory firm with some USD 2bn under management. Louis joined AXYS in 2012 and is responsible for the international development of the Group.

C. The Manager

9. Name, Address and Credentials

9.1 Name, address and profile

The Manager of the Fund is AXYS INVESTMENT PARTNERS LTD, 6/7th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307, Mauritius.

AXYS INVESTMENT PARTNERS LTD consists of a team of professionals with an extended experience in asset, wealth and financial management. The company provides an investment and fund management service to both corporates such as pension funds, insurance companies, investment companies and High Net Worth individuals. AIPL has built a solid reputation for delivering performance across major asset classes and investment regions. AIPL is licensed by the Financial Services Commission as Investment Advisor, CIS Manager and Distributor of Financial Products.

9.2 Board of directors

The Board of directors of AIPL consists of 5 members, namely:

Name	Occupation
RIVALLAND, Michel Guy	CEO
DOVE, Christine	Group Accountant
MERVEN, Didier	Director
LALLIA Louis	Director
DE GRIVEL, Constantin	Director

9.3 Team of portfolio managers

AIPL has a dynamic team of investment professionals to assist them in delivering quality service to their clients. The main specialists who will be dedicated to the AXIOM AFRICA EQUITY FUND LTD:

Ismail Pomiès

Ismail holds an Msc in Finance and holds a Mastere of Economist-Statistician from the University of Toulouse (Toulouse School of Economics) in France. Ismail started his career in 2007 as an Emerging & Frontier Markets Equity Portfolio Manager at State Street Global Advisors where he led several active equity strategies including the Global Emerging Markets Small Cap and Active Frontier Markets funds. He joined AXYS INVESTMENT PARTNERS LTD in 2019 as portfolio manager focused on International and African Equities Ismail is a member of the Investment Committee and Risk Management Committee.

Mr. Constantin Robert Marie Joseph De Grivel

Constantin holds a MSc in Civil Engineering from Ecole Speciale des Travaux Publics in Paris and a M.A in Finance from Ecole Superieure de Commerce de Paris. As from 2005 he spent 4 years with JPMorgan in London in the European Derivatives Corporate Group where he was responsible for structuring and marketing derivative products for both European corporates and HNW individuals.

Constantin joined AXYS in 2010 to develop the business within the region and for the structuring of new financial products. He then became the Managing Director of AIPL.

9.4 Termination of agreement

Under the terms and conditions of the investment management agreement between the Manager and the Fund, the Fund may terminate the appointment of the Manager under the following conditions:

- (1) with the approval of the Board of directors of the Fund provided the required notice period as expressed in the investment management agreement is given;
- (2) with the approval of the Board of directors of the Fund in the event of breach of its obligations provided the required notice period as expressed in the investment management agreement is given;
- (3) at any time without any notice period if the Manager goes into liquidation (as per conditions in the investment management agreement) or if the operation of the Fund becomes illegal or in the event of fraud or gross negligence by the Manager.

D. Investment Objectives, Practices and Financial Characteristics

10. Investment Objectives and Practices

10.1 Investment objective

The Investment objective of the Fund is to achieve long-term capital appreciation by investing in equity shares and equity related securities of African companies and/or of companies whose major economic exposure is derived from Africa

10.2 Investment approach and allocation

The Manager aims to achieve the investment objective of the Fund through investing in African listed stocks, ADR, GDR or in shares of companies whose major economic exposure is derived from Africa.

Investment Process:

- The strategy applies a bottom-up quantitative screen based on fundamental criteria over the investment universe to identifying “investible universe” composed of cheap stocks which earnings growth potential with enough liquidity
- A high conviction approach is implemented by the Portfolio Manager over the “investible universe” to finding the best investment ideas.
- Strategy’s country and sector allocation will adapt with market move and Portfolio Manager expectations.

Risk Management Process:

- Risk assessment on security risk metrics such as liquidity, currency is performed by the Risk Manager over the investment universe

10.3 Investment Restrictions.

The fund shall not:

- (a) purchase a security, other than a debt security issued by the Government of Mauritius or the government of any other country, if, immediately after the purchase, more than

5% of its net assets, taken at market value at the time of purchase, would be invested in securities of that issuer;

(b) Purchase a security of an issuer where, immediately after the purchase, the collective investment scheme would hold more than 10% of a class of securities of that issuer;

(c) purchase real estate;

(d) purchase a mortgage;

(e) purchase a security for the purpose of exercising control or management of the issuer of the security;

(f) purchase an illiquid asset if, immediately after the purchase more than 10% of the net assets of the collective investment scheme, taken at market value at the time of the purchase, would consist of illiquid assets;

(g) except within the limits established by the FSC purchase or sell derivatives;

(h) purchase or sell a physical commodity, including precious metals.

