

Draft 29 July 2022

PROSPECTUS

ASIA PACIFIC BASKET LIMITED

A Guernsey Authorised Closed-Ended Investment Company

Registration Number 48918

Annual and Listing Sponsor: Clarien BSX Services Limited, Bermuda

Registered with the CIPC in South Africa on [insert]

This Prospectus includes particulars given in compliance with the listing regulations of the Bermuda Stock Exchange for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, 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 herein misleading.

The Bermuda Stock Exchange takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

Terms used in this Prospectus are as defined in the section headed "Definitions".

The details contained in this Prospectus are applicable as at the date of this Prospectus. This Prospectus is subject to updating and it is the responsibility of anyone relying on its contents to ensure that it is the most current version and that no corrections or revisions have been made. Investors should read the whole of this Prospectus.

This Prospectus is important. You are advised to consult your lawyer, bank manager, or other professional adviser, who specialises in advising on the acquisition of shares and other securities before investing in the securities offered in this Prospectus. Investment in the Shares involves above average risk and your attention is drawn to Section Four "Risk Factors" in this Prospectus. The investment is only suitable for sophisticated or professional investors.

No company in the Investec Group makes any representations or gives any warranties or undertakings with regard to the suitability of any investment in the Shares or the accuracy of this Prospectus and Investors should obtain independent legal, tax, accounting, investment and other relevant advice when contemplating any investment in the Company.

The Directors do not propose to market the Shares, or send this Prospectus, to Investors domiciled or with a registered office in any Member State of the European Economic Area ("EEA"), the United Kingdom ("UK") or The United States of America ("US").

The Companies and Intellectual Property Commission takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

Signed on this [insert] 2022

For: **Asia Pacific Basket Limited**

Signed by Duly Authorised Director

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DEFINITIONS

The following definitions apply throughout this Prospectus, unless the context requires otherwise:-

"A Class Shares"

The "A" class ordinary shares in the Company, as described in Section One of this Prospectus, ISIN number GG00B3B1B651 Bloomberg ticker: ASIPACB GU.

"Administration Agreement"

The agreement between the Administrator and the Company in terms of which the Administrator has been engaged to provide administration, registrar and secretarial services

"Administrator" and/or "Designated Manager" and/or "Company Secretary and Designated Firm"

Sanne Fund Services (Guernsey) Limited (a Guernsey registered company number 43046), formerly Praxis Fund Services Limited, Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR

"Aggregate Minimum Subscription"

A minimum aggregate of 5,000 (five thousand) Shares being subscribed for pursuant to this Prospectus and/or retained by existing shareholders in the Company, with an approximate value of between USD1,380 and USD2,150 per Share

"Annual and Listing Sponsor"

Clarien BSX Services Limited (registration number 24587)

"Application Form"

The application form available from the Distributor or the Administrator, to be completed by an Investor wishing to subscribe for Shares

"Articles of Incorporation" or "Articles"

The articles of incorporation of the Company as amended or replaced from time to time

"AUD" or Australian Dollars"

The lawful currency of Australia

"the Auditor"

Grant Thornton Limited, formerly Saffery Champness GAT LLP (Saffery Champness GAT LLP merged its audit business with Grant Thornton Limited in November 2020), or its successor in title

"B Class Shares"

The "B" class ordinary shares in the Company, as described in Section One of this Prospectus, ISIN number GG00BYZ0RF63 Bloomberg ticker ASPBLBU GU.

"Business Day"

Any day, other than a Saturday, Sunday or public holiday, on which banks are normally open for full banking business in Guernsey

"Call Date"

The First Call Date and every quarterly date thereafter

"Call Option"

The Debt Issuer's right to elect to redeem the Debt Instruments on the Call Date

"the Company"

Asia Pacific Basket Limited, a Guernsey registered company, registration number 48918 of Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR. The registered office address is also the business address of the Directors of the Company

"Company's Funds"

The total subscription monies received from Investors on the Fourth Closing Date, less all Front End Fees, plus the aggregate EIS Price of the Existing Issued Shares retained by existing Shareholders in the Company

"Credit Event"

Bankruptcy, Failure to Pay, Obligation Acceleration, Restructuring, Repudiation/Moratorium and Government Intervention, as such terms are defined in the 2014 Credit Derivative Definitions of the International Swaps and Derivatives Association

"CRS"

Common Reporting Standard

"Debt Instruments Maturity Date"

The date that is

- 1) a maximum of 6 years after the issue date of the Debt Instruments if the Debt Instruments are senior Debt Instruments;
- 2) a maximum of 10 years after the issue date of the Debt Instruments if the Debt Instruments are subordinated Instruments

"Debt Instruments"

- 1) Unsecured USD denominated senior debt instruments, to be issued by the Debt Issuer by not later than 5(five) Business Days, or as close as possible, after the Trade Date, which debt instruments
 - may contain a Call Option, as further described in Section Two "Capital Preservation" in this Prospectus; and
 - have a First Call Date that is 5(five) years after the issue date of the Debt Instruments.The debt instruments may be credit linked, where the payment of interest and principal is contingent on the credit performance or credit deterioration of each Reference Entity, in the proportion equal to the percentage determined in respect of each Reference Entity as referred to in the definition of Reference Entity.

or
- 2) Unsecured USD denominated subordinated debt instruments that rank as tier 2 capital of the Debt Issuer in terms of applicable laws and regulations, issued by the Debt Issuer not later than 5(five) Business Days after the Trade Date, which debt instruments
 - contain a Call Option, as further described in Section Two "Capital Preservation" in this Prospectus; and
 - have a First Call Date that is 5(five) years after the issue date of the Debt Instruments;

"Debt Issuer"

IBL or another debt issuer to be selected by the Investment Adviser, which debt issuer will have a long-term rating equal to or better than IBL's rating

"Directors" or "The Board"

Directors of the Company

"Distributor"

An entity or person approved by the Directors and party to a Distribution Agreement through which the Investor may be introduced, or have access, to the Company, if not directly

"Distribution Agreement"

The agreement entered or to be entered into between the Company and the relevant Distributor, on terms to be finalised by the Directors, pursuant to which agreement the Distributor will be paid an annual fee as more fully described in Section One "Commissions Paid" in this Prospectus

"EIS Price"

The Fair Market Value per Share as reviewed by the Auditor on the Third Termination Date, which price is estimated to be between USD 1,380 and USD2,150 per Share. New B Class Shares shall be issued at the EIS Price. Each new A Class Share shall be issued at an amount that is the AUD equivalent of the EIS Price as calculated at the Third Termination Date.

"Equity Exposure"

A targeted basket of offshore indices, namely the Nikkei 225, S&P500, Eurostoxx50, iShares MSCI Emerging Markets ETF with a range between 15% and 45%, or an alternative world index/s, or exchange traded fund with equity exposure as determined by the Investment Adviser to the Company

"Equity Investment Provider(s)"

An international bank(s) or a/an entity(ies) in the group of companies of an international bank(s), with a long term credit rating of at least A (Standard & Poors) as selected by the Investment Adviser

"Equity Linked Investment(s)"

An equity investment(s) linked to an investment in the form of a note, a warrant or an over the counter traded option transaction, issued by an Equity Investment Provider(s) as further described in Section Two "Upside Linked to Equity" in this Prospectus

"Existing Issued Shares" or ("EIS")

The issued Shares in the Company as at the date of this Prospectus

"Expense Provision"

An estimated 0.5% of the Company's Funds

"FATCA"

Foreign Account Tax Compliance Act

"Fair Market Value per Share"

The fair market value of each Share as determined by the Investment Adviser on the first Business Day of each month (as reviewed by the Auditor on the Termination Date or the liquidator on a winding up) acting in good faith and in a fair and reasonable manner

"First Call Date"

The date that is 5(five) years after the issue date of the Debt Instruments

"First Offering"

30,462.651 Shares in the Company issued to Shareholders at USD1,000.00 per Ordinary Share on 20 August 2008

"Foreign Portfolio Investment Allowance"

Investments utilising the foreign portfolio investment allowance (asset swap) granted to institutions in terms of circular B2(B)iii issued by the Financial Surveillance Department of the South African Reserve Bank

"Fourth Closing Date"

2 December 2022, or a later date as the Directors may decide but not later than [13 December] 2022

"Fourth Offering" or "This Offer" or "This Offering"

50% of the Existing Issued Shares are estimated to remain invested in the Company plus a minimum of 1,000 new A Class and 10,000 B Class Shares are estimated to be issued, which would equate to a minimum total of approximately 18,500 A Class Shares and 33,500 B Class Shares being issued against the EIS Price pursuant to this Prospectus

"Fourth Opening Date"

[8 September] 2022

"Fourth Redemption Date"

The date of redemption of the Shares, being the date 5(five) Business Days after the Fourth Termination Date

"Fourth Termination Date"

Either: (i) the Call Date if the Debt Issuer exercises the Call Option in accordance with its terms; or (ii) the Debt Instrument Maturity Date, as the case may be, provided that if the Debt Instrument is credit linked, no Potential Failure has occurred on or prior to the Redemption Date. Should a Potential Failure to Pay have occurred, then the Termination Date shall be postponed to determine whether the Potential Failure to Pay will be cured or whether a Credit Event has occurred

"Front End Fee"

An amount not exceeding 2% (plus South African value added tax where applicable) of the amount subscribed for per Investor pursuant to this Prospectus

"GBP"

The lawful currency of the United Kingdom of Great Britain and Northern Ireland

"GFSC"

The Guernsey Financial Services Commission

"IBL"

Investec Bank Limited, a company incorporated in the Republic of South Africa (registration number 1969/004763/06)

Investec Bank Plc

Investec Bank Plc, a company registered in England and Wales with registration number 00489604

"Investec Group"

Investec Limited and Investec Plc and their subsidiaries, which include Investec Bank Plc and IBL

"Investec Limited"

Investec Limited, a company incorporated in the Republic of South Africa (Registration Number 1925/002833/06)

"Investec plc"

Investec Plc, a company registered in England and Wales with registration number 03633621

"Investment Adviser"

Investment adviser to the Company, being Investec Corporate and Institutional Banking, a division of IBL

"Investment Adviser Agreement"

The agreement between the Investment Adviser and the Company in terms of which the Investment Adviser has been engaged to provide investment advisory services to the Company

"Investment Period"

The period from the Trade Date to the Termination Date

"Investor"

Any person who may potentially subscribe for Shares in the Company, being a sophisticated or professional investor who can afford to take a higher degree of risk, which may include the risk of the loss of his entire investment, and who has extensive knowledge and experience in financial and business matters and is capable of evaluating the merits and risks associated with an investment in the Company

"Last Practicable Date"

The last practicable date prior to the finalisation of this Prospectus

"Law"

The Companies (Guernsey) Law 2008 as amended, extended or replaced and any Ordinance, statutory instrument or regulation made thereunder

"Management Shares"

The Management Shares with a par value of AUD1 having the rights and entitlements set out in the Articles

"Minimum Subscription Amount"

The subscription price per Share will be equal to the EIS Price or the AUD equivalent thereof, however subscriptions for investment may not be less than AUD16,000 for Class A Shares or USD11,000 for Class B Shares

"Memorandum"

The Memorandum of Incorporation of the Company as amended or replaced from time to time

"Potential Failure to Pay"

A Potential Failure to Pay, as such term is defined in the 2014 Credit Derivative Definitions of the International Swaps and Derivatives Association

"Promoter"

Investec Corporate and Institutional Banking, a division of IBL

"the Proportionate Recovery Percentage"

The recovery percentage of an obligation of an applicable Reference Entity, determined by the Issuer, acting in a reasonable and commercial manner, calculated on the proportion that the applicable Reference Entity bears in relation to the aggregate nominal amount of the Debt Instruments, as referred to in the definition of Reference Entity

"Prospectus"

This document as registered with or without supplements.

"Redemption Date"

Either the Third Redemption Date or Fourth Redemption Date (as the context requires)

"Reference Entity"

One or more local and/or international banks to be selected by the Investment Adviser on or before the Trade Date, each with a long-term rating equal to or better than IBL's rating, in the proportion of the nominal amount of the Debt Instruments, the specific proportion of which is to be recommended by the Investment Adviser to the Directors on or before the Trade Date

"Registrar"

Sanne Fund Services (Guernsey) Limited

"Register of Shareholders"

The register of Shareholders of the Company kept by the Administrator

"Rules"

The rules applying to authorised closed-ended investment companies in Guernsey issued by the GFSC

"Second Offering"

55,510.639 Shares in the Company issued to Shareholders at AUD1,080.63 per Share on 5 September 2013

"Shareholder"

A holder of Shares in the Company

"Shares"

The A Class Shares having a par value of AUD0.01 each and the B Class Shares having a par value of USD0.01 each in the capital of the Company, as well as fractions of such ordinary shares, as the context requires. All other rights attributed to the A Class or B Class Shares are identical

"South African Companies Act"

The Companies Act. No. 71 of 2008 of the Republic of South Africa

"Special Resolution"

A resolution passed by a majority of not less than 75% of the votes of the Shareholders entitled to vote and present in person or by proxy and voting, at the meeting convened with the proper notice of the meeting having been provided to Shareholders

"Termination Date"

Either the Third Termination Date or the Fourth Termination Date, as the context requires.

"Third Offering"

82,140,282 Shares in the Company issued to Shareholders, consisting of 35,052.214 A Class Shares at a price of AUD1,733.02 per A Class Share and 47,088.068 B Class Shares at a price of USD1,327.17 per B Class Share on 20 December 2017

"Third Redemption Date"

The date of compulsory redemption of the Shares, being the date five Business Days after the Third Termination Date

"Third Termination Date"

Either: (i) the Call Date if the current Debt Issuer exercises the Call Option in accordance with its terms; or
(ii) the maturity date of the current Debt Instruments, being ten years from the issue date of such Debt Instruments, if the Debt Issuer does not exercise the Call Option in accordance with its terms

as the case may be

"Trade Date"

Any date that is no later than 35 Business Days after the Fourth Closing Date, being the date on which the Company will invest the Company's Funds

"the Trust"

The trust known as The Basket Trust constituted by a declaration of trust dated 2 September 2009 and made by Praxis Trustees Limited (registered number 16783).

"USD"

The lawful currency of the United States of America

"US-Guernsey IGA"

As defined in the section of this Prospectus headed "Risk Factors – FATCA and similar measures"

"Write-Off"

A partial or total write-off of the Debt Instruments as described in Section Four "Risks associated with Debt Instruments"

SECTION ONE: INFORMATION ABOUT THE COMPANY WHOSE SECURITIES ARE BEING OFFERED

1. Name, Address and Incorporation Information

The Company was incorporated in Guernsey on 19 May 2008 with registration number 48918. The registered office and business address of the Company is Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR. The Company is neither a holding company nor a subsidiary. The Company has an unlimited life. The Administrator will act as the transfer agent. The registered office and business address of the Administrator is Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR.

The Directors particularly draw Investors' attention to the following restrictions:

South Africa

Under Section 99(1)(b) of the South African Companies Act, the Memorandum and Articles of the Company together with the names and addresses of the Directors will be filed with the South African Companies and Intellectual Property Commission once the Prospectus Vetting Committee of the South African Companies and Intellectual Property Commission has completed its review of the prospectus. The Company is a Guernsey authorised closed-ended investment company listed on the Bermuda Stock Exchange. The Directors' and Auditor's reports are made with every ethical degree of care and skill. The Directors' integrity and good governance is measured by the transparency of reporting to the regulatory and listing authorities under which the Company is registered and listed. The Company complies with the GFSC's "Finance Sector Code of Corporate Governance" (the "**Code**") which applies to all companies that hold a licence from the GFSC under the regulatory laws or which are authorised as an investment company, the Code is similar to the applicable Principles of the King Committee Principles on Governance for South Africa 2016 (King IV). Wherever practically possible the Company has made every effort to comply and will make every effort to comply with applicable Principles of the King Committee Principles on Governance for South Africa 2016 (King IV).

South African Investors may utilise the following investment options and are encouraged to discuss these further with their Distributor:

- Offshore allowances (or any South African Reserve Bank approved offshore allowance)
- Disclosed amnesty and foreign assets
- International assets held by South African investors that do not reside in South Africa
- Foreign Portfolio Investment Allowance facility (asset swap)

Enforcement of this Prospectus by South African courts may be limited by the effect of laws of general application in South Africa relating to, or generally affecting, the scope of application of South African law, the geographical area of application of South African law, and the rights of parties to contracts, agreements and undertakings, including the principles of public policy and interpretation.

United States of America

The Shares have not been registered under the United States Securities Act of 1933 (the "**1933 Act**"), nor has the Company been registered under the United States Investment Company Act of 1940, or any state law. Except in a transaction which does not violate such Acts, the Shares may not be directly or indirectly offered, sold or delivered in the United States (as defined in Regulation S under the 1933 Act) or to or for the account of any US person (as defined in Regulation S under the 1933 Act), or to any person purchasing the Shares for re-offer, delivery or transfer in the United States or to any US person as part of the distribution of such Shares. The Shares may not be acquired by any person subject to the Employee Retirement Income Security Act of 1974, as amended or Section 4975 of the Internal Revenue Code of 1986, as amended.

United Kingdom

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted by law. In particular the communication constituted by this Prospectus is directed only at persons who (i) are outside the United Kingdom and the Republic of Ireland; or (ii) have professional experience in matters relating to investments; or (iii) are persons falling within Article 49(2) (a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (all such persons together being referred to as "**relevant persons**"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

Bermuda

There is no intention to market the Shares to residents of Bermuda.

Guernsey

The Company was incorporated with limited liability in Guernsey under the provisions of the Law as a non-cellular company limited by shares and is registered with the GFSC as an authorised closed-ended investment company. This Prospectus may only be distributed or circulated directly or indirectly in or from within the Bailiwick of Guernsey by persons licensed to do so by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended.

The Company is registered for FATCA under GIIN Y5PB24.99999.SL.831.

The Company's LEI number is 213800113P5P1FMJXF97 in respect of the Class A and Class B Shares.

2. Directors, Other Office Holders or Third Parties

The Directors of the Company are Janine Lewis, David Stephenson and Keri Lancaster-King. More details about the Directors, their occupations and experience are provided below. The Directors are appointed as directors of the Company in terms of the Administration Agreement concluded between the Company and the Administrator. The Directors' appointment is indefinite and will continue until the Company is liquidated or they resign or are removed from office or the Administration Agreement is terminated.

The registered office address of the Company is also the business address of the Directors of the Company.

As described in the Administration Agreement, an annual fee (which includes the appointment and services of 3(three) Directors) is paid to the Administrator. The Directors are indemnified through directors' and officers' insurance which includes professional indemnity cover for work undertaken on behalf of the Company.

Janine Lewis (British)

Born in 1965, Janine is a resident of Guernsey residing at Coco De Mer, Folie Lane, Vale, Guernsey, GY3 5SD and is a director of the Administrator. She has worked in the finance industry for over 30 years, qualifying as a Chartered Company Secretary in 1995 and becoming an Associate of the Institute in 1996. Janine has worked in the funds industry for the past 16 years where she has been involved in the establishment and administration of various funds, varying in complexity but in particular has concentrated on structured products and property funds, listed on various exchanges. She joined the Administrator from Investec Administration Services Limited in 2009.

