

# SWAN

---

Global Funds

---

Prospectus

## SWAN GLOBAL FUNDS LTD

THIS DOCUMENT IS SUBMITTED IN CONNECTION WITH A PUBLIC OFFER OF SHARES OF SWAN GLOBAL FUNDS LTD (THE 'FUND') TO THE GENERAL PUBLIC.

COPIES OF THIS PROSPECTUS AND THE CONSTITUTION OF THE FUND ARE AVAILABLE FOR CONSULTATION AT THE PLACE OF BUSINESS OF THE FUND AND OF THE CIS MANAGER.

THE INFORMATION FURNISHED IN THIS DOCUMENT IS FOR USE BY A POTENTIAL SUBSCRIBER FOR THE PURPOSES OF EVALUATING A POSSIBLE INVESTMENT IN SWAN GLOBAL FUNDS LTD AND IN THE OTHER CLASSES OF SHARES WHICH APPEAR IN THE APPENDICES TO THIS PROSPECTUS. THE APPENDIX SUMMARY MAY BE AMENDED SHOULD FURTHER CLASSES BE CREATED AND EXISTING CLASSES BE WOUND UP.

THE DIRECTORS OF THE FUND AND OF THE CIS MANAGER ARE RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS AND THE CIS MANAGER (WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPACT OF SUCH INFORMATION. THE DIRECTORS AND THE CIS MANAGER ACCEPT RESPONSIBILITY ACCORDINGLY.

THE FINANCIAL SERVICES COMMISSION (THE 'FSC') HAS AUTHORISED THE FUND UNDER SECTION 97 OF THE MAURITIAN SECURITIES ACT 2005 TO OPERATE AS A COLLECTIVE INVESTMENT SCHEME. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GRANTING THIS APPROVAL, THE FSC DOES NOT VOUCH FOR THE FINANCIAL SOUNDNESS OF THE COLLECTIVE INVESTMENT SCHEME NOR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE HEREIN NOR ANY OPINIONS EXPRESSED WITH REGARDS TO THEM. THE APPROVAL AND AUTHORISATION RECEIVED FROM THE FSC DOES NOT CONSTITUTE A GUARANTEE AS TO THE PERFORMANCE OF THE FUND NOR ITS CREDITWORTHINESS. FURTHERMORE, IN GIVING SUCH APPROVALS, THE FSC WILL NOT BE LIABLE FOR THE PERFORMANCE OR DEFAULT OF THE FUND OR THE CORRECTNESS OF ANY OPINION OR STATEMENT EXPRESSED. INVESTORS IN THE FUND ARE NOT PROTECTED BY ANY STATUTORY COMPENSATION ARRANGEMENTS IN MAURITIUS IN THE EVENT OF THE FUND'S FAILURE.

THE FSC TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS AND SHALL NOT BE LIABLE TO ANY ACTION IN DAMAGES SUFFERED AS A RESULT OF ANY PROSPECTUS REGISTERED BY THE FSC.

THIS PROSPECTUS HAS BEEN PREPARED BY THE CIS MANAGER. IT HAS BEEN DRAWN UP IN ACCORDANCE WITH THE SECURITIES ACT 2005 AND HAS BEEN FILED WITH THE FSC. IT MUST BE READ IN FULL AS ALL INFORMATION CONTAINED IN IT FORMS AN INTEGRAL PART OF THE PROSPECTUS. THE DOCUMENT SHOULD ALSO BE READ IN CONJUNCTION WITH THE CONSTITUTION OF THE FUND (THE 'CONSTITUTION'). ANY CONFLICT BETWEEN ANY STATEMENT MADE IN THIS PROSPECTUS AND ANY PROVISION OF THE CONSTITUTION SHALL BE RESOLVED IN FAVOUR OF THE LATTER DOCUMENT.

INVESTORS SHOULD BEAR IN MIND THAT THE INFORMATION AND OPINIONS IN THIS PROSPECTUS IS SELECTIVE AND UP-TO-DATE ONLY AS AT THE DATE OF THIS PROSPECTUS. THIS PROSPECTUS DOES NOT PURPORT TO CONTAIN ALL THE INFORMATION THAT PROSPECTIVE INVESTORS MAY REQUIRE TO MAKE AN

INFORMED INVESTMENT DECISION. THIS PROSPECTUS HAS NO REGARDS TO THE SPECIFIC INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR PARTICULAR NEED OF ANY SPECIFIC RECIPIENT. POTENTIAL INVESTORS SHOULD APPRECIATE THAT ALL FINANCIAL INVESTMENTS CARRY INHERENT RISKS, AND NO ASSURANCE OR GUARANTEE CAN BE GIVEN THAT THE OBJECTIVES OF THE FUND WILL BE FULLY MET. THE ATTENTION OF INVESTORS IS DRAWN PARTICULARLY TO THE RISK FACTORS SET OUT IN SECTION 4.7 OF THIS PROSPECTUS. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT, YOU SHOULD CONSULT AN INDEPENDENT QUALIFIED PERSON WHO MAY ADVISE YOU ACCORDINGLY.

## Contents

|   |    |
|---|----|
| 1. IMPORTANT INFORMATION                            | 5  |
| 1.1 General.....                                    | 5  |
| 1.2 Authorised Communications.....                  | 5  |
| 1.3 Selling Restrictions .....                      | 5  |
| 2. DEFINITIONS                                      | 6  |
| 3. SALIENT FEATURES OF THE OFFER                    | 10 |
| 4. SWAN GLOBAL FUNDS LTD                            | 14 |
| 4.1 Introduction.....                               | 14 |
| 4.2 Overview .....                                  | 14 |
| 4.3 Investor Profile .....                          | 14 |
| 4.4 Investment Objectives.....                      | 15 |
| 4.5 Investment Strategy .....                       | 15 |
| 4.6 Investment Restrictions.....                    | 15 |
| 4.7 Risk Warnings .....                             | 16 |
| 4.7.1 Risk Factors.....                             | 17 |
| 5. THE PARTIES                                      | 23 |
| 5.1 Swan Global Funds Ltd – The Fund.....           | 23 |
| 5.2 Swan Wealth Managers Ltd – The CIS Manager..... | 23 |
| 5.3. The Custodian.....                             | 26 |
| 5.4 Fees and Expenses.....                          | 26 |
| 5.4.1 General                                       | 26 |
| 5.4.2 Fees and Expenses Payable by the Fund         | 26 |
| 5.4.3 Fees and Expenses Payable by the Shareholders | 27 |
| 6. TRADE AND PRICING OF SHARES                      | 28 |
| 6.1 Subscription.....                               | 28 |
| 6.1.1 Application Procedure                         | 28 |
| 6.1.2 Methods of Subscription                       | 28 |
| 6.1.3 Share Certificates                            | 29 |
| 6.1.4 Pricing of Shares                             | 29 |
| 6.1.5 Prudential Valuation                          | 29 |
| 6.2 Offer for Subscription.....                     | 29 |
| 6.3 Redemption.....                                 | 30 |
| 6.3.1 Repurchase of Shares                          | 30 |

|  |       |
|--|-------|
| 6.3.2 Trade  | 30    |
| 6.3.3 Deferral of Redemption of Shares                                   | 30    |
| 6.3.4 Large Repayment Requests   | 30    |
| 6.4 Assets of the Fund and Calculation of Net Asset Value of Shares..... | 31    |
| 6.4.1 Suspension of Dealings and Determination of Net Asset Value        | 32    |
| 7. OTHER MATTERS   | 34    |
| 7.1 Registrations and Confirmations .....                                | 34    |
| 7.2 Reports and Accounts.....  | 34    |
| 7.3 Annual Reports.....  | 34    |
| 7.4 Borrowing Powers .....   | 34    |
| 7.5 Transfer .....   | 34    |
| 7.6 Transmission.....  | 34    |
| 7.7 Taxation .....   | 35    |
| 7.8 Conflicts of Interest .....  | 35    |
| 8. GENERAL INFORMATION   | 36    |
| 8.1 Notices.....   | 36    |
| 8.2 Incorporation and Place of Business .....                            | 36    |
| 8.3 Share Capital and Share Rights.....                                  | 36    |
| 8.6 Variation of Share Capital.....                                      | 37    |
| 8.7 General Objects and Powers .....                                     | 38    |
| 8.8 The Constitution .....   | 38    |
| 8.9 Liabilities.....   | 38    |
| 8.10 Portfolios .....  | 38    |
| 8.11 Distributions .....   | 39    |
| 8.12 Capital Gains.....  | 39    |
| 8.13 Indemnity and Insurance.....  | 39    |
| 8.14 Money Laundering .....  | 39    |
| 8.15 Winding Up and Distribution of Assets upon Winding Up.....          | 41    |
| 8.16 Inspection of Documents .....                                       | 41    |
| 8.17 Additional Information .....  | 42    |
| APPENDICES   | 43-61 |

## **1. IMPORTANT INFORMATION**

### **1.1 General**

This Prospectus comprises information relating to Swan Global Funds Ltd, a public company limited by shares incorporated under the laws of Mauritius and established as a multi-class fund (the ‘Fund’). The Fund is authorised by the Financial Services Commission (FSC), to operate as a collective investment scheme under the Securities Act 2005 and the Securities (Collective Investment Schemes and Closed-End Funds) Regulations 2008.

Applications for subscribing for shares in the Fund will only be considered on the basis of this Prospectus and the Constitution of the Fund. Upon acceptance, subscription proceeds will be invested by the Fund in accordance with the investment objectives contained in this Prospectus, as may be amended from time to time.

### **1.2 Authorised Communications**

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Prospectus. The delivery of this Prospectus shall not, under any circumstances, create any implication that the affairs of the Fund have not changed since the date of this Prospectus.

### **1.3 Selling Restrictions**

The distribution of this Prospectus in certain jurisdictions may be restricted and, accordingly, it is critical that persons who come into possession of this Prospectus inform themselves about and observe such restrictions.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

## 2. DEFINITIONS

|                        |  |
|------------------------|--|
| Act                    | The Companies Act No. 15 of 2001 of the Republic of Mauritius as amended from time to time.  |
| Accumulated Net Income | “Accumulated Net income” (ANI) is the surplus Net Income which has not yet been distributed since inception of the Fund to date.   |
| Appendix               | An appendix to this Prospectus setting out the strategies, terms and conditions and specific details that is applicable to the relevant Class of Redeemable Participating Shares. References to Appendices are to mean the same as references to Appendix.   |
| Auditors               | The auditors for the time being of the Fund.   |
| Authorised Distributor | Any person duly authorised by the Board to act as distributor for the Fund.  |
| Base Currency          | The Mauritian Rupee shall be the ‘Base Currency’.  |
| Board                  | The Board of Directors of the Fund as appointed from time to time.   |
| Business Day           | Any Mauritius business day between Monday to Friday, except public holidays and bank holidays.   |
| Class Capital Value    | <p>“Capital Value”, in relation to each Class, means such amount as is from time to time ascertained by the CIS Manager being the aggregate of:</p> <p>a) the value of all Class Assets; and</p> <p>b) any other amounts which, in the opinion of the CIS Manager, should be included for the purpose of making a fair and reasonable determination of the total value of that Class having due regard to generally accepted accounting standards and principles current from time to time;</p> <p>less the aggregate of:</p> <p>i) all liabilities of the Class;</p> <p>ii) the Accumulated Net Income of the Class; and</p> <p>iii) any other amounts which, in the opinion of the Manager, should be included for the purpose of making a fair and reasonable determination of the total value of the Fund having due regard to generally accepted accounting standards and principles current from time to time.</p> |

|                          |   |
|--------------------------|---|
| Class                    | A Class of Redeemable Participating Shares created by the Fund for the purpose of segregating Class Assets and Class Liabilities.   |
| Class Assets             | In relation to any Class, the assets of the Fund attributable to that Class comprising assets represented by the proceeds of the issue of Redeemable Participating Shares of that particular Class, reserves (including retained earnings, and capital reserves) and all other assets attributable to that Class. |
| Class Dividend           | A dividend payable by the Fund in respect of shares of a Class.   |
| Class Shares             | In relation to a Class, Redeemable Participating Shares in that Class and, in relation to the Fund, Redeemable Participating Shares in one or more of its Classes, as the context may require.  |
| CIS Manager              | The party appointed, pursuant to the CIS Regulations, to act as CIS Manager to the Fund under the CIS Management Agreement and for the time being Swan Wealth Managers Ltd.   |
| CIS Management Agreement | The agreement entered into between the Fund and the CIS Manager.  |
| CIS Regulations          | The Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008, as may be amended from time to time.  |
| Company Secretary        | Any person, firm or corporation acting as Company Secretary of the Fund for the time being and appointed by the Directors to perform any of the duties of the Secretary of the Fund.  |
| Constitution             | The Constitution of the Fund as may be amended from time to time.   |
| Custodian                | Any person, firm or corporation appointed, or for the time being acting, as custodian of the assets of the Fund.  |
| Directors                | The Directors, for the time being, of the Fund.   |
| FSC                      | Financial Services Commission.  |
| FSA                      | Financial Services Act 2007.  |
| Fund                     | Swan Global Funds Ltd, a public company limited by shares having business registration number C067231 and with business address at Swan Centre, 10 Intendance Street, Port Louis, Mauritius.  |



