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Prospectus

This prospectus (the "Prospectus") contains important information about the MCB India Sovereign Bond ETF (the "Fund") and the redeemable participating shares of the Fund (the "Participating Shares") and should be read carefully before investing.

You are advised to read and understand the contents of this Prospectus which sets forth information that a prospective investor should know and consider before an investment decision is taken. It should be read carefully and retained for future reference. If you have any questions about the contents of this Prospectus you should consult your professional advisers.

MCB INDIA SOVEREIGN BOND ETF

A Mauritius public company with limited liability incorporated on 4th March 2016 and authorised as a global open-ended Collective Investment Scheme by the Financial Services Commission of Mauritius. The Fund shall be of an unlimited duration.

PROSPECTUS

Deemed to be Listing Particulars for the purpose of a listing of non-voting redeemable participating shares issued by the MCB India Sovereign Bond ETF (the "Participating Shares") on the Official Market of the Stock Exchange of Mauritius ("SEM") with effect from the commencement of trading date being 6th June 2016.

An application has been made to the SEM for the listing of up to 10,000,000 participating shares with an Initial Launch Price of USD 10 each on the Official Market of the SEM by mean of an introduction.

Issued

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LEC/1/02/2016

**Public offering of
Redeemable Participating Shares**

Manager

MCB Investment Management Co. Ltd.

A copy of the Prospectus has been filed with the FSC

TABLE OF CONTENTS

1	DIRECTORY	6
2	DEFINITIONS AND INTERPRETATION	8
3	PRESENTATION OF THE FUND	14
3.1	Name and registered office address of the Fund	14
3.2	Constitution	14
3.3	Listing on the Stock Exchange of Mauritius	14
3.4	Track Record	14
3.5	Documents available for inspection	14
4	ORGANISATION AND MANAGEMENT OF THE FUND	15
4.1	The Directors.....	15
4.1.1	Biography of Directors.....	15
4.1.2	Emoluments and benefits	16
4.1.3	Director’s interests.....	16
4.1.4	Shareholding information	17
4.1.5	Material contracts	17
4.2	The Manager	17
4.2.1	Constitution and governing law	17
4.2.2	About the MCB Group.....	17
4.2.3	Name and Address of Head Office.....	17
4.2.4	Principal functions of the Manager.....	18
4.2.5	Names and profiles of board members of the Manager.....	18
4.2.6	Track record – fund setup and management	19
4.2.7	Investment management team of the Manager	19
4.2.8	Investment Management Agreement.....	20
4.3	Market making activities.....	21
4.4	The Investment Adviser.....	21
4.5	The Registrar	22
4.6	The Corporate Secretary	22
4.7	The Custodian.....	22
5	INVESTMENT OBJECTIVE & PRACTICES AND FINANCIAL CHARACTERISTICS	23
5.1	Underlying Investments	23
5.2	Investment objective.....	23
5.3	Indexing Strategy	23
5.4	The Index	23
5.4.1	The Index Provider.....	23
5.4.2	Description and features of the index.....	23
5.4.3	The Index Calculator.....	24
5.4.4	Details of the Index calculation system.	24
5.4.5	Continuity	25
5.4.6	Changes to the Index	25
5.5	Currency universe	25
5.6	Investment restrictions and practices	26
5.7	Risk factors.....	27
5.8	Suitability	27
5.9	Recommended minimum holding period.....	27
5.10	Dividends.....	27
5.11	Tax considerations	27
5.11.1	The Fund.....	27