(i) subscribe securities offered by a company under formation;

(j) engage in the business of under writing or marketing securities of any other issuer;

(k) lend money, securities or other assets;

(l) guarantee securities or obligation of another person;

(j) purchase or sell securities other than through market facilities where these securities are normally bought and sold unless the transaction price approximates the prevailing market price or is negotiated on an arm's length basis;

(k) borrow money or provide for the creation of any encumbrance on its assets except in the two following situations –

(a) the transaction is a temporary measure to accommodate requests for the redemption of securities of the collective investment scheme while the collective investment scheme effects an orderly liquidation of its assets, and, after giving effect to the transaction, the outstanding amount of all borrowings of the collective investment scheme does not exceed 5% of the net assets of the collective investment scheme taken at market value at the time of the borrowing;

(b) the encumbrance secures a claim for the fees and expenses of the custodian or a sub-custodian for services rendered in that capacity;

(l) purchase a security from, or sell a security to, one of the following persons-

(a) the CIS manager or the custodian;

(b) an officer of the CIS manager or the custodian;

(c) an affiliate of a person referred to in subparagraphs l(a) and l(b), unless the purchase from or sale to the affiliate is carried out at arm's length.

11. Benchmark

The fund will not have a defined benchmark.

12. Investment Horizon and Risk Profile

The Fund's investment strategy has an investment horizon of 5 years and is targeted towards investors with high risk profile.

13. Distribution Policy

The Fund does not intend to make any distribution, otherwise than by way of redemption of the Participating Shares.

E. Conditions of Operations

14. Share Capital

14.1 Allotment and issue of shares

The Board of directors of the Fund will issue Participating Shares and Management Shares as it may determine from time to time in accordance with the Constitution of the Fund.

14.2 Participating Shares

The Participating Shares shall be issued at the Issue Price and shall confer upon the Investors in such Participating Shares the rights set out in its Constitution. No Shares shall be issued unless they are fully paid up.

The holders of Participating Shares shall not have day to day control over the management of the assets or property of the Fund.

14.3 Rights of holders of Participating Shares

A Participating Share issued by the Fund shall confer on the holder thereof the right to:

- (i) request the Fund to (and the Fund shall, subject to this PROSPECTUS or the Constitution, be obliged to) redeem the Participating Shares at the Redemption Price in accordance with this PROSPECTUS and the Constitution;
- (ii) receive reports and accounts of the Company;
- (iii) vote on a proposal to wind up the Company.

14.4 Management Shares

Management Shares shall be issued to the Manager and shall have the rights set out in the Constitution. No Management Shares shall at any time be held otherwise than by the Manager or such other person nominated by the Manager and approved by the board of directors of the Fund.

15. Calculation of Net Asset Value

- (a) The net asset value of the Fund (the "Net Asset Value") shall be determined on every Valuation Day. The Net Asset Value shall be based on the gross asset value as defined in section 15(c) (the "Gross Asset Value") less gross liabilities as defined in section 15(e) (the "Gross Liabilities") less expenses which would consist of charges or claims of any and every kind and nature, fixed, accrued, non-matured or contingent, including without limitation, the estimated accrued expenses of the Manager, the Fund Administrator and the Custodian and any provisions or charges for any or all of the foregoing, whether for taxes, expenses, contingencies or otherwise.
- (b) The assets of the Company shall be deemed to include:
 - (i) all cash in hand, on loan or on deposit, or on call including any interest accrued thereon;
 - (ii) all bills, demand notes, promissory notes and accounts receivable;
 - (iii) all bonds, time notes, shares, stocks, debentures, debenture stock, subscription rights, warrants, options and other investments and securities owned or contracted for by the Fund other than rights and securities issued by it;
 - (iv) all stock and cash dividends and cash distributions to be received by the Fund and not yet received by it but declared payable to stockholders of record on a date on or before the day as of which the Net Asset Value is being determined;