Janine holds the following directorships:

Advanced Investment Holdings Limited	International Titans Basket Limited
Asia Pacific Basket Limited	Sanne Directors (Guernsey) Limited
Britannic Opportunities Limited	Investec World Axis PCC Limited (as alternate director)
China Seas Basket Limited	Optimal Investment Growth Basket Limited
East Asian Growth Basket Limited	Fundstore International Fund PCC Limited (as alternate director)
Pangbourne Asset Management (Channel Islands) Limited	DPIF Plaza holdings Limited
Sanne Fund Services (Guernsey) Limited	DPIF CIC Holdings Limited
Diverse Property Income Fund Limited	DPIF LLS holdings Limited
DPIF Ford Holdings Limited	

David Stephenson (British)

Born in 1962, David is a resident of Guernsey residing at Riniac, Route de Cobo, Castel, Guernsey, GY5 7UH and is a senior manager in the financial reporting team at the Administrator. David has worked in the finance industry for over 30 years, having trained at Coopers and Lybrand before joining Investec Trust Guernsey in 1987. He served as Financial Controller at Investec Trust Guernsey, before switching to a fund accounting role with the Administrator. David has significant fund experience having worked with various fund profiles including listed investment and property funds, private equity and structured products.

David holds the following directorships:

Advanced Investment Holdings Limited	East Asian Growth Basket Limited
Asia Pacific Basket Limited	International Titans Basket Limited
Britannic Opportunities Limited	Optimal Investment Growth Basket Limited
China Seas Basket Limited	Sanne Directors (Guernsey) Limited

Keri Lancaster-King (British)

Born in 1979, Keri is a resident of Guernsey at Papillonner, Cordier Hill, St Peter Port, Guernsey, GY1 1JH. She is a director of the Administrator. After working abroad, she started her fund administration career managing a company secretarial team at Investec Administration Services Limited which was acquired by PraxisIFM Group in 2009. In December 2021 the entire fund administration arm of PraxisIFM group was acquired by Sanne Group Plc. in 2011 she formed the new business team and now manages the responsibility for the take on, establishment, listing and launch of all new regulated and unregulated investment funds or investment vehicles for the Administrator. She is also acts as a director on a number of companies. Keri has a degree in English.

Keri holds the following directorships:

Advanced Investment Holdings Limited	International Titans Basket Limited
Asia Pacific Basket Limited	Sanne Fund Services (Guernsey) Limited
Britannic Opportunities Limited	Sanne Directors (Guernsey) Limited
China Seas Basket Limited	
East Asian Growth Basket Limited	
Optimal Investment Growth Basket Limited	

Other Office Holders or Third Parties

Annual and Listing Sponsor

Clarien BSX Services Limited
25 Reid Street,
Hamilton
HM11
Bermuda

Administrator, Secretary, Registrar and nominated firm (also being the business address of the Directors)

Sanne Fund Services (Guernsey) Limited
Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 1GR

Legal Advisers in Guernsey

Carey Olsen (Guernsey) LLP
Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

Investment Adviser and Promoter

Investec Corporate and Institutional Banking
a division of
Investec Bank Limited
100 Grayston Drive
Sandown, Sandton
South Africa, 2196

Legal Advisers in South Africa

Cliffe Dekker Hofmeyr Inc.
11 Buitengracht Street
Cape Town
South Africa, 8001

Independent Auditor

Grant Thornton Limited
Lefebvre House
Lefebvre Street
St Peter Port
Guernsey
GY1 3TF

Bankers

Investec Bank (Channel Islands) Limited
Glategny Court
St Peter Port
Guernsey
GY1 3LP

Investment Adviser

The Investment Adviser to the Company is Investec Corporate and Institutional Banking, a division of IBL. IBL is regulated by the South African Reserve Bank in terms of the Banks Act, 1990 and the South African Companies Act, 2008. No criminal convictions or disciplinary actions were taken against IBL by a securities, supervisory or other regulatory body during at least the past five years.

The directors of IBL are as follows:

Executive Directors, being Richard John Wainwright (CEO), Marle van der Walt (FD), Fani Titi and Non-Executive Directors, being Khumo Shuenyane (Chairman), Mvuleni Geoffrey Qhena, Morris Mthombeni, Zarina Bibi Mahomed Bassa, David Friedland, Vanessa Olver and Philip Alan Hourquebie.

The global head responsible for the Corporate and Institutional Banking division of IBL is Mr Lourens Janse van Rensburg of Villa 55, 279 Sidney Street, Waterkloof Village, South Africa. Mr Janse van Rensburg has a Bachelor of Commerce (Honours: Financial Management) degree from the University of Potchefstroom, a Certificate of Theory of Accounting ("CTA") degree from the University of Potchefstroom, is a qualified Chartered Accountant and also holds a CFA. Mr. Janse van Rensburg completed his articles with Coopers & Lybrand (now Price Waterhouse Coopers) in 1998 and joined Gensec (now Sanlam Capital Markets) where he managed the financial control of the equity derivative team, as well as risk management for the interest rate derivative desk. He was also responsible for setting up their investment products business. Mr Janse van Rensburg, joined IBL in 2001, working in the interest rate structuring team, preference share funding and investment products areas. He was appointed the head of Investec Financial Products in 2010 and in December 2015 was appointed executive officer of Investec Corporate and Institutional Banking.

IBL is a wholly owned subsidiary of Investec Limited ("**Investec**") (previously Investec Group Limited), and IBL is one of the 5(five) largest banks in South Africa. Investec was founded in South Africa in 1974 and is an independent international banking group that provides a specialised range of products and services to its select clients. It has expanded through a combination of substantial organic growth and a series of strategic acquisitions in South Africa, the United Kingdom and other countries in which the Investec Group operates. In July 2002, Investec implemented a Dual Listed Companies structure with listings in Johannesburg and London. For the year ended 31 March 2021, Investec had R372.8 billion in funds under management.

The Corporate and Institutional Banking Division of IBL provides a wide range of products, services and value-added solutions to select corporate clients, public sector bodies, financial institutions, local and foreign banks and financial brokers. The Corporate and Institutional Banking Division specialises in the creation of financial products and derivative instruments, which are designed to enhance investment values and minimise or remove potential downside risk for investors. In view of the foregoing IBL has the necessary expertise and experience available to fulfill its obligations under the Investment Adviser Agreement, as the investments to be entered into by the Company, as described in this Prospectus, are of a specialised nature.

Description of the business managed by the Investment Adviser

During the course of its appointment as investment adviser, the Investment Adviser shall have the duties and obligations normally assumed by an investment adviser and in particular shall include:

- (1) identifying, securing, and researching potential investments, conducting physical and legal due diligence and evaluating the same, making recommendations to the Board regarding suitable investments and taking instructions from the Board on investment opportunities;
- (2) negotiating and supervising borrowings of the Company within such limits as the Board may from time to time specify;
- (3) analysing the performance of the investments and advising the Company in relation to the investments;
- (4) providing the Board with such information, and making such recommendations to the Board, concerning the investments as it may from time to time request;
- (5) at the Board's request providing a representative to attend meetings of the Board in connection with any of its duties specified above;
- (6) providing to the Administrator all such information in relation to the investments as it may reasonably require to carry out its duties under the Administration Agreement; and
- (7) performing such other duties as may be reasonably necessary or incidental to the above or as may be agreed between the Company and the Investment Adviser.

Annual Fee of the Investment Adviser

The Investment Adviser is entitled, for its services as investment adviser, to receive an annual fee of 0.60% of the Company's Funds (as reduced by any redemptions of Shares prior to the Redemption Date) payable in advance on the first Business Day of each year, until the Call Date. If the Debt Issuer does not exercise the Call Option on the First Call Date, then the fee shall reduce to 0.15% per annum for the period subsequent to the First Call Date. The Investment Adviser Agreement does not contain any provisions for the alteration of the Investment Adviser's remuneration. The Investment Adviser shall also be paid an amount equal to the amount of interest earned by the Company on such amount, calculated from and including the date on which the Investments (as defined in the Investment Adviser Agreement) have been made until but excluding the date of payment of the relevant amount to the Investment Adviser.

Registration Fee

The Investment Adviser will also earn a settlement and registration fee of up to 0.75% of the total value of each early redemption transaction as set out in Section Four "Sale Arrangements and Redemptions".

Administrator

Sanne Fund Services (Guernsey) Limited, formerly Praxis Fund Services Limited, has been appointed to act as designated administrator, company secretary and nominated adviser under the Administration Agreement. Sanne Fund Services (Guernsey) Limited is wholly owned by Sanne Group plc, which was established over 30 years ago in Jersey and has listed on the Main Market of the London Stock Exchange. There is no significant owner. Sanne Group plc is a member of the FTSE 250 index, employs over 2,000 people worldwide and administers in excess of £500 billion of assets under a variety of structures and funds.

The Administrator's registered office is Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR. The Administrator is licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended, to conduct administration business. The Administrator has been appointed as the Nominated Firm (such term as defined in the Commission's Handbook on Countering Financial Crime and Terrorist Financing).

Sanne Fund Services (Guernsey) Limited employs qualified members of respective professional disciplines which include members of the Association of Chartered and Certified Accountants and members of the Chartered Governance Institute.

The Administrator provides a range of administration services including entity establishment and project management, corporate governance and company secretarial services, transaction administration, accounting and financial management/reporting, safe custody, shareholder services and investor reporting, stock exchange sponsorship and outsourcing management.

Description of the business managed by the Administrator

The Administrator shall provide the Company with administration, registrar and company secretarial services. During the course of its appointment as Administrator, the Administrator shall have the duties and obligations normally assumed by an administrator and secretary and in particular shall include:-

- (1) the convening of the meetings of Directors and Shareholders in accordance with the Articles and the provision from time to time if requested of representatives of the Administrator to attend meetings, the taking of minutes and the collation of all necessary papers therefor;
- (2) the keeping and updating of the statutory books and records of the Company;
- (3) the delivery of information and all returns required by applicable law to any competent authority in Guernsey, Bermuda or elsewhere including, in particular, the GFSC and assistance with the reporting requirements and listing rules of the market on which the Shares may from time to time be listed, currently the Bermuda Stock Exchange;
- (4) dispatching to Shareholders, the Directors and the Auditor and any other person entitled to receive the same or as the Company may require, all circulars, notices of meetings, reports, financial statements and dealing with all other correspondence from and to Shareholders of the Company and circulating board meeting information, at least 5(five) days prior to a Board meeting, to each member of the Board and the Investment Adviser;
- (5) the holding of meetings of Shareholders, receiving and tabulating votes cast by proxy and communicating to the Company the results of the tabulation;
- (6) maintaining the register of Shareholders and acting as the transfer/paying agent (if applicable);
- (7) administering all transfers and redemptions of Shares as described in the Prospectus and payment of the proceeds to the applicable parties;
- (8) all duties to be performed by the secretary of a company under applicable law and by the secretary of the Company under the Articles;
- (9) the provision of the registered office of the Company and a place where notices may be served on the Company; and
- (10) without prejudice to the generality of the foregoing performing such other administrative and company secretarial duties, obligations and functions

as the Company may from time to time agree with the Administrator.

Annual fee of the Administrator

Under the Administration Agreement, the Company has agreed to pay or procure to be paid to the Administrator, for its services as Administrator, Secretary and Registrar a fee of 0.13% in the first year following the Fourth Trade Date and an annual fee of 0.11% of the Company's Funds (as reduced by any redemptions of Shares prior to the Redemption Date) payable each year thereafter until the Redemption Date. The Administrator shall also be paid an amount equal to the amount of interest earned by the Company on such amount, calculated from and including the date on which the Investments (as defined in the Administration Agreement) have been made until but excluding the date of payment of the relevant amount to the Administrator.

The Administrator shall also be entitled to charge disbursements incurred on behalf of the Company to the Company, which include fees for courier, telecommunications and printing.

Pursuant to the Administration Agreement, the Administrator shall provide (3) three employees to act as Directors to the Company. The Director remuneration forms part of the annual fee of the Administrator under the terms of their Agreement. The Directors appointed will have no formal or separate contract in place with the Company.

Transaction and Registration Fee

The Administrator will also earn an administration fee of GBP150 (or currency equivalent) for facilitating the cash flow of the sale per Shareholder transaction and a settlement and registration fee of up to 0.50% of the total value of each early redemption as set out in Section Four "Sale Arrangements and Redemptions" in this Prospectus.

3. History, State of Affairs and Prospectus of the Company

History

The Company was incorporated on 19 May 2008 with limited liability in the Island of Guernsey under the provisions of the Law as a non-cellular company limited by shares and is registered with the GFSC as an authorised closed-ended investment company (Registered Number 48918). Potential investors should evaluate the Company's history which shows its ability to achieve its Investment Policy.

First Offering

The First Offering of Shares provided Shareholders with 169% participation in a basket of indices as tabulated below:

Hang Seng (HSI)	15%
Nikkei225 (NKY)	15%
Hang Seng China (HSCEI)	10%
S&P AUSTRALIAN STOCK EXCHANGE 200 INDEX	20%
MSCI Taiwan	20%
MSCI Singapore Index	20%

Shares in the Company were taken up by the Shareholders on 20 August 2008 at AUD1,000.00 per Share and on the First Redemption Date had a value of AUD 1,080.63[] per Share.

Second Offering

The Second Offering of Shares provided Shareholders with 200% participation in USD in a basket of indices as tabulated below:

Hang Seng (HSI)	15%
Nikkei225 (NKY)	15%
Hang Seng China Enterprise (HSCEI)	10%
S&P AUSTRALIAN STOCK EXCHANGE 200 INDEX	20%
MSCI Taiwan	20%
MSCI Singapore Index	20%

Shares in the Company were taken up by the Shareholders on 5 September 2013 at AUD1,080.63t per Share and the Second Redemption Date had a value of AUD1,733.02 per Share

Third Offering

The Third Offering of Shares provided Shareholders with 240.15% participation in a basket of indices (capped at a maximum of 23% above the initial index level) as tabulated below:

Nikkei 225 (NKY)	15%
S&P 500® (SPX)	40%
Euro Stoxx 50® (SX5E)	30%
iShares MSCI Emerging Markets ETF (EEM US)	15%

Shares in the Company were taken up by the Shareholders on 20 December 2017 at AUD1,733.02 and USD1,327.17 per Share and on the Third Redemption Date will have a value equal to the EIS Price.

Fourth Offering

The Fourth Offering of Shares will provide Shareholders with at least 100 % participation in a basket of indices (capped at a maximum of 40% above the initial index level) as tabulated below:

S& P 500 (SPX)	40%
Euro Stoxx 50 (SX5E)	30%
Nikkei225 (NKY)	15%
iShares MSCI Emerging Markets ETF (EEM US)	15%

Shares in the Company will be taken up by the Shareholders at the EIS price.

To the extent that the holders of the Existing Issued Shares elect not to continue to remain invested in the Company pursuant to the offer described in the paragraph below, the Company will redeem those Existing Issued Shares on the Third Redemption Date by utilising the proceeds of the debt instrument acquired by the Company, as described in the prospectus of the Company dated 25 August 2017. The proceeds of such debt instruments will be sufficient to enable the Company to redeem all the Existing Issued Shares in full.

This Offering

The Company has made an offer to the holders of Existing Issued Shares to elect to continue to remain invested on the Third Redemption Date. Shareholders who wish to accept the Company's offer must accept the offer in writing. Written notice must be received by the Company by no later than 2 December 2022, failing which the offer will lapse. The holders of Existing Issued Shares that do not return an election shall be disinvested from the Company on the terms and conditions on which such Shares were issued. As part of the election, the holders of Existing Issued Shares may also subscribe for further ordinary shares in the Company based on the terms and conditions set out in this Prospectus and the Articles. An Aggregate Minimum number of Shares must be retained or subscribed for pursuant to this Prospectus and election. The rights attaching to Existing Issued Shares in respect of which the offer has been accepted shall be as set out in this Prospectus and the Articles.

Public Company

The Law does not recognise a distinction between "public company" or "private company" as types of company capable of registration in Guernsey. Any conversion to a public company would therefore entail migration of the Company from Guernsey. As per the Law, Shares of the Company may not be offered directly to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities licensed under the Protection of Investors (Bailiwick of Guernsey) Law 2020, as amended.

Material changes to the business of the Company

There have been no material changes to the business of the Company in the past three years.

Prospects of the business

The Company will provide Investors with a debt investment and an equity linked investment that are structured to provide USD capital preservation on the Company's Funds and the potential for enhanced capital growth (denominated in USD).

State of affairs of the business

At 30 June 2022 the Shares had a value of approximately USD1,706.88 per Share, giving existing Shareholders a return of approximately 28.61% since subscription in USD, despite market volatility. The indices selected when Shares were offered to Shareholders in the Third Offering were based on the high growth potential of the indices.

The underlying table shows the value of the Company's investments since the Third Offering of Shares in the Company. The final column simulates the value of the investments at the Third Redemption Date should the index level remain at the level for this period.

Split	Inception date [22 December 2017]	Market Value for this Overview	Indicative Expiry for Overview
Investec Bank Limited Subordinated Bond	1,341.53	1,921.83	2,007.94
Equity Option (GSI)	260.96	561.26	551.50
Fees	124.60	0.00	0.00
Expenses	5.93	0.00	0.00
Total AUD	1,733.02	2,483.09	2,559.44

Overall share price

<u>Issue price</u>	[1,733.02]	<u>USDA JD inception rate [insert]</u>	[1.306]
<u>Mark-to-market value</u>	[2,483.09]	<u>USDA JD current rate [insert]</u>	[1.455]
<u>Indicative expiry value</u>	[2,559.44]	<u>Expiry Date</u>	[22 December] 2022

Immovable property

The Company has no immovable property.

Financial commitments of the Company

The Company is an investment company and therefore has no buildings, machinery or plant.

Company financial particulars

Please refer to Annexure A of the Prospectus for further information of the Company's turnover, profits and/or losses. The Company has tax exempt status in Guernsey.

Dividends

The Company may pay dividends. The Directors will consider declaring a dividend if such dividend appears to be justified by the financial position of the Company. Any dividends paid will only be paid in line with the policy of the Bermuda Stock Exchange and the Law.

It is envisaged that, if a Call Option is not exercised by a Debt Issuer on the First Call Date, then the Company will:

- as soon as possible after such First Call Date, declare and pay a dividend equal to the proceeds (if any) received by the Company from the Equity Linked Investment, less taxes (if any); and
- thereafter declare and pay annual dividends equal to the interest payable under such Debt Instrument(s), less costs, fees and taxes to be paid by the Company.