5.11.2	India Mauritius Tax Treaty provisions	28
5.11.3	Taxability of Income under the ITA	28
5.11.4	Taxability of Income under the Treaty.....	29
5.11.5	Other provisions	30
5.11.6	General Anti Avoidance Rules ('GAAR').....	30
5.11.7	Taxation of shareholders in Mauritius	30
6	CONDITIONS OF OPERATIONS	31
6.1	Share capital	31
6.2	Classes of shares of the Fund.....	31
6.2.1	Management Share	31
6.2.2	Participating Shares	31
6.2.3	Reporting obligations to holders of Participating Shares.....	32
6.2.4	Summary of rights and terms of issue of shares in the Fund.....	32
6.3	Net asset value, portfolio valuation and pricing.....	32
6.3.1	Net Asset Value	32
6.3.2	Portfolio valuation	33
6.3.3	Pricing per share.....	33
6.4	Suspension of dealing	33
6.5	Indebtedness	34
6.6	Subscriptions for and redemption of Participating Shares on the Primary Market	34
6.6.1	Subscription for Participating Shares	34
6.6.2	Redemption of Participating Shares	36
6.6.3	Transfer of shares.....	38
6.7	Sales and purchases on the secondary market	38
6.8	Expenses incurred for the issue.....	38
6.9	Summary of fees and charges payable by investors.....	38
6.9.1	Fees payable on issues and redemptions – Duties & Charges.....	38
6.9.2	Management Fees and other fees payable to functionaries	39
6.9.3	Organisational expenses	39
6.9.4	Other fees and charges	39
6.10	Total Expense Ratio (TER)	40
6.11	Timetable.....	40
7	GENERAL INFORMATION	41
7.1	Financial year end.....	41
7.2	Duration and termination of the Fund	41
7.3	Anti-Money Laundering Provisions	41
8	DATA PROTECTION	41
9	BOARD APPROVAL	42
	SCHEDULE I – RISK FACTORS	43
	SCHEDULE II – SUMMARY OF CONSTITUTION	49

MCB INDIA SOVEREIGN BOND ETF

A Mauritius public company with limited liability authorised as a global open-ended collective investment scheme by the Financial Services Commission of Mauritius

Prospectus issued in accordance with Section 106 of the Securities Act 2005 and Regulation 9 of The Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008.

An application has been made to the SEM for the listing of Participating Shares

This document relates to the MCB India Sovereign Bond ETF (the "Fund"), a collective investment scheme which has been authorised by the Financial Services Commission ("FSC") under the Securities Act 2005 on 9th March 2016 as a Global Scheme. The Fund will be a foreign securities collective investment scheme and will invest its assets principally in Indian sovereign bonds. The base currency of the Fund shall be the United States Dollar.

In granting its authorisation, it must be clearly understood that the FSC does not vouch for the financial soundness of the Fund, for the correctness of any statements made herein or any opinions expressed with regards to them. Investors in the Fund are not protected by any statutory compensation arrangements in Mauritius in the event of the Fund's failure.

Permission has been granted by the Listing Executive Committee on 26th April 2016 for the listing of up to 10,000,000 participating shares with an Initial Launch Price of USD 10 each on the Official List of the SEM on or about 6th June 2016. On the first day, the Market Maker will make Participating Shares available on the market at a price determined taking into account, *inter alia*, the INAV as specified in Paragraph 6.7 below and market factors.

The SEM has given its approval for the listing of Participating Shares on the Official market. Neither the Listing Executive Committee ("LEC") of the SEM, the SEM nor the FSC assume any responsibility for the content of this document, make any representation as to the accuracy and completeness of any of the statements made or opinions expressed therein and expressly disclaim all liability whatsoever for any loss arising from or in relation upon the whole or any part of the contents of this document.