- (v) all interest accrued on any interest-bearing securities owned by the Fund except to the extent that the same is included or reflected in the principal value of such security;
 - (vi) all other Investments;
 - (vii) all expenses relating to the Fund in so far as the same have not been written off, except for management and performance fees; and
 - (viii) all other assets of every kind and nature including prepaid expenses as valued and defined from time to time by the board of directors of the Fund.
- (c) The Gross Asset Value shall be valued as follows:
- (i) securities traded on a stock exchange or other regulated market are to be valued generally at the latest closing price quoted on the relevant exchange or market on or before the day preceding the relevant Valuation Day;
 - (ii) unlisted equity securities will be valued initially at cost and thereafter with any reduction or increase in value (as the case may be) as the board of directors of the Fund shall in its absolute discretion deem appropriate in the light of the circumstances;
 - (iii) unlisted securities (other than equities) for which there is an ascertainable market value are to be valued generally at the last known price dealt on the market on which the securities are traded on or before the day preceding the relevant Valuation Day;
 - (iv) unlisted securities (other than equities) for which there is no ascertainable market value will be valued at cost plus interest (if any) accrued from purchase to (but excluding) the relevant Valuation Day plus or minus the premium or discount (if any) from par value written off over the life of the security;
 - (v) any value otherwise than in USD shall be converted into USD at the prevailing market rate;
 - (vi) the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest accrued and not yet received shall be deemed to be the full amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such deduction or discount as the Board may consider appropriate to reflect the true value thereof;
 - (vii) the value of preference shares or other security in any preference share trust, mutual fund, investment corporation, or other similar investment vehicle or collective investment scheme shall be derived from the last prices published by the managers thereof on or before the day preceding the relevant Valuation Day;

Notwithstanding the foregoing, the board of directors of the Fund may, in its absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the fair value, and for the purpose of valuing the Fund's assets as aforesaid the board of directors of the Fund may rely upon the opinions of any persons who appear to them to be competent to value assets of the Fund by reason of any appropriate professional qualification or of experience of any relevant market.

- (d) Notwithstanding the foregoing, where at the time of any valuation any asset of the Fund has been realised or contracted to be realised there shall be included in the assets of the Fund in place of such asset the net amount receivable by the Fund in respect hereof PROVIDED THAT if such amount receivable is not payable until some future time after the time of any valuation the Board may make such allowance as it considers appropriate.
- (e) The gross liabilities of the Fund shall be deemed to include all its liabilities and such provisions and allowances for contingencies (including tax) payable by the Fund but not

liabilities represented by Participating Shares in the Fund. In determining the amount of such liabilities, the board of directors of the Fund may calculate any liabilities of a regular or recurring nature on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

- (f) The Net Asset Value per Participating Share shall be calculated by dividing the Net Asset Value by the number of Participating Shares in issue.

- (g) Any calculations made pursuant to this PROSPECTUS shall be made by or on behalf of the board of directors and shall (except in the case of manifest error) be binding on all persons.

16. Fees and Charges

16.1 The following are the fees and charges payable in relation to the Fund:

Fees payable by Investors

Initial Charge:	Up to a maximum of 2% of the subscription amount
Redemption Charge:	Up to a maximum 2% of the redemption amount

Fees payable by the Fund

Management fees:

Up to 2.0% of NAV for Class R Participating Shares.

Up to 1.50% of NAV for Class I Participating Shares.

Fund Administration Fee

0.15% of the net asset value of the Fund per annum, with a minimum of USD 8,000 per annum

Custodian Fee

Currently 0.15% of the net asset value of the Fund per annum, with maximum of 0.25% per annum

16.2 The Initial Charge and the Redemption Charge (if any) will be retained by the Manager for their own benefit. Any rounding adjustments arising from calculating the price of Participating Shares will be credited to the Fund.

Any commission, remuneration or other sum payable to agents in respect of the issue or sale of any Participating Shares will not be added to the price of such Participating Shares but will be paid by the Manager.

16.3 The Manager may at any time differentiate between investors as to the amount of the Initial Charge and the Redemption Charge payable or allow discounts on such basis or on such scale as the Manager may deem fit.

16.4 All marketing, promotional and advertising expenses in relation to the Fund will be borne by the Manager and will not be charged to the Fund.

16.5 The Manager may charge for any additional expenses incurred where investors are resident outside Mauritius and to deduct such additional amounts from the subscription moneys paid by such investors or the realization proceeds due to them, as the case may be.

16.6 Expense ratio

The following expenses are excluded from the calculation of the expense ratio:

- (a) brokerage and other transaction costs associated with the purchase and sales of investments;
- (b) foreign exchange gains and losses, whether realised or unrealised;
- (c) front or back-end loads arising from the purchase or sale of a foreign preference share trust or a mutual fund of underlying investments;
- (d) tax deducted at source or arising from Income received, including withholding tax;
- (e) interest expense; and
- (f) dividends and other distributions paid to shareholders (where applicable).
- (g) Any other fees or costs associated with investments or day to day running of the fund

17. Trading Cycle

Participating Shares in the Fund may be purchased or redeemed on every Dealing Day at the Issue Price and Redemption Price respectively as defined in this PROSPECTUS.