|                                |  |
|--------------------------------|--|
| Investment Adviser             | Any person, firm or corporation appointed by the CIS Manager or by the Board acting as adviser to the Fund or in respect of any Class of the Fund.   |
| Investment Committee           | A committee established by the Board of Directors as particularised at section 5.1 of this Prospectus.   |
| Investments                    | The assets and rights from time to time of each Class.   |
| Investor                       | Individuals, corporate entities or any other entities investing in the Fund from time to time.   |
| Management Shares              | An ordinary share in the capital of the Fund, issued as voting non-redeemable share in accordance with the provisions of the Law and the Constitution and having the rights provided for under the Constitution and this Prospectus.   |
| Net Asset Value or NAV         | The aggregate of the Class Capital Value and Accumulated Net Income, determined in accordance with the Constitution and described in this Prospectus.  |
| Net Income                     | In relation to each Class, represents all income due and receivable less all costs, charges and expenses due or accrued and paid or payable out of each Class.   |
| Ordinary Resolution            | A resolution that is approved by a simple majority of the votes of those shareholders entitled to vote and voting on the matter which is the subject of the resolution.  |
| Prospectus                     | Means this Prospectus dated 8 <sup>th</sup> July 2013 as may be amended from time to time.   |
| Redeemable Participating Share | A participating share in the capital of the Fund, issued in accordance with the provisions of the Law and the Constitution and having the rights provided for under the Constitution with respect to such shares and its terms of issue. In this Prospectus, the term "Redeemable Participating Share" shall embrace all Classes of such shares except when referred to otherwise in their separate Classes. |
| Register                       | The register of holders of the Shares, held by the Fund.   |
| Shareholder                    | Individual or entity holding shares in the Fund.   |
| Shares                         | Redeemable Participating Shares, and includes a fraction thereof or Management Shares where the context requires.  |
| Special resolution             | A resolution approved by a majority of seventy-five per cent of the votes of those Shareholders entitled to vote   |

|                 |  |
|-----------------|--|
|                 | and voting on the resolution.  |
| Sub-Distributor | Any person duly authorised by the CIS Manager to act as sub-distributor for the Fund.            |
| USD             | United States Dollar, the lawful currency of the United States of America.                       |
| Valuation Day   | Last Mauritius business day of each week and month, unless otherwise provided in the appendices. |

### 3. SALIENT FEATURES OF THE OFFER

The Fund has been established as a public company limited by shares under the Mauritius Companies Act 2001. The Prospectus of Swan Global Funds Ltd was initially approved by the FSC on 22 February 2007.

#### **Fund Objectives**

The overall objectives of Swan Global Funds Ltd are as follows:

- To carry out the activities of a Collective Investment Scheme, as approved by the FSC;
- To maximise returns whilst acting prudently at all times and in line with the requirements of investors;
- To facilitate a structure of separate and distinct Classes, with each Class having its own distinct investment objectives, restrictions and risk profile.

#### **Investment Objectives**

The investment objective of each Class is set out in the Appendices. The Directors will have the power from time to time to change the investment objectives and policies of any Class and the holders of Redeemable Class Shares will be informed of the change.

The Fund will have a globally diversified portfolio and may invest up to 100% of its assets overseas. The financial instruments in which the Fund may invest include equities and equity-related instruments, equity funds, bonds, bond funds, interest-bearing instruments, money-market instruments, cash and cash equivalents. The CIS Manager may also use financial derivatives with the sole purpose of protecting the capital of the Fund.

## Corporate Profile

### *Date of Establishment*

The Fund was incorporated under the name Cim Foreign Equity Fund Ltd., under the laws of Mauritius, as a public domestic company limited by shares on 1<sup>st</sup> December 2006 and authorised by the FSC to operate as a Collective Investment Scheme.

## Directory

The Directors of the Fund are responsible for managing the business of the Fund but have delegated executive functions to the CIS Manager.

The Directors each serve in a non-executive capacity and none of them has an existing or proposed service contract with the Fund. Any Director may hold any other office in connection with the Fund in conjunction with his office as a Director on such terms as the Directors may determine. Any Director may also act in a professional capacity (other than as the Fund's independent auditor) and such Director or his firm will be entitled to remuneration for such services as if he were not a Director. Other than as disclosed herein, a Director may contract with the Fund provided that the Director declares the nature of his interest. Any interest in the Shares, either direct or indirect, held by the Directors or any connected person will be disclosed in the annual report and accounts of the Fund as required under the Act.

### *Directors*

The names of the Directors and their biographies are as follows:

#### Jaiyansing Shailen Soobah

Shailen Soobah is Fellow of the Association of Chartered Certified Accountants, UK and he also holds a Master of Business Administration from the University of Mauritius and a Diploma in Insurance from Chartered Insurance Institute, UK. He is the Manager of the Business Support- Corporate Office at Swan General Ltd, Group Company Secretary and Risk Officer of the Group

He was appointed as Director of the Fund on 23<sup>rd</sup> May 2013 and serves in a non-executive capacity.

#### Karine Morel

Karine Morel is a fellow of the Association of Chartered Certified Accountants (FCCA). She also holds a BCom from the University of Cape Town.

Karine joined the finance team of Swan Life Ltd in September 2001, and was promoted as Manager – Finance and Accounts in August 2007. She now holds the position of Senior Manager – Group Finance since January 2019. She leads the finance and accounting teams of both the Short Term and the Long Term business of SWAN. She, also, oversees the financial operations of the subsidiaries, both local and foreign.

She was appointed as Director of the Fund on 11th March 2019 and serves in a non-executive capacity.

Veenaye Busgeeth– Resigned on 13<sup>th</sup> May 2019

*Compliance Committee*

The Directors, who are non-executive directors, are also Members of the compliance committee of the Fund.

*CIS Manager*

Swan Wealth Managers Ltd  
11<sup>th</sup> Floor, Swan Centre  
10 Intendance Street,  
Port Louis, Mauritius

*Company Secretary*

Swan Corporate Affairs Ltd  
Swan Centre  
10 Intendance Street  
Port Louis, Mauritius

*Business Address of the Fund*

Swan Centre  
10 Intendance Street  
Port Louis, Mauritius

*Custodian*

The Mauritius Commercial Bank Limited – Securities Services BU  
5<sup>th</sup> Floor Harbour Front Building  
5 President John Kennedy Street  
Port Louis, Mauritius  
Or such other Custodians as may be specified in the Appendices

*Banker*

The Mauritius Commercial Bank Limited  
9-15 Sir William Newton Street  
Port Louis, Mauritius

Or such other Banks as may be specified in the Appendices

*Auditors*

BDO & Co  
10, Frère Félix de Valois Street  
Champs de Mars  
Port Louis

*Authorised Distributors*

The issue and redemption of Shares may be effected directly through:  
Swan Wealth Managers Ltd (the CIS Manager), which is the sole distributor of the Shares at the date of this Prospectus, but which may appoint other licensed persons to act as Sub-Distributors from time to time.

## **4. SWAN GLOBAL FUNDS LTD**

### **4.1 Introduction**

The Fund may invest up to 100% of its assets on foreign financial markets. The Base Currency of the Fund shall be the Mauritian Rupee (MuR). Investors shall deal in shares by subscribing for and/or redeeming according to the terms as provided for in this Prospectus and its Appendices, and subject to any restrictions as may from time to time be approved by the Directors.

Shares may be issued as redeemable or non-redeemable shares. The non-voting Redeemable Participating shares of the Fund (the “Redeemable Participating Shares”) issued may be subdivided into different classes (each a “Class”) to permit investors to invest in the portfolio(s) that best suit(s) their objective(s). The Fund, at its sole and absolute discretion, may in the future create additional Classes of Redeemable Participating Shares with different investment objectives and strategies, and on different terms.

### **4.2 Overview**

The Fund is a multi-class company and may offer Redeemable Participating Shares in different Classes and each Class may have differing investment parameters, strategies, terms and conditions, fee structures, redemption periods and/or other features and specific details that are applicable to each Class, which may be determined by the Directors at their sole discretion. The offering of any new Class of Redeemable Participating Shares for subscription to prospective investors may be accompanied by a separate offering document or by a supplement to this Prospectus (referred to as appendix). The assets and liabilities of each Class shall be clearly segregated in the books of the Fund.

The details contained in the relevant appendices as the case may be shall take precedence over any other terms or conditions contained in this Prospectus.

Class Shares in each Class can be subscribed for on the relevant Valuation Days, or such other day as may be determined by the Board, at a price equal to the Net Asset Value per Share after deducting an initial charge (as applicable) of the transaction amount.

### **4.3 Investor Profile**

All legal and physical persons including joint individuals and corporates can be Shareholders of the Fund. The Shareholders can be citizens or non-citizens of Mauritius, whether resident or non-resident.

#### **4.4 Investment Objectives**

The overall objectives of the Fund are as follows:

- To carry out the activities of a Collective Investment Scheme, as approved by the FSC;
- To maximise returns whilst acting prudently at all times and in line with the requirements of investors;
- To facilitate a structure of separate and distinct Classes, with each Class having its own distinct investment objectives, strategies, restrictions and risk profile.

The Directors will have the power from time to time to change the investment objectives and policies of any Class and the holders of Redeemable Participating Shares will be informed of the change.

#### **4.5 Investment Strategy**

The investment strategy of each Class shall be set out in the Appendices. The CIS Manager may decide to alter investment strategies subject to the approval of the Directors and giving notice to Shareholders.

At all time, the CIS Manager will:

- Ensure that investments are in all respects reasonable and proper;
- Exercise high standards of diligence and act prudently and with utmost good faith; and
- Seek proper and competent advice whenever deemed necessary.

Investment strategy and certain key investment decisions shall be made by the CIS Manager. The latter shall have discretionary powers regarding tactical asset allocation, the determination of which shall be made with reference to the specific objectives of each Class, available investment opportunities and instruments on the market, cash flow availability and the need for a well-diversified portfolio. Further the Fund may allow certain Classes to invest in such investments which have lock-in periods and as such the Class Shares will be redeemable on or after a certain date and/or any other day prescribed for redemption in the relevant Appendix.

#### **4.6 Investment Restrictions**

Each Class may have restrictions, as shall be detailed in their respective appendices, applicable to its investments, provided that should any one or more restrictions be exceeded as a result of events happening subsequent to an investment being made that are beyond the control of the Fund or the CIS Manager such as, for instance, fluctuations in the market value of underlying investments, the CIS Manager shall seek to remedy the situations in the shortest time possible and shall in so doing take due account of the interest of the Class Shareholders.

The Fund may not:

- (a) purchase a security of an issuer where, immediately after the purchase, the Fund would hold more than 10% of a class of securities of that issuer;



- (b) purchase real estate;
- (c) purchase a mortgage;
- (d) purchase a security for the purpose of exercising control or management of the issuer of the security;
- (e) purchase an illiquid asset if, immediately after the purchase more than 10% of the net asset of the Fund, taken at market value at the time of the purchase, would consist of illiquid assets;
- (f) except within the limits established by the FSC, purchase or sell derivatives;
- (g) purchase or sell a physical commodity, including precious metals;
- (h) borrow money or provide for the creation of any encumbrance on its assets except in the two following situations:
  - i. the transaction is a temporary measure to accommodate requests for the redemption of securities of the collective investment scheme while the Fund effects an orderly liquidation of its assets, and, after giving effect to the transaction, the outstanding amount of all borrowings of the Fund does not exceed 5% of the net assets of the Fund taken at market value at the time of the borrowing;
  - ii. The encumbrance secures a claim for the fees and expenses of the custodian or a sub-custodian for services rendered in that capacity;
- (i) subscribe for securities offered by a company under formation;
- (j) engage in the business of underwriting or marketing securities of any other issuer;
- (k) subject to the CIS Regulations lend money, securities or other assets;
- (l) guarantee securities or obligations of another person;
- (m) purchase or sell securities other than through market facilities where these securities are normally bought and sold unless the transaction price approximates the prevailing market price or is negotiated on an arm's length basis;
- (n) purchase a security from, or sell a security to, one of the following persons:
  - i. the CIS Manager or the custodian;
  - ii. an officer of the CIS manager or the custodian;
  - iii. an affiliate of a person referred to in subparagraphs (n)(i) and (ii), unless the purchase from or sale to the affiliate is carried out at arm's length.

The Fund may, in respect of a particular Class, seek the approval of the FSC to depart from the restrictions above, subject to such terms and conditions as may be agreed with the FSC.

#### **4.7 Risk Warnings**

The assets of the Fund shall be invested in financial instruments, including other collective investment vehicles, selected by the CIS Manager. Neither the Fund, nor the CIS Manager and nor their respective officers are liable to Shareholders for any loss suffered on their investment in the Fund, provided they have acted in good faith and without gross negligence. Prospective investors should inform themselves or seek

professional advice as to:

- the legal requirements within the countries of their nationality, citizenship, residence, ordinary residence or domicile for the acquisition of Shares;
- any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or disposal of Shares; and
- the income tax and other taxation consequences, which might be relevant to the acquisition, holding or disposal of Shares.

Prospective investors should study the Prospectus and the Constitution carefully in their entirety and should not perceive the contents hereof as advice relating to legal, taxation or investment matters. Prospective investors should consult with their legal, tax and investment advisers to determine possible legal, tax, financial or other considerations of subscribing for, purchasing or disposal of Shares before making a subscription for Shares.