4. Share Capital of the Company

- Each Share in the Company will carry with it all the rights and privileges as contemplated in the Articles and nothing in this Prospectus shall be construed as granting any Shareholder any right, title and interest in or to the assets or investments of the Company.
- The Company has not offered its Shares to the public for subscription or sale or altered its capital during the preceding three years from the date of this Prospectus.
- The Company has a share capital comprised of Management Shares of AUD1 each and has A Class Shares of AUD0.01 each and B Class Shares of USD0.01 each. There are 10 Management Shares in issue and the Directors do not intend to issue any further Management Shares. As at the date of this Prospectus there are 35,052.214 A Class Shares and 47,088.068 B Class Shares in issue. The Company is incorporated under Guernsey law under and is permitted to issue an unlimited number of shares and shares of different classes without the need for shareholder authorisation prior to each issuance. Accordingly, the Company does not have "authorised shares" as envisaged in the South African Companies Act. New B Class Shares shall be issued at the EIS Price, which price is estimated to be between USD1,380 and USD2,150 per Share. Each new A Class Share shall be issued at an amount that is the AUD equivalent of the EIS Price as calculated at the Trade Date. The 10 Management Shares in issue were issued at par and are held by the Trust.

- d) The Management Shares do not receive any economic benefit from the Company. These shares exist for the sole purpose of voting on purely administrative matters at the Company's annual general meeting only if there is no quorum of Shareholders on such date. This enables the Company to function effectively. Prior to a redemption of all the Shares, the Management Shares can only vote on Ordinary Resolutions relating to administrative matters such as the appointment of the Auditor, approving the annual financial statements and the Directors' appointments. After all the Shares have been redeemed, then the Management Shares can vote on all matters and on Ordinary and Special Resolutions.
- e) The A Class Shares will be AUD denominated shares held by each existing Shareholder who, on the Fourth Closing Date, remain invested in the Company as well as by each new investor who chooses to subscribe for A Class Shares in the Company.
- f) The B Class Shares will be USD denominated shares allocated to each existing Shareholder and each new Shareholder who, on the Fourth Closing Date, chooses to subscribe for B Class Shares in the Company.
- g) All other rights attributed to the A Class Shares and the B Class Shares are identical.
- h) The Directors may issue fractions of Shares, and, if so issued, a fraction of a Share (calculated to three decimal places) shall be subject to and carry the corresponding fraction of liabilities (whether with respect to any unpaid amount thereon, contribution, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without limitation, voting and participation rights) and other attributes of a whole Share.
- i) Except as disclosed above, no share or loan capital of the Company has been issued or agreed to be issued and no share or loan capital of the Company is proposed to be issued or is under option or agreed unconditionally to be put under option. As far as the Directors are aware no person, other than the Trust has a direct or indirect interest of 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstance at general meetings of the Company. All Shares shall be redeemed on the Third Redemption Date, except in respect of those Existing Issued Shares for which Shareholders have accepted the Company's offer to have their Existing Issued Shares retained in the Company. All Shares in respect of which the Company's offer, to retain Shares in relation to the Fourth Offering was not accepted, shall be redeemed by the Company on the Third Redemption Date.
- j) To the extent that the holders of the Existing Issued Shares elect not to continue to remain invested in the Company pursuant to the offer described in the paragraph above, the Shares not redeemed on the Third Redemption Date shall be redeemed on the Fourth Redemption Date, unless the holders of the Shares that were retained in the Company elect to continue to remain invested in the Company pursuant to a subsequent offer by the Company made prior to the Fourth Redemption Date. With regard to redemption arrangements prior to the relevant Redemption Date, refer to Section Four "Sale Arrangements and Redemptions" in this Prospectus.
- k) The rights attached to each class are identical so the rights may only be altered, abrogated or varied with the consent in writing of the holders of not less than three-fourths of the issued Shares of both classes or with the sanction of a Special Resolution of the holders of the Shares of both classes.
- l) The Company may also be wound up in accordance with the Law.
- m) There have been no changes to the share capital since the Third Offering.
- n) The Directors will not use their authority to issue or allot any shares in addition to the Shares to any Investor unless that has been approved by a special resolution of the Shareholders.

5. Options or Preferential Rights in Respect of Shares

There are no provisions of Guernsey law which confer pre-emption rights on existing Shareholders on the allotment of equity securities for cash. No person has, or is entitled to be given, an option to subscribe for Shares.

6. Commissions or Distribution Fees Paid

Should a Distributor be appointed, it shall be entitled to the fees as set out below.

Annual fee of the Distributors

An annual fee of 0.60% calculated on that portion of the Company's Funds that is derived from the aggregate of subscription amounts subscribed for by Shareholders introduced by the Distributor (as reduced by any redemptions of such Shares prior to the Redemption Date) will be payable to the Distributor in terms of the relevant Distribution Agreement. If any Debt Issuer does not exercise its Call Option on the applicable First Call Date, then the fee shall reduce to 0.15% per annum for the period subsequent to such First Call Date.

These fees are independent of any transfer fees payable on sales as described in Section Four "Sale Arrangements and Redemptions" in this Prospectus.

Front end fee

The Distributor is entitled to an amount not exceeding 2% (plus South African value added tax where applicable) of the aggregate of subscription amounts subscribed for by Shareholders introduced by the Distributor.

7. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since its incorporation and are, or may be, material and will be dated on or around the Fourth Closing Date;

- (a) the Administration Agreement between the Company, the Administrator and the Investment Adviser provides that the appointment of the Administrator will continue until terminated by any party giving to the other not less than a minimum of 3(three) months' notice, although the agreement may be terminated forthwith by notice in writing from any party to the other, where a party goes into liquidation or ceases to be able to pay its debts or breaches its obligations under the agreement (not having remedied such breach within 30 days of notice requiring it to do so) or

where it is no longer lawful for the Administrator to perform its obligations under the agreement or where the Administrator ceases to hold any license or consent necessary for the conduct of its business. The agreement provides that in the absence of fraud, gross negligence or wilful default by the Administrator the Company is obliged to indemnify the Administrator for any losses it suffers in the proper performance of its duties under the agreement (see also the section "Administrator" in Section One in this Prospectus);

- (b) the Investment Adviser Agreement between the Company and the Investment Adviser provides that the appointment of the Investment Adviser will continue until terminated by either party giving to the other not less than 3(three) months' written notice or forthwith in the event of the insolvency of the other party or the breach by the other party of its obligations under the agreement (not having remedied the breach within 30 days of notice requiring it to do so) or where the Investment Adviser ceases to hold any license or consent necessary for the conduct of its business. The agreement provides that, in the absence of fraud, gross negligence, wilful default or breach of the agreement by the Investment Adviser, the Company is obliged to indemnify the Investment Adviser against all costs, actions, claims and expenses, which may be incurred by it or made against it in connection with the agreement.

Inspection of Documents

Copies of the following documents are available for inspection free of charge, for a period of not less than 10 days from the date of this Prospectus at any time during normal business hours on any day, except Saturdays, Sundays and public holidays in Guernsey or Bermuda (as appropriate), and copies of them may be obtained on payment of a reasonable fee, at the registered office of the Company and, also at the offices of the Annual and Listing Sponsor:

- (a) the Memorandum and Articles of Incorporation of the Company;
- (b) the contracts referred to under the heading "Material Contracts" above;
- (c) copies of the most recent annual reports;
- (d) the Law;
- (e) a list of past and present directorships and partnerships held by each Director over the last five years;
- (f) a copy of the Prospectus;
- (g) the written consents required in terms of section 102 of the South African Companies Act; and
- (h) the relevant Board resolution authorising the sign-off of the Prospectus.

The Register of Shareholders of the Company is available for inspection at any time during normal business hours on any day, except Saturdays, Sundays and public holidays in Guernsey, at the offices of the Administrator.

8. Interests of Directors, Investment Adviser and Distributors

Directors

As mentioned in Section One "Directors, Other Office Holders or Third Parties" above: (i) there will be no Directors' emoluments paid and there are no outstanding Directors' emoluments due to be paid at the date of this Prospectus; and (ii) the Directors are indemnified through directors and officers insurance which includes professional indemnity cover for all work undertaken on behalf of the Company.

A Director may own Shares, but there is no requirement that he or she does so. Other than as disclosed in this Prospectus, the Company does not know of any person who, directly or indirectly, has an interest in the Company's capital or voting rights which is notifiable under Guernsey law. None of the Directors has any contract or arrangement existing at the date of this Prospectus in which the Director is materially interested and which is material in relation to the business of the Company, save for as disclosed in this Prospectus and the Administration Agreement.

Investment Adviser interest in Shares

The Investment Adviser and any of its associates may have an interest or position in Shares. The Investment Adviser is not acting for, or advising, or treating as its customer, any other person (unless other arrangements apply between the Investment Adviser and such person) in relation to investment in the Company and will not be responsible for providing to any other person best execution or any other of the protections afforded to its customers.

Distributor interest in Shares

The Distributor may have an interest in the promotion of the Company as it will earn a commission on the Shares subscribed for by Shareholders introduced by the Distributor.

9. Loans and Borrowing Powers

As at the date of this Prospectus the Company has not concluded any loan agreements with any person nor has it created or issued any mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptance or acceptance credits, obligations under finance leases, hire purchase commitments, guarantees or other contingent liabilities.

The Company may borrow up to 10% of the value of the net assets of the Company for temporary purposes to fund short-term liquidity, for the benefit of the Company. It is not however the current intention of the Directors to engage in any borrowing in respect of the Company.

10. Shares Issued or to be Issued Otherwise than from Cash

During the 3(three) years immediately preceding the date of this Prospectus the Company has not issued any securities or agreed to issue any securities other than in cash.

11. Property Acquired or to be Acquired

The Company does not own or intend to acquire any real property.

12. Amounts Paid or Payable to the Investment Adviser and Distributors

The Promoter is not entitled to receive any fees for its role as Promotor. For the services provided as Investment Adviser the Promotor is entitled to receive a fee.

Amounts Paid in AUD to the Investment Adviser and Distributors are described below:

	2018	2019	2020	2021
Investment Adviser	AUD790,362	AUD1,007,385	AUD1,045,584	AUD942,402
Distributors	AUD776,181	AUD1,001,360	AUD1,041,019	AUD938,688

Amounts to be Paid:

The Investment Adviser is entitled to an annual fee as set out in Section One “Investment Adviser”.

Distributors are entitled to the fees set out in Section One “Commissions paid”.

The Administrator is entitled to the fees set out in Section One “Administrator”.

13. Preliminary Expenses, Issue Expenses and Ongoing Expenses

<i>Annual Expenses</i>	2018	2019	2020	2021
Guernsey Statutory Fees	AUD3,042	AUD3,060	AUD3,349	AUD3,103
Guernsey Licence Fees	AUD5,888	AUD6,181	AUD6,719	AUD6,257
Investment Adviser	AUD790,362	AUD1,007,385	AUD1,045,584	AUD942,402
Distributors	AUD776,181	AUD1,001,360	AUD1,041,019	AUD938,688
Administrator	AUD196,952	AUD218,884	AUD220,393	AUD197,826
Auditor	AUD16,374	AUD14,018	AUD15,262	AUD15,101
Bermuda Annual Listing Fee	AUD3,777	AUD4,253	AUD7,621	AUD5,486
Bermuda Annual and Listing Sponsor	AUD5,909	AUD6,603	AUD10,199	AUD9,310

Front end fees

The Distributor is entitled to a front end fee from each Investor, as set out in Section One “Commissions paid”.

Expenses

The Expense Provision will be utilised to meet all expenses of the Company for the period from the Fourth Closing Date to the Redemption Date. The expenses exclude the annual fees of service providers, but will include the following:

The Company

The Expense Provision will be utilised to meet all the expenses incurred in the operation of the Company including, but not limited to, legal and professional expenses, audit fees, fees for listing the Shares on the Bermuda Stock Exchange, printing and distribution expenses, including costs of producing certificates of ownership and the annual accounts, expenses of holding Shareholders’ and Directors’ meetings, taxes, duties, penalties, government charges, banking fees, printing, posting and dispatching of contract notes, annual filing fee and exempt company fee.

Issue of Shares

The Expense Provision will be utilised to meet the costs, charges, expenses and commissions payable in respect of issuing the Shares.

Initial and Ongoing Expenses

The Expense Provision is utilised to meet the payment or reimbursement of the initial expenses (including the launch fee for the Fourth Offering), the ongoing expenses and any other expenses of the Company as the same become payable by the Company from time to time. Such ongoing expenses will include, without limitation, fees payable to the Administrator for the winding up of the Company, such fees to be agreed in writing with the Investment Adviser covering the time reasonably spent by the Administrator.

Any surplus or shortfall of the Expense Provision will be attributed to or borne by the ordinary Shareholders of the Company. This would be pro-rata and effected on redemption. If necessary, any shortfall will be provided for using an interim loan facility approved by the Directors.

The Company is responsible for all its operating expenses including, without limitation, Directors' expenses, legal costs, bank charges, Auditor's remuneration and expenses, costs of dealing in the assets of the Company, interest on any borrowings effected by the Company, the fees of the GFSC and the costs and expenses of the preparation, printing and, where applicable, distribution or publishing of certificates, tax vouchers, warrants, proxy cards, contract notes, this Prospectus and annual financial statements and all other documents in connection with the Company.

Share Transfer and Redemption Fees

Fees payable on the transfer or redemption of Shares prior to the Redemption Date are described more fully under the Section Four "Sale Arrangements and Redemptions" in this Prospectus.

Fees Payable Annually

Annual Fee of the Investment Adviser

The annual fee payable to the Investment Adviser is set out in Section One "Investment Adviser".

Annual fee of the Administrator

The annual fee payable to the Administrator is set out in Section One "Administrator".

Annual fee of the Distributors

The annual fee payable to the Distributor is set out in Section One "Commissions paid".

Summary of Fees Payable Annually

Administrator	first year fee of 0.13% followed by 0.11% per annum thereafter
Investment Adviser	0.60% per annum and reduced to 0.15% per annum if the Call Option of any Debt Instruments is not exercised on the applicable First Call Date
Distributors	0.60% per annum and reduced to 0.15% per annum if the Call Option of any Debt Instruments is not exercised on the applicable First Call Date

SECTION TWO: INFORMATION ABOUT THE OFFERED SECURITIES

14. Purpose of the Offer

(a) Introduction

The Company was incorporated in Guernsey as a non-cellular company limited by shares on 19 May 2008. It is a closed-ended investment company. Its issued share capital, with the exception of 10 Management Shares issued for administrative reasons, will consist entirely of Shares, being A Class Shares and B Class Shares. Shareholders who have not made an election to retain their Existing Issued Shares pursuant to the Company's offer, will have their Shares redeemed on the Third Redemption Date. To the extent that the holders of the Existing Issued Shares elect to continue to remain invested upon such offer, shareholders whose Shares were not redeemed on the Third Redemption Date will be redeemed on the Fourth Redemption Date unless pursuant to a further offer by the Company they elect to remain invested in the Company subsequent to the Fourth Redemption Date.

A minimum of five (5) Shares per Investor (subject to the Minimum Subscription Amount) are offered from the Fourth Opening Date specified to the Fourth Closing Date. Shares are offered until the Fourth Closing Date at a price equal to the EIS Price or the equivalent thereof in AUD.

The Company's Memorandum provides that the Company's objects are unrestricted.

(b) Investment Policy and Objective

In the Investment Adviser's opinion, uncertain recent worldwide economic conditions and low yields have created demand from Investors for investments that provide capital preservation and growth potential in a relatively stable currency.

The investment objective of the Company is to provide the Investor with a unique equity-linked investment with a USD **principal preservation** together with any potential growth in the return, if held until the Call Option has been exercised by the Debt Issuer, or, if the Call Option has not been exercised by the Debt Issuer, until maturity of the Debt Instruments, provided that, if the Debt Instruments are credit-linked, no Credit Event has occurred.

The Company's Memorandum does not restrict the investment policy or the investment of the Company's assets.

(c) Investment Criteria

Investment decisions will be made by the Board advised by the Investment Adviser and will reflect the long-term investment objective.

(d) Capital Preservation

A percentage of the Company's Funds will be invested in the Debt Instruments. The AUD funds to be invested will be converted to USD at the spot rate on the Trade Date. The Debt Instruments will be issued by the Debt Issuer.

The percentage of the Company's Funds invested in the Debt Instruments will be determined so that the amount received by the Company at the end of the Investment Period in USD will be equal to at least 100% of the Company's Funds in USD, should there have been no default by the Debt Issuer and provided that, if the Debt Instruments are credit linked, no Credit Event in respect of a Reference Entity has occurred. Should a Credit Event occur in relation to a Reference Entity, then the aggregate nominal amount of the Debt Instruments will be reduced in accordance with the following formula:

$$Y = X - Z$$

where Y is the reduced aggregate nominal amount of the Debt Instruments

X is the aggregate nominal amount of the Debt Instruments prior to the occurrence of the applicable Credit Event

Z is the Proportionate Recovery Percentage

The amount equal to the Proportionate Recovery Percentage will be paid to Shareholders as dividends, or be reinvested, as the Directors may deem appropriate, acting on the advice of the Investment Adviser.

Investors' attention is drawn to the "Risks associated with the Debt Instruments" in Section Four.

The example below is on the assumption that the exchange rate between AUD and USD on Trade Date will be the same on the maturity of the investment in the Debt Instruments.

USD

a)	Gross subscription monies received pursuant to this Prospectus	110,000,000
b)	Less: Front End Fees (up to 2%)	<u>(2,200,000)</u>
		<u>107,800,000</u>
c)	Plus: Aggregate EIS Price retained by existing Shareholders	<u>10,000,000</u>
	Company's Funds equals (a - b) + c	117,800,000

If the Call Option is not exercised by any Debt Issuer on the First Call Date, then the Company may declare and pay dividends as described under the Section "Dividends" in this Prospectus.

(e) Upside Linked To Equity

The balance of the Company's Funds available for investment after the investment in the Debt Instruments will be invested in an Equity Linked Investment(s). The Equity Linked Investment(s) will be issued by an Equity Investment Provider(s) to be selected by the Investment Adviser. The Equity Investment Provider(s) will have a long-term credit rating of at least A (Standard & Poors) on the Trade Date and the Equity Linked Investment(s) will be invested in Equity Exposure. The final index level will be the average of the monthly closing Index levels, over a period to be decided by the Investment Adviser on the Trade Date, being a period not exceeding 12 months immediately prior to the exercise date of the Equity Linked Investment(s). The Equity Linked Investment(s) will be effected under appropriate contractual arrangements to reflect the transaction between the Equity Investment Provider(s) and the Company. The Equity Linked Investment will provide at least 100% participation in any positive performance of the index/indices up to the First Call Date, but capped at a maximum of 40% above the initial index level.

Investors' attention is drawn to the risk factors set out in Section Four "Risk Factors" in this Prospectus.

(f) Changes to Investment Objective, Investment Policy, Borrowings and Investment Criteria

The Board may resolve to change the Investment Objective, Investment Policy, Borrowings or Investment Criteria of the Company by amending, supplementing or reissuing this Prospectus. However there is no current intention to make any changes during the life of the Company. Any proposed change must first be approved by a special resolution of the Shareholders.