18. Subscription and Issue of Participating Shares

18.1 Application for Participating Shares

Investors may apply for Participating Shares by completing an application form obtainable from the Manager or their authorized distributors and submitting the completed application form to the Manager at their address stated at paragraph 4.1 or through their distributors. The application for Participating Shares must be accompanied by such documents as may be required by the Manager set out in the notes to the application form, and the subscription monies in full. Investors may pay for Participating Shares by cheque, cashier's order, bank draft or bank transfer.

18.2 The Minimum Initial Subscriptions amount

The Minimum Initial Subscriptions amount are as follows:

For Class R Participating Shares: USD 100,000 or equivalent in EUR and MUR.

For Class I Participating Shares: USD 1,000,000, or equivalent in EUR and MUR. except for employees of the Manager and its Affiliates for whom there shall be no minimum initial investment amount.

18.3 Dealing Deadline and Basis for Pricing

The dealing deadline is 11.00 a.m. Mauritian time on each Subscription Dealing Day.

18.4 Allotment of Participating Shares to an Investor

The number of Participating Shares allotted to an Investor will be calculated once the Issue Price has been ascertained.

The Manager may from time to time give a discount or discounts on the Issue Price payable by an investor by varying the amount of the Initial Charge. The Manager reserves the right to differentiate between investors as to the quantum of discount or discounts given to them provided that no such discount shall exceed the Initial Charge.

18.5 Confirmation of purchase

A subscription confirmation note will be sent to investors within 15 Business Days of the receipt of the application by the Manager.

18.6 Minimum Fund Size

If at any time the Net Asset Value on each Dealing Day falling within a period of six (6) consecutive months shall be less than USD 1,000,000 the Company may by four (4) weeks' notice (the "Termination Notice") to all holders of Participating Shares buy back or otherwise acquire on the Dealing Day nominated in such Termination Notice, all (but not some) of the Shares not previously redeemed.

(1) Discretion of the Board of Directors

The board of directors of the Fund shall have the exclusive right to effect the creation and issue of shares of the Fund as provided in this PROSPECTUS and the acceptance and non-acceptance of applications for shares shall be at the absolute discretion of the board of directors of the Fund acting in consultation with the Manager and in the best interest of the Fund. If any application is rejected by the board of directors of the Fund, the subscription monies will be refunded (without interest) to the applicant within a reasonable period of time and in such manner as the Manager in their absolute discretion may determine.

19. Redemption of Shares

19.1 Redemption Procedure

Subject to the minimum holding requirement set forth in section 19.3 hereof, any holder of Participating Shares may in writing request the Fund to (and the Fund shall, subject to this PROSPECTUS or the Constitution, be obliged to) redeem all or any of the Participating Shares which he/she/it holds by completing and submitting to the Manager a redemption notice form (the "Redemption Notice") to that effect.

With a view to protecting the interest of Investors, the Fund or the Manager may, in certain instances stipulated in the Constitution, limit the total number of Participating Shares which Investors may redeem on any Redemption Dealing Day to ten (10) per cent of the total number of Participating Shares then in issue. If so, requests for redemption of Participating Shares on such Redemption Dealing Day will be reduced rateably and be treated as if made in respect of each subsequent Redemption Dealing Day until all Participating Shares to which the original request related have been redeemed.

19.2 Effective Dealing Day and Redemption Notice

Any holder of Participating Shares may in writing request the Fund to (and the Fund shall, subject to this PROSPECTUS or the Constitution, be obliged to) redeem all or any of the Participating Share which he/she/it holds by completing and submitting to the Manager a redemption notice form (the "Redemption Notice") to that effect.

The shareholders, or its authorised agent, may redeem their shares by giving written notice on any Redemption Dealing Day of a duly signed Redemption Notice with all requisite documents and information provided always that the Fund shall not give effect to a Redemption Notice where the redemption of Participating Shares has been suspended in accordance with section 23 of this PROSPECTUS or with the Constitution

The redemption dealing deadline is 11.00 a.m. Mauritian time on the Redemption Dealing Day.

19.3 Minimum Holding

The minimum holding (the "minimum Holding") is the number of Participating Shares which may be purchased for the Class R Participating Shares USD 100,000 or equivalent in USD, EUR and MUR and for Class I Participating Shares: USD 1,000,000, or equivalent in USD, EUR and MUR (or such

other amount as the Manager may determine) at then applicable Issue Price. An Investor will not be entitled to redeem his/her/its Participating Shares without the approval of the Manager if due to such redemption his/her/its holding will be reduced to less than the Minimum Holding. There is no minimum redemption amount.

19.4 Basis for Pricing

As Participating Shares are priced on a forward pricing basis, the Redemption Price of Participating Shares will not be available at the time of submission of the Redemption Notice. The Redemption Price as at the date of the Redemption Notice shall apply.