This Prospectus, deemed to be Listing Particulars, include particulars given in compliance with the Securities Act 2005, CIS Regulations and SEM Rules governing the official listing of securities for the purpose of giving information with regard to the Fund. The Directors, whose names appear in paragraph 4.1, collectively and individually, accept full responsibility for the accuracy and completeness of the information contained in this Prospectus and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading. The Board of Directors has made provisions to ensure that the working capital available to the Fund is sufficient for the running of the business. The Fund has been incorporated on 4th March 2016, and as at date of writing of this Prospectus, does not have any past trading history nor financial records and there are no legal or arbitration proceedings which may have had or have had any significant effect on the Fund's financial position. However this Prospectus is not intended to be a complete statement or summary of the securities, markets or developments referred to herein. The contents of this Prospectus do not constitute and are not to be construed as financial, legal, business or tax advice. Persons interested in acquiring shares in the Fund should inform themselves or seek professional advice as to the financial, legal and tax consequences of such investments. The Prospectus should in no circumstances be regarded by recipients as a substitute for the exercise of their own judgement. Please see Schedule 1 for information concerning certain risk factors which should be considered by prospective investors.

Prospective purchasers of any Participating Shares should ensure that they fully understand the nature of their investment and the extent of their exposure to risks, and that they consider the suitability of such Participating Shares as an investment in the light of their own circumstances and financial position. Specialist securities, which the Participating Shares are, involve a high degree of risk, including the risk of losing some or a significant part of their initial investment. Potential investors should be prepared to sustain a total loss of their investment in such securities. The Participating Shares represent general, unsecured, unsubordinated, contractual obligations of the Fund and rank *pari passu* in all respects with each other. Purchasers are reminded that the Participating Shares constitute obligations of the Fund only and of no other person. Therefore, potential purchasers should understand that they are relying on the credit worthiness of the Fund.

This Prospectus must be carefully read in full as all information contained in this document is relevant to the Fund. However, the Prospectus has no regard to the specific investment objectives, financial situation or particular need of any specific recipient. Potential investors should appreciate that all investments carry inherent risks and no assurance or guarantee can be given that the objective(s) of the Fund will be fully met.

The Fund certifies that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the Listing Particulars contain all information required by law and the SEM Listing Rules. The Fund accepts full responsibility for the accuracy of the information contained in the Listing Particulars and subsequent pricing supplements and annual financial reports.

The Fund has not authorised any person to give any information or to make any representation to the Participating Shares other than those contained in this Prospectus and if given or made, such information or representation must not be relied upon as having been authorised.

The distribution of this Prospectus and the offering of Participating Shares in certain jurisdictions may be restricted and accordingly anyone wishing to subscribe for Participating Shares should satisfy itself/himself that it/he complies with the laws of the relevant territory and that it/he obtains any requisite governmental or other authorisations and/or observes any other formalities. This document does not constitute an offer to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer. The definitions used in this Prospectus are set out in paragraph 2.

Restriction of sale to US Person - The Fund has not been registered under the United States Securities Act of 1933, as amended, or the United States Investment Company Act of 1940, as amended and may not be offered, sold or delivered in the United States, or to or for the account of a US Person.

Moreover, the Fund shall not accept subscriptions of any kind from Indian residents. NRIs/PIOs, as defined under the relevant Indian laws, shall not be allowed to hold more than 49% of the Shares of the Fund or such other percentage as may be determined by the Manager pursuant to applicable Indian laws. NRIs/PIOs who wish to subscribe to Participating Shares are strongly advised to consult the Manager prior to subscribing to Participating Shares. The Board and Manager will take appropriate measures to adhere to this requirement.

Redemptions by existing investors (other than NRIs/PIOs) may put a limitation on fresh investments by the Fund if the latter fails to satisfy the conditions, as prescribed by Indian regulators, applicable to an FPI. In such a case, the Fund may be forced to redeem the Participating Shares held by NRIs/PIOs.