(g) Aggregate Minimum Subscription

This offer is subject to a minimum aggregate of 5,000 Shares being (i) subscribed for pursuant to this Prospectus, and the listing of such Shares on the Bermuda Stock Exchange, and/or (ii) retained by Shareholders of Existing Issued Shares who made an election not to have their Shares redeemed, failing which the offer will terminate.

15. Time and Date of the Opening of the Offer and the Closing of the Offer

This subscription is open for a fixed offer period only at a date as the Directors may decide. This period runs from the Fourth Opening Date, anticipated to be [8 September] 2022 or an earlier date as determined by the Directors, provided the Prospectus has been registered with the CIPC by this date, until the Fourth Closing Date, being [2 December] 2022 (or such later date as the Directors may decide, but not later than [13 December] 2022). Only fully completed applications received by the Fourth Closing Date, with cleared funds in the Company's nominated account, will be acceptable for investment (this is the offer deadline).

16. Particulars of the Offer

This Prospectus is issued in relation to an offer for subscription of Shares in the Company. A Class Shares and B Class Shares, in an aggregate of 200 000 Shares, will be offered to existing Shareholders in the Company and to new Investors, at the EIS Price per Share or the equivalent thereof in USD. The Directors will issue and allot Shares such that the maximum aggregate issue amount of such issue and allotment, together with the aggregate EIS Price of the Existing Issued Shares that have not been redeemed on the Third Redemption Date, is equal to or more than the Aggregate Minimum Subscription. The exact amount will be known after the closing date of the offering and would be notified to the CIPC.

The offer is not underwritten.

Any subscription monies remaining after a whole number of Shares has been issued will not be returned to the applicant and instead fractions of Shares will be issued. Fractions of a Share shall be issued to three decimal places and shall carry the corresponding proportion of rights, liabilities and other attributes of the whole Shares.

Any company or companies in the Investec Group shall be entitled but not obliged to subscribe for any number of Shares.

The Company has not issued any securities during the three years immediately preceding the date of this Prospectus.

In the event of termination of this Offer, all subscription amounts already received by the Company in respect of the offer shall be returned to the Investors as soon as possible, but in any event not later than 20 Business Days following such termination, through electronic funds transfer into an account in the name of the relevant Investor only, without interest and less any bank charges.

Neither the delivery of this Prospectus nor any application made in connection herewith shall, under any circumstances, constitute a representation or create any implication that the information herein is correct as of any time subsequent to the date hereof.

Although application will be made for the Shares to be listed on the Bermuda Stock Exchange, this does not imply a commitment by any member firm of the Bermuda Stock Exchange to make a market in the Shares. In view of the specialised nature of the Company, it is unlikely that third parties will make an active market in the Shares. It is not proposed to list the Shares on any other stock exchange.

No copy of this Prospectus has been registered in any jurisdiction other than in Bermuda, Guernsey and South Africa in connection with the issue of Shares. No person receiving a copy of this Prospectus in any territory may treat the same as constituting an invitation to him to purchase or to subscribe for Shares, unless in the relevant territory such an invitation could lawfully be made to him without compliance with any registration or other legal requirements.

The contents of this Prospectus are not to be construed as a recommendation or advice to any Investor in relation to the subscription, purchase, holding or disposition of Shares and Investors should consult their professional advisers accordingly.

17. Minimum Subscription

Subscription for Shares

The Directors have determined that the aggregate minimum amount raised under the offer must equal the Aggregate Minimum Subscription multiplied by the EIS Price or the equivalent thereof in USD, as the case may be.

The subscription price per Share will be equal to the EIS Price or the USD equivalent thereof, however subscriptions for investment may not be less than AUD16,000 for Class A Shares or USD11,000 for Class B Shares, provided that the Directors may, at their sole discretion, accept applications for less than the Minimum Subscription Amount, where the shortfall is minimal. Should Investors subscribe for the Shares in any currency other than in AUD or USD then such monies shall be converted to AUD or USD upon receipt by the Guernsey bankers. The procedure for the subscription of Shares is as described under the "Applications" section below.

The Company may accept any application from an Investor, subject to the Employee Retirement Income Security Act of 1974 as amended or Section 4975 of the Internal Revenue Code of 1986, as amended.

Payment for Shares must be made as set out in the Procedure for Application. It is the Investor's responsibility to ensure funds are received by the Company in its nominated bank account prior to the offer deadline. Any interest earned on the subscription account will be for the benefit of the Company.

A contract note is issued to each successful Investor detailing the amount invested, the issue price and number of Shares issued, within twelve Business Days after the Trade Date.

The Distributor (if any) will be entitled to a commission on the subscription of Shares by parties it has introduced as set out in Section One "Commissions Paid".

The Company will not purchase any real property out of the proceeds of the issue.

The Company has not borrowed any money to pay for the commission to the Distributor.

The working capital of the Company is the Expense Provision that will be utilised to meet all the expenses incurred in the operation of the company including, but not limited to, legal and professional expenses, audit fees, public relations fees, for listing the Shares on the Bermuda Stock Exchange, printing and distribution expenses, including costs of producing certificates of ownership and the annual accounts, expenses of holding Shareholders' and Directors' meetings, taxes and duties, penalties, government charges, banking fees, printing, posting and dispatching of contract notes, annual filing fee and exempt company fee.

18. Applications

An Investor who wishes to apply for Shares must obtain an Application Form from the Distributor or Administrator. The Investor must complete the Application Form in accordance with the instructions printed thereon and send the original signed Application Form to the Investment Adviser as soon as possible.

Both the original signed Application Form and the subscription monies must be received by the Company, by the offer deadline being the Fourth Closing Date.

The fully completed original Application Form, together with an original certified copy of identity, an original certified copy of your utility bill and any other required due diligence or tax documentation must be received by the Investment Adviser, but it is the Administrator who shall confirm that the documentation is acceptable. The subscription monies should be placed into the Company's nominated bank account prior to the Fourth Closing Date. Any monies received in a currency other than AUD or USD, as the case may be, will be converted to AUD or USD, as the case may be, at the prevailing spot rate available to the Company at the date of receipt of said monies.

Banking details or any further information with regard to the Application Form, may be requested from either the Administrator or the Investment Adviser, using the details below.

Administrator: Sanne Fund Services (Guernsey) Limited

Address:

PO Box 296, Sarnia House
Le Truchot, St Peter Port
Guernsey, Channel Islands
GY1 4NA

Telephone +44 1481 737 600 Fund Admin

Email Address baskets@praxisifm.com

Investment Adviser: Investec Bank Limited

Address:

36 Hans Strijdom Avenue
Cape Town
8001

Telephone +27 11 291 3092 Admin Team

Email Address SPSupport@investec.co.za

When making the payment, Investors should ensure that the deposit reference is in the name of the Investor. Failure to do so, may result in Investors funds being returned to the remitting bank. Neither the Administrator, Investment Adviser, the Company nor Investec Bank (Channel Islands) will accept responsibility for incorrectly referenced payments which will result in non-allocation of funds, nor will they be held liable should any consequential loss occur. **Failure to remit the correct currency may result in funds being returned at investors own cost, which may also result in FX or currency loss.**

Payments must come from the account in the name of the Investor/s. No third party payments will be accepted.

An application will not be valid unless all the above requirements have been fulfilled.

Investor undertakings

By completing and delivering an Application Form together with payment in full for the Shares applied for, each Investor agrees with the Company as follows:

- (a) the Directors shall be entitled to accept or refuse any application in whole or in part, in such manner as they may in their sole and absolute discretion decide;
- (b) the Company shall be entitled to scale down applications and to reject applications in whole or in part. In such case application monies will be returned to applicants by electronic transfer into the account specified by the applicant in the Application Form without interest, less any applicable banking fees;
- (c) any application shall be irrevocable and any payment will be honoured on first presentation (and cleared before closing date);
- (d) the application and any issue of Shares are made on and subject to the terms and conditions of this Prospectus, the Application Form and the Articles;
- (e) the application for Shares is based solely upon the information in this Prospectus and no other information or representation has been relied upon;
- (f) any monies returned to the applicant will be net of bank charges and will not include any interest which may have been earned while the Company held such monies;
- (g) all risks in respect of the method of payment will be borne solely by the Investor;
- (h) accounts and notices from the Company will be sent by email and the applicant shall provide a valid email address for this purpose;

- (i) the Company shall be notified, by the applicant, in writing of any change in registered address, email or bank account details; and
- (j) the Company makes no representations nor gives any warranties or undertakings with regard to the suitability of any investment in the Shares or the accuracy of this Prospectus and potential Investors should obtain independent legal, tax, accounting, investment and other relevant advice when contemplating any investment in the Company.

SECTION THREE: STATEMENTS AND REPORTS RELATING TO THE OFFER

19. Statement as to the Adequacy of Capital

The Directors are of the opinion that, subject to the Aggregate Minimum Subscription being met, the issued capital of the Company is adequate for the purposes of the business for at least 12 months from the date of this Prospectus.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted, and accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions.

This Prospectus does not constitute and may not be used for the purposes of an offer or solicitation by any person in any jurisdiction (i) in which such offer or solicitation is not authorised or (ii) in which the person making such offer or solicitation is not qualified to do so or (iii) knowingly, to any person to whom it is unlawful to make such offer or solicitation.

The Company is an authorised closed-ended investment company pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended and the Rules.

The GFSC and the States of Guernsey takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed regarding it.

If you are in any doubt about the contents of this Prospectus you should consult your accountant, legal or professional adviser or financial adviser. The Directors have taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects as at the date of this Prospectus, and that there are no other facts the omission of which would make misleading any statement in the Prospectus, whether of facts or of opinion. All the Directors accept responsibility accordingly. It should be remembered that the price of the Shares and any income from them can go down as well as up.

The Administrator shall comply with relevant anti-money laundering guidelines applicable in Guernsey from time to time including the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), the Handbook for Financial Services Business on Countering Financial Crime and Terrorist Financing (as amended) and associated laws, regulations, rules and guidelines.

Persons interested in acquiring the Shares should inform themselves as to:

- (a) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for acquiring, holding, disposing or redemption of the Shares;
- (b) any foreign exchange restriction or exchange control requirements which they might encounter on acquisition, holding, disposal or redemption of the Shares or on receipt of any dividend received in respect of the Shares; and
- (c) the taxation consequences which might be relevant to the acquisition, holding, disposal or redemption of the Shares or any dividend received in respect of the Shares;

Copies of this Prospectus and Application Form may be obtained from the applicable Distributor, the Investment Adviser, or from the Administrator.

The Administrator's contact details are as follows:

Telephone number	+44 1481 737 600 Fund Admin
Email Address	baskets@praxisifm.com

20. Report by Directors as to Material Changes

The Directors report that there have been no material changes to the assets or liabilities of the Company since the latest financial year end and the date of this Prospectus.

21. Statement as to Listing on Stock Exchange

It is the intention to retain the listing of the A Class Shares and the B Class Shares on the Bermuda Stock Exchange, subject to the Aggregate Minimum Subscription being satisfied.

This Prospectus includes particulars given in compliance with the listing regulations of the Bermuda Stock Exchange for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, 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 herein misleading.

The Bermuda Stock Exchange takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

22. Report by Directors (Where Business Undertaking to be Acquired)

As at the Last Practicable Date, the Company has not identified any business undertaking which it will purchase directly or indirectly from the proceeds of the issue of the Shares or from any part of such proceeds, or from any other funds.

23. Report by Directors (Where the Company will Acquire a Subsidiary)

As at the Last Practicable Date, no part of the proceeds of the issue of the Shares, whether directly or indirectly, will be used in a manner that results in the acquisition by the Company of securities of any other juristic person, with the direct or indirect result that the other juristic person will become a subsidiary of the Company.

24. Report by the Auditor of the Company – 30 September 2021 Financial Statements

The audited financial statements of the Company are reported on by the Auditor to the Shareholders, as a body in accordance with section 262 of the Law. The audit is undertaken so that the Auditor might state to the Shareholders those matters that are required to state to them in an auditor's report and for no other purposes. To the fullest extent permitted by Law, the Auditor does not accept or assume responsibility to anyone other than the Shareholders, as a body, for audit work, for the report, or the opinions formed by the Auditor.

The audited historical information of the Company for the financial year ended 30 September 2021 is presented in Annexure A.

A copy of the Independent Auditor's Report to the Shareholders of the Company as at 30 September 2021 is included in Annexure A.

No dividends have been paid by the Company.

25. Report by Directors of the Company

The Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Company and of the profit and loss of the Company for the audited period. The Directors collectively and individually confirm their understanding of their responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure the financial statements comply with the Law. The Directors acknowledge their responsibility for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SECTION FOUR: ADDITIONAL INFORMATION

26. General

The Articles give powers to the Directors to require the transfer or compulsory repurchase of Shares in a number of specified circumstances, as set out in the Articles.

Redemptions of Shares prior to the relevant Redemption Date are wholly at the discretion of the Company's Directors. Any request for redemption may be refused in whole or in part. (See Section Four "Redemption Arrangements prior to the Redemption Date" in this Prospectus).

Any information given, or representation made, by any dealer, salesman or other person which is not contained in this Prospectus (or any document expressed to be an addendum or supplement to this Prospectus) or any accompanying report(s) should be regarded as unauthorised and should accordingly not be relied upon.

All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles of the Company, copies of which are available for inspection as described under "Inspection of Documents" in Section Seven "Material Contracts" of this Prospectus.

27. Sale Arrangements and Redemptions

Transfer/Sale Arrangements

The Investment Adviser has agreed to use its reasonable endeavours to make a market in the Shares on a matched basis. In order to assist this process the Trust has declared its willingness to purchase Shares (although the Trust is not obliged to do so).

If a Shareholder wishes to sell his Shares, there are provisions to do so at the discretion of the Directors. Upon receipt of a request to sell Shares and assuming normal market conditions the Directors expect that a Shareholder that wants to sell Shares will be able to do so at any time prior to the Redemption Date. The Distributor will immediately notify the Investment Adviser and the Investment Adviser will inform the Administrator that a client wishes to sell his Shares. Should a Distributor have a client that wants to purchase the Shares, the Distributor will notify the Investment Adviser of the price that its client is willing to pay for the Shares.

No sale of less than 5 Shares per transaction will be permitted, nor any disposal as a result of which a Shareholder will hold less than 5 Shares in the Company, except where a Shareholder disposes of all his Shares.

A seller of Shares wishing to accept the price offered by a purchaser must complete a share transfer form available from the Investment Adviser. Upon receipt of an original signed Application Form and the required due diligence from the buyer of the Shares the Administrator shall have 10 Business Days to effect the sale.

The Administrator shall be entitled to an administration fee of £150 for facilitating the cash flow of the sale per Shareholder transaction effected through the Company account or client money account. This fee shall be deducted by the Administrator from the proceeds due to the seller. Any proposed increase in this fee is subject to negotiation with the Investment Adviser. The sale proceeds, less applicable fees agreed at the time of sale, will be paid by the Administrator to the relevant Shareholder. **In line with Guernsey regulatory requirements the Administrator will not make any third-party payments.**

The Administrator shall not be liable to a seller of Shares for any failure on the part of the buyer of the Shares to make payment of the sale proceeds to the Administrator timeously or at all.

All other transfers of Shares effected by the Administrator will be free of charge but no transfer of Shares will be effected without an original completed Share transfer form, signed by the seller of the Shares and this must be received by the Administrator.

Transfers of Shares may be restricted and Shares may become subject to compulsory repurchase in certain circumstances if, *inter alia*, new Investors would cause the Company an economic, tax or regulatory disadvantage.

In the case of all transfers and sales, the Administrator will effect payments by electronic transfer into the account specified by such Shareholder in the original Application Form or the Share transfer form, as the case may be. **It is the Shareholder's responsibility to ensure the receiving account accepts the specified currency and that the nominated account accepts all telegraphic transfers. All currency exchange risk is borne by the Shareholder. The Administrator will not make any third-party payments.**

Redemption Arrangements prior to the Redemption Date

It should be noted that prior to the applicable Redemption Date there is no entitlement in favour of Shareholders to have their Shares redeemed by the Company. Redemptions on a date other than a Redemption Date are wholly at the discretion of the Directors and any request for redemption may be refused in whole or in part. No redemption shall be permitted unless the Directors are satisfied that they have complied with all applicable law, including but without limitation, satisfaction of the solvency test as required by the Law. Should Director consent be granted, and assuming normal market conditions,

a portion of the Company's assets will be realised in a manner determined by the Directors as may be required to enable it to effect such redemptions at a fair market price less any costs incurred by the Company in relation to the sale of the assets by the Company to effect such redemption.

If the Directors consent to a redemption prior to the Redemption Date, the Administrator must receive all required documentation and this must be completed correctly. Upon receipt of all completed documents, the Administrator will have 10 Business Days to effect the redemption. Redemption proceeds less applicable fees agreed at the time of redemption will be paid by the Administrator to the relevant Shareholder into the account specified in the original Application Form or in the redemption instruction, subject to the Shareholder accepting the offered price. It is the Shareholder's responsibility to ensure the receiving account accepts the specified currency and that the nominated account accepts all telegraphic transfers. All currency exchange risk is borne by the Shareholder. The Administrator will not make any third-party payments.

Unless a redemption request specifies a particular number of Shares to be redeemed, it will be deemed to apply in respect of the total holding of the relevant Shareholder.

Prior to the applicable Redemption Date no redemption of less than 5 Shares will be permitted except where a redemption request applies in respect of the total holding of the relevant Shareholder.

All redemptions of Shares prior to the applicable Redemption Date will be subject to a settlement and registration fee of up to 1.25% of the total value of the applicable transaction of which 0.75% of the total value of the applicable transaction is payable to and for the account of the Investment Adviser and 0.5% of the total value of the applicable transaction is payable to and for the account of the Administrator. This fee will be deducted by the Administrator from the redemption proceeds due to the applicable Shareholder.

Redemption Policy

Subject to their overall discretion, the Directors have determined to operate the following policy in respect of redemptions:

- (b) Redemption of the Shares which are the subject of a redemption request shall take place at the redemption price agreed to between the relevant Shareholder and the Company;
- (c) No redemptions prior to the applicable Redemption Date will be approved by the Directors where in the opinion of the Directors the redemptions may be prejudicial to the Company or other Shareholders;
- (d) No redemptions prior to the applicable Redemption Date will be approved by the Directors where such redemption would render the Company insolvent;
- (e) No redemptions prior to the applicable Redemption Date will be approved by the Directors where such redemption would or might leave the Company with insufficient funds to meet any future contemplated obligations or contingencies.

Redemption on the Redemption Date

To the extent that Shareholders have not elected to retain their Existing Issued Shares pursuant to an offer by the Company, the Shares shall be redeemed on the applicable Redemption Date, subject to the Debt Issuer and the counterparty(ies) having fulfilled all its/their repayment obligations in respect of the Debt Instruments and the Equity Linked Investment(s), as the case may be. Should such repayments not have been made, then the redemption may be deferred until all obligations have been met.

The redemption price of each Share shall be reviewed by the Auditor, acting in a reasonable manner and in accordance with market practice, which price shall represent the Fair Market Value per Share.