19.5 Redemption Proceeds

Redemption proceeds (the "Redemption Proceeds") will be calculated to be the product of the number of Participating Shares redeemed and the Redemption Price.

19.6 Payment of Redemption Proceeds

- (i) The Manager shall within 10 Business Days after the Redemption Dealing Day on which the request for redemption has been effected pay to Investors the Redemption Proceeds.
- (ii) Redemption Proceeds will be paid by telegraphic transfer to a nominated bank account, or by crossed cheque sent by ordinary post.
- (iii) If an Investor is resident outside Mauritius, the Manager may deduct an amount equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if the Investor had been resident in Mauritius.

20. Transfer of Shares

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

21. Pledging of Shares

No shares may be pledged without the prior written consent of the board of directors of the Fund. An Investor shall inform the Manager of its intention to pledge its shares and seek approval accordingly. Upon approval, the Fund Administrator shall inform the registrar of such pledge.

22. Obtaining Prices of Participating Shares

The Net Asset Value of a Participating Share, the Issue Price and the Redemption Price will be published day after Valuation Day on the website of the fund - www.axys-group.com.

23. Suspension of Valuation/Dealings

23.1 The Board of directors may at any time, suspend the calculation of the Net Asset Value of the Fund, the issue of any shares, or the right of Investors to require the redemption of Participating Shares:

- (i) during any period when any market in which a material proportion of the investments for the time being constituting the Fund are listed or dealt in is closed otherwise than for ordinary holidays;
- (ii) during any period when dealings on any such market are restricted or suspended;
- (iii) during any period when, in the opinion of the Manager, there exists any state of affairs as a result of which withdrawal of deposits held for the account of the Fund or the realisation of

any material proportion of the Investments for the time being held for the account of the Fund cannot be effected normally or without seriously prejudicing the interests of Investors as a whole;

- (iv) during any period where there is, in the opinion of the Manager, any breakdown in the means of communication normally employed in determining the value of any of the Investments or the amount of any cash for the time being held for the account of the Fund, or the amount of any liability of the Custodian for the account of the Fund or when for any other reason the value of any such Investment or the amount of any such cash or liability cannot be promptly and accurately ascertained;
- (v) during any period when, in the opinion of the Manager, the transfer of funds which will or may be involved in the redemption of any material proportion of the Investments for the time being held for the account of the Fund cannot be effected promptly at normal rates of exchange;
- (vi) for 48 hours (or such longer period as the Board of directors may agree) prior to the date of any annual or special meeting of Investors, as shareholders of the Fund, (or any adjourned meeting thereof) convened in accordance with the Constitution; or
- (vii) for any period pursuant to an order or direction by the FSC.

For the purposes of this paragraph, "material proportion" means such proportion of the Investments which when sold would in the opinion of the Board of directors cause the Net Asset Value of the Fund to be significantly reduced.

23.2 Any payment for any Participating Shares redeemed before the commencement of any suspension but for which payment has not been made before its commencement may, if the Manager agrees, be deferred until immediately after the end of the suspension. A suspension will take effect immediately upon the declaration in writing to the Fund Administrator by the Manager and shall terminate on the first Business Day following the day on which the Manager have by a declaration in writing confirmed that the condition giving rise to the suspension has ceased to exist.

F. Risk Factors

24. General

The Fund and the Manager cannot, and does not, guarantee the accuracy of facts, forecasts and other statistics with respect to the world, the global economy, the global securities industry and the selected regional data contained in this PROSPECTUS.

Facts, forecasts and other statistics in this PROSPECTUS relating to world, the global economy, the global real estate industry and the selected regional data have been derived from various official or other publications available globally and may not be consistent with other information compiled. We cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Manager or any of our or their affiliates or advisors (including legal advisors), or other participants in this offering and, therefore, we make no representation as to the accuracy of such facts, forecasts and statistics. We have, however, taken reasonable care in the reproduction and/or extraction of the official and other publications for the purpose of disclosure in this PROSPECTUS. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, these facts, forecasts and statistics in this PROSPECTUS may be inaccurate or may not be comparable to facts, forecasts and statistics produced with respect to other economies. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as in other jurisdictions. Therefore, you should not unduly rely upon the facts, forecasts and statistics with respect to world, the global economy, the global real estate industry and the selected regional data contained in this PROSPECTUS.