1 DIRECTORY

Manager: MCB Investment Management Co. Ltd.
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Investment Adviser: ZyFin Capital Limited
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Corporate Secretary: GFin Corporate Services Ltd.
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Banker: The Mauritius Commercial Bank Ltd
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Auditors:	<p>BDO & Co 10, Frère Félix de Valois Street Port Louis Mauritius Tel: +230 202 3000 E-mail: ceo@bdo.mu Website: www.bdo.mu</p>
Legal Counsel:	<p>BRIDGES (a law firm registered under the Law Practitioners Act) 5 Unicorn House Royal Street, Port-Louis Mauritius Tel: (230) 448 0776 Lead Partner: Vony Ramsamy E-mail: vony@bridges-llc.com Website: www.bridges-llc.com</p>
Registered Office:	<p>C/o GFin Corporate Services Ltd 9th Floor, Orange Tower Ebene Mauritius Tel: +230 466 2600 E-mail: info@gfingroup.com Website: www.gfingroup.com</p>
Principal Place of Business:	<p>C/o MCB Investment Management Co. Ltd 9th Floor, MCB Centre Sir William Newton Street Port Louis Mauritius Tel: +230 202 5515 E-mail: mcbim@mcbcm.mu Website: www.mcbcm.mu</p>
Board Members:	<p>Gilbert Gnany Ronald Lam Yan Foon Sanjay Sachdev</p>

2 DEFINITIONS AND INTERPRETATION

a. Definitions

In this Prospectus, the words in the first column of the following table shall bear the meanings set opposite them respectively in the second column, if not inconsistent with the subject or context:

Term	Definition
'Act'	The Companies Act No. 15 of 2001 as amended from time to time.
'Auditors'	The auditors of the Fund for the time being.
'Authorised Participant'	Any person who has entered into an authorised participant agreement for the purposes of directly subscribing and/or redeeming Participating Shares with the Fund (that is on the Primary Market).
'Base Currency'	United States Dollar.
'Basket Value'	Has the meaning ascribed to it in Paragraph 6.6.1d).
'Board'	The board of directors of the Fund.
'Business Day'	A day when banks and Recognised Markets are open for business in Mauritius and in countries where the Fund is investing and/or such other day or days as the Directors may determine. For the avoidance of doubt, half-closed Business Days are considered as being closed for business.
'Calculation Day'	One Business Day following each Dealing Day.
'CDS'	The Central Depository & Settlement Co. Ltd
'CIS Regulations'	The Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008.
'Constitution'	The constitution of the Fund, as amended from time to time.
'Corporate Secretary'	GFin Corporate Services Ltd
'Custodian'	Citibank N.A.
'Dealing Day'	The day on which subscription and/or redemption requests in respect of Participating Shares will be accepted by the Fund, such day being every Monday of the week subject to: <ol style="list-style-type: none"> Such day being also a Business Day; and Any regulatory restrictions in India preventing the Fund from investing in Indian Government Securities. Where any Monday is not a Business Day or is a day on which access to Indian Government Securities is restricted, the Manager reserves

	the right to declare any other day as a Dealing Day. Dealing Days for the Fund will be communicated in advance to Authorised Participants.
'Dealing Deadline'	Noon Mauritian time on each Dealing Day.
'Directors'	The persons appointed for the time being as directors of the Fund and to form part of the Board.
'Duties & Charges'	All stamp duties and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions (including foreign exchange spreads), custodian and sub-custodian charges, transfer fees and expenses, agents' fees, brokerage fees, commissions, bank charges, registration fees and other duties and charges, including any provision for the spread or difference between the price at which any asset was valued for the purpose of calculation of the NAV per Share of and the estimated or actual price at which any such asset is purchased or expected to be purchased, in the case of subscriptions, or sold or expected to be sold, in the case of redemptions, including, for the avoidance of doubt, any charges or costs arising from any adjustment to any swap or other derivative contract required as a result of a subscription or redemption, whether paid, payable or incurred or expected to be paid, payable or incurred in respect of the constitution, increase or reduction of all of the cash and other assets of the Company or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of Participating Shares (including, if relevant the issue or cancellation of certificates for Participating Shares) or investments by or on behalf of the Fund.
'Exchange Traded Fund' or 'ETF'	<p>Means a fully funded and unleveraged security listed on the SEM that tracks the performance of a specified security or other asset or group of assets, which include, but are not limited to, indices, commodities, currencies or any other asset acceptable to the SEM.</p> <p>The underlying asset or security referred to above must:</p> <ul style="list-style-type: none"> • Be sufficiently liquid to satisfy the SEM that there will be proper price formation in the ETF; and • Have a net asset value that is calculated in a transparent manner and published on the issuer's website.
'FPI'	Foreign Portfolio Investor
'FSC'	The Financial Services Commission which is in charge of regulating non-banking financial services in Mauritius.
'Fund' or 'Company'	MCB India Sovereign Bond ETF.
'INAV'	An indicative NAV per Share calculated and published on behalf of the Fund.