No settlement and registration fees will be payable in respect of redemptions effected on the applicable Redemption Date. The Administrator will pay the redemption proceeds to the relevant Shareholder, by no later than 10 Business Days after the Redemption Date, by electronic transfer into an account in the name of the Shareholder provided that all due diligence is in order and sufficient bank account details have been received by the Administrator. In the event that the redemption proceeds cannot for any reason be paid to the relevant Shareholder by telegraphic transfer within 10 Business Days after the Redemption Date, the money will be transferred to the Trust which will hold it until claimed by the relevant Shareholder or until three years after the applicable Redemption Date, whichever is the earlier, and if not claimed by the Shareholder on such date, then it will be paid to a registered charitable institution in Guernsey.

Valuation of Assets

One of the factors that may influence the price of a Share will be the value of the underlying investments of the Company. To assist Shareholders and parties interested in investing in the Shares in assessing potential returns on the Shares, the Investment Adviser will value the Company's assets on the first Business Day of each month at fair market price and notify the Administrator of the Fair Market Value per Share. This valuation will be based on the price of the Debt Instruments determined by the Investment Adviser in good faith and on the price of the Equity Linked Investment(s) supplied by the Equity Investment Provider(s) in relation to the investments made by the Company. Valuations will be made available to Shareholders and interested parties on the website <https://www.sannegroup.com/online-services/investec-basket-information/>.

Temporary Suspension of Valuation, Issue, Redemption and Transfer of Shares

The Directors may, from time to time, temporarily suspend both the calculation and valuation of the underlying investments of the Company and the issue, redemption and transfer of Shares in any of the following instances:-

- (a) in any period during which any market in which a significant portion of the underlying investments are currently quoted or traded is closed, other than for customary holidays and weekends, or during which dealings therein are restricted or suspended; or
- (b) when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of the underlying investments is not reasonably practicable without being seriously detrimental to the interests of Shareholders or if, for reasons of illiquidity or other constraints on realisation of underlying investments, monies to meet redemption proceeds are not immediately available or if, in the opinion of the Directors, redemption prices cannot fairly be calculated; or
- (c) in the case of a breakdown in the means of communication normally employed in determining the price of the underlying investments or other assets or when for any other reason the current prices on any market or stock exchange or any assets of the Company cannot be promptly and accurately ascertained; or
- (d) if the Company is unable to repatriate assets required for the purpose of making payments on the redemption of Shares or during any period in which the transfer of assets involved in the realisation or acquisition of underlying investments or payments due on the redemption of Shares cannot, in the opinion of the Directors, be effected at normal prices nor normal rates of exchange.

Notice of any such suspension and notice of the determination of any such suspension shall be given to Shareholders if in the opinion of the Directors it is likely to exceed five Business Days and will be notified to applicants for Shares or to Shareholders requesting the redemption of Shares at the time of application or filing of the written request for such redemption. Where the Shares of the Company are listed on a recognised stock exchange, notice of any such suspension and notice of the determination of any such suspension shall be given immediately to the recognised stock exchange. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

28. Conflicts of Interest

The Company and the Investment Adviser may place orders and otherwise transact business with or through any company within the Investec Group. In addition, any cash of the Company may be deposited with the Investec Group or invested in certificates of deposit or banking instruments issued by the Investec Group. Banking and similar transactions may also be undertaken with or through any such company.

There will be no obligation on the part of the Investment Adviser or any other company within the Investec Group to account to the Company or Shareholders for any benefits so arising and any such benefits may be retained by the relevant party provided that such transactions are in compliance with the Rules, carried out as if effected on normal commercial terms negotiated at arm's length and are consistent with the best interests of Shareholders and:

- (a) a certified valuation of such transaction by a person approved by the Directors as being independent and competent has been obtained; or
- (b) such transaction has been executed on best terms on an organised investment exchange in accordance with the rules of such investment exchange; or
- (c) where compliance with (a) or (b) is not practical, such transaction has been executed on terms which the Directors and Administrator are satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and are consistent with the best interests of Shareholders.

Any company within the Investec Group may deal in Shares as principal or on an agency basis and retain any benefits so arising.

The Investment Adviser may, in the course of its respective businesses, have conflicts of interests with the Company. Should a conflict of interest actually arise, the Directors and the Investment Adviser will use their best endeavours to ensure that it is resolved fairly.

In allocating investment opportunities between its clients, the Investment Adviser will at all times act in the best interests of its clients (including the Company) and will allocate investment opportunities in a manner it considers fair and reasonable.

The Investment Adviser when selecting brokers or dealers to execute transactions must solicit competitive bids and has an obligation to seek the lowest available commission cost.

Interests of the Directors, if any, are set out in Section One "Interests of Directors, Investment Adviser and Distributors" in this Prospectus and the Articles specify circumstances in which a Director may or may not vote in relation to a matter in which he may be interested.

29. Taxation

Introduction

The following summary of the anticipated tax treatment in Guernsey applies to persons holding Shares as an investment. The summary does not constitute legal or tax advice and is based on what is understood to be current taxation law and published practice at the date of this Prospectus. Investors should be aware that the level and bases of taxation may change from those described and should consult their own professional advisers on the implications of making an investment in, holding or disposing of, Shares under the laws of the countries in which they are liable to taxation.

Guernsey

(i) *The Company*

The Company has been granted exemption from liability to income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 as amended ("**Exempt Bodies Ordinance**") by the Director of the Revenue Service in Guernsey for the current year. 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 per applicant, provided the applicant qualifies under the applicable legislation for exemption. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify for exempt company status for the purposes of Guernsey taxation.

As an exempt company, the Company is and 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 Company will only be liable to tax in Guernsey in respect of income arising or accruing in Guernsey, other than from a relevant bank deposit.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties (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).

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

(ii) *Shareholders*

In the case of Shareholders who are not resident in Guernsey for tax purposes, distributions can be paid to such shareholders without giving rise to a liability to Guernsey income tax, nor will the Company be required to withhold Guernsey tax on such distributions.

Shareholders who are 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. Provided the Company maintains its exempt status, there would currently be no requirement for the Company to withhold tax from the payment of a distribution to such Shareholders and will only be required to provide the Director of the Revenue Service such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of the 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.

The Director of the Revenue Service can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in Shares, with details of the interest.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties (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).

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

(iii) *FATCA and similar measures*

Pursuant to US Internal Revenue Service ("**IRS**") regulations, the Company and its tax advisers hereby inform you that: (i) any tax advice contained herein is not intended and was not written to be used, and cannot be used by any taxpayer, for the purposes of avoiding penalties that may be imposed on the taxpayer; (ii) any such advice was written to support the promotion or marketing of the Shares described in this Prospectus; and (iii) each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

The Company is registered for FATCA under GIIN Y5PB24.99999.SL.831. Under FATCA and legislation enacted in Guernsey to implement the US-Guernsey IGA, 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 or citizens of the United States, unless a relevant exemption applies. 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 Company. The Company will be required to report this information each year in the prescribed format and manner as per local guidance. If the Company does not comply with these obligations, it could be subject to a 30% withholding tax ("**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 from certain non-US financial institutions to the extent attributable to US source payments. The US-Guernsey IGA is implemented through Guernsey's domestic legislation in accordance with guidance that is published in draft form.

Under the US-Guernsey IGA, securities that are "regularly traded" on an established securities market are not considered financial accounts and are not subject to reporting. The Bermuda Stock Exchange may not qualify as an "established securities market" for these purposes. In any event, a Share will not be considered "regularly traded" and will be considered a financial account if the Shareholder is not a financial institution acting as an intermediary. Such Shareholders will be required to provide information to the Company to allow it to satisfy its obligations under FATCA. Shareholders that own Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under FATCA.

Common Reporting Standard

On 13 February 2014, the Organisation for Economic Co-operation and Development released the 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 also 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, certain disclosure requirements will be imposed in respect of certain Shareholders who are entities that are controlled by one or more natural persons who may be residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. Certain due diligence obligations will 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 Company. The Company 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 local guidance that is supplemented by guidance issued by the Organisation for Economic Co-operation and Development.

Under the CRS, there is currently no reporting exemption for securities that are "regularly traded" on an established securities market. Shareholders that own Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under the CRS.

If the Company 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 Company could be subject to the imposition of financial penalties, and in the case of the US-Guernsey IGA, FATCA Deductions. While the Company will seek to satisfy its obligations under the US-Guernsey IGA and the CRS as implemented in Guernsey in order to avoid the imposition of any FATCA Deductions or any financial penalties under Guernsey law, the ability of the Company 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 Shares (if any). There can be no assurance that the Company will be able to satisfy such obligations.

The Company reserves the right to request from any Shareholder or potential investor such information as the Company 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.

All Investors should consult with their own tax advisers regarding the possible implications of FATCA, the CRS and any other similar legislation and/or regulations on their investment in the Company.

Investor Taxation

As the investment is in the Shares of the Company, the taxability of returns will depend on the nature and status of each Investor. If any Investor is in any doubt about the taxation consequences of acquiring, holding, disposing, transferring or redeeming of the Shares, he should seek advice from his own independent professional adviser.

South African tax residents will be taxed in South Africa under current South African tax regulation on any dividends and other returns received by them from the Company.

30. Dividend Policy

The Company may pay dividends. The Directors will consider declaring a dividend if such dividend appears to be justified by the financial position of the Company. Any dividends paid will only be paid in line with the policy of the Bermuda Stock Exchange, the Articles and the Law and be paid in the currency of the Shares held by the applicable Shareholder.

31. Risk Factors

Attention is drawn to the following specific risk factors:-

Making an investment carries a level of inherent risk. Investors should carefully consider the risks associated with investing in the Company and seek professional advice before making any decision to invest in the Company. Set out below are some of the potential risks which should be considered in determining whether an investment in Shares is a suitable investment. The risk factors set out below are not, and are not intended to be, a complete list of all the risks relevant to a decision to purchase or hold the Shares. There may be other risks that an Investor should consider that are relevant to their own particular circumstances or more generally.

a) Suitability of Investment

Investors are not to construe the contents of this Prospectus as investment, tax, business or legal advice. Prior to offering to acquire Shares, an Investor should consult with his own legal, business and tax advisers to determine the appropriateness and consequences of an investment in the Company.

An investment in the Company is only suitable for Investors who appreciate the risks involved, which may include the loss of their entire investment. An investment in the Company is not suitable for Investors who may wish to realise their investment at short notice.

Investors should make their own independent decision to invest in the Shares and as to whether an investment in the Shares is appropriate or proper for them based upon their own judgment and upon advice from such advisers as they may deem necessary. Investors should not rely on any communication (written or oral) of the Company, the Investment Adviser or any of their affiliates or their respective directors, officers or agents as investment advice or as a recommendation to invest in the Shares, it being understood that information and explanations relating to the Shares will not be considered to be investment advice or a recommendation to invest in the Shares. No communication (written or oral) received from the Company, the Investment Adviser or any of their affiliates or their respective directors, officers or agents will be deemed to be an assurance or guarantee as to the expected results of an investment in the Shares.

b) Counterparty and Credit Risk

There is credit risk on the Debt Issuer, each Reference Entity (if the Debt Instruments are credit linked) and the Equity Investment Provider(s). The bankruptcy, refusal to pay or any other default by any such party(ies) may cause the value of such investment of the Company to be reduced or to become zero, which may adversely affect the Share price or cause the Shares to become worthless.

Shareholders should be aware that any such breach or default by any party in relation to an investment made by the Company may adversely affect the ability of the Company to meet its investment objectives.

If any of the Company's investments are terminated early for any reason the Directors will take such steps as they, in their sole discretion, consider practicable in order to enable the Company to achieve its investment objectives. There can be no assurance that this will be possible.

If the Debt Instruments are credit linked and should a Potential Failure to Pay have occurred, then the Termination Date shall be postponed to determine whether the Potential Failure to Pay will be cured or whether a Credit Event has occurred.

c) Litigation Risk

Investment in the Company involves certain risks normally associated with investment in equity securities, which includes for example the risk that a party may successfully litigate against the Company, which may result in a reduction in the assets of the Company. The Directors are not aware of any pending litigation against the Company.

d) Failure to Achieve Investment Objective

There can be no assurance that the Company will achieve its investment objective.

e) Restricted Liquidity in Shares

The Directors do not expect an active secondary market to develop in the Shares and an investment in the Company is therefore only appropriate for Investors who are prepared to commit their investment on a medium to long term basis for at least five years.

Shares carry no rights for the holder to require the Company to redeem the Shares prior to the relevant Redemption Date or repurchase Shares, although the Directors have the power to repurchase or request the transfer of Shares and the Trust has indicated its willingness to buy Shares which Shareholders wish to sell (although it is not obliged to do so).

In the event that a Shareholder wishes to sell all his Shares, the Administrator will endeavour to facilitate the redemption of the relevant Shares to the Trust. The Shares will be listed on the Bermuda Stock Exchange but the Directors do not expect that an active secondary market will develop.

f) Investors

Whilst investment in the Company can offer the potential for higher than average returns it also involves a correspondingly higher degree of risk and is only considered appropriate for Investors who can afford to take that risk, which may include the risk of the loss of the entire investment. An Investor must have extensive knowledge and experience in financial and business matters and be capable of evaluating such merits and risks. Each Investor represents, as part of his application for Shares, that he satisfies these criteria and that he is acquiring the Shares for investment.

g) Tax and Regulatory Changes

The tax consequences to the Company and to Shareholders (in respect of both levels and bases of taxation), the ability of the Company to repatriate its assets (including any income and profit earned on those assets) and other operations of the Company are based on regulations which are subject to change through legislative, judicial or administrative action in the jurisdictions in which the Company, the Administrator and the Investment Adviser, or their affiliates operate.

Any change in legislation or judicial or administrative action in the jurisdictions in which the Debt Issuer and/or Equity Investment Provider(s) or their affiliates operate may adversely affect the Company's investments in that the Debt Issuer and/or the Equity Investment Provider(s) may effect an early termination/redemption of the Debt Instruments and/or the Equity Linked Instrument(s) or adjust the pricing of the Debt Instruments and/or the Equity Linked Instrument(s).

h) Exchange Rate Risk

The A Class Shares are denominated in AUD. All the Company's investments will be made in USD. Any Investor who anticipates a return in a currency other than USD will bear the risk of an adverse change in the exchange rate between USD and that other currency and any resultant reduction in the value of the investment when denominated in that other currency. Investors' attention is drawn to the fact that the A Class Shares are denominated in AUD but all the investments of the Company that provides capital preservation will be denominated in USD. Should the AUD strengthen against the USD, then the capital preservation that is envisaged may not be effective in AUD.

i) Lack of Liquidity of Investments

The investments may be illiquid, difficult to value and subject to legal and other restrictions on transfer. There can be no assurances that the Company will be able to liquidate a particular interest at the time and on the terms it desires or that the Debt Issuer will call the Debt Instrument. The investments made by the Company as described in this Prospectus will be medium to long term and of an illiquid nature. The acquisition of Shares in the Company should be regarded as a medium to long-term investment, as the value of the Company's assets prior to the maturity of the Company's investments (described under Section Two "Purpose of the Offer" in this Prospectus) may be significantly less and the price of the Shares may accordingly be adversely affected.

j) Risks associated with investments linked to an Index

Performance of an index may be adversely affected by the volatility in the prices of a small number of indices included within the index. Where there is no positive growth of the index over the Investment Period then the Equity Linked Investment(s) will expire without any value and the Company shall receive no return (including, for the avoidance of doubt, that portion of the Company's Funds invested in the Equity Linked Investment(s)).

k) **Risks associated with the Debt Instruments**

If the Debt Instruments are subordinated debt instruments that rank as tier 2 capital of the Debt Issuer in terms of applicable law or regulations (“the Regulations”):

- the Debt Issuer is not entitled to exercise the Call Option, or to redeem the Debt Instruments, without the prior written approval of the applicable regulator;
- if the Debt Issuer is placed into liquidation or is wound-up, be subordinated to the claims of depositors and all creditors in respect of the obligations (the **Senior Obligations**) of the Debt Issuer that are expressed to rank senior to the obligations of the Debt Issuer under the Debt Instruments;
- If the Debt Issuer is wound-up or put into liquidation, voluntarily or involuntarily, the Company as a holder of the Debt Instruments will not be entitled to any payments of principal or interest in respect of the Debt Instruments until the claims of depositors and all the creditors in respect of Senior Obligations which are admissible in any such winding-up or liquidation have been paid or discharged in full. If the Debt Issuer does not have sufficient assets at the time of winding-up or liquidation to satisfy its Senior Obligations, then the Company as a holder of the Debt Instruments will not receive any payment in respect of the Debt Instruments;
- In addition, the rights of the Company as a holder of the Debt Instruments are limited in certain respects. In particular, if the Debt Issuer defaults on a payment of any amount due on Debt Instruments and has failed to remedy that breach within the remedy period stipulated in the Debt Instruments, the Company as holder may only institute proceedings for the winding-up of the Debt Issuer (and/or prove a claim in any winding-up of the Debt Issuer) but take no other action in respect of that default. Only if an order of court is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Debt Issuer will the Company as a holder of the Debt Instruments be able to declare (upon written notice) the Debt Instruments immediately due and payable;
- Furthermore, there is no restriction on the amount of securities or indebtedness which the Debt Issuer may issue or incur which rank senior to, or *pari passu* with, the Debt Instruments. The issue of any such securities or indebtedness may reduce the amount recoverable by the Company as holder of the Debt Instruments on a winding-up, liquidation or curatorship of the Debt Issuer
- Accordingly, although the Debt Instruments may pay a higher rate of interest than comparable instruments which are not subordinated, there is a risk that the Company as holder of the Debt Instruments may lose all or some of its investment should the Debt Issuer become insolvent;
- Pursuant to the Regulations, the Debt Instruments contain a provision to the effect that, at the option of the relevant regulatory authority, such instruments must be written off, in part or in total, upon the occurrence of a trigger event as described below, The trigger event (**Non-Viability Event**) is the earlier of: (1) a decision that a write-off, without which the issuing bank would become non-viable, is necessary, as determined by the relevant regulatory authority; and (2) the decision to make a public sector injection of capital, or equivalent support, without which the issuing bank would have become non-viable, as determined by the relevant regulatory authority;
- The possibility of Write Off means that the Company as a holder of the Debt Instruments may lose some or all of its investment. The exercise of any such power by the relevant regulatory authority or any suggestion of such exercise could materially adversely affect the price or value of an investment in the Debt Instruments and/or the ability of the Debt Issuer to satisfy its obligations under the Debt Instruments
- Write-Off of the Debt Instruments will only occur to the extent deemed by the relevant regulator as necessary to ensure that the Debt Issuer is viable, as specified in writing by the relevant regulator. Accordingly, any write-off of the Debt Instruments will generally be effected to ensure compliance with these minimum requirements only
- Upon the occurrence of a Non-Viability Event (as defined above), the Debt Instruments will be cancelled (in the case of a write-off in whole) or written-off in part on a pro rata basis (in the case of a write-off in part) in accordance with the Regulations relating to Banks
- Further to such cancellation or Write-Off, the Company as a holder of the Debt Instruments will no longer have any rights against the Debt Issuer with respect to any amounts cancelled or written off and the Debt Issuer shall not be obliged to pay compensation in any form. Furthermore, any such cancellation or write-off will not constitute an event of default or any other breach of the Debt Issuer's obligations under the Debt Instruments;
- The occurrence of a Non-Viability Event is therefore inherently unpredictable and depends on a number of factors, many of which are outside of the Debt Issuer's control
- The First Call Date, will be five years after issue date of the Debt Instruments, if the Debt Issuer exercises the Call Option in accordance with its terms. Investors should note that, if the Debt Instruments are **subordinated** debt instruments, the maturity date of the Debt Instruments is ten years after the issue date of the Debt Instruments, if the Debt Issuer did not exercise the Call Option in accordance with its terms;

- If, for any reason, the subordinated Debt Instruments are cancelled or redeemed prior to its scheduled maturity date and the proceeds (if any) are received and retained by the Company, the Company will then invest the proceeds (if any) in other debt instruments. In this regard Investors should take note of the counterparty and Credit Risk factors described in (b) above. There can be no assurance, upon the early cancellation or redemption of the Debt Instruments, or if any Write-Off occurs under the Debt Instruments, that the Company will have sufficient funds to redeem or repurchase all of the Shares in full

If an event of default occurs in respect of the Debt Issuer, then the Debt Instrument may terminate prior to its scheduled maturity date at a value that is less than the value that it would have been at its scheduled maturity date. Assuming that early termination occurs and the early termination proceeds (if any) are received by the Company, then the Company will invest the early termination proceeds (if any) in another debt instrument. In this regard Investors should take note of the Counterparty and Credit Risk Factors described above. There can be no assurance, upon the early termination of the Debt Instruments, that the Company will have sufficient funds to redeem all of the Shares in full.