24.1 This investment may not be a suitable investment for all investors.

Each potential investor in the Participating Shares must determine the suitability of that investment in the light of his/her/its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and expertise to make a meaningful evaluation of the Participating Shares, the merit and risks of investing in the Participating Shares and the information contained or incorporated by reference in this PROSPECTUS;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Participating Shares and the impact the Participating Shares will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all the risks of an investment in the Participating Shares, including Participating Shares with principal or return payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Participating Shares and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

24.2 The Fund may not be able to redeem the Participating Shares.

Investors have the right to redeem the Participating Shares under the PROSPECTUS. The source of funds for any such redemption would be the Fund's available cash or third party financing. However, we may not have sufficient available funds at the time of the occurrence of any request for redemption to make such redemptions.

24.3 Investing Risk

The type of investments that the Fund anticipates making involves a high degree of risk. In general, financial and operating risks confronting portfolio companies can be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the Fund will be adequately compensated for risks taken. A loss of principal is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early, while successes often require a long maturation. Investments in fast growing companies involve substantial risks. These companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire a business or develop new products and markets. These activities by definition involve a substantial amount of change in a company and could give rise to significant problems in sales, manufacturing and general management of these activities. Early-stage and development-stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper may be small.

24.4 General Economic Risks

General macro-economic conditions, such as interest rates, the availability of alternate sources of financing and participation by other categories of investors may impact the Fund's level of success, including the value and the number of investments made by the Fund. The securities of a portfolio company may be affected by uncertainties such as changes in governmental policies, taxation, restrictions on foreign investment, other laws and regulations and currency fluctuations.

24.5 Difficulty of Locating Suitable Investments

The Fund has not committed to specific investment opportunities, and prospective investors will not have an opportunity to review the Fund's proposed investments before deciding whether to invest in the Fund. A purchaser of Participating Shares in the Fund must rely upon the ability of the Manager to identify, structure and implement investments consistent with the Fund's investment objectives and strategies. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Fund to invest all of its committed capital in opportunities that satisfy the Fund's investment objectives, or that such investment opportunities will lead to completed investments by the Fund. Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. The Fund will compete for the acquisition of investments with many other investors, some of which will have greater resources than the Fund. Such competitors may include other investment funds, as well as individuals, financial institutions and other institutional and strategic investors. As a result of this competition, there may be fewer attractively-priced investment opportunities than anticipated and the Manager might not be able to identify and successfully close a sufficient number of high-quality investments to utilize all of the Fund's capital. Such competition may adversely impact the length of time required to fully invest the Fund's capital. No assurance can be given that the Fund will be successful in identifying or consummating economically attractive investments.

24.6 Expedited Transactions

Investment analyses and decisions by the Manager may be undertaken on an expedited basis in order for the Fund to take advantage of available investment opportunities. In such cases, the information available to the Manager at the time of an investment decision may be limited, and the Manager may not have access to the detailed information necessary for a full evaluation of the investment opportunity. Further, the Fund may conduct its due diligence activities in a very brief period and may assume the risks of obtaining certain consents or waivers under contractual obligations. While the Fund expects to negotiate purchase price adjustments, termination rights and other protections, such rights may not be available or, if available, the Fund may elect not to exercise them.

24.7 Political, Legal, Social and Economic Considerations

The value of Fund investments may be adversely affected by potential political and social uncertainties in any part of the world. Certain developments, beyond the control of the Fund, such as the possibility of nationalization, expropriations, confiscatory taxation, political changes, government regulation, economic or social instability, economic depression, downgrading in the rating of certain investments or countries, diplomatic disputes or other similar developments, could adversely affect Fund investments.

24.8 Accounting, Disclosure and Regulatory Standards

Accounting, financial and other reporting standards in India are not equivalent to those in more developed countries. Differences may arise in areas such as valuation of shares and other assets, accounting for depreciation, deferred taxation, inventory obsolescence, contingent liabilities and foreign exchange transactions. Accordingly, less information may be available to investors.

24.9 Governmental action

Governmental actions to control inflation and other regulations and policies have often involved, among other measures, increases in interest rates, changes in tax policies, price controls, currency devaluations, capital controls, limits on imports, import duties and other actions. The Fund's business, financial condition and results of operations may be adversely affected by changes in governmental policies or regulations involving or affecting:

- interest rates;
- monetary policy;

- exchange controls and restrictions on remittances of payments outside of the countries of operation;
- foreign direct investment;
- currency exchange rate fluctuations;
- inflation;
- social and political stability;
- price stability;
- liquidity of capital and financial markets;
- energy shortages;
- insurance and healthcare entitlement programs;
- environmental matters;
- fiscal and tax policies; and
- other political, social and economic developments.

Uncertainty over whether the government in any jurisdiction will implement changes in policies or regulations affecting the above or other factors in the future may adversely affect the Fund's business and results of operations.