Prospective investors are also reminded that all financial investments carry inherent risks and no assurance or guarantee can be given that the objective of the Fund will be fully met. The Net Asset Value of the Shares issued under this Prospectus and the Constitution and the income from them can rise or fall depending on the factors and forces affecting financial markets.

However, the Fund has secured the expertise of qualified and experienced personnel, and measures have been put in place to minimise any potential risks. In addition, the Fund has undertaken to provide the best services possible to prospective Investors.

#### **4.7.1 Risk Factors**

The assets of the Fund shall be invested solely in financial instruments selected by the CIS Manager, or as may be advised by an Investment Adviser appointed by the CIS Manager, or as may be approved from time to time by the Board of Directors or Investment Committee.

Where a preliminary charge is imposed upon issue of shares, a Shareholder who redeems his Redeemable Participating Shares shortly after having invested in the Fund may not realise the amount initially invested. This may be so even if there has been no fall in the Net Asset Value of the Class in which the Shareholder has invested. Furthermore, Prospective shareholders should also note that their right to redeem Redeemable Participating Shares may be subject to certain restrictions or may be suspended in certain circumstances.

It should also be borne in mind that the investments of the Fund and its Share Classes are subject to normal market fluctuations and to the risks inherent in all investments.

Risks inherent in investments are detailed below:

*Risk of relative under-performance*

Although the investment strategies should ensure a positive relative performance, there is a risk that the Fund and its Class(es) may not be invested on the best performing markets at all times.

#### *Risk of capital loss*

Capital loss arises when Shares are redeemed at a price lower than that originally paid by the subscriber. The Fund offers no guarantee or capital protection scheme, and the total amount invested is exposed to market and economic conditions.

#### *Equity securities*

The risks associated with investments in equity securities include fluctuations in market prices and events adversely affecting a specific issuer or the sector in which such issuer operates and the fact that equity interests are subordinate in the right of payment to other corporate securities, for example, debt securities.

#### *Fixed income securities*

The Classes may invest in bonds and other fixed income securities, including commercial paper and “higher yielding” (and, therefore, higher risk) debt securities. Such securities may be below “investment grade” and face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer’s inability to meet timely interest and principal payments. The market values of lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, and tend to be more sensitive to economic conditions than are higher rated securities. Companies that issue such securities often are highly leveraged and may not have available to them more traditional methods of financing. An economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

#### *Sovereign debt*

The Classes may invest in debt securities issued by governments and their agencies. Investing in instruments of government issuers in emerging markets may involve significant economic, political and currency exchange risks and such government issuers may lack uniformity in accounting as compared to the government issuers of more developed markets. Holders of certain emerging markets instruments may be requested to participate in the restructuring and rescheduling of these obligations and to extend further loans to their issuers. The interests of holders of emerging markets instruments could be adversely affected in the course of restructuring arrangements. Sovereign debt rated below investment grade by Moody’s and S&P is regarded as predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal in accordance with the terms of the obligations.

#### *Convertible instruments*

The Classes may invest in convertible instruments. A convertible instrument is a bond, debenture, note, preferred stock, or other security that may be converted into or exchanged for a prescribed amount of

common stock of the same issuer within a particular period of time at a specified price or formula. Convertible debt instruments have characteristics of both fixed income and equity investments. The Classes may invest in convertible instruments that have varying conversion values. If a convertible instrument held by a Class is called for redemption, the Class will be required to permit the issuer to redeem the instrument, or convert it into the underlying stock, and will hold the stock to the extent the Manager determines that such equity investment is consistent with the investment objective of the Class. Such conversion into the underlying stock is completed at a prescribed value or at a value which may be determined by the issuer company at a specific date. On the date of such conversion, the market price of such underlying stock may not be favourable and the Class could incur losses upon such conversion.

#### *Below investment grade risk*

A Class, depending on its investment strategy as defined in its Class Appendix, may invest in bonds and other debt securities which are unrated or with ratings below investment grade. Accordingly, such investment will be accompanied by a higher degree of credit risk than is present with investment in higher rated securities.

#### *Swaps and derivatives*

A swap is an agreement between the Fund and a financial intermediary whereby cash payments periodically are exchanged between the parties based upon changes in the price of an underlying asset (such as an equity security, an index of securities, or another asset or group of assets with a readily determinable value). For example, an interest rate swap involves one party agreeing to make periodic fixed payments to the other party in return for the other party agreeing to make periodic payments to the first party that vary with the prime rate or another variable interest rate indicator. Swaps and other derivatives are subject to the risk of non-performance by the swap counterparty, including risks relating to the financial soundness and credit worthiness of the swap counterparty. Swaps and other forms of derivative instruments are not guaranteed by an exchange or clearing house and are not generally regulated by any governmental authority. It may not be possible to dispose of or close out a swap or other derivative position without the consent of the counterparty, and the Class may not be able to enter into an offsetting contract in order to be able to cover its risk.

#### *Option*

The purchaser of a put or call option runs the risk of losing his entire investment in a relatively short period of time if an option expires unexercised. The uncovered writer of a call option is subject to a risk of loss should the price of the underlying security increase, and the uncovered writer of a put option is subject to a risk of loss should the price of the underlying security decrease.

#### *Futures*

Futures prices are highly volatile. Such volatility may lead to substantial risks and returns, generally much larger than in the case of equity or fixed-income investments. A Class trades futures on a leveraged basis due to the low margin deposits normally required for trading. As a result, a relatively small price movement

in a futures contract may result in immediate and substantial gains or losses for the Class.

Futures trading at times may be illiquid. Certain exchanges do not permit trading particular futures at prices that represent a fluctuation in price during a single day's trading beyond certain set limits, which could prevent the Class from promptly liquidating unfavourable positions, subjecting the Class to substantial losses. Exchanges and regulatory authorities in some jurisdictions impose speculative position limits on the number of futures positions a person or group may hold or control in particular futures. For purposes of complying with speculative position limits, the Class' outright futures positions may be required to be aggregated with any futures positions owned or controlled by the Manager or any principal of the Manager. As a result, the Class may be unable to take futures positions in particular futures or may be forced to liquidate positions in particular futures. Some exchanges are "principals' markets" in which no common clearing facility exists and a trader may look only to the broker for performance of the contract.

#### *Forward currency contracts*

Forward currency contracts may not be liquid in all circumstances, so that in volatile markets, to the extent the Class wishes to do so, it may not be able to close out a position by taking another position equal and opposite to such position on a timely basis or without incurring a sizeable loss. Closing transactions with respect to forward currency contracts usually are effected with the currency trader who is a party to the original forward contract and generally require the consent of such trader. There can be no assurance that the Class will be able to close out its obligations.

There are no limitations on daily price moves in forward contracts. Banks and other financial institutions with whom the Fund may maintain accounts may require the Fund to deposit margin with respect to such trading. Banks are not required to continue to make markets in forward contracts. There have been periods during which certain banks have refused to quote prices for such forward contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Trading of forward contracts through banks may not be regulated by any governmental agency. The Class will be subject to the risk of bank failure and the inability of, or refusal by, a bank to perform with respect to such contracts.

#### *Market risk*

The NAV of the Classes may fluctuate in response to market volatility if a substantial part of the assets is invested on equity markets. Should the stock market fall, NAV could also fall if investments are not hedged.

Units or shares of collective investment schemes or mutual funds in which the Fund and its Classes invest can trade at a discount and this might affect the performance of the Share Classes.

#### *Interest rate risk*

Part of the assets of the Fund and its Classes may be invested in fixed income, cash/short-term securities. Should interest rates increase, the value of assets invested in fixed income securities may fall and, consequently, adversely reflect on the Net Asset Value of the Fund and its Classes.

#### *Concentration risk*

The investment portfolio of the Classes could become concentrated on only a few funds, sectors, strategies, countries or geographic regions, and such concentration of risk may increase the losses suffered by the Classes. The investment portfolio of the Classes could also become concentrated to a limited number or types of financial instruments, which could expose the Classes to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those financial instruments.

*Foreign exchange risk*

Since up to 100% of the Fund and its Classes may be invested on foreign financial markets, foreign exchange fluctuations may lead to a fall in the NAV.

*Emerging markets risk*

The Fund and its Classes may invest in emerging markets equities. The attention of Investors is drawn to the fact that the conditions in which these markets operate and are regulated may depart from established standards in more mature international markets.

Any Investor who is in any doubt about the risks of investing in the Fund should consult his or her stockbroker or financial adviser.

*Illiquid assets*

Certain investment positions of the Fund and its Classes may be illiquid. The Fund, depending on its investment strategy as defined in the relevant Class Appendix, may invest in “restricted” securities and securities traded on foreign exchanges. An exchange or regulatory authority may suspend trading in a particular security or contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

*Liquidity risk*

Investors are reminded that, in certain circumstances, their right to redeem Shares may be suspended (See Section 6.4.1).

*Risks associated with a multi-class company*

The Fund is expected to have different and distinct Classes of Shares with different investment objectives and strategies. In such multi-class companies, the assets attributable to individual Class portfolios are not legally distinct from each other and therefore may not be fully protected from the creditors of other Classes. In the event that the liabilities of one or more Classes exceed the assets of these respective Classes, the Fund may be compelled to meet the deficiency by drawing on assets of other Classes. Creditors of the insolvent Class(es) may also attach the assets of other Classes. This could directly and/or indirectly result in partial or total loss in the Net Asset Value of solvent Classes.

*The foregoing factors are not exhaustive and do not purport to be a complete explanation of all the risks and considerations involved in investing in the Fund and its Classes. In particular, the performance of the Fund and its Classes may be affected by changes in market or economic conditions, and legal, regulatory and tax requirements. The Fund will be responsible for paying the fees, charges and expenses referred to in this Prospectus out of the net assets of the relevant Classes regardless of the level of profitability of the Classes.*

## 5. THE PARTIES

### 5.1 Swan Global Funds Ltd – The Fund

The management of the business of the Fund is vested in the Board of Directors of the Fund, which exercises its management powers in accordance with the provisions of the Companies Act 2001, the Constitution and generally accepted standards of good business practice and corporate governance.

As per the terms of the Constitution, the Board has the power to delegate powers to a CIS Manager.

#### *The Investment Committee*

The Fund has set up an Investment Committee which consists of the Directors of the Fund. Other members may be admitted on the Investment Committee from time to time as the Board may determine.

The terms of reference and parameters of operation of the Investment Committee have been established by the Board of Directors of the Fund and include, inter alia,

- monitoring the operations and performance of the Fund and the investment activities of the CIS Manager;
- reviewing the Fund's adherence to its investment objectives and strategy and investment restrictions;
- providing guidance and counsel to the Fund or the Investment Manager in relation to the pursuit of the investment objectives.

The Investment Committee may also seek professional advice to fulfil their mandate at such time as may be required. Any such fees relating to advice shall upon the approval of the Board of Directors be payable by the Fund.

### 5.2 Swan Wealth Managers Ltd – The CIS Manager

The Board of Directors of the Fund has appointed Swan Wealth Managers Ltd as CIS Manager. The CIS Manager is a company incorporated under the laws of Mauritius on 16<sup>th</sup> June 2004 and holds a CIS Manager license pursuant to Section 98 of the Securities Act 2005 and the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008.

The duties and responsibilities of the CIS Manager are provided for, in the CIS Management Agreement. The Board has delegated to the CIS Manager all rights and powers of whatever nature (including powers of delegation) as are necessary for the CIS Manager to perform its duties properly and efficiently under the CIS Management Agreement.



### *CIS Management Agreement*

The Fund has entered into a CIS Management Agreement with Swan Wealth Managers Ltd, whereby the latter company is to be the CIS Manager of all the assets of the Fund. The CIS Manager is responsible for the management of the investments of the Fund in its respective Classes and to provide services as per the CIS Management Agreement. The CIS Manager has power to delegate its responsibilities, in whole or in part, subject to supervising its delegates or agents. Specifically, depending upon market conditions, strategy and geographical focus of the investments of a particular Class or a number of Classes, the CIS Manager may appoint one or more Investment Advisors to assist the CIS Manager in the performance of its duties.

### *Term of the CIS Management Agreement*

The appointment of the CIS Manager shall continue unless or until terminated by either party giving the other not less than 12 months' notice. Any replacement of the CIS Manager shall require the prior approval of the FSC and the shareholders as specified in the Constitution.

### *Management Duties*

- i) Observe, and comply with the Constitution of the Fund and the investment guidelines when providing the asset management services, and carry out all policy decisions and directions of the Board.
- ii) Search for and evaluate investment opportunities for possible investments of the Fund and its Classes.
- iii) Analyse the progress of funds/securities in which the Fund and its Class(es) have invested.
- iv) Consider and effect at its discretion the purchase and sale of particular assets and give instructions to the Custodian to make payments into and withdrawals from bank accounts of the Fund when the CIS Manager considers it appropriate.
- v) Advise and recommend to the Board any future developments or changes to the investment policy of the Fund and its Classes.
- vi) Provide all services required to enable the Fund to comply, and ensure that the Fund complies, with the requirements of any FSC and local authorities.

The CIS Manager also acts as the registrar of the Fund and processes subscriptions from investors for the issue of Shares and requests for redemption.