The First Call Date will be five years after the issue date of the Debt Instruments. The Debt Issuer is then entitled to exercise its Call Option in accordance with its terms. Investors should note that, if the Debt Instruments are **senior** debt instruments, the maturity date of the applicable Debt Instruments will be six years after the issue date of the Debt Instruments, if the Debt Issuer did not exercise its Call Option in accordance with its terms.

If, for any reason, a senior Debt Instrument is cancelled or redeemed prior to its First Call Date and the proceeds (if any) are received and retained by the Company, the Company will then invest the proceeds (if any) in other debt instruments. In this regard Investors should take note of the counterparty and Credit Risk factors described in (b) above. There can be no assurance, upon the early cancellation or redemption of the Debt Instruments, that the Company will have sufficient funds to redeem or repurchase all of the Shares in full.

l) Fixed Income Investment

The percentage of the Company's Funds that needs to be invested in the Debt Instrument with the intention of providing capital preservation to Investors will be dependent on market conditions and may therefore exceed 75% of the Company's Funds and consequently a reduced amount may be invested in the Equity Linked Investment(s).

m) Forward Looking Statements and Forecasts

To the extent that this Prospectus contains forward looking statements, (including, without limitation, statements containing the words "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or similar expressions), such forward looking statements involve unknown risk, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company to be materially different from any potential future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, Investors are cautioned not to place any undue reliance on any forward looking statements contained in this Prospectus.

n) Marketing of the Company's Shares

The Directors do not propose to market the Shares, or send this Prospectus, to Investors domiciled or with a registered office in any Member State of the EEA, the UK or the US.

o) Foreign Account Tax Compliance Act

The Company and/or interests in the Company could be subject to the application of the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act 2010, which implemented sections 1471-1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**"). FATCA generally imposes a reporting regime and potentially a 30% withholding tax with respect to certain U.S. 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 ("**Withholdable Payments**"). As a general matter, the rules are designed to require

U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the U.S. Internal Revenue Service ("IRS"). The 30% withholding tax regime can apply if there is a failure to provide required information regarding U.S. ownership.

Generally, the rules will subject all Withholdable Payments received by the Company to 30% withholding tax (including the share that is allocable to non-U.S. persons) unless compliance with the rules by the Company is pursuant to an intergovernmental agreement between the jurisdiction in which the Company is based and the U.S. or the Company enters into an agreement (an "FFI Agreement") with the IRS to provide information, representations and waivers of non-U.S. law as may be required to comply with the provisions of the new rules, including, information regarding its direct and indirect U.S. accountholders.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE COMPANY, INTERESTS IN THE COMPANY AND THE HOLDERS THEREOF IS UNCERTAIN AT THIS TIME. EACH POTENTIAL INVESTOR SHOULD CONSULT THEIR OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND HOW THIS U.S. LEGISLATION MIGHT AFFECT EACH POTENTIAL INVESTOR IN THEIR PARTICULAR CIRCUMSTANCE.

p) US-Guernsey Intergovernmental Agreement

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the US ("US-Guernsey IGA") regarding the implementation of FATCA, under which certain disclosure requirements will be imposed in respect of certain Shareholders in the Company who are, or are entities that are controlled by one or more natural persons who are, residents or citizens of the US, unless a relevant exemption applies. The US-Guernsey IGA has been implemented through Guernsey's domestic legislation, in accordance with guidance that is published in draft form. See "FATCA and similar measures" on for more information.

q) Common Reporting Standard

Guernsey has implemented the "Common Reporting Standard" ("CRS"). Under the CRS, certain disclosure requirements will be imposed in respect of certain Shareholders in the Company who 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. The CRS is implemented through Guernsey's domestic legislation in accordance with guidance that is published in draft form and which is supplemented by guidance issued by the Organisation for Economic Co-operation and Development. See "Common Reporting Standard" for more information.

r) Request for Information

The Company reserves the right to request from any Investor or potential Shareholder such information as the Company deems necessary to comply with FATCA, any FFI Agreement from time to time in force, the CRS or any obligation arising under the implementation of any applicable intergovernmental agreement, including the US-Guernsey IGA.

s) EU list of non-cooperative tax jurisdictions

On 5 December 2017 the EU Member States released their first agreed common list of non-cooperative tax jurisdictions as part of the EU's work to fight tax evasion and avoidance (the "common list"). The common list aims to assess jurisdictions against agreed criteria for good governance, including in relation to tax transparency, fair taxation, the implementation of BEPS and substance requirements for zero-tax jurisdictions. The list has been updated on a number of occasions since its inception. There are also lists of jurisdictions who have agreed to commit to address various concerns by certain deadlines (the "commitments list"). Guernsey was included on the commitments list in relation to economic substance. In December 2018, Guernsey passed legislation regarding substance requirements and this legislation came into force on 1 January 2019. On 12 March 2019 the EU Council confirmed that Guernsey had met its commitments to introduce economic substance legislation. Guernsey has now been removed from the commitments list and remains off the common list.

A jurisdiction's inclusion on the common list may result in EU Member States imposing both tax and non-tax defensive measures against entities that are present in that jurisdiction. These could include measures such as increased monitoring and audits, withholding taxes, special documentation requirements and anti-abuse provisions. It should be understood that a relevant jurisdiction's inclusion on the common list may have an adverse impact on any companies that are connected with that jurisdiction. If countermeasures such as these were to be applied to any jurisdiction in which the Company is resident or operates there could be tax implications and/or additional compliance requirements for the structure which could reduce returns to investors in the Company or result in other adverse tax consequences. Based upon the

activities of the Company, it is expected that economic substance requirements in Guernsey may apply to the Company with effect from on or around 1 October 2020 as the Company is a regulated investment company which does not have an external manager.

t) General Data Protection Regulation

The deadline for compliance with the EU's General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR") was 25 May 2018. Guernsey has implemented provisions substantially similar to the GDPR into its own domestic law through the Data Protection (Bailiwick of Guernsey) Law, 2017 (the "Guernsey DP Law"). The GDPR and Guernsey DP Law enhance existing data subject rights of EU and the Bailiwick of Guernsey residents respectively, and increase obligations on data controllers and data processors, including certain data controllers outside of the EU and the Bailiwick of Guernsey. The full effect of how GDPR and the Guernsey DP Law will be implemented and the consequences of implementation are not yet known, but they are highly likely to result in additional legal and regulatory obligations on the Company and its service providers. Penalties for breaching the GDPR and the Guernsey DP Law are more severe than under preceding laws relating to privacy and data protection.

The factors mentioned above are not comprehensive and there may be other risks that relate to or may be associated with an investment in the Company.

32. Accounting Policy, Financial Statements and Reports

Accounting Policy

The audited statutory financial statements of the Company will be prepared in accordance with International Financial Reporting Standards ("IFRS") and with the Law.

The next financial year will end on 30 September 2023.

Financial Statements and Reports

The Accounting Period of the Company is from 1 October to 30 September in respect of each year. Electronic copies of audited financial statements will be sent to Shareholders at their registered email address. Audited financial statements will not be posted other than pursuant to receipt by the Administrator of a specific written or emailed request. The annual report will be published within six months of the end of the annual Accounting Period. Annual accounts will also be available through personal log on at the Administrator's Website <https://www.sannegroup.com/online-services/investec-basket-information/>.

which will be issued to new Shareholders.

The Company may declare and pay dividends (although it is not expected the Company will pay any dividends). Any dividends paid will only be paid in line with the policy of the Bermuda Stock Exchange and the Law. Please refer to "Dividends" section in this Prospectus and be paid in the currency of the Shares in respect of which the dividends are being paid.

Litigation and Arbitration

At the date of this Prospectus the Company is not involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration since incorporation.

Contract Notes

Contract notes are issued to all Shareholders. The register of Shareholders will be maintained at the office of the Administrator.

Miscellaneous

- (a) The Company does not have a place of business in the United Kingdom or South Africa.
- (b) Copies of all material contracts are held by the Administrator (or its nominated agent) on behalf of the Company.
- (c) The Company does not have any hedging powers.

- (d) The preliminary expenses and good will of the Company will not be amortised and no expenses will be written off by the Company.
- (e) Any dispute resulting from this Prospectus will be governed by the laws of the Island of Guernsey.

General

- (a) The Company does not have and does not expect to have, nor has it since its incorporation had, any employees.
- (b) The Company is responsible for all its operating expenses including, without limitation, Directors' expenses, legal costs, bank charges, Auditor's remuneration and expenses, costs of dealing in the assets of the Company, interest on any borrowings effected by the Company, the fees of the GFSC and the costs and expenses of the preparation, printing and, where applicable, distribution or publishing of certificates, tax vouchers, warrants, proxy cards, contract notes, this Prospectus and annual financial statements and all other documents in connection with the Company.
- (c) The Company may be subject to withholding tax on distributions received in respect of its investments, which withholding tax may not be recoverable.
- (d) No share or loan capital of the Company has been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash.
- (e) Save as disclosed in this Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company nor has any prior right been granted to a distribution or the profits or assets of the Company.
- (f) Save as disclosed in this Prospectus, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any Share or loan Capital.
- (g) As at the date of this Prospectus the Company has neither any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptance or acceptance credits, obligations under finance leases, hire purchase commitments, guarantees or other contingent liabilities.
- (h) All consents, approvals, authorisations or other orders of all regulatory authorities (if any) required by the Company under the laws of Guernsey for the offering of the Shares, for the Administrator to undertake its obligations under the Administration Agreement and for the establishment and management of the Company have been given.
- (i) Annual reports of the Company will be sent to the Company Announcements Office of the Bermuda Stock Exchange within 6 months of the end of the period to which they relate.

The Shares are offered and will be issued pursuant to a resolution of the Directors dated on or about the date of this Prospectus and as provided for in the Articles.

EAST ASIAN GROWTH BASKET LIMITED

Annual Report and Financial Statements

For the year ended 30 September 2021

EAST ASIAN GROWTH BASKET LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS GENERAL INFORMATION

DIRECTORS: J Lewis
D Stephenson
K Lancaster-King (appointed 20 August 2021)
C Hickling (resigned 20 August 2021)

**ADMINISTRATOR, SECRETARY,
CUSTODIAN AND REGISTRAR:** Praxis Fund Services Limited
Samia House
Le Truchot
St Peter Port
Guernsey
GY1 1GR

INVESTMENT ADVISER: Investec Corporate and Institutional Banking
36 Hans Strijdom Avenue
Foreshore
Cape Town 8001
South Africa

REGISTERED OFFICE: Samia House
Le Truchot
St Peter Port
Guernsey
GY1 1GR

AUDITOR: Grant Thornton Limited
PO Box 31
Lefebvre House
Lefebvre Street
St Peter Port
Guernsey
GY1 3TF

BANKERS: Investec Bank (Channel Islands) Limited
PO Box 188
Gategny Court
Gategny Esplanade
St Peter Port
Guernsey
GY1 3LP

COMPANY REGISTRATION NO: 44743

EAST ASIAN GROWTH BASKET LIMITED

REPORT OF THE DIRECTORS

For the year ended 30 September 2021

The Directors present the annual report and the audited financial statements ("the financial statements") of East Asian Growth Basket Limited ("the Company") for the year ended 30 September 2021.

Principal Activity

The principal activity of the Company is that of a limited life investment holding company.

The Company is a Guernsey Authorised closed-ended investment company and is subject to the Authorised Closed-Ended Investment Scheme Rules 2008. The Company is listed on the Bermuda Stock Exchange.

Going Concern

Under the terms of the Company's prospectus, and subject to exercise of the option to redeem on the part of the issuer of the Company's debt investment (the likelihood of which is considered to be high), the life of the Company is due to terminate on 30 June 2022. At the Company's Annual General Meeting in January 2022, shareholders will be asked to approve a special resolution to extend the life of the Company for a further period from the Company's current termination date, and to authorise the Directors to seek to raise additional capital through a secondary fund raising. Should shareholders not approve the resolution, or should insufficient capital be raised for the proposed new investment term, the Company will terminate on 30 June 2022 and its shares be redeemed. However, in the view of the Directors, the likelihood of the resolution being passed, and of sufficient capital being raised, and therefore the Company continuing in existence beyond 30 June 2022, is extremely

The Board notes that the Covid-19 pandemic has had a significant disruptive impact on economies and financial markets worldwide, and has undertaken an assessment of the continuing effects that the pandemic may have on the Company's ability to operate as a going concern.

The Board considers that the Covid-19 pandemic will not have a significant impact on the Company's ability to continue as a going concern, for the following reasons:

- The Company is closed-ended, as a result of which the Board has the power to decline requests to redeem shareholdings if it believes that such redemptions are not in the best interests of the Company;
- Should the Board agree to a redemption, it would be offered to the investor at a price that the assets can be redeemed in the market. The Company itself would not be exposed to any losses that may arise;
- The Company is less exposed to the risk of widespread investor sell-off, because of the defensive nature of the Company's investment profile. Other than through default or insolvency of the debt provider, investors will be aware that a key element of the Company's investment strategy is to provide capital protection, therefore limiting their exposure to falls in the markets of the kind that are currently being experienced; and
- Since the reporting date, the Board has received no enquiries, either directly or via the Investment Adviser, from investors wishing to redeem their shareholdings at any other time other than at the predetermined planned date of redemption.

As a result of the above considerations, and as the Company has sufficient working capital and adequate resources to continue in operations and meet its liabilities as they fall due for the foreseeable future, the Directors have determined that these financial statements should be prepared on a going concern basis.

Results and Dividends

The Statement of Comprehensive Income is set out on page 9. The Directors do not propose a dividend for the year (2020: Nil).

Directors

The Directors of the Company during the year and to the date of this report are detailed below.

Janine Lewis

David Stephenson

Keri Lancaster-King (appointed 20 August 2021)

Chris Hickling (resigned 20 August 2021)

EAST ASIAN GROWTH BASKET LIMITED

REPORT OF THE DIRECTORS (continued) For the year ended 30 September 2021

Directors' and Other Interests

Janine Lewis is a Director of the Company and a director of Praxis Fund Services Limited ('PFSL'), the Company's Administrator, Secretary, Custodian and Registrar, David Stephenson is a Director of the Company and an employee of PFSL, Keri Lancaster-King is a Director of the Company and a director of PFSL, and Chris Hickling served as a Director of the Company until his resignation on 20 August 2021 and is a director of Praxis Fund Holdings Limited, the immediate parent company of PFSL. Janine Lewis, Chris Hickling, David Stephenson and Keri Lancaster-King are shareholders in PraxisIFM Group Limited, the ultimate parent company of PFSL.

During the year, no Director had any beneficial interest in the shares of the Company.

No Director of the Company, nor Investec Corporate and Institutional Banking ('ICIB'), the Investment Advisor to the Company, holds any right, either contingent or otherwise, to subscribe for shares in the Company.

Details of fees paid to PFSL and ICIB during the year are contained in notes 5, 9 and 17 to these Financial Statements.

No fees were paid to the Directors by the Company during the year.

Historical Results

The results and assets and liabilities of the Company for the last 5 years are as follows:

	Total Assets	Total Liabilities	Total Comprehensive Income
Year ended 30 September 2021	AUD 223,168,263	AUD 232,688	AUD 35,900,523
Year ended 30 September 2020	AUD 187,233,688	AUD 198,636	AUD 8,796,975
Year ended 30 September 2019	AUD 187,233,688	AUD 198,636	AUD 8,796,975
Year ended 30 September 2018	AUD 165,509,143	AUD 55,539	AUD 22,673,017
Year ended 30 September 2017	AUD 142,798,183	AUD 17,596	AUD 163,205

Investment Portfolio

The Company's investment portfolio comprises the following investments:

	Percentage of portfolio	Cost AUD	Carrying Value AUD
Investec Bank Limited Unsecured Subordinated Callable Notes	66.3%	111,345,981	146,431,414
Goldman Sachs Call Option	33.7%	20,833,392	74,527,442
		<u>132,179,373</u>	<u>220,958,856</u>

Investec Bank Limited and Goldman Sachs are providers of financial services.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with The Companies (Guernsey) Law, 2008.

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of the profit or loss for the financial year.

EAST ASIAN GROWTH BASKET LIMITED

REPORT OF THE DIRECTORS (continued)

For the year ended 30 September 2021

Statement of Directors' Responsibilities (continued)

Under that law, the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable appropriate accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008 and with The Protection of Investors (Bailiwick of Guernsey) Law, 1987. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware;
- each Director has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information; and
- the financial statements give a true and fair view and have been prepared in accordance with International Financial Reporting Standards, with The Companies (Guernsey) Law, 2008 and with The Protection of Investors (Bailiwick of Guernsey) Law, 1987.

Auditor

On 27 November 2020, Saffery Champness GAT LLP merged its business into Grant Thornton Limited and the Directors approved a proposal from Saffery Champness GAT LLP to novate the existing letter of engagement to Grant Thornton Limited. Grant Thornton Limited have expressed their willingness to continue in office and a resolution to re-appoint them as auditor to the Company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

Janine Lewis

Director

6 December 2021

INDEPENDENT AUDITOR'S REPORT

to the members of East Asian Growth Basket Limited

Opinion

We have audited the financial statements of East Asian Growth Basket Limited (the "Company") which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial statements framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of the Company's profit for the year then ended;
- are in accordance with IFRSs as adopted by the IASB; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements which states that under the terms of the company prospectus, the life of the Company is due to terminate on 30 June 2022. As stated in Note 2, these events or conditions, along with other matters as set out in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the Company was unable to continue as a going concern.