'Index'	The index that the Fund will endeavour to track, such index being currently the ZyFin India Sovereign Bond Liquid Index in USD .
'Index Provider' or 'Index Sponsor'	ZyFin Research Pvt. Ltd., the party responsible for creating the Index.
'Index Calculator'	Intellika Technologies Pvt. Ltd., the party responsible for calculating or administering the Index.
'India'	The Republic of India.
'Indian Rupee'	The currency currently in circulation in India and issued by the Reserve Bank of India.
'Initial Launch Period'	Commences on 26 th April 2016 and closes on 27 th May 2016.
'Initial Launch Price'	The price at which Participating Shares are issued by the Fund during the Initial Launch Period.
'INR'	Has the same meaning as 'Indian Rupee' as defined above.
'Investment Dealer'	Any entity holding an Investment Dealer licence issued by the FSC pursuant to the Securities Act 2005.
'Issue Price'	The price at which Participating Shares are issued by the Fund after the Initial Launch Period, such price being determined pursuant to paragraph 6.3.3.
'Investor'	Means a person who has subscribed for, or who may potentially subscribe for Participating Shares, as well as a holder of Participating Shares.
'Management Share'	A voting share in the capital of the Company designated as a management share and having the rights provided for in paragraph 6.2.1 and under the Constitution.
'Manager'	MCB Investment Management Co. Ltd.
'Mauritius'	The Republic of Mauritius.
'Minimum Redemption Amount'	Equivalent to the Basket Value and multiples thereof, or such other amount as may be determined by the Board from time to time and notified to Authorised Participants.
'Net Asset Value' or 'NAV'	The amount determined pursuant to the Constitution as being the Net Asset Value of the Fund.
'NAV per Share'	Has the meaning ascribed to it in paragraph 6.3.3.

'Participating Shares'	Non-voting redeemable Participating Shares having the rights provided for in paragraph 6.2.2 and under the Constitution with respect to such class.
'Primary Market'	The off-exchange market where Participating Shares may be subscribed for and redeemed directly with the Fund.
'Prospectus'	The present document and any amendments thereto which is deemed to be Listing Particulars
'Qualified Investor'	Any applicant for Participating Shares approved by the Manager other than: <ol style="list-style-type: none"> 1. U.S. Persons; 2. Persons which cannot acquire or hold shares in the Company without violating laws or regulations of the jurisdiction to which they are subject to or subject of, or otherwise applicable to them; 3. Persons which by reason of acquiring or holding such shares, may expose the Company or any of its shareholders or Directors to adverse tax or other pecuniary consequences; and 4. Persons/Entities which are custodians, nominees, or trustees for person described in 1. and 2. above.
'Recognised Market'	Means the securities exchange where the Fund is listed and the securities exchange(s) where the Fund is investing and such other securities exchange(s) and/or markets as the Directors may determine from time to time.
'Redemption Price'	The price at which Participating Shares will be redeemed, determined in accordance with paragraph 6.3.3 hereunder and the Constitution.
'Register'	The share registers to be kept pursuant to the Act.
'Registrar'	MCB Registry & Securities Ltd.
'Secondary Market'	The Official Market of the SEM where Participating Shares can be purchased and/or sold directly.
'SEM'	The Stock Exchange of Mauritius.
'Special Resolution'	A resolution proposed and passed as a special resolution by a majority consisting of three-fourths or more of the total number of votes of those shareholders present and entitled to vote in person or by proxy at a duly convened meeting, or a resolution in writing signed as a special resolution in accordance with the Act.
'U.S.' or 'United States'	The United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