The CIS Manager keeps proper and accurate books of accounts of all investment transactions of the Fund in accordance with proper accounting practices together with all necessary receipts and vouchers. The books of accounts are available for inspection by the Board or any person authorised by the Board.

*Members of the Board of Directors of Swan Wealth Managers Ltd*

**Louis Rivalland**

Mr Rivalland, born in 1971, holds a Bachelor's degree in Actuarial Science and Statistics and is a Fellow of the Institute of Actuaries (UK). He is currently the Group Chief Executive of Swan Life Ltd. and Swan General Ltd.

He has been the President of the Joint Economic Council and of the Insurer's Association of Mauritius. He is currently a Board Member of the Mauritius Revenue Authority and the Chairman of Standard Bank (Mauritius) Limited. He has played an active role in the development of risk management, insurance and pensions in Mauritius having chaired or been part of various technical committees on these areas. He is also Director to several private companies and public companies including Air Mauritius Ltd, Belle Mare Holding Ltd, ENL Commercial Ltd and Swan General Ltd.

**Gopallen Moorooogen**

Born 1959, Mr Moorooogen is a Fellow of the Association of Chartered Certified Accountants (UK) and also holds an MBA (Wales). He is Senior Executive in Mass Market, Mauritius Telecom and a Director of the Stock Exchange of Mauritius.

He is also Director in Swan Life Ltd. and Swan General Ltd.

**Nitish Benimadhu** – appointed on 20 January 2016

Born in 1979, he holds a degree in Economics and a Masters of Arts in Economics from the University of Ottawa (Canada).

He has more than 10 years' experience in the finance industry and has expertise in asset management, investment advisory and insurance. He also holds directorship positions on the Stock Exchange of Mauritius, the Kibo Fund, MDA Properties & Telfair Development Ltd and regularly lectures at the University of Mauritius in Economics & Finance. He joined Anglo-Mauritius Investment Managers Ltd (now known as Swan Wealth Managers Ltd) in 2005 and now heads the non-insurance cluster of Swan Group (Investments & Securities) together with investment projects of the Group.

**Cyril Mayer** - resigned on 31 December 2015

*Portfolio Managers*

**Javed Burokur** holds a Bachelor in Business Administration and is a member of the Association of Chartered Certified Accountants. He started his career with PricewaterhouseCoopers in 2000 as an auditor and joined Cim Asset Management Ltd in 2004. He was responsible for the investment portfolios of insurance companies, pension fund, and Collective Investment Schemes both local and foreign. In 2012, he moved to Swan Wealth Managers Ltd and is responsible for local investments.

**Alvin Jeeawock** is a Chartered Financial Analyst (CFA). Alvin counts 7 years of experience in the industry, including 4 at Swan Wealth Managers Ltd. Alvin's expertise range from, stock selection, fund selection as well as credit analysis. Alvin was previously lead analyst at Capital Markets Brokers Ltd where he worked closely with New-York based partner, Auerbach Grayson Co Ltd

### **5.3. The Custodian**

The Custodian is entrusted with the safekeeping of the assets of the Fund, as specified in the Agreement with the Custodian. The Fund may however appoint different Custodians, local or foreign, for specific Classes where desired. The Custodian will maintain all assets, including securities, cash and other assets not deposited as margin in a segregated client account and those assets will be separately identified and will be unavailable to their respective creditors, in the event of its or their insolvency. Assets deposited as margin need not be segregated and may be available to the creditors.

Custodians shall ensure that investments to be made by the Fund are carried out in accordance with the investment objectives and strategies of the respective Classes, ensure that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits, ensure that all corporate actions required to be taken by the Fund in respect of the investments are carried out in a timely manner and in accordance with the prescribed regulations of the jurisdictions the investments are being made.

The services of the Custodian are capable of termination under certain circumstances set out in the agreement with the Custodian provided always that the prior approval of the FSC and of the Shareholders are obtained for the replacement of the Custodian.

### **5.4 Fees and Expenses**

#### **5.4.1 General**

All fees and expenses relating to the establishment of the Fund, including certain marketing expenses in connection with the promotion of the Fund will be borne by the Fund. The fiscal and purchase/sale charges as well as the fees of the advisers to the Fund will be borne by the Fund. Value Added Tax (if any) on fees payable to the CIS Manager and the Custodian will be borne by the Fund. Fees and expenses shall be allocated in the books of the Fund to the Classes in respect of which such fees and expenses are borne, and where same cannot be so allocated, shall be pro-rated according to net asset value.

#### **5.4.2 Fees and Expenses Payable by the Fund**

The Fund will pay out of its assets:

- i) The fees and expenses payable to the CIS Manager;
- ii) The fees, expenses, indemnity and insurance for the Directors;
- iii) Stamp duties, taxes, brokerage or other expenses incurred in acquiring and disposing of investments;
- iv) The fees and expenses of the auditors, tax, legal and other professional advisers and company secretarial fees; and
- v) The costs of printing and distributing reports, accounts and any explanatory memoranda, publishing prices

and any costs incurred as a result of periodic updates of the Prospectus and any other administrative or marketing expenses.

#### *CIS Manager's fees*

As per the terms of the CIS Management Agreement, the CIS Manager shall be entitled to such annual management fee, as may from time to time be approved by the Board. In particular, the management fee in respect of each Class shall be set out in the Appendices.

The CIS Manager may charge the Fund or the relevant Classes for any costs associated in the creation of new classes of shares of the Fund.

#### *Directors' fees*

The Directors shall be entitled to a fee and remuneration for their services at a rate to be determined from time to time by the Management Shareholders.

#### *Custodian fees*

Custodian fees shall be paid out of the monies of the Fund at such intervals as may be agreed with the Custodian.

#### *Exceptional expenses*

Exceptional expenses, such as those incurred in modifying the Constitution or in convening a meeting of Shareholders, shall be borne by the Fund.

### **5.4.3 Fees and Expenses Payable by the Shareholders**

#### *Subscription fees: Initial Service Charge*

The Constitution authorises the Directors to impose an initial service charge on the issue of Shares. Such fee as may be charged will be used inter alia to meet expenses such as commission charges and other selling charges incurred by the Authorised Distributor, and shall not exceed 5%. The initial service charge in respect of subscription in a specific Class shall be set out in the relevant Appendix.

#### *Redemption fee*

In respect of the redemption of Shares, a redemption fee may apply and if so, shall be paid by the Shareholder to the Authorised Distributor. The amount of the redemption fee shall be specified in the relevant Appendix and shall not exceed 5%.

## 6. TRADE AND PRICING OF SHARES

### 6.1 Subscription

#### 6.1.1 Application Procedure

##### *Issue of Shares*

An Investor may purchase Redeemable Participating Shares by:

- i) Forwarding a completed Application Form together with a crossed cheque for payment, to the CIS Manager; or
- ii) Forwarding the Application Form to the Authorised Distributor or any appointed Sub-Distributor, together with a crossed cheque for payment, whereby the application shall be processed upon reception at the office of the CIS Manager.

In processing an application, the CIS Manager will compute the number of Shares to be purchased by reference to the next NAV per share to be calculated. Shares will be issued in fractions to two decimal places. Application forms shall be available from the CIS Manager, or from the Authorised Distributors or any appointed Sub-Distributors.

The above procedures generally apply; however the subscription procedure for each Class is subject to the specific terms and conditions in the Appendices hereto. The CIS Manager is not allowed to give credit facilities to Shareholders or Investors. Shares can only be issued upon proof of receipt of subscription monies in the bank account of the Fund.

#### 6.1.2 Methods of Subscription

Subscriptions in a particular Class, unless otherwise stated in the relevant Appendix, may generally be made in accordance with one of the following methods.

##### *i) Lump Sum Payment*

Investors may make a one-off payment in the form of a Lump Sum (hereinafter the “Lump Sum Investors”).

##### *ii) Regular Savings Plan*

Investors shall also have the option of making monthly or quarterly subscriptions (referred to as a “Regular Savings Plan”). Please refer to the appendices for more information). Application forms for the Regular Savings Plan shall be available from the CIS Manager, or from the Authorised Distributors or any appointed Sub-Distributors.

The initial payment should be effected by cheque. For subsequent investments, investors must fill in a standing order instruction form and forward it to the CIS Manager. A statement of account shall be issued to the subscriber once a year.

*NB: Where Shares carry such initial service charge, the initial service charge shall be payable by the Investor on each contribution made.*

Application forms, when completed, should be sent with a crossed cheque, to the CIS Manager. However, with the agreement of the CIS Manager, payments may be made by bank transfers.

### 6.1.3 Share Certificates

Upon the written request of a Lump Sum Investor, certificates in respect of Shares applied for may be mailed to applicants within such reasonable period as may from time to time be approved by the Board. The issue or re-issue of certificates will be subject to a fee of MuR 100 per certificate, payable to the Fund.

No certificates will be issued to those opting for the Regular Savings Plan. Investors will instead receive yearly statements of their accounts.

### 6.1.4 Pricing of Shares

Unless otherwise stated in the Appendices hereto, the CIS Manager intends to calculate the Net Asset Value of Shares on each Valuation Day.

Shares will be allocated when monies are received in the bank account of the Fund and accepted by it. Unless otherwise stated in the Appendices hereto and as may be agreed with Investors, application forms and all related documents should reach the CIS Manager before 11 00 AM on any Valuation Day in order to be processed at the NAV per share to be determined for that Valuation Day. All Application Forms received after 11 00 AM on any Valuation Day will be processed at the following Valuation day's NAV per Share.

The CIS Manager shall not be held responsible for the non-execution of orders that are not remitted by any Sub-Distributors and/or by prospective Investors in time.

The NAV of a Share shall be the amount calculated according to the following formula:

$$\frac{CV}{S} + \frac{ANI}{S}$$

Where:

CV = Capital Value of the Share Class plus other charges, if any;

S = Number of Issued Shares;

ANI = Accumulated Net Income;

### 6.1.5 Prudential Valuation

The CIS Manager may, with the approval of the Board and after consultation with the Auditors, alter the basis of valuation. This may happen in case of market illiquidity, whereby the values determined in accordance with the foregoing principles do not reflect actual values.

## 6.2 Offer for Subscription

The Redeemable Participating Shares shall be offered for subscription in accordance with the Act and the Constitution. Subsequently, the NAV per Share shall be determined as detailed in Section 6.1.4.

The Subscription Procedure for each Class is subject to the specific terms and conditions in the appendices hereto.

### **6.3 Redemption**

#### **6.3.1 Repurchase of Shares**

Unless otherwise stated in the Appendices hereto, the redemption of Shares shall be carried out on each Valuation Day on Net Asset Value per Share.

Depending upon the volume of repayment requests, it is the intention of the CIS Manager to effect payment by bank transfers or, where relevant, by issuing cheques to Shareholders in respect of repurchase of Shares immediately upon the processing of such repayment requests. In no event will cheques be forwarded to Shareholders later than 10 Business Days after the processing date. Redemption forms shall be available from the CIS Manager, or from the Authorised Distributors or any appointed Sub-Distributors.

The Redemption procedure for each Class is subject to the specific terms and conditions in the Appendices hereto.

#### **6.3.2 Trade**

Redemption requests should reach the CIS Manager before 11 00 AM on any Valuation Day in order to be processed at the NAV per Share to be determined for that Valuation Day. Redemption Forms received after 11 00 AM will be processed at the NAV per Share to be determined on the following Valuation Day.

Any appointed Sub- Distributors are required to forward all requests to the CIS Manager by 11 00 am of each Valuation Day.

#### **6.3.3 Deferral of Redemption of Shares**

The CIS Manager may, with the approval of the Board, impose a limit on the total number of redemptions that may be executed on any Valuation Day. In such an event, the execution of all valid redemption instructions shall be carried out pro rata. The balance of such Shares shall be redeemed on the following Business Day, subject to the Directors' power of deferral until the original redemption instructions have been satisfied. Shareholders may not, without the consent of the CIS Manager, revoke or withdraw redemption instructions given to the CIS Manager, even if the Directors elect to exercise their power of deferral.

#### **6.3.4 Large Repayment Requests**

When repayment requests exceed 5% of the total value of all the issued Shares on a Valuation Day, the CIS Manager shall have the discretion to repurchase the Shares at a price determined by a successful sale of the requisite assets. In that eventuality, all Shares shall be calculated at the same value. The CIS Manager shall also be required to act in the interests of the Shareholders as a whole, whilst carrying out the sale of the Shares.

#### 6.4 Assets of the Fund and Calculation of Net Asset Value of Shares

The Net Asset Value, and the Net Asset Value per Share, shall be determined by the CIS Manager (who may delegate this authority to a service provider), except when determination of Net Asset Value shall have been suspended.

As of each Valuation Day, the Net Asset Value shall be determined and shall equal the value of all the assets of the Fund less all liabilities of the Fund and the Net Asset Value per Share shall be determined by dividing the Net Asset Value by the number of Shares of that Class in issue or deemed to be in issue.

The assets of the Fund shall be deemed to include:

- a) All cash in hand, on loan or on deposit, or on call including any interest accrued thereon;
- b) All bills, demand notes, promissory notes and accounts receivable;
- c) All bonds, time notes, shares, stock, debentures, debenture stock subscription rights, warrants, options and other investments and securities owned or contracted for by the Fund, other than rights and securities issued by it;
- d) Shares, cash dividends and cash distributions to be received by the Fund;
- e) All interest accrued on any interest-bearing securities owned by the Fund except to the extent that the same is included or reflected in the principal value of such security;
- f) All other investments of the Fund;
- g) All other assets of the Fund of every kind and nature including prepaid expenses as valued and defined from time to time by the Board.