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

to the members of East Asian Growth Basket Limited (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

The key audit matter	How the matter was addressed in our audit
<p>Valuation of financial assets at fair value through profit or loss (2021: AUD74.5 million, 2020: AUD43.5 million)</p> <p>As at 30 September 2021, 33% of the carrying value of the Company's total assets were represented by investment at fair value through profit or loss.</p> <p>There is a risk that errors in the calculation of the investment value using designated inputs may occur and due to the financial significance of the investment balance, small errors in calculation or input factors could have a material misstatement on the reported value.</p> <p>Fair value is calculated using prices published on Bloomberg by the instrument issuer or other appropriate valuation models at the reporting date.</p> <p>The key inputs to the valuation are the notional value and the published prices per Bloomberg.</p> <p><i>Refer to the Accounting policies in Note 2 of the financial statements.</i></p>	<p>Our audit procedures consisted of:</p> <ul style="list-style-type: none"> • Updating our understanding of the processes, policies and methodologies, and controls in relation to the valuation and measurement of the financial asset at fair value; • Assessing whether the accounting policy of the Company relating to the valuation of investment at fair value, is in line with the requirements of IFRS as issued by the IASB and consistently applied; • Agreeing key inputs to the valuation of all investments at fair value through profit or loss to independently sourced confirmations or publicly available information; • Recalculating the value of the investment from the independently verified key inputs; • Reviewing Management's decisions regarding the selection of valuation methods and data used when deriving at the fair value of the financial asset; • Comparing the valuation to reported to valuations derived from possible alternative valuation methods; and • Assessed the calculations and inputs for evidence of management bias. <p>Our result</p> <p>No material misstatements were noted as a result of our audit work on the valuation of financial assets at fair value through profit or loss.</p>

INDEPENDENT AUDITOR'S REPORT

to the members of East Asian Growth Basket Limited (continued)

Other information in the Annual Report

The directors are responsible for the other information. The other information comprises the information included in the annual report and audited financial statements, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the Company's Financial Statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibility Statement set out on page 4, directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRSs as issued by the IASB and applicable law, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

to the members of East Asian Growth Basket Limited (continued)

Auditor's responsibilities for the audit of the financial statements

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jeremy Ellis.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton Limited

Chartered Accountants
St Peter Port
Guernsey

6 December 2021

EAST ASIAN GROWTH BASKET LIMITED

STATEMENT OF COMPREHENSIVE INCOME For the year ended 30 September 2021

	Notes	Year ended 30 Sept 2021 AUD	Year ended 30 Sept 2020 AUD
INCOME			
Interest income	6	8,131,982	8,638,696
GAINS ON INVESTMENTS			
Net gains on investments at fair value through profit or loss	7	30,139,202	13,883,543
Realised loss on disposal of investments at amortised cost	8	-	(42,001)
		38,271,184	22,480,238
Operating expenses	9	(2,074,351)	(2,350,465)
Foreign exchange gains		14,578	18,374
PROFIT FOR THE YEAR		36,211,411	20,148,147
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified to profit or loss</i>			
Foreign exchange translation losses		(310,888)	(11,351,172)
Total other comprehensive loss for the year		(310,888)	(11,351,172)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		35,900,523	8,796,975
Earnings per share			
Basic and diluted earnings per A Class share	10	366.83	204.11
Basic and diluted earnings per B Class share	10	366.83	204.11

EAST ASIAN GROWTH BASKET LIMITED

STATEMENT OF FINANCIAL POSITION At 30 September 2021

	Notes	2021 AUD	2020 AUD
NON-CURRENT ASSETS			
Investments at fair value through profit or loss	7	74,527,442	43,563,132
Investments at amortised cost	8	146,431,414	139,235,899
		220,958,856	182,799,031
CURRENT ASSETS			
Trade and other receivables	11	1,534,856	1,667,001
Long-term deposits		-	2,145,929
Cash and cash equivalents		674,551	621,727
		2,209,407	4,434,657
CURRENT LIABILITIES			
Trade and other payables	12	(232,688)	(20,882)
NET CURRENT ASSETS		1,976,719	4,413,775
NON-CURRENT LIABILITIES			
Trade and other payables	12	-	(177,754)
NET ASSETS		222,935,575	187,035,052
CAPITAL AND RESERVES			
Share capital	13	1,259	1,259
Share premium	14	137,098,070	137,098,070
Retained earnings	15	73,673,544	37,462,133
Translation reserve	16	12,162,702	12,473,590
EQUITY SHAREHOLDERS' FUNDS		222,935,575	187,035,052
Number of fully paid Class A AUD shares		13,656.435	13,656.435
Number of fully paid Class B USD shares		84,225.997	84,225.997
Net Asset Value per Class A AUD share		AUD 2,277.59	AUD 1,910.81
Net Asset Value per Class B USD share		USD 1,646.01	USD 1,368.50

The financial statements were approved by the Board and authorised for issue on 6 December 2021 and signed on its behalf by:

Janine Lewis
Director

EAST ASIAN GROWTH BASKET LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2021

	Management	A and B Class			Translation	Total
	Shareholders	Shareholders				
	Share Capital	Share Capital	Share Premium	Retained earnings	reserve	
	AUD	AUD	AUD	AUD	AUD	AUD
<i>Year ended 30 September 2020</i>						
At 30 September 2019	10	1,259	138,370,642	17,770,856	23,824,762	179,967,529
Net profit for the year	-	-	-	20,148,147	-	20,148,147
<i>Other comprehensive income</i>						
Foreign exchange translation gains	-	-	-	-	(11,351,172)	(11,351,172)
Total comprehensive income	-	-	-	20,148,147	(11,351,172)	8,796,975
<i>Transactions with owners</i>						
Redemption of shares (notes 13,14,15,16)	-	(10)	(1,272,572)	(456,870)	-	(1,729,452)
At 30 September 2020	10	1,249	137,098,070	37,462,133	12,473,590	187,035,052
<i>Year ended 30 September 2021</i>						
Net profit for the year	-	-	-	36,211,411	-	36,211,411
<i>Other comprehensive income</i>						
Foreign exchange translation losses	-	-	-	-	(310,888)	(310,888)
Total comprehensive income	-	-	-	36,211,411	(310,888)	35,900,523
At 30 September 2021	10	1,249	137,098,070	73,673,544	12,162,702	222,935,575

EAST ASIAN GROWTH BASKET LIMITED

STATEMENT OF CASH FLOWS

For the year ended 30 September 2021

	Notes	Year ended 30 Sept 2021 AUD	Year ended 30 Sept 2020 AUD
Profit for the year		36,211,411	20,148,147
Adjustments for:			
Interest income	6	(8,131,982)	(8,638,696)
Interest expense	9	4,360	43,360
Net gains on investments at fair value through profit or loss	7	(30,139,202)	(13,883,543)
Net losses on disposal of investments at amortised cost	8	-	42,001
Decrease in trade and other receivables		132,145	31,448
Increase in trade and other payables		31,118	6,681
Net cash outflow from operating activities		(1,892,150)	(2,250,602)
Cash flows from investing activities			
Bank interest		9,697	133,781
Disposals of investments held at fair value through profit or loss	7	-	370,280
Disposals of investments at amortised cost	8	-	1,442,988
Transfer from long-term deposits		2,145,929	885,729
Net cash inflow from investing activities		2,155,626	2,832,778
Cash flows from financing activities			
Payments for redemptions of shares		-	(1,729,452)
Net cash outflow from financing activities		-	(1,729,452)
Increase/(decrease) in cash and cash equivalents for the year		263,476	(1,147,276)
Cash and cash equivalents at the beginning of the year		621,727	2,059,412
Foreign exchange translation losses		(210,652)	(290,409)
Cash and cash equivalents at the end of the year		674,551	621,727

EAST ASIAN GROWTH BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

1. GENERAL INFORMATION

East Asian Growth Basket Limited ("the Company") is a company incorporated and domiciled in Guernsey under The Companies (Guernsey) Law, 2008. The address of the registered office is given on page 3. The principal activity of the Company and its operations are detailed on page 4. These financial statements are presented in Australian Dollars (AUD). The functional currency of the Company is US Dollars (USD).

2. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements of the Company, have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements comply with IFRS as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments measured at fair value.

Going concern

Under the terms of the Company's prospectus, and subject to exercise of the option to redeem on the part of the issuer of the Company's debt investment (the likelihood of which is considered to be high), the life of the Company is due to terminate on 30 June 2022. At the Company's Annual General Meeting in January 2022, shareholders will be asked to approve a special resolution to extend the life of the Company for a further period from the Company's current termination date, and to authorise the Directors to seek to raise additional capital through a secondary fund raising. Should shareholders not approve the resolution, or should insufficient capital be raised for the proposed new investment term, the Company will terminate on 30 June 2022 and its shares be redeemed. However, in the view of the Directors, the likelihood of the resolution being passed, and of sufficient capital being raised, and therefore the Company continuing in existence beyond 30 June 2022, is extremely

The Board notes that the Covid-19 pandemic has had a significant disruptive impact on economies and financial markets worldwide, and has undertaken an assessment of the continuing effects that the pandemic may have on the Company's ability to operate as a going concern.

The Board considers that the Covid-19 pandemic will not have a significant impact on the Company's ability to continue as a going concern, for the following reasons:

- The Company is closed-ended, as a result of which the Board has the power to decline requests to redeem shareholdings if it believes that such redemptions are not in the best interests of the Company;
- Should the Board agree to a redemption, it would be offered to the investor at a price that the assets can be redeemed in the market. The Company itself would not be exposed to any losses that may arise;
- The Company is less exposed to the risk of widespread investor sell-off, because of the defensive nature of the Company's investment profile. Other than through default or insolvency of the debt provider, investors will be aware that a key element of the Company's investment strategy is to provide capital protection, therefore limiting their exposure to falls in the markets of the kind that are currently being experienced; and
- Since the reporting date, the Board has received no enquiries, either directly or via the Investment Adviser, from investors wishing to redeem their shareholdings at any other time other than at the predetermined planned date of redemption.

As a result of the above considerations, and as the Company has sufficient working capital and adequate resources to continue in operations and meet its liabilities as they fall due for the foreseeable future, the Directors have determined that these financial statements should be prepared on a going concern basis.

Adoption of new and revised standards

There were no new standards adopted by the Company during the year that had a material effect on the financial statements.

EAST ASIAN GROWTH BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

2. PRINCIPAL ACCOUNTING POLICIES (continued)

New, revised and amended standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been issued by the IASB but are not effective for the year ended 30 September 2021 and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company's financial statements in future reporting periods.

Financial assets - classification

Under IFRS 9, the classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristic of those financial assets.

The Company has determined that it has two distinct business models, as follows:

(i) To invest in a holding of Investec Bank Limited Callable Notes (the 'Notes'). Under IFRS 9, financial assets that are debt instruments may be classified as either (a) amortised cost, (b) fair value through other comprehensive income or (c) fair value through profit and loss. The purpose of the Company's investment in the Notes is to collect the contractual cashflows of solely payments of principal and interest arising on maturity, which will provide capital protection for investors in the Company, and accordingly, the Company has determined that this investment should be classified as an investment at amortised cost.

(ii) To invest in an option linked to a basket of indices, in order to provide investors with a potential upside on their investment. Under the terms of IFRS 9, the option is automatically classified as an investment at fair value through profit or loss.

Financial assets - recognition and subsequent measurement

Purchased financial assets are recognised on trade date, being the date on which the Company irrevocably commits to purchase the asset.

All investments are measured initially at fair value net of transaction costs, except where the investment will subsequently be measured at fair value through profit or loss. Transaction costs relating to the acquisition of investments at fair value through profit or loss are expensed as incurred in the Statement of Comprehensive Income.

After initial recognition, the Company's Option investment is measured at fair value through profit or loss ("FVPL"). Fair value is calculated using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the reporting date. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in profit or loss in the statement of comprehensive income as

After initial recognition, the Company's Notes are measured at amortised cost using the effective interest rate method. Interest income from this financial asset is included in profit or loss. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses, including expected credit losses at initial recognition and changes to expected credit losses at each reporting date to reflect changes in credit risk since initial recognition, are presented as a separate line item in profit or loss in the statement of comprehensive income.

All gains or losses are recognised in the period in which they arise.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Liquid resources

Liquid resources comprise cash and cash equivalents and long-term deposits. Cash and cash equivalents comprises bank balances and short term deposits with an original maturity of three months or less. Deposits with an original maturity of greater than three months are classified as long-term deposits.

EAST ASIAN GROWTH BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Trade and other receivables

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Company holds the receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Financial liabilities

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method.

Interest income

Interest income on financial assets at amortised cost is calculated using the effective interest rate method and recognised in profit or loss.

Foreign exchange

Items included in the financial statements of the Company are measured in the currency of the primary economic environment in which the Company operates (the "functional currency"). The Directors have determined that the functional currency of the Company is US Dollars, as it is the currency in which the Company's investments are denominated, the majority of capital raised and in which the majority of the Company's expenses are incurred. For consistency with previous years, the Directors have selected Australian Dollars as the presentation currency of the Company.

Foreign currency assets and liabilities are translated into Australian Dollars at the rate of exchange ruling on the reporting date. Foreign currency transactions are translated into the functional currency of US Dollars at the rate of exchange ruling on the date of the transaction and then translated into Australian Dollars for presentation purposes. Foreign exchange gains and losses relating to the functional currency are recognised in the Statement of Comprehensive Income in the period in which they arise. Differences arising on translation from the functional currency to the presentation currency are recognised in other comprehensive income in the period in which they arise and are taken to the translation reserve.

Expenses

Expenses are accounted for on an accruals basis. All expenses are charged to the Statement of Comprehensive Income, except for expenses incurred in relation to the launch of the Company, which were charged against share premium.

Taxation

The Company is exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and is charged an annual exemption fee of £1,200 (2020: £1,200).

3. SEGMENT REPORTING

The Board of Directors considers that the Company is engaged in a single segment of business, being the holding of investments. The Board considers that it is the Company's Chief Operating Decision Maker.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from such estimates.

EAST ASIAN GROWTH BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate was revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving significant estimates or judgements are:

- Classification of and subsequent measurement basis of financial instruments – see note 2 (Financial assets – classification);
- Determination of the functional currency - see note 2 (Foreign exchange);
- Estimated fair value of financial assets measured at FVPL – see note 7; and
- Impairment of financial assets measured at amortised cost - see notes 8 and 11.

5. SIGNIFICANT AGREEMENTS

The following significant agreements have been entered into by the Company:

Administration, Custodian and Secretarial Agreement

Under the Administration, Custodian and Secretarial Agreement, the Company has agreed to pay or procure to be paid to the administrator, for its services as administrator, secretary, custodian and registrar, a fee of 0.135% (2020: 0.135%) of the Company's funds (as reduced by any redemptions of Ordinary Shares prior to the Redemption Date). In addition the administrator is entitled to receive interest earned by the Company on the unpaid element of the fees. See notes 9, 11, 12 and 17 for details of administration fees and interest paid in the year and balances outstanding at the year end.

Investment Advisory Agreement

Under the Investment Advisory Agreement, the Company has agreed to pay or procure to be paid to the advisor, for its services as advisor, a fee of 0.65% (2020: 0.65%) per annum of the Company's funds (as reduced by any redemptions of Ordinary Shares prior to the Redemption Date, which attract a redemption fee of 0.5% of the value of the redemption). In addition the advisor is entitled to receive interest earned by the Company on the unpaid element of the fees. See notes 9, 11, 12 and 17 for details of investment advisory fees and interest recognised in the year and balances outstanding at the year end.

Distribution Agreement

Under the Distribution Agreement, the Company has agreed to pay or procure to be paid to the distributors a fee of 0.65% (2020: 0.65%) per annum of that portion of the Company's funds that is derived from the subscription amount subscribed for by Subscribers introduced by the distributor (as reduced by any redemptions of such Ordinary Shares prior to the Redemption Date) or holders of existing issued Ordinary Shares introduced by the distributor and who elect to remain invested in the Company (as reduced by any redemptions of such Ordinary Shares prior to the Redemption Date). See notes 9, 11 and 12 for details of distribution fees paid in the year and balances outstanding at the year end. Investec Corporate and Institutional Banking, the Company's investment advisor, is also a distributor for the Company and has received distribution

All fees described above are payable annually in advance on the anniversary of the Trade Date (the date of investment of the Company's funds) each year until the Termination Date.

EAST ASIAN GROWTH BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

6. INTEREST INCOME	2021	2020
	AUD	AUD
Interest on investments at amortised cost	8,122,285	8,559,799
Bank interest	9,697	78,897
	8,131,982	8,638,696

The effective interest rate used for calculating the interest on the Notes is 6.1244% (2020: 6.1244%).

7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	2021	2020
	AUD	AUD
Goldman Sachs Call Option		
Fair value brought forward	43,563,132	32,653,893
Proceeds of disposal	-	(370,280)
Gain on disposal	-	138,495
Fair value adjustment for the year	30,139,202	13,745,048
Translation difference	825,108	(2,604,024)
Fair value carried forward	74,527,442	43,563,132

The Goldman Sachs Call Option is a call option linked to a basket of indices comprising the following:

- S&P 500 Index 45%
- Euro Stoxx 50 Index 20%
- Nikkei 225 Index 20%
- iShares MSCI Emerging Markets Index 15%

The Directors determine the fair value of the Option based on valuations provided by Goldman Sachs. The valuation/price of the Option is calculated by Goldman Sachs using an option pricing model and a price is published daily on Bloomberg.

The Option has been classified as a level 2 investment in the fair value hierarchy as the valuation is derived from observable inputs other than quoted prices in an active market (see note 18(iv)). The key inputs to the valuation were the notional value of the Option of USD 105,403,096 (2020: USD 105,403,096) and the published price of the Option (51.10% (2020: 29.60%)) as at 30 September 2021. The key inputs to the published price of the Option were the closing prices as at 30 September 2021 of the S&P 500 index (4,307.54 (2020: 3,363.00)), Euro Stoxx 50 index (4,048.08 (2020: 3,193.61)), Nikkei 225 index (29,452.66 (2020: 23,185.12)) and iShares MSCI Emerging Markets index 50.38 (2019: 44.09)).

EAST ASIAN GROWTH BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

8. INVESTMENTS AT AMORTISED COST

	2021	2020
	AUD	AUD
Investec Bank Limited Unsecured Subordinated Callable Notes		
Carrying value brought forward	139,235,899	140,628,501
Proceeds of disposal	-	(1,442,988)
Loss on disposal	-	(42,001)
Interest	8,122,285	8,559,800
Translation difference	(926,770)	(8,467,413)
Carrying value carried forward	<u>146,431,414</u>	<u>139,235,899</u>

The Investec Bank Limited Unsecured Subordinated Callable Notes (the "Notes") were acquired on 30 June 2017. The Notes function as zero coupon notes for a period of five years, and are redeemable at the option of the issuer on 30 June 2022. Should the Notes not be redeemed on 30 June 2022, they will subsequently be reclassified as Floating Rate Notes, paying interest quarterly at a rate of 3 month USD LIBOR plus 4.5%, with an ultimate compulsory maturity date of 30 June 2027.