25. Potential Conflicts of Interest

The Fund will be subject to various potential conflicts of interest arising from its relationship with the Manager, the Key Persons and their respective affiliates, which may result in decisions that do not fully reflect the Investors' best interests, including the following:

- (i) **Other Activities**
Although the Key Persons will commit a significant amount of their business efforts to the Manager, the Key Persons are not required to devote all of their time to the Fund's affairs.
- (ii) **Allocation of Investment Opportunities**
Any investment opportunity suitable for the Fund that is presented to the Manager or the Key Persons will be offered to the Fund, except for: (i) investment opportunities related to current holdings of the Manager or the Key Persons; (ii) investment opportunities required to be presented to any other investment fund promoted, managed or organised by the Manager, the Key Persons or their affiliates; (iii) investment opportunities presented to the Key Persons in their capacity as directors of public or private companies and in similar circumstances where pre-existing duties apply; and (iv) investments intended to protect or enhance the value of investments included in clauses (i) through (iii) above.
- (iii) **Other Similar Funds**
The Manager or the Key Persons may act as the manager or the primary source of transactions on behalf of another pooled investment fund with overall objectives substantially similar to those of the Fund, provided that such pooled investment fund does not invest a substantial part of its funds in the same geographical region as that of the Fund.
- (iv) **Lack of Separate Representation**

The Manager or the Key Persons may be represented from time to time by the same legal counsel as the Fund, and may retain the same accountants and other experts. Legal counsel for the Fund does not represent the Investors. Should a dispute arise between the Fund and the Manager or the Key Persons, the Manager anticipates that it will retain separate counsel for the Fund in such a matter.

26. Standard risk factors

- (i) Investment in the Fund or by the Fund in collective investment schemes involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of capital;
- (ii) As price/value/interest rates of the securities in which the Fund or collective investment schemes invest fluctuates, the value of your investment in the Fund may go up or down;

- (iii) Past performance of the Manager or the Key persons or sponsors/investment manager of a particular collective investment scheme does not guarantee future performance of the Fund or that scheme;
- (iv) Neither the Fund or a collective investment scheme in which the Fund invests will be a guaranteed or assured return scheme;
- (v) The net asset value of the Fund or of a collective investment scheme in which the Fund invests may be affected by changes in the general market conditions, factors and forces affecting capital markets, in particular, level of interest rates, various market related factors and trading volumes, settlement periods and transfer procedures. Such net asset value may go up as well as down.

27. Liquidity Risk

Trading volumes, settlement periods and transfer procedures may restrict the liquidity of equity and equity related investments made by Fund. This would cause the Fund to miss certain investments and in some cases suffer losses while disposing some of its assets.

28. Reliance on the Investment Manager

The Fund will be advised as to its investments and divestments, exclusively by the Manager, and the investors will not be able to make investment or other decisions regarding the business of the Fund. The performance of the Fund will be dependent on the business and financial skills of the Manager and certain advisors that the Manager may appoint from time to time to solicit, originate and recommend appropriate investment opportunities. Although the Manager's personnel may enter into employment arrangements with it, these employment arrangements or contracts do not ensure that these people will continue to work for the Manager, and consequent loss of their services might adversely affect the business/activities of the Fund. Thus, each Investor must consider in making an investment decision that personnel associated with the Manager or its affiliates may leave at any time, or, in the case of personnel associated with the Manager, may be terminated at any time, with or without cause, thus potentially adversely affecting the business/ activities of the Fund. In addition, under the terms of the investment management agreement, both the Fund and the Investment Manager have the right to terminate the investment management agreement.

29. Non-Controlling Investment

The Fund may not hold the dominant or majority share of the outstanding equity securities of any of its portfolio company. Therefore, the Fund may have a limited ability to protect its investment in such portfolio company. There can be no assurance, however, that minority shareholder rights will be available or will provide the requisite protection. Also, in certain circumstances, the Fund may take a controlling interest in or otherwise exercise control over a portfolio company, which could expose the Fund to additional risks.

30. Default by Investors

A default by any Investor in respect of its obligations to pay any commitment to subscribe for Participating Shares may result in the Fund lacking the capital necessary to make planned investments in portfolio companies (and, potentially, the ability to meet redemption requests by Investors). Loss of such investment opportunities could result in a material adverse effect on the performance of the Fund. In addition, the lack of the availability of the capital necessary to make the planned investments in the portfolio company could cause the Fund to breach its agreements with the portfolio company, causing the Fund to owe damages to such Portfolio Company.

31. Inflation

Inflation in any part of the world may have an adverse effect on the ability of the Fund to make investments and to dispose of investments on attractive economic terms within the term of the Fund. To that extent, the Fund may not be able to generate any returns and the Investors, consequently, may not receive any return on their capital.