The following valuation methods shall be used to compute the Capital Value of the Share Class:

- Quoted securities shall be valued at the latest price at the time of valuation;
- Fixed income securities and money-market instruments shall be valued taking into consideration latest market values and accrued income and applicable accounting standards;
- The value of assets denominated in foreign currencies shall be translated into the respective Share Class currency at the exchange rate prevailing at the time of valuation in accordance with applicable accounting standards;
- Other assets will be valued in a manner the CIS Manager considers appropriate to reflect a fair value.
  - Valuation of Net Assets

The determination of the Net Asset Value for each Class is the responsibility of the CIS Manager as appointed by the Directors. Valuations made by or on behalf of Directors are binding on all persons. In determining the Net Asset Value the following principles and policies inter alia shall be followed:-

- a) Deposits shall be valued at their principal amount plus accrued interest calculated on a daily basis;
- b) Certificates of deposit shall be valued with reference to the best price bid for certificates of deposit of



- like maturity, amount and credit risk, for settlement as at the relevant Valuation Day;
- c) Treasury Bills and Bills of Exchange shall be valued with reference to prices ruling in the appropriate markets for such instruments for settlement as at the relevant Valuation Day;
  - d) Forward foreign exchange contracts will be valued by reference to the market value of similar contracts settled as at the relevant Valuation Day;
  - e) All valuations of financial futures contracts and purchased or sold options shall be assessed by reference to the prevailing prices on the relevant futures and options exchanges;
  - f) The value of any units, shares or other security of any unit trust, mutual fund, investment company or other similar investment vehicle or collective investment scheme shall be derived from the last prices, whether estimated or final, published by the CIS Managers thereof;
  - g) Where any security owned or contracted for by the Fund is listed or traded on a stock exchange recognised as such under the securities laws of the jurisdiction in which it is situated or on any over-the-counter market, all calculations of the Net Asset Value which are required for the purpose of computing the price at which Participating Class Shares of any Class are to be issued, shall be based on the latest trade price therefore as at the relevant Valuation Day. When such security is listed or traded on more than one stock exchange or over-the-counter market the CIS Manager may in their absolute discretion select any one of such stock exchanges or over-the-counter markets for the foregoing purposes;
  - h) In respect of any security the quotation of which has been temporarily suspended or in which there has been no recent trading, the value shall be taken to be a reasonable estimate of the amount which would be received by a seller by way of consideration for an immediate transfer or assignment from the seller at arm's length less any fiscal charges, commission and other sales charges which would be payable by the seller;
  - i) The value of any investment which is not quoted, listed or normally traded on a stock exchange or over-the-counter-market, shall be the value considered by the CIS Manager in good faith to be the value thereof;
  - j) Notwithstanding the foregoing, the CIS Manager shall be entitled, at their discretion, to apply a method of valuing any investment comprised in any Class different from that prescribed hereunder if such method would in their opinion better reflect the fair value of such investment and, without prejudice to the generality of the foregoing, the CIS Manager may rely upon opinions and estimates of any persons who appear to them to be competent to value investments of any type or designation by reason of any appropriate professional qualification or experience of the relevant market.

Any calculations made pursuant to the above shall be made by or on behalf of the Directors and shall (except in the case of manifest error) be binding on all persons.

All charges shall be allocated to each Class in such manner as the Directors may determine. In the absolute discretion of Directors, charges may be varied from one Class to another.

#### **6.4.1 Suspension of Dealings and Determination of Net Asset Value**

Provided that the prior approval of the FSC (as applicable) and that of the Board of Directors of the Fund are obtained, the determination of the Net Asset Value and the sale and redemption of Shares may be suspended by the CIS Manager in case of economic, political or monetary instability or events or any cause

of 'force majeure' or because of exchange restrictions or other restrictions adversely affecting the transfer of funds or transactions on behalf of the Fund or where purchases, sales, deposits and withdrawals of any asset of the Class cannot be effected at the normal rates of exchange, as determined by the Directors.

Further the calculation of the NAV can be postponed or deferred in the following instances:

- i) During any period (other than holiday or customary weekend closings) when any market, which is the main market for a significant part of the investments, is closed, or any market in which trading thereon is restricted or suspended; or
- ii) During any period when an emergency exists as a result of which disposal by the Fund of investments which constitute a substantial portion of the Fund's assets is not practically feasible; or
- iii) During any period when for any reason the prices of investments cannot be reasonably, promptly or accurately ascertained by the CIS Manager; or
- iv) During any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments cannot, in the opinion of the CIS Manager, be carried out at normal rates of exchange; or
- v) During any period when the proceeds of sale or redemption of Shares in the Fund cannot be transmitted to or from the Fund's account.
- vi) If in the opinion of the Directors a significant proportion of the assets of the Class cannot be valued on an equitable basis.

No issue, redemption or conversion of Shares of a Class shall take place during any period when the calculation of the Net Asset Value of that Class is suspended. The Fund may withhold payment to persons whose Class Shares have been redeemed prior to such suspension until after the suspension is lifted, such right to be exercised in circumstances where the Directors believe that to make such payment during the period of suspension would materially and adversely affect and prejudice the interests of continuing Shareholders of that Class.

Following a suspension of dealings, the CIS Manager shall have the discretion to treat the first Business Day following the suspension as a substitute Valuation Day. Accordingly, the calculation of the Net Asset Value, as well as, all sales and redemption of Shares shall be effected on that day. Provided that prior approval of the Board of Directors and that of the FSC have been obtained, the CIS Manager shall give public notice of the appropriate date when business will resume.

## **7. OTHER MATTERS**

### **7.1 Registrations and Confirmations**

Ownership of Shares will be evidenced by the entry of the Shareholder's details on the Fund's Register of Shareholders.

### **7.2 Reports and Accounts**

The CIS Manager shall cause to be published at its office and the place of business of the Fund the latest NAV per Share of each Class.

### **7.3 Annual Reports**

The CIS Manager shall within 3 months after the end of the financial year of the Fund submit to the FSC the Annual Report of the Fund which shall contain such matters required to be included pursuant to the applicable laws and Code of Corporate Governance, as well as:

- the CIS Manager's Investment Report;
- the Statement of Assets and Liabilities;
- an Income Statement;
- a Statement of Movements in Net Assets;
- a copy of the Auditor's Report; and
- Management Report.

The Annual Report and Audited Accounts shall be posted to Shareholders at the address shown in the Register of Shareholders.

Quarterly financial statements and management reports at the end of each financial quarter and upon approval by the Board shall be filed with the FSC.

### **7.4 Borrowing Powers**

The CIS Manager may not borrow on behalf of the Fund and may not pledge the Assets of the Fund.

### **7.5 Transfer**

The Class Shares are freely transferable although the Directors have discretion to refuse to register a transfer of Class Shares in certain circumstances under the provisions of the Constitution and where such transfer is against any anti-money laundering/combating terrorist financing guidelines, or any laws or regulations in any countries. The Directors will not exercise such discretion unreasonably.

### **7.6 Transmission**

In the event of the death of a Shareholder, the survivor(s) (where the deceased was a joint holder) or the legal personal representative of the deceased (where the deceased was a sole holder) shall be the only person recognised by the Fund as having any title to the deceased's interest in the Shares.

Notwithstanding Section 96 of the Act, the assignee of the property of a bankrupt Shareholder is entitled to be registered as the holder of the Shares held by the bankrupt Shareholder.

## **7.7 Taxation**

### *General*

Investors are advised to seek independent tax advice on both domestic and foreign taxation laws, in respect of the acquisition, holding, and disposal of Shares, as well as any distributions made by the Fund, in view of ascertaining their respective rights and liabilities.

Please note that the information to follow is subject to the existing taxation laws and practices as at the date of this present Prospectus. Prospective Investors are hereby reminded that Laws and Regulations are subject to such amendments as may from time to time be required.

### *The Fund*

The Fund's Net Income is taxable at the current rate applicable by law in Mauritius. The Fund may be subject to tax on its capital gains, dividends and interest and any other income imposed by the laws of the Republic of Mauritius in which the capital gains, dividends, interest and any other income arising and such taxes may not be fully recovered by way of foreign tax credit by the Fund.

Prospective investors should note that all taxes are subject to change.

### *Shareholders*

Generally, the tax consequences of acquiring, holding, converting, repurchasing or disposing of the Shares will depend on the relevant laws of the jurisdiction to which the Shareholders are subject to. These consequences will vary with the law and practice of the Shareholder's country of residence, domicile or incorporation and with his/her own personal circumstances. Potential Shareholders are advised to consult their professional advisers in this regard. As at the date of this Prospectus, capital gains on investment in shares is not subject to any tax in Mauritius. The distribution of dividends and of the proceeds of redemption is not subject to any withholding tax in Mauritius.

## **7.8 Conflicts of Interest**

The CIS Manager may from time to time act as investment adviser or manager to other funds. It is therefore possible that the CIS Manager may, in the course of its business, have potential conflicts of interest with the Fund.

The CIS Manager will, however, have regard in such event to its obligations under the CIS Management Agreement and, in particular, to its obligations to act in the best interests of the Fund so far as practicable, having regard to its obligations to other clients when undertaking any investment where potential conflicts of interest may arise. In the event any conflict of interest arises, the Directors of the Fund will endeavour to ensure that it is resolved fairly.

## 8. GENERAL INFORMATION

### 8.1 Notices

Any notice or other document to be served on any Shareholder shall, if mailed or published in two newspapers, be deemed to have been served. Moreover, if mailed, any notice or other document would be deemed to have been served 72 hours following the time when the letter containing the same is mailed. In providing such service, it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped, and posted.

### 8.2 Incorporation and Place of Business

The Fund has been authorised by the FSC under Section 97 of the Securities Act 2005 to operate as a Collective Investment Scheme and has its registered office and business address at Swan Centre, 10 Intendance Street, Port Louis, Mauritius.

### 8.3 Share Capital and Share Rights

The share capital of the Fund is divided into Management Shares with exclusive management voting rights issued at an issue price as determined by the Directors ("Management Shares") and such other different classes of Redeemable Participating Shares that shall be non-voting Redeemable Participating shares issued in respect of a specifically designated Class payable as the Directors may determine such that:

- a) Management Shares shall be issued only to the CIS Manager, Swan Wealth Managers Ltd; and
- b) such Classes of Redeemable Participating Shares shall be issued to such Shareholders as may be determined by the Board from time to time.

The Board, on the recommendation of the CIS Manager, may cause the Fund to create and issue further classes of Shares and/or sub-divide the Shares of any class in order to achieve the commercial objectives of the Fund, provided that such creation, issuance or sub-division shall not materially prejudice the interests of any class of Shareholders unless their consent has been obtained in accordance with the Act and the terms of the Constitution. It may also issue, at any time, different sub-classes of Shares (each a Sub-class) in each Class, which carry different rights and obligations. The Board shall have the right to set out the terms and conditions and the procedures for such classes of shares.

On or before the issue of a Class Share, the Directors shall determine to which Class it shall be attributable.

The rights attached to the Shares shall be as follows:

*i) Non-Redeemable Management Shares*

The Management Shares shall be non-redeemable. The holders of Management Shares shall be vested with

exclusive voting rights.

*ii) Redeemable Participating Shares*

Investors shall acquire Redeemable Participating Shares of different classes as designated in the Class Appendices. Such Redeemable Participating Shares have the right to share in the distribution of dividends based on the performance of the assets of that particular Class. The Redeemable Participating Shares shall be redeemable participating shares and shall have non-voting rights and any restrictions in accordance with Clause 7 of the Constitution attached to them when the Classes are issued by the Directors. No Redeemable Participating Shares of a Class shall be issued or redeemed or converted during any period when the calculation of the Net Asset Value of that Class is suspended pursuant to this Prospectus or otherwise.

The Fund may issue fractions of Redeemable Participating Shares which shall have corresponding fractional liabilities, limitations, preferences, privileges, qualifications, restrictions, rights and other attributes as those which relate to the whole share of the same class or series of Shares.

Except as may be otherwise agreed by the Board (either generally or in any specific case), the issue and redemption of Shares shall be effected on Valuation days.

#### **8.4 Issue of Shares**

The Directors may issue Redeemable Participating Shares at no par value in accordance with the Act. Without prejudice to any special rights previously conferred on the holders of shares of any Class, shares may be issued with such preferential, deferred, qualified or other special right or conditions, including pre-emptive rights, in respect of any of the Classes or otherwise and the said conditions attached may vary or differ from Class to Class or otherwise.

#### **8.5 Variation of Rights**

The special rights attached to any shares including Redeemable Participating Shares having preferential rights shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by the creation or issue of further Shares of that Class.

#### **8.6 Variation of Share Capital**

All new shares will be subject to the provision of the Constitution with reference to payment of calls, liens, transfer, transmission, forfeiture or otherwise.

Subject to the other provisions of the Constitution, the Fund may, by Special Resolution, from time to time reduce its share capital in any way, in any manner and to such amount as it thinks fit in accordance with the Act.