The Notes are measured at amortised cost using the effective interest rate method. The effective interest used for calculating the interest income is disclosed in note 6.

The calculation of impairment, including expected credit losses, is based on assumptions about risk of default and expected loss rates. The Company uses judgments in making this assumption and selecting the inputs to the impairment calculation based on past history and existing market conditions (see note 18(ii)). The Company has assessed the investment in the Notes for impairment and expected credit losses at the reporting date and has concluded that as at the year end no impairment or credit losses are expected over the life of the investment (2020: no impairment or credit losses were expected over the life of the investment).

The fair value of the Notes, calculated by ICIB at 30 September 2021, was AUD153,508,134 (2020: AUD 145,077,918).

9. OPERATING EXPENSES

	2021	2020
	AUD	AUD
Auditor's remuneration	14,650	15,010
Administration fee	193,260	215,905
Distribution fees	914,608	1,021,549
Investment advisory fee	918,125	1,021,584
Licence fee	6,286	6,736
Listing fee	5,486	6,087
Sponsorship fee	9,284	10,357
Statutory fees	3,103	3,340
Interest expense	4,360	43,360
Professional indemnity insurance	2,297	2,062
Sundry expenses	2,892	4,475
	<u>2,074,351</u>	<u>2,350,465</u>

EAST ASIAN GROWTH BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:	2021 AUD	2020 AUD
Profit attributable to shares:		
Profit for the purpose of basic and diluted earnings per share being profit for the year attributable to ordinary shareholders	36,211,411	20,148,147
Number of shares:		
Weighted average number of shares for the purpose of basic and diluted earnings per share	98,713	98,713
Earnings per A Class share	366.83	204.11
Earnings per B Class share	366.83	204.11

A weighted average number of shares has been calculated to enable users to gain a fairer understanding of the earnings generated per share through the year. The weighted average has been calculated with reference to the number of days shares have actually been in issue and hence their ability to influence income generated.

11. TRADE AND OTHER RECEIVABLES

	2021 AUD	2020 AUD
Prepaid administration fee	146,726	158,067
Prepaid distributor fees	678,090	737,416
Prepaid investment advisory fee	706,456	761,064
Other prepayments	3,584	10,454
	1,534,856	1,667,001

12. TRADE AND OTHER PAYABLES

	2021 AUD	2020 AUD
Current		
Audit fee	14,542	14,072
Sponsorship fee	2,494	-
Distributor fees	34,964	6,810
Interest payable	180,688	-
	232,688	20,882
Non-current		
Interest payable	-	177,754
Total	232,688	198,636

EAST ASIAN GROWTH BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

13. SHARE CAPITAL

Following the adoption of the Company's amended Articles of Incorporation, approved by special resolution on 28 December 2016, the Company no longer has a specified amount of authorised capital.

	2021	2020
Issued and fully paid:	AUD	AUD
10 Management shares of AUD 1.00 each	10	10
13,656.435 Class A AUD shares of AUD 0.01 each	137	137
84,225.997 Class B USD shares of USD 0.01 each	1,112	1,112
	<u>1,259</u>	<u>1,259</u>

Class A and Class B shares are entitled to 1 vote each at a general meeting of the Company. Under the terms of the Company's prospectus, and in the absence of a further special resolution to extend the life of the Company, the Company's shares will be redeemed and the Company will terminate in June 2022, subject to exercise of the option to redeem on the part of the issuer of the Company's debt investment. Shareholders are entitled to receive any dividends or distributions from the Company and any surplus arising on the winding up of the Company after the payment of creditors and redemption of the Management shares at their nominal value.

Management shares are entitled to 10,000 votes each at a general meeting of the Company. Management shares may only be owned by The Basket Trust (see note 17) or its nominee. Management shareholders are not entitled to receive any dividends or distributions from the Company nor any surplus arising on the winding up of the Company in excess of the nominal value of the Management shares.

14. SHARE PREMIUM

2021	A Class AUD	B Class AUD	Total AUD
Balance brought forward	19,249,857	117,848,213	137,098,070
Balance carried forward	<u>19,249,857</u>	<u>117,848,213</u>	<u>137,098,070</u>
2020	A Class AUD	B Class AUD	Total AUD
Balance brought forward	20,522,429	117,848,213	138,370,642
Shares redeemed during the year	(1,272,572)	-	(1,272,572)
Balance carried forward	<u>19,249,857</u>	<u>117,848,213</u>	<u>137,098,070</u>

EAST ASIAN GROWTH BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2021

15. RETAINED EARNINGS

Movements in retained earnings are attributable to A Class and B Class shareholders as follows:

2021	A Class AUD	B Class AUD	Total AUD
Balance brought forward	5,062,450	32,399,683	37,462,133
Net profit for the year	5,052,171	31,159,240	36,211,411
Balance carried forward	10,114,621	63,558,923	73,673,544
2020	A Class AUD	B Class AUD	Total AUD
Balance brought forward	2,625,599	15,145,257	17,770,856
Shares redeemed during the year	(456,870)	-	(456,870)
Net profit for the year	2,893,721	17,254,426	20,148,147
Balance carried forward	5,062,450	32,399,683	37,462,133

16. TRANSLATION RESERVE

Movements in the translation reserve are attributable to A Class and B Class shareholders as follows:

2021	A Class AUD	B Class AUD	Total AUD
Balance brought forward	1,814,543	10,659,047	12,473,590
Foreign exchange translation losses	(43,375)	(267,513)	(310,888)
Balance carried forward	1,771,168	10,391,534	12,162,702
2020	A Class AUD	B Class AUD	Total AUD
Balance brought forward	3,480,443	20,344,319	23,824,762
Foreign exchange translation gains	(1,665,900)	(9,685,272)	(11,351,172)
Balance carried forward	1,814,543	10,659,047	12,473,590

17. ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The immediate controlling party at the year end date is PraxisIFM Trust Limited as trustee of The Basket Trust, which owns the Management shares in the Company. There is no ultimate controlling party of the Company.

The ultimate controlling party of PraxisIFM Trust Limited is PraxisIFM Group Limited ('PGL'). PGL is also the ultimate controlling party of Praxis Fund Services Limited ('PFSL'), the administrator of the Company. PFSL is deemed to be a related party, as Janine Lewis (a Director of the Company) is a director of PFSL and a shareholder in PGL; David Stephenson (a Director of the Company) is an employee of PFSL and a shareholder in PGL; Keri Lancaster-King (a Director of the Company) is a director of PFSL and a shareholder in PGL; and Chris Hickling (a Director of the Company until his resignation on 20 August 2021) is a director of Praxis Fund Holdings Limited, the immediate parent of PFSL, and a shareholder in PGL. During the year PFSL earned AUD 193,260 (2020: AUD 215,905) for their services as administrator. At the year end date administration fees of AUD 146,726 had been paid to PFSL in advance (2020: AUD 158,067). At the year end date interest was due to PFSL on outstanding fees payable of AUD 30,728 (2020: AUD 30,280).

EAST ASIAN GROWTH BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

17. ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS (continued)

The Investment Advisor, Investec Corporate and Institutional Banking ("ICIB"), a division of Investec Bank Limited, and Investec Bank Limited itself, are deemed to be related parties. During the year ICIB earned AUD 918,125 (2020 AUD 1,021,584) for its services as investment advisor. At the year end advisory fees of AUD 706,456 (2020: AUD 761,064) had been paid to ICIB in advance. At the year end date interest was due to ICIB on outstanding fees payable of AUD 149,960 (2020: AUD 147,474). The balances and transactions during the year with Investec Bank Limited related to the investments at amortised cost are disclosed in note 8.

18. FINANCIAL INSTRUMENT RISK FACTORS

The Company is exposed to market risk, credit risk and liquidity risk from the financial instruments it holds. The Company has a fixed modus operandi, as stated in its prospectus, which is to invest its capital in a zero coupon bond (or other structured product with similar characteristics) and an option or options on a specified index or basket of indices; and to retain a certain element of cash to cover expenses to be incurred over the specified period of its life. As a result of this, the Company's flexibility in dealing with the risks associated with these instruments is somewhat limited. However, the risk management policies that are employed by the Company to manage these risks are discussed below. There have been no changes to the Company's exposure to market risk, credit risk and liquidity risk; or its objectives, policies and procedures for managing

(i) Market risk

(a) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. As at 30 September 2021 the Company was exposed to foreign exchange risk in relation to the following assets and liabilities:

		2021	2020
	Source currency	AUD	AUD
Cash and cash equivalents	Pound Sterling	340,909	351,891
Trade and other payables	Pound Sterling	(14,542)	(14,072)
Cash and cash equivalents	Australian Dollar	1,178	1,178
		<u>327,545</u>	<u>338,997</u>

At 30 September 2021, the foreign currency exposure of the Company against the measurement currency of US Dollars, principally to Sterling, represented 0.1% of Equity Shareholder's Funds (2020: 0.2%). The Company's policy is not to manage the Company's exposure to foreign exchange movements by entering into any foreign exchange hedging transactions. If the exchange rate of the US Dollar against other currencies at the year end date had been 10% (2020: 10%) higher/lower, this would have resulted in an increase/decrease in the year end net asset value of AUD 32,755 (2020: AUD 33,900). The sensitivity rate of 10% is regarded as reasonable as this approximates to the level of volatility of Pound Sterling against the

The Company had no other material currency exposures as at 30 September 2021 or 30 September 2020.

EAST ASIAN GROWTH BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

18. FINANCIAL INSTRUMENT RISK FACTORS (continued)

(i) Market risk (continued)

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash and cash equivalents and long-term deposits and on interest payable on outstanding future fees. At 30 September 2021, the Company held cash and cash equivalents of AUD 674,551 (2020: AUD 621,727), which earned interest at a weighted average rate of 0%, and had no long-term deposits (2020: AUD 2,145,929 on long-term deposit at an interest rate of 1.45%). At 30 September 2021, the Company had no outstanding future fees on which interest is payable (2020: outstanding future fees of AUD 1,168,503, on

Had these balances existed for the whole of the period, and all other factors remained the same, the effect on the Statement of Comprehensive Income of an increase/decrease in short term interest rates of 0.25% per annum (2020: 0.25%) would have been an increase of AUD 1,686/decrease of AUD 10 in total comprehensive income for the year (2020: increase of AUD 3,998/decrease of AUD 2,444). The sensitivity rate of 0.25% is regarded as reasonable in relation to the current US base rate of 0.25% (2020: 0.25%) as interest rates on US Dollar bank accounts are not currently volatile and increases or decreases applied by the Federal Reserve to the base rate are usually applied in increments of 0.25%.

The Company had no other material interest rate exposures as at either 30 September 2021 or 30 September 2020. The Company's Notes are not interest-bearing, however, the Notes are measured using amortised cost, and the unwind of the discount over the life of the Notes is recognised as interest in the Statement of Comprehensive Income.

(c) Price risk

Price risk is the risk that the value of the instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Company's investment in the Goldman Sachs Call Option (the "Option") is valued by reference to movements in the level of the underlying index, and so is directly affected by changes in market prices. The Company's investment in the Notes is measured at amortised cost, and is therefore no longer subject to price risk.

Price risk is managed at inception by investing in a combination of two financial instruments: a holding of zero coupon bonds (or other structured product with similar characteristics) that will provide capital protection for investors; and a call option on a basket of indices that the investment advisor believes is most likely to provide positive performance during the life of the Company. In order to provide capital protection, the amount of Notes acquired is calculated with the intention that the maturing amount will be sufficient to guarantee that all investors who remain in the Company to maturity will at minimum get back the amount that they invested. The Option provides the potential for significant upside performance, should the relevant indices perform well, with the downside limited to loss of the initial option premium.

The investment premise of the Company involves participation in the potential upside afforded by the call option, whilst enjoying the capital protection afforded by the Notes. Therefore, whilst the Board monitors the performance of the Option and the Notes, it is unlikely that the Board would consider redeeming these at any stage, other than in relation to the redemption of investors' shares. As a result, the management of price risk effectively occurs at the inception of the Company in the selection of investments, and is not an active ongoing process during the remainder of the life of the Company.

The investment in the Option exposes the Company to price risk. The details are as follows:

	2021	2020
	AUD	AUD
Goldman Sachs Call Option	74,527,442	43,563,132
	<u>74,527,442</u>	<u>43,563,132</u>

EAST ASIAN GROWTH BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2021

18. FINANCIAL INSTRUMENT RISK FACTORS (continued)

(i) Market risk (continued)

(c) Price risk (continued)

A 50 per cent decrease in the published price of the Option at 30 September 2021 would decrease the Net Asset Value of the Company by AUD 37,263,721 (2020: AUD 21,781,566). Due to the cap on the option contract, a 50 per cent increase in the published price of the Option would increase the Net Asset Value of the Company by AUD 10,355,085 (2020: AUD 21,781,566). The sensitivity rate of 50% is regarded as reasonable due to the potential volatility of the indices to which the Option is linked, magnified by the participation rate of 200% attached to the Option.

(ii) Credit risk

Credit risk arises when a failure by counter-parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the year end date. These financial assets include cash and cash equivalents, long-term deposits, trade and other receivables, investments at fair value through profit or loss and investments at amortised cost. The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying value or fair value of these instruments.

The Company states in its Prospectus that it will invest in subordinated debt instruments issued by Investec Bank Limited ('IBL') and an option linked to a specified index, and provides extensive disclosure to shareholders of those instruments and the risks attached thereto. As a result of this, the Company's policy for managing the credit risk attached to the Company's financial assets is to monitor the credit rating of the relevant counterparty for any significant deterioration, without reference to an absolute range of credit ratings. In the event of there being any significant deterioration in the perceived creditworthiness of the counterparty to a point where shareholders' interest may be at risk, the Directors in their absolute discretion would consider the following courses of action: selling the relevant securities to third party purchasers and reinvesting the proceeds in the purchase of securities of another issuer, such that the new securities would replicate as closely as possible the terms and conditions of the original securities; and transferring cash to another banking institution. At initial recognition of the Notes and the Option, the Directors considered the credit risk attached to these instruments to be low, and this remains their view. The Directors would only seek to sell the relevant securities or transfer cash if they (in consultation with the Investment Adviser) consider that such would be in the best interests of the Company and its shareholders.

In accordance with this policy, the Board (in consultation with the Investment Adviser) has noted that the Fitch long-term credit rating of IBL as at 30 September 2021 was BB- (30 September 2020: BB+). The year end rating of Investec plc, a sister company to IBL, was BBB+ (2020: BBB+). As a result, the Directors and the investment advisor believe that it is not in the best interest of shareholders to attempt to sell the Notes prior to their maturity date on 30 June 2022, as they believe firstly that there has been no significant deterioration in the creditworthiness of IBL, and secondly that obtaining an alternative investment with an institution with a higher credit rating could only be achieved on less favourable terms than those offered by the Notes, which could affect the Company's ability to offer capital protection to shareholders on their

The Company monitors the creditworthiness of its counterparties on an ongoing basis and considers a financial asset to be in default when the counterparty fails to make contractual payments within 60 days of when they fall due. No instances of default or significant changes to the Company's credit risk or expected loss rates have been identified in the last 12 months.

The majority of the Company's trade and other receivables consists of prepayments and there is no credit risk associated with these balances.

The Option is held with Goldman Sachs International, which has a Fitch long-term rating of A+ (2020: A). The cash and cash equivalents are held with Investec Bank (Channel Islands) Limited, which has a Fitch long term rating of BBB+ (2020: BBB+).

EAST ASIAN GROWTH BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2021

18. FINANCIAL INSTRUMENT RISK FACTORS (continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial liability obligations as they fall due, which may cause financial losses to the Company. The Company places its cash and cash equivalents with financial institutions on a short-term basis in order to maintain a high level of liquidity. This ensures that the Company is able to complete transactions in a timely manner, thus minimising the Company's exposure to

The Board reviews the cash resources of the Company on an ongoing basis to ensure that sufficient monies are held on call account to meet the Company's short-term obligations. At 30 September 2021 the cash on call was AUD 674,551 (2020: AUD 621,727), which is considered by the Board to be sufficient to meet all of the Company's short-term obligations.

The following table analyses the Company's financial liabilities, which will be settled on a net basis, into relevant maturity groupings based on the remaining period from the year end date to the contractual maturity date. The amounts disclosed in the table are the estimated contractual undiscounted cash flows.

	Less than 6 months AUD	6 to 12 months AUD	1 to 5 years AUD
2021			
Trade and other payables	52,000	180,688	-
Net exposure	<u>52,000</u>	<u>180,688</u>	<u>-</u>
	Less than 6 months AUD	6 to 12 months AUD	1 to 5 years AUD
2020			
Trade and other payables	20,882	-	177,754
Net exposure	<u>20,882</u>	<u>-</u>	<u>177,754</u>

(iv) Fair value hierarchy

The following tables analyse instruments carried at fair value, by valuation method. The different Levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2021	Level 1 AUD	Level 2 AUD	Level 3 AUD	Total AUD
Investments at fair value through profit or loss	-	74,527,442	-	74,527,442
	<u>-</u>	<u>74,527,442</u>	<u>-</u>	<u>74,527,442</u>
2020	Level 1 AUD	Level 2 AUD	Level 3 AUD	Total AUD
Investments at fair value through profit or loss	-	43,563,132	-	43,563,132
	<u>-</u>	<u>43,563,132</u>	<u>-</u>	<u>43,563,132</u>

There have been no transfers between levels of the fair value hierarchy during the year.

EAST ASIAN GROWTH BASKET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2021

19. CAPITAL RISK MANAGEMENT

The Company's capital comprises the funds it has raised through the issue of share capital.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to ensure that the Company will be able to continue as a going concern, the Board continuously monitors forecast and actual cash flows and matches the maturity profiles of assets and liabilities. The Board has also considered the impact of the Covid-19 pandemic subsequent to the year end, and does not believe that this will have a significant impact on the Company's capital or its ability to continue as a going concern. The Company has no external borrowings.

Shareholders may be able to redeem their Shares prior to the Redemption Date, however such redemptions are wholly at the discretion of the Directors, and any request for redemption may be refused in whole or in part. No early redemptions will be permitted unless the Directors are satisfied that they have complied with all applicable law, including satisfaction of the solvency test as required by the Companies (Guernsey) Law, 2008. There have been no changes to the Company's objectives or policies and procedures for managing capital since the previous year end.

20. POST BALANCE SHEET EVENTS

The impact of the Covid-19 pandemic subsequent to the year end on the Company's ability to continue as a going concern and on its investments has been assessed in notes 2 and 19.

There were no significant post balance sheet events requiring disclosure in these financial statements.

Annexure B: Company Memorandum & Articles

Memorandum of Incorporation

The Company's Memorandum of Incorporation does not restrict the Company's objects and powers.

[to be inserted]