<p>‘U.S. Person’</p>	<p>(a) any natural person resident in the United States, including any U.S. resident who is temporarily outside the United States;</p> <p>(b) any corporation, partnership, limited liability company or other entity organised or incorporated under the laws of the United States;</p> <p>(c) any estate of which any executor or administrator is a U.S. Person;</p> <p>(d) any trust of which any trustee is a U.S. Person;</p> <p>(e) any agency or branch of a foreign entity located in the United States;</p> <p>(f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;</p> <p>(g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident, in the United States; and</p> <p>(h) any corporation, partnership, limited liability company or other entity if (1) organised or incorporated under the laws of any non-U.S. jurisdiction and (2) formed by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) promulgated under the U.S. Securities Act) which are not natural persons, estates or trusts.</p> <p>Notwithstanding the foregoing, the following persons do not constitute “U.S. Persons” for purposes of this Prospectus:</p> <p>(a) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident, in the United States;</p> <p>(b) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if (1) an executor or administrator of the estate which is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and (2) the estate is governed by non-U.S. law;</p> <p>(c) any trust of which any professional fiduciary acting as trustee is a U.S. Person shall not be deemed a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;</p>
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	<p>(d) an employee benefit plan established and administered in accordance with the laws of a country other than the United States and customary practices and documentation of such country;</p> <p>(e) any agency or branch of a U.S. Person located outside the United States if (1) the agency or branch operates for valid business reasons and (2) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and</p> <p>(f) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans.</p>
'USD'	The United States Dollar, being the lawful currency of the United States of America.
'Valuation Day'	Such Business Day which the Board may declare for the carrying out of the Net Asset Value calculation of the Fund, such Valuation Day being every Business Day (or such other day as the Board or Manager may from time to time decide).
'Valuation Point'	6 pm Mauritian time on each Business Day (including a Dealing Day).

b. Rules of Interpretation:

In this Prospectus, unless there is something in the subject or context inconsistent with such construction: -

- a) Words importing the singular number only shall include the plural number and vice versa;
- b) Words importing the masculine gender only shall include the feminine gender;
- c) Words importing persons only shall include companies or associations or bodies of persons, whether corporate or not;
- d) The word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- e) Reference to US dollars (or USD) and to US cents is reference to the currency of the United States;
- f) Reference to an Article is to an Article of the Constitution and any reference to a paragraph is to a paragraph of this Prospectus;
- g) Subject to the foregoing provisions, any words defined in the Act, shall, if not inconsistent with the subject or context, bear the same meaning in this Prospectus.
- h) References to enactments and to articles or sections of enactments shall include references to any modifications or re-enactments thereof for the time being in force.
- i) Where for the purposes of this Prospectus or for any other purpose any amount in one currency is required to be translated into another currency the Board may effect such translation using such rate of exchange as in their absolute discretion they think appropriate except where otherwise specifically provided.

3 PRESENTATION OF THE FUND

3.1 Name and registered office address of the Fund

MCB India Sovereign Bond ETF
 C/o GFin Corporate Services Ltd
 9th Floor, Orange Tower
 Ebene
 Mauritius
 Website: www.mcbcm.mu/ETFs

3.2 Constitution

MCB India Sovereign Bond ETF is incorporated under the laws of the Republic of Mauritius (“Mauritian Law”) on 4th March 2016 as a public company limited by shares, holding a category 1 Global Business Licence. The Fund shall be of an unlimited duration. The Fund is a collective investment scheme regulated under the Financial Services Act 2007 and is authorised to operate as a Global scheme pursuant to the Securities Act 2005. The Fund will issue fully paid and unleveraged listed securities.