The Fund shall not take any action:

- a) to extinguish or reduce the liability on any of its Shares in respect of an amount unpaid on a Share or;
- b) to reduce its stated capital for any purpose (other than the purpose of declaring that its stated capital is reduced by an amount that is not represented by the value of its assets), unless there are reasonable

grounds on which the Directors may determine that, immediately after the taking of such action, the Fund will be able to satisfy the solvency test.

Subject to the passing of an Ordinary Resolution by the Members, the Fund may alter (without reducing it) the Shares issued by the Fund by consolidating and dividing all or any of each share capital into shares of larger amount than its existing shares or sub-divide its shares into shares of small amount than that fixed by its Constitution or cancel any shares which had not been taken by any person.

The Fund shall not take any action which varies the rights attached to a class of Shares unless that variation is approved by special resolution of the holders of the issued Share of that class at a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of that class of Shares.

### **8.7 General Objects and Powers**

The purpose of the Fund shall amongst others, consist of, but is not limited to, the following:

- a) To hold and manage investments for the purpose of making revenue and profit;
- b) To maximise returns whilst acting prudently at all times;
- c) To diversify its portfolios through a combination of selective financial instruments;
- d) To achieve capital appreciation over the long term.

### **8.8 The Constitution**

The Constitution of the Fund provides for the Fund's objects. A copy of the Constitution is available on request at the business address of the Fund.

### **8.9 Liabilities**

The liabilities of the Fund shall be deemed to include all its liabilities and such provisions and allowances for contingencies (including tax) payable by the Fund but not liabilities represented by Shares in the Fund. In determining the amount of such liabilities the Board may calculate any liabilities of regular or recurring nature on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

### **8.10 Portfolios**

The Directors shall, at all times, establish and maintain separate portfolios ("Portfolio") in respect of the assets and liabilities attributable to each Class for the time being issued and outstanding by each Class(es) and/or the Fund.

The Directors may also terminate such Portfolios upon such terms and conditions as they think fit. Subject in all cases to the restrictions applicable to each Portfolio, each Portfolio may contain treasury bills, bank deposits, certificates of deposits, bills of exchange, bankers acceptances, promissory notes, debentures, bonds, fixed and floating rate notes, stocks and shares and such other assets or investments as the Directors may from time to time consider appropriate for that Portfolio.

Wherever in the law it has been provided that the Fund shall have any right, privilege or authority or that the Fund could carry out any transaction only if the Fund is so authorised by its Constitution, then and in

that case, this regulation hereto authorises and empowers the Fund to have such rights, privileges or authority and to carry such transactions as have been permitted by the law, without there being any specific regulation in that provided.

#### **8.11 Distributions**

The Fund may declare and/or authorise any Class Dividends to be paid based on the performance of the assets of that particular Class although it is anticipated that in the majority of Classes income will be accumulated. To the extent that a dividend may be declared, as may be decided by the Board of Directors of the Fund, it will be paid in compliance with any applicable laws. Dividends can only be paid from accumulated net income and accumulated realised capital gains less accumulated realised capital losses, as applicable.

#### **8.12 Capital Gains**

In line with current accounting standards, unrealised capital gains arising from changes in the value of investments will be credited to a separate account. Capital losses arising from changes in the value of investments will be debited to the said account and shall not be offset against income received. Note that the above accounting standards are subject to changes and the policy of the Fund regarding capital gains will be amended accordingly.

#### **8.13 Indemnity and Insurance**

In accordance with the provisions of section 161 of the Act, the Directors and other Officers of the Fund shall be indemnified and insured by the Fund against losses and expenses which any such person may become liable to by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than any loss or expense resulting from the wilful neglect, wilful default, fraud or dishonesty of such Director or other Officer).

#### **8.14 Money Laundering**

The CIS Manager and the Fund must comply with applicable anti-money laundering and counter terrorist financing laws or any other applicable Law. They must meet the criteria set by the FSC and such other relevant regulatory authorities from time to time in accordance with the applicable anti-money laundering provisions, in particular, the Financial Intelligence and Anti-Money Laundering Act 2002 which provides for the offences of money laundering, the reporting of suspicious transactions and measures to combat the financing of terrorism. This Act also lays down the obligation on every financial institution to report forthwith to the Financial Intelligence Unit (“FIU”) any suspicious transaction.

In compliance with the relevant Laws and Regulations of Mauritius, the Directors of the Fund have a responsibility to apply strict anti-money laundering procedures. Investors shall be subject to a strict screening process before being allowed to invest into the Fund. Neither the CIS Manager nor the Fund can accept cash, or money derived from or intended for use in any illegal activity. To comply with its anti-money laundering and counter terrorist financing obligations, the CIS Manager will seek - and investors will be required to provide - information and documentation to ensure anti-money laundering and counter terrorist



financing compliance. Amongst others, investors shall be asked to submit evidence to prove their identity, residential address, as well as the source of their funds.

By investing in the Classes of the Fund, investors agree to provide truthful information and documentation, upon request, regarding their identity, residential address, background, source of investment income, and any other matters that the CIS Manager deems necessary to comply with applicable anti-money laundering and counter terrorist financing laws. Applicants who are investing on behalf of a third party are required to acknowledge, in compliance with the relevant laws, that they have obtained sufficient information about that third party to determine that the party (a) is not involved in illegal activities, and (b) is investing funds from a legitimate source.

The Directors reserve the right to approve or reject applications of potential Shareholders.

Further, in accordance with the Financial Intelligence and Anti-Money Laundering Act 2002 of Mauritius and the Code on the Prevention of Money Laundering and Terrorist Financing, published by the FSC, the Fund will appoint a money laundering reporting officer (“MLRO”). The duties of that MLRO will include receiving and evaluating internal suspicious transactions reports and, where appropriate, filing these with the FIU. Persons connected with the Fund are required to report any suspicion of money laundering or terrorist financing or other suspicious transactions to the MLRO. Subject to applicable laws, if requested by any relevant authority including, without limitation, the FIU, the MLRO, may pass on information about any applicant for Shares of the Fund to any such regulatory authority. It is a term of subscription that any applicant will be deemed to have consented to the passing on of such information to any such authority.

### **8.15 Winding Up and Distribution of Assets upon Winding Up**

If the Fund shall be wound up, it shall do so pursuant to the provisions of the Act, the Insolvency Act 2009 and any such related or applicable Law.

If the Fund shall be wound up, the liquidator shall apply the assets of the Fund in satisfaction of the creditors' claims in such manner and order as he thinks fit.

The assets available for distribution among the holders of Redeemable Participating Shares in a Class shall then be applied in the following priority:

- i. first, in the payment to the holders of the Redeemable Participating Shares of that Class of a sum in USD (or in any other currency selected by the liquidator) as nearly as possible to the nominal amount paid up on the Redeemable Participating Shares held by such holders; and
- ii. second, in the payment to the holders of Redeemable Participating Shares of that Class of any balance then remaining, such payment being made as nearly as practicable in proportion to the number of Redeemable Participating Shares held in each class, sub-class or series in each Class.

Distribution of cash or assets of the Fund may be effected in such instalments and over such period or periods as the liquidator considers reasonable in the circumstances.

Although each Class will be treated as bearing its own liabilities, the Fund will remain liable out of non-Class Net Assets to third parties for the un-discharged liabilities of any liquidated Class.

The liquidator may, with the sanction of a special resolution of the Fund, vest the whole or any part of any such property in trustees on such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Member is compelled to accept any shares or other securities in respect of which there is any liability.

Subject to the special rights attached to shares, all monies and property that are to be distributed among members on a winding-up, shall be so distributed in proportion to the shares held by them respectively, irrespective of the amount paid-up or credited as paid up on the shares.

### **8.16 Inspection of Documents**

Upon prior request, copies of the following documents will be available for inspection and may be obtained free of charge at the business address of the Fund:

- a) The Constitution of the Fund;
- b) The CIS Management Agreement;
- c) Agreement with the Custodian;
- d) The annual management report and audited financial statements;
- e) The quarterly financial statements and management reports.

Any other statutory documents may be inspected, on prior request to the Company Secretary, at the registered office of the Fund.

### 8.17 Additional Information

- i) All documents and remittances to the CIS Manager and to Authorised Sub-Distributors are sent at the risk of the Shareholder.
- ii) The CIS Manager may rebate its initial service charge in respect of any application for Shares.
- iii) As the value of Shares in the Fund reflects the value of the investments held by it, the Capital Value of Shares and the income accruing to them may increase or decrease.
- iv) The CIS Manager has the right to act as principal in the issue or redemption of shares.
- v) Copies of the Prospectus can be obtained from:

#### *The CIS Manager*

Swan Wealth Managers Ltd.  
11th Floor, Swan Centre  
10, Intendance Street  
Port Louis  
Mauritius

The Directors accept responsibility for the contents of the prospectus and, to the best of their knowledge and belief, and after making reasonable enquiries, the information contained in the prospectus is in accordance with the facts and that the prospectus makes no omission likely to affect the import of such information.

Director

Director

Date:

APPENDICES

**Class Appendix with respect to**  
**SWAN GLOBAL FUNDS - FOREIGN EQUITY FUND**

This Class Appendix is created in connection with the offering of Swan Global Funds - Foreign Equity Fund which is a share class of Swan Global Funds Ltd. Swan Global Funds - Foreign Equity Fund shall be issued to Investors as described under the Fund's Prospectus ("the Prospectus"). This Class Appendix is intended only for the use of the person to whom it is given and is not to be redistributed, reproduced or used, in whole or in part, for any other purpose. This document must be read in conjunction with the Prospectus, the Subscription Agreement and the Constitution and, to the extent that this Class Appendix conflicts with the Subscription Agreement and the Constitution, such legal documents will prevail.

**Investment Objective**

The objective of Swan Global Funds - Foreign Equity Fund is to provide long term capital growth by investing primarily in international equities and equity funds.

**Investment Strategy**

Swan Global Funds - Foreign Equity Fund will invest in stocks, bonds, and cash/money-market instruments in line with international economic conditions and the CIS Manager's views. Such investments will be done by investing in other funds, and total investments in equity funds may vary between 70% and 100%.

Swan Global Funds - Foreign Equity Fund may invest up to 50% of its assets in securities/other funds that track its benchmark. The remaining assets will be invested in other securities that the CIS Manager expects to outperform the benchmark. The Swan Global Funds Ltd - Foreign Equity Fund will not have any specific degree of specialisation with respect to a geographic region and the Manager may alter the weights given to each region in line with its views.

Swan Global Funds - Foreign Equity Fund may also invest up to 30% of its assets in bond funds, cash and money-market instruments, whose main underlying investments shall be in public or private sector debts. This shall in turn depend on investment opportunities and long term debt ratings of borrowers, which should be at least BBB per Standard & Poor's.

**Intended Exposures**

| <i>Asset Allocation</i>               | <i>Min.</i> | <i>Max.</i> |
|---------------------------------------|-------------|-------------|
| Equities                              | 70%         | 100%        |
| Fixed Income/Money Market Investments | 0%          | 30%         |

## Investment Restrictions

- i) Swan Global Funds - Foreign Equity Fund may not invest more than 25% of its Net Asset Value in a single fund, provided that in no event will Swan Global Funds - Foreign Equity Fund invest more than 25% in more than 2 funds. In addition, Swan Global Funds - Foreign Equity Fund will not invest in less than 12 funds;
- ii) Swan Global Funds - Foreign Equity Fund may only invest in funds which deal in transferable securities registered in an Eligible State. These securities shall trade in a regulated market which operates regularly and is recognized and open to the public in an Eligible State.

For this purpose, an 'Eligible State' shall mean a member state of the Organisation for Economic Cooperation and Development (OECD) and all other countries of Europe, North America, South America, Africa, Asia, and Australasia.

The CIS Manager may, with the agreement of the Board of Directors and subject to giving notice to the Shareholders in the Swan Global Funds - Foreign Equity Fund, alter the investment policies as set out above.

## Ideal Investors

The growth potential of equity markets makes this share class attractive for investors looking for high investment returns. Investors in Swan Global Funds - Foreign Equity Fund should be comfortable with the additional currency risks associated with unhedged exposure to equities denominated in the local currencies of the equity markets. Investment in Swan Global Funds - Foreign Equity Fund may be best suited for investors who are willing to expand into riskier assets and who can tolerate a relatively high level of volatility in the value of their investments.

## Base Currency

Mauritian Rupee (MuR)

## Share offer

The Class Shares are offered on Valuation Days at a price equal to Net Asset Value ("NAV") per share plus subscription charges.

## Investment Schemes

Swan Global Funds - Foreign Equity Fund shall for the time being operate the following investment schemes.

For any application made, the minimum application per Shareholder shall be MuR 25,000 (or equivalent in Euro or USD). The total price of the shares applied for shall be payable on application.

- i) Lump Sum Payment

Investors shall be given the option of making a one-off payment in the form of a Lump Sum. The Lump Sum Investor shall be free to enter or exit Swan Global Funds Ltd - Foreign Equity Fund anytime.

- ii) Regular Savings Plan

Investors shall also be given the option of subscribing to a Regular Savings Plan. Payment shall be effected in the following ways:

- a) Monthly

The Monthly savings plan shall carry a minimum monthly subscription of MuR 2,000.

b) Quarterly

The Quarterly savings plan shall carry a minimum quarterly subscription of MuR 5,000.

c) Yearly

The Yearly savings plan shall carry a minimum yearly subscription of MuR 10,000.