32. Contingent Liabilities

In connection with any disposition of its portfolio investments, the Fund expects to make customary representations to prospective purchasers. The Fund may also be required to indemnify the purchasers of such investments to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the Fund may establish reserves or escrow accounts. In addition, the Fund may sell investments in public offerings. Such offerings can give rise to liabilities if the disclosure relating to such sales proves to be inaccurate or incomplete. The Investors may also be required to return amounts distributed to them to fund indemnity and other liability obligations incurred by the Fund.

33. Illiquidity of Portfolio Investments due to corporate actions

The profitability of the Fund is largely dependent upon the liquidity of its portfolio investments. The Fund may face potential risks on account of the illiquidity of any of its portfolio investments, which may arise from time to time, on account of various statutory or regulatory restrictions or restrictions pursuant to corporate actions undertaken by the portfolio companies which may include restrictions on transferability of the securities of such portfolio companies pursuant to applicable law. Any such restrictions on the disposition of the portfolio investments may disrupt the profitability and have an adverse effect on the Net Asset Value of the Fund.

34. Tax Risks

Investors of the Fund are subject to a number of risks related to tax matters. In particular, the tax laws relevant to the Fund are subject to change, and tax liabilities could be incurred by investors as a result of such changes. Prospective investors are urged to consult their own tax advisors with respect to their own tax situations and the tax consequences of an investment in the Fund.

G. Taxation

35. Taxation

Republic of Mauritius Taxation

The Fund is set up as a public company registered in Mauritius. No tax on capital gains will be payable in Mauritius on disposals (including redemptions) by the Fund of its portfolio investment. There is no withholding tax payable in Mauritius in respect of payments of dividends to Investors or on repayment of capital contributions. However, the recipient may be subject to taxation in the jurisdiction in which he is resident or domiciled for tax purposes.

H. General Conditions and Good Governance

36. Conflicts of Interest

36.1 The Manager or the Custodian may own, dispose or otherwise deal with Participating Shares. In the event of any conflict of interest arising as a result of such dealing, the Manager and the Custodian, following prior consultation with each other, will resolve any such conflict in a just and equitable manner as they deem fit.

36.2 The Manager and the Custodian will conduct all transactions for the Fund on an arm's length basis.

36.3 Associates of the Custodian may be engaged to offer financial, banking and brokerage services to the Fund, but these services will be provided on an arm's length basis.

37. Reports

Annual Accounts and Auditor's Report on the Annual Accounts

The annual reports and quarterly management accounts will be available at the registered office of the Manager.

38. Listing

Initially, the shares of the Fund will not be listed on the SEM or on any other exchange. The Fund may, at a later date, with the approval of the FSC apply to the SEM or its successor or other exchanges to list the shares issued by the Fund.

39. Queries and Complaints

For all enquiries and any complaints about the Fund, please contact the Manager at:

AXYS INVESTMENT PARTNERS LTD
6/7th Floor, Dias Pier Building, Le Caudan Waterfront,
Caudan, Port Louis 11307, Mauritius

40. Documents Incorporated by Reference

The following documents shall be deemed to be incorporated in, and to form part of, this PROSPECTUS:

- (a) all supplements to this PROSPECTUS circulated by the Fund from time to time;
- (b) the constitution of the Fund; and
- (c) all application forms in connection with the subscription of shares of the Fund.

The above documents shall, where appropriate, modify and supersede the contents of this PROSPECTUS. The Fund will provide copies of the documents incorporated by reference, without any charge.

In the event of a material adverse change in the condition (financial or otherwise) of the Fund which is not reflected in this PROSPECTUS, the Fund will prepare a supplement to this PROSPECTUS or publish a new PROSPECTUS for use in connection with any subsequent issue of Shares. If the terms of the present offering are modified or amended in a manner which would make this PROSPECTUS, as supplemented, inaccurate or misleading, the Fund will prepare a new PROSPECTUS.

Any such new PROSPECTUS as supplemented shall be deemed to have been substituted for the previous PROSPECTUS from the date of its issue.

Copies of all documentation incorporated in this PROSPECTUS by reference are available at:

AXYS INVESTMENT PARTNERS LTD
6/7th Floor, Dias Pier Building, Le Caudan Waterfront,
Caudan, Port Louis 11307, Mauritius

41. Important information

Investors in the Fund are not protected by any statutory compensation arrangements in Mauritius in the event of the Fund's failure.

The Mauritius Financial Services Commission does not vouch for the financial soundness of the Fund or for the correctness of any statements made or opinions expressed with regard to it.

Director

Director