The main terms of the Constitution are summarised in Schedule II of this Prospectus.

3.3 Listing on the Stock Exchange of Mauritius

An application has been made to the Stock Exchange of Mauritius (“SEM”) for Participating Shares issued and to be issued by the Fund to be admitted to listing and trading on its Official Market by means of an introduction with no change in the nature of the business being contemplated post listing. This Prospectus, including all information required to be disclosed by the Listing Rules of the SEM, constitutes Listing Particulars for the purpose of such application for listing. As at date of writing of this Prospectus, no admission to other exchanges other than the SEM is being sought and the Fund does not intend to list the Participating Shares on any other exchange in the foreseeable future.

A listing on the Official Market has been contemplated for a number of reasons, notably:

- There is increasing demand for listed fixed income products in Mauritius and in the region;
- Listing on the Official Market will also allow the Fund to have global visibility as more than 40% of trading volumes on the exchange are foreign-driven;
- SEM is the only exchange in the African region (and probably one of the rare exchange in the world) to support both listing and trading of securities in currencies other than the country’s local currency;
- Listing on the Official Market is also a natural choice due to the DTAA arrangements between Mauritius and India;
- Trading fees charged on the exchange for fixed income ETFs are very competitive (0.10% all-in);
- SEM has embarked on an internationalization campaign and is now a well-recognized exchange globally. This provides confidence to international investors and we expect the Fund to grow from foreign flows.

3.4 Track Record

The Fund is a newly constituted entity and as such will initially have no track record. However, as is generally the case for any Collective Investment Scheme, investors will be able to arrive at an informed judgement concerning the Participating Shares having regard to, inter alia, the track record of the Manager, the investment objective and other investment parameters of the Fund, the Index and underlying investments of the Fund.

3.5 Documents available for inspection

The following documents, which are in English, will be made available for inspection, free of charge, during normal business hours at the registered office of the Manager:

- a) executed copies of this Prospectus (including any supplement thereto); and
- b) the Constitution

Copies of the latest Interim and Annual Reports are available free of charge on written request at the office of the Manager. Annual statements summarising investments and holdings made during the last financial year will be sent to Shareholders by September of each year.

Material contracts entered into by the Fund will be made available for inspection, free of charge and in English, during normal business hours at the registered office of the Manager for at least 14 days as from the date of this Prospectus.

4 ORGANISATION AND MANAGEMENT OF THE FUND

4.1 The Directors

The primary function of the Board is to direct and supervise the business and affairs of the Fund. The Board consists of three (3) directors, at least two (2) of whom will at all times be resident in Mauritius. Therefore, all decisions of the Fund are taken in Mauritius. The members of the Board are appointed by the holder of the Management Share.

The Board will meet as often as necessary, but at least quarterly to review the investments, operations, and administrative affairs of the Fund. There are no service contracts in existence between the Fund and any of its Directors in their personal capacity, nor are any such contracts proposed. The Board in its entirety will be responsible for the compliance functions of the Fund.

4.1.1 Biography of Directors

The Board shall be comprised of the following members:

Name	Biography	Address
Gilbert GNANY (Non-Executive Director)	Mr. Gnany Holds a Master's degree in Econometrics from the University of Toulouse and a 'DESS' in Management/Micro-Economics from Paris-X. He is currently Chief Strategy Officer of MCB Group Limited. Previously, he worked as Senior Advisor on the World Bank Group's Executive Board where he was responsible for issues relating mainly to the International Finance Corporation and to the private and financial sectors. Prior to joining the World Bank, he was the MCB Group Chief Economist after having been the Economic Advisor to the Minister of Finance. During his career, he has been involved in various high-profile boards/committees. Amongst others, he chaired the Stock Exchange of Mauritius, the Statistics Advisory Council and the