Investors under the Regular Savings Plan shall be free to enter or exit Swan Global Funds Ltd - Foreign Equity Fund at any time. However, it is recommended that an Investor contributes to the scheme for a minimum period of 5 years.

**Subscription and Redemption Information:-**

The CIS Manager will determine the Net Asset Value of Swan Global Funds Ltd - Foreign Equity Fund as at the Valuation Day and divide the resulting amount by the number of Class Shares in issue or deemed to be in issue. The value per Share thus produced is truncated to two decimal places.

|   |  |
|---|--|
| Valuation Day                           | Last day of each week and month, which is a Business Day.  |
| Subscription and Redemption:            | On the Valuation Day.  |
| Subscription and Redemption Currencies: | MuR, USD, and Euro.  |
| Subscription:                           | Lump sum investors may subscribe in MuR, USD or Euro.  |
| Subscription Charges:                   | The initial service charge applicable shall not exceed 5 % and shall be as per fee structure approved by the Board.  |
| Redemption Proceeds Payment:            | The redemption of Shares shall be carried out on each Valuation Day on Net Asset Value per Share. It is the intention of the CIS Manager to effect payment by cheques or bank transfer, where relevant, to Shareholders in respect of repurchase of Class Shares immediately upon the processing of such repayment requests. In no event will payments be made to Shareholders later than 10 business days after the |

processing date.

Upon redemption, the Shareholder may request to receive payment either in MuR, USD or Euro. Any additional bank transfer charges will be borne by the payee.

Redemption in Rupee:

The minimum value of a redemption request is MuR 10,000, unless the total value of Class Shares held by a requesting Shareholder is less than MuR 10,000 and such request relates to all such Class Shares. This minimum value is applicable to Lump Sum investors only. If the Repayment Request relates to a number of Shares which leaves the Shareholder with less than MuR 10,000, the CIS Manager may, in its absolute discretion, repurchase the total number of Class Shares held by the requesting Shareholder.

Redemption in Foreign Currency:

The minimum value of a redemption request is the equivalent of MuR 50,000, unless the total value of Shares held by a requesting Shareholder is less than MuR 50,000 and such request relates to all such Shares. If the Repayment Request relates to a number of Shares which leaves the Shareholder with less than MuR 50,000, the CIS Manager may, in its absolute discretion, repurchase the total number of Class Shares held by the requesting Shareholder.

Contract Notes:

A contract note will normally be sent by post to the applicant on acceptance of the application within twenty Business Days after the relevant Valuation Day.

### **Fees**

Management Fee:

1.0% of NAV per annum

Custody Fee:

A maximum of 0.15% of Net Asset Value per annum

Performance Fee:

Not Applicable

Performance Allocation

Not Applicable



**Benchmark**

Swan Global Funds Ltd - Foreign Equity Fund aims to outperform the MSCI (Morgan Stanley Capital International) World Index, by favouring, through a consistent search for low volatility, capital appreciation over time. During periods of relatively high uncertainty, the CIS Manager will strive to ensure capital protection through a pragmatic approach and flexible asset allocation.

## Class Appendix with respect to

### SWAN GLOBAL FUNDS – EMERGING MARKETS EQUITY FUND

This Class Appendix is created in connection with the offering of Swan Global Funds Ltd – Emerging Markets Equity Fund, which is a share class of Swan Global Funds Ltd. Swan Global Funds Ltd – Emerging Markets Equity Fund shall be issued to Investors as described under the Fund’s Prospectus (“the Prospectus”). This Class Appendix is intended only for the use of the person to whom it is given and is not to be redistributed, reproduced or used, in whole or in part, for any other purpose. This document must be read in conjunction with the Prospectus, the Subscription Agreement/Application Form and the Constitution and, to the extent that this Class Appendix conflicts with the Subscription Agreement/Application Form and the Constitution, such legal documents will prevail.

#### **Investment Objective**

The objective of Swan Global Funds Ltd – Emerging Markets Equity Fund is to provide long-term capital growth by investing - via international equities, mutual funds, and exchange-traded funds – in companies operating in emerging and frontier markets, or deriving at least 70% of income from emerging and frontier markets.

An emerging – or developing – market refers to the capital markets of an economy that is progressing towards becoming a developed economy, usually by means of rapid growth in the industrial and services sectors. Frontier markets are less advanced markets in the developing world and are also known as pre-emerging markets.

#### **Investment Strategy**

Swan Global Funds Ltd – Emerging Markets Equity Fund will invest in stocks, bonds, and cash/money-market instruments (“financial instruments”) in line with international economic conditions and the CIS Manager’s views. Such investments may be done by investing in equities or bonds of entities or collective investment schemes such as mutual funds and exchange traded funds. The total investments in equity funds may vary between 70% and 100%.

Swan Global Funds Ltd – Emerging Markets Equity Fund shall invest in financial instruments that the CIS Manager expects will outperform the benchmark. The Swan Global Funds Ltd – Emerging Markets Equity Fund will not have any specific degree of specialisation with respect to a geographic region and the Manager may alter the weights given to each region in line with its views.

Swan Global Funds Ltd – Emerging Markets Equity Fund may also invest up to 30% of its assets in bond funds, cash and money-market instruments, whose main underlying investments shall be in public or private sector debts. This shall in turn depend on investment opportunities and long-term debt ratings of borrowers, which should be at least BBB per Standard & Poor’s.

## Intended Exposures

| <i>Asset Allocation</i>               | <i>Min.</i> | <i>Max.</i> |
|---------------------------------------|-------------|-------------|
| Equities                              | 70%         | 100%        |
| Fixed Income/Money Market Investments | 0%          | 30%         |

## Investment Restrictions

### Swan Global Funds – Emerging Markets Equity Fund:

- iii) Shall adhere to the investment restrictions set out in section 4.6 of the Prospectus as well as those set out in the CIS Regulations subject to any derogations approved by the FSC and otherwise provided below.
- iv) Shall not invest more than 10% of its Net Asset Value in a single fund.
- v) May only invest in funds that deal in transferable securities registered in an Eligible State. These securities shall trade in a regulated market which operates regularly and is recognized and open to the public in an Eligible State.

For this purpose, an 'Eligible State' shall mean a member state of the Organisation for Economic Cooperation and Development (OECD) and all other countries of Europe, North America, South America, Africa, Asia, and Australasia.

The CIS Manager may, with the agreement of the Board of Directors and subject to giving notice to the Shareholders in the Swan Global Funds - Emerging Markets Equity Fund, alter the investment policies as set out above.

## Ideal Investors

The growth potential of Emerging Markets equities makes this share class attractive for investors looking for high investment returns. Investors in Swan Global Funds Ltd – Emerging Markets Equity Fund should be comfortable with the additional currency risks associated with unhedged exposure to equities denominated in the local currencies of the emerging equity markets. Investment in Swan Global Funds Ltd – Emerging Markets Equity Fund may be best suited for investors who are willing to expand into riskier assets and who can tolerate a relatively high level of volatility in the value of their investments.

## Distribution Policy

Swan Global Funds Ltd – Emerging Markets Equity Fund intends to distribute an annual dividend subject to satisfying statutory requirements (including solvency requirements imposed on the Fund as set out under the Companies Act) and receiving Directors approval.

## Base Currency

Mauritian Rupee (MuR)

## Share offer

In respect of Swan Global Funds Ltd – Emerging Markets Equity Fund, the total amount expected to be raised from investors during the initial offer period is MuR 100,000,000 ("Initial Offer Size").

The Fund will seek to obtain a minimum amount of at least 5% of the Initial Offer Size so as to begin operation. All subscription monies shall be kept in the custody account of Swan Global Funds Ltd – Emerging Markets Equity Fund in the name of the Company with the Custodian. Where the minimum amount of subscriptions of 5% of the Initial Offer Size is not reached during the initial offer period, the subscribers will be refunded their subscription monies together with any interest earned thereon by cheque or by bank transfer not later than one (1) month after the expiry of the initial offer period, unless such period has been extended to the extent permitted by law, in which case subscribers will be informed accordingly.

Initial offer period: The offer will start on 29<sup>th</sup> October, 2018 and end on 30<sup>th</sup> November, 2018. During such offer period, the initial offer price will be MuR 10.00 per Class Share. Subsequent to the initial offer period, the Class Shares are offered on Valuation Days at a price equal to Net Asset Value ("NAV") per share plus subscription charges.

## Investment Schemes

Swan Global Funds Ltd – Emerging Markets Equity Fund shall for the time being operate the following investment schemes.

For any application made, the minimum application per Shareholder shall be MuR 25,000 (or equivalent in USD, Euro, or GBP). The total price of the shares applied for shall be payable on application.

i) Lump Sum Payment

Investors shall be given the option of making a one-off payment in the form of a Lump Sum. The Lump Sum Investor shall be free to enter or exit Swan Global Funds Ltd – Emerging Markets Equity Fund anytime.

ii) Regular Savings Plan

Investors shall also be given the option of subscribing to a Regular Savings Plan. Payment shall be effected in the following ways:

d) Monthly

The Monthly savings plan shall carry a minimum monthly subscription of MuR 2,000.

e) Quarterly

The Quarterly savings plan shall carry a minimum quarterly subscription of MuR 5,000.

f) Yearly

The Yearly savings plan shall carry a minimum yearly subscription of MuR 10,000.

Investors under the Regular Savings Plan shall be free to enter or exit Swan Global Funds Ltd – Emerging Markets Equity Fund at any time. However, it is recommended that an Investor contributes to the scheme for a minimum period of 5 years.

### **Subscription and Redemption Information:-**

The CIS Manager will determine the Net Asset Value of Swan Global Funds Ltd – Emerging Markets Equity Fund as at the Valuation Day and divide the resulting amount by the number of Class Shares in issue or deemed to be in issue. The value per Share thus produced is truncated to two decimal places.

Valuation Day Last day of each week and month, which is a Business Day.

Subscription and Redemption: On the Valuation Day (other than the initial issue).

Subscription and Redemption Currencies: MuR, USD, Euro, or GBP.

Subscription: Lump sum investors may subscribe in MuR, USD, Euro or GBP.

Subscription Charges: The initial service charge applicable shall not exceed 5 % and shall be as per fee structure approved by the Board.

Redemption Proceeds and Dividend Payment: The redemption of Shares shall be carried out on each Valuation Day on Net Asset Value per Share.

It is the intention of the CIS Manager to effect payment by cheques or bank transfer, where relevant, to Shareholders in respect of repurchase of Class Shares immediately upon the processing of such repayment requests or upon any dividend distribution being declared. In no event will payments of redemption proceeds or dividend be made to Shareholders later than 10 business days after the processing date.

The Shareholder may request to receive payment either in MuR, USD, Euro, or GBP. Any additional bank transfer charges will be borne by the payee.

Redemption in Rupee: The minimum value of a redemption request is MuR 10,000, unless the total value of Class Shares held by a requesting Shareholder is less than MuR 10,000 and such request relates to all such Class Shares. This

minimum value is applicable to Lump Sum investors only. If the Repayment Request relates to a number of Shares which leaves the Shareholder with less than MuR 10,000, the CIS Manager may, in its absolute discretion, repurchase the total number of Class Shares held by the requesting Shareholder.

Redemption in Foreign Currency:

The minimum value of a redemption request is the equivalent of MuR 50,000, unless the total value of Shares held by a requesting Shareholder is less than MuR 50,000 and such request relates to all such Shares. If the Repayment Request relates to a number of Shares which leaves the Shareholder with less than MuR 50,000, the CIS Manager may, in its absolute discretion, repurchase the total number of Class Shares held by the requesting Shareholder.

Contract Notes:

A contract note will normally be sent by post to the applicant on acceptance of the application within twenty Business Days after the relevant Valuation Day.

### **Fees**

Management Fee:

1.0% of NAV per annum

Custody Fee:

A maximum of 0.15% of Net Asset Value per annum

Performance Fee:

Not Applicable

Performance Allocation

Not Applicable

### **Benchmark**

Swan Global Funds Ltd – Emerging Markets Equity Fund aims to outperform the MSCI (Morgan Stanley Capital International) Emerging Markets Index (Net), by favouring, through a consistent search for low volatility, capital appreciation over time. During periods of relatively high uncertainty, the CIS Manager will strive to ensure capital protection through a pragmatic approach and flexible asset allocation strategy.

### **[Additional Risk Factors]**

In addition to risk factors set out in section 4.7 of the Prospectus, the following will apply to Swan Global Funds – Emerging Markets Equity Fund:

#### **Dividend payments are subject to performance of Swan Global Funds – Emerging Markets Equity Fund**

The Fund will aim to provide shareholders with a dividend income. There is no guarantee that any dividends will be paid in respect of any financial year or period and no guarantee as to the level of any future dividends to be paid by the Fund. The ability to pay dividends is dependent on a number of factors including the level of income returns from the Fund's portfolio of assets. There can be no guarantee that the Fund will be in a position to pay dividend or that it will not sustain any capital losses through its investments. As such, an investor may not receive dividend from the Fund or get back the amount originally invested.

#### **Emerging and Frontier Markets Risk**

Swan Global Funds Ltd – Emerging Markets Equity Fund will invest in financial instruments located primarily in or having exposure to emerging or frontier markets. In particular, it is expected that the preponderance of investments will involve exposure to countries generally classified as emerging and frontier markets. The political, social and economic environments of these markets are commensurate with their developing and/or frontier status. The Swan Global Funds – Emerging Markets Equity Fund's Investments could be adversely affected by certain developments beyond the control of the Swan Global Funds Ltd – Emerging Markets Equity Fund and the CIS Manager, such as the possibility of political changes, government regulation, social instability, diplomatic disputes, currency volatility, or other similar developments. Investment in emerging and frontier markets entails a significantly higher level of risk than investment in more developed markets. Investing in emerging and frontier markets involves risk factors and special considerations which may not be typically associated with investing in more developed markets.

Class Appendix with respect to  
**SWAN GLOBAL FUNDS LTD – INCOME FUND**

This Class Appendix is created in connection with the offering of Swan Global Funds Ltd - Income Fund which is a share class of Swan Global Funds Ltd. Swan Global Funds Ltd – Income Fund shall be issued to Investors as described under the Fund’s Prospectus (“the Prospectus”). This Class Appendix is intended only for the use of the person to whom it is given and is not to be redistributed, reproduced or used, in whole or in part, for any other purpose. This document must be read in conjunction with the Prospectus, the Subscription Agreement/Application Form and the Constitution and, to the extent that this Class Appendix conflicts with the Subscription Agreement/Application Form and the Constitution, such legal documents will prevail.

**Investment Objective**

The objective of Swan Global Funds Ltd – Income Fund is to provide income with the opportunity for capital growth over the medium to long term by investing primarily in fixed income instruments while maintaining a low to medium risk strategy.

**Investment Strategy**

Swan Global Funds Ltd – Income Fund will invest in fixed income, equities, and cash/money-market instruments (“Financial Instruments”) in line with international economic conditions and the CIS Manager’s views. Such investments may be done by investing in bonds or equities of entities or collective investment schemes such as mutual funds and exchange traded funds. The total investments in fixed income may vary between 70% and 100%.

Swan Global Funds Ltd – Income Fund shall invest in Financial Instruments that the CIS Manager expects will outperform the benchmark. The Swan Global Funds Ltd – Income Fund will not have any specific degree of specialisation with respect to a geographic region and the CIS Manager may alter the weights given to each region in line with its views.

Swan Global Funds Ltd – Income Fund may also invest up to 30% of its assets in equities, cash and money-market instruments. The money-market instruments shall have as main underlying investments public or private sector debts. This shall in turn depend on investment opportunities and long-term debt ratings of borrowers, which should be on average “Investment Grade” per Moody’s or equivalent.

**Intended Exposures**

| <i>Asset Allocation</i>                  | <i>Min.</i> | <i>Max.</i> |
|--|-------------|-------------|
| Fixed Income                             | 70%         | 100%        |
| Equities/ Cash/ Money-market Instruments | 0%          | 30%         |



## Investment Restrictions

### Swan Global Funds Ltd – Income Fund:

- vi) Shall adhere to the investment restrictions set out in section 4.6 of the Prospectus as well as those set out in the CIS Regulations subject to any derogations approved by the FSC and otherwise provided below.
- vii) Shall not purchase a security, other than a debt security issued by the Government of Mauritius or the government of any other country, if, immediately after the purchase, more than 10% of its net assets, taken at market value at the time of purchase, would be invested in securities of that issuer.
- viii) May purchase or sell derivatives with a view to hedge currency risk involved with investments in currencies other than USD, up to 5% of its net assets.
- ix) May only invest in financial instruments that deal in transferable securities registered in an Eligible State. These securities shall trade in a regulated market which operates regularly and is recognized and open to the public in an Eligible State.

For this purpose, an ‘Eligible State’ shall mean a member state of the Organisation for Economic Cooperation and Development (OECD) and all other countries of Europe, North America, South America, Africa, Asia, and Australasia.

- x) Shall abide by the following credit rating allocation at all times:

| <b><i>Credit Rating Allocation</i></b> | <b><i>Min.</i></b> | <b><i>Neutral</i></b> | <b><i>Max.</i></b> |
|--|--------------------|-----------------------|--------------------|
| Investment Grade Instruments           | 50%                | 75%                   | 100%               |
| High Yield Instruments                 | 0%                 | 25%                   | 50%                |

Credit Rating shall be as per Moody’s or equivalent and in the case of non-rated instruments, as per the CIS Manager’s internal credit analysis.

- xi) Shall abide by the following currency allocation at all times:

| <b><i>Currency Allocation</i></b>   | <b><i>Min.</i></b> | <b><i>Neutral</i></b> | <b><i>Max.</i></b> |
|---|--------------------|-----------------------|--------------------|
| US Dollar (USD) or Euro (EUR)   | 0%                 | 65%                   | 100%               |
| Great Britain Pound (GBP) or Japanese Yen (JPY) or Australian Dollar (AUD) or Mauritian Rupee (MUR) | 0%                 | 25%                   | 50%                |
| All other currencies  | 0%                 | 10%                   | 20%                |

- xii) may invest up to 100% of its net asset value in the shares of other collective investment schemes.

The CIS Manager may, with the agreement of the Board of Directors and subject to giving notice to the Shareholders in the Swan Global Funds Ltd- Income Fund, alter the investment policies as set out above.

## **Valuation Method**

The following valuation method shall apply:

Swan Global Funds Ltd- Income Fund shall value fixed income securities at amortised cost or fair value through other comprehensive income based on the objective for holding the security and the latter's contractual cash flow characteristics in line with applicable accounting standards:

- a. Fixed income securities held in order to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates, shall be valued at amortised cost.
- b. Fixed income securities held with the objective of both collecting contractual cash flows and selling the security, shall be valued at fair value through other comprehensive income.

Save as provided above, the valuation method set out in the Prospectus shall apply.

## **Ideal Investors**

The growth potential of fixed income markets makes this share class attractive for local retail, institutional and high net worth investors looking to invest in the fixed income market for regular returns in USD and potential for capital growth. Investors in Swan Global Funds Ltd- Income Fund should be comfortable with the additional currency risks associated with unhedged exposure to fixed income instruments denominated in currencies other than USD. Investment in Swan Global Funds Ltd - Income Fund may be best suited for investors who have an investment horizon of at least 5 years.

## **Distribution Policy**

Swan Global Funds Ltd – Income Fund intends to distribute dividends semi-annually subject to satisfying statutory requirements (including solvency requirements imposed on the Fund as set out under the Companies Act) and receiving Directors' approval.

## **Base Currency**

US Dollar (USD)

## **Share offer**

In respect of Swan Global Funds Ltd – Income Fund, the total amount expected to be raised from investors during the initial offer period is MuR 100,000,000 ("Initial Offer Size").

Swan Global Funds Ltd – Income Fund will seek to obtain a minimum amount of at least 10% of the Initial Offer Size so as to begin operation. All subscription monies shall be kept in the custody account of Swan Global Funds Ltd – Income Fund in the name of the Swan Global Funds Ltd with the Custodian. Where the minimum amount of subscriptions of 10% of the Initial Offer Size is not reached during the initial offer period, the subscribers will be refunded their subscription monies together with any interest earned thereon by cheque or by bank transfer not later than one (1) month after the expiry of the initial offer period, unless such period has been extended to the extent permitted by law, in which case subscribers will be informed accordingly.

Initial offer period: The offer will start on 10 June, 2019 and end on 15 July, 2019. During such offer period, the initial offer price will be USD 10.00 per Class Share. Subsequent to the initial offer period, the Class Shares are offered on Valuation Days at a price equal to Net Asset Value ("NAV") per share plus subscription charges.

### Investment Schemes

Swan Global Funds Ltd – Income Fund shall for the time being operate the following investment schemes.

For any application made, the minimum application per Shareholder shall be MuR 35,000 (or equivalent in USD, Euro, or GBP). The total price of the shares applied for shall be payable on application.

i) Lump Sum Payment

Investors shall be given the option of making a one-off payment in the form of a Lump Sum.

ii) Regular Savings Plan

Investors shall also be given the option of subscribing to a Regular Savings Plan. Payment shall be effected in the following ways:

g) Monthly

The Monthly savings plan shall carry a minimum monthly subscription of MuR 3,500.

h) Quarterly

The Quarterly savings plan shall carry a minimum quarterly subscription of MuR 10,000.

i) Yearly

The Yearly savings plan shall carry a minimum yearly subscription of MuR 20,000.

### Subscription and Redemption Information:-

The CIS Manager will determine the Net Asset Value of Swan Global Funds Ltd – Income Fund as at the Valuation Day and divide the resulting amount by the number of Class Shares in issue or deemed to be in issue. The value per Share thus produced is truncated to two decimal places.

|   |  |
|---|--|
| Valuation Day                           | Last day of each week and month, which is a Business Day.  |
| Subscription and Redemption:            | On the Valuation Day (other than the initial issue).   |
| Subscription and Redemption Currencies: | USD, MuR, Euro and GBP   |
| Subscription:                           | Lump sum investors may subscribe in USD, MuR, Euro or GBP.   |
| Subscription Charges:                   | The initial service charge applicable shall not exceed 5% and shall be as per fee structure approved by the Board. |
| Redemption Charges:                     | The redemption charge applicable shall not exceed 3% and shall be as per fee structure approved by the Board.      |

Redemption Proceeds and Dividend Payment:

The redemption of Shares shall be carried out on each Valuation Day on Net Asset Value per Share.

It is the intention of the CIS Manager to effect payment by cheques or bank transfer, where relevant, to Shareholders in respect of repurchase of Class Shares immediately upon the processing of such repayment requests or upon any dividend distribution being declared. In no event will payments of redemption proceeds or dividend be made to Shareholders later than 10 business days after the processing date.

The Shareholder may request to receive payment either in USD, MuR, Euro, or GBP whereby the prevailing exchange rate shall apply. Any additional bank transfer charges will be borne by the payee.

Redemption in Rupee:

The minimum value of a redemption request is MuR 35,000, unless the total value of Class Shares held by a requesting Shareholder is less than MuR 35,000 and such request relates to all such Class Shares. This minimum value is applicable to Lump Sum investors only. If the Repayment Request relates to a number of Shares which leaves the Shareholder with less than MuR 35,000, the CIS Manager may, in its absolute discretion, repurchase the total number of Class Shares held by the requesting Shareholder.

Redemption in Foreign Currencies:

The minimum value of a redemption request is the equivalent of MuR 35,000, unless the total value of Shares held by a requesting Shareholder is less than MuR 35,000 and such request relates to all such Shares. If the Repayment Request relates to a number of Shares which leaves the Shareholder with less than MuR 35,000, the CIS Manager may, in its absolute discretion, repurchase the total number of Class Shares held by the requesting Shareholder.

Contract Notes: A contract note will normally be sent by post to the applicant on acceptance of the application within twenty Business Days after the relevant Valuation Day.

### **Fees**

Management Fee: A maximum of 0.70% of Net Asset Value per annum

Custody Fee: A maximum of 0.15% of Net Asset Value per annum

Transaction Fee: A maximum of 0.10% of the transaction value

Performance Fee: Not Applicable

Performance Allocation: Not Applicable

### **Benchmark**

Swan Global Funds Ltd - Income Fund aims to outperform the 5-Year T-Note Futures Index by favouring, through a consistent search for low volatility, income generation and/or capital appreciation over time by means of approved selection criteria. During periods of relatively high uncertainty, the CIS Manager will strive to ensure capital protection through a pragmatic approach and flexible asset allocation strategy.

### **Additional Risk Factors**

In addition to risk factors set out in section 4.7 of the Prospectus, the following will apply to Swan Global Funds Ltd – Income Fund:

#### ***Dividend payments are subject to performance of Swan Global Funds Ltd – Income Fund***

The Fund will aim to provide shareholders with a dividend income. There is no guarantee that any dividends will be paid in respect of any financial year or period and no guarantee as to the level of any future dividends to be paid by the Fund. The ability to pay dividends is dependent on a number of factors including the level of income returns from the Fund's portfolio of assets. There can be no guarantee that the Fund will be in a position to pay dividend or that it will not sustain any capital losses through its investments. As such, an investor may not receive dividend from the Fund or get back the amount originally invested.

#### ***Market Risk***

The NAV may fluctuate in response to prices of financial instruments. For listed instruments, pricing will fluctuate in response to market volatility. For non-listed instruments, pricing may be dependent on price providers or the Manager's valuation.

#### ***Reinvestment Risk***

Cash flows from financial instruments will be monitored and reinvested at optimised levels. There can be no guarantee on the Fund being able to reinvest the cash flows and return on such reinvestments will depend on

investment opportunities, market conjuncture, economic conditions, yields and other factors at the time of reinvestment.

***Liquidity Risk***

Redemption of Shares shall be carried out on each Valuation Day on Net Asset Value per Share. This shall depend on the liquidity position of the Fund and the ability to liquidate any holdings if need be. There can be no guarantee that buyers will be available to purchase any such holdings.

Swan Global Funds Ltd

Swan Centre  
10 Intendance Street  
Port Louis, Mauritius

T (230) 207 3500  
F (230) 211 5050  
W [swanforlife.com](http://swanforlife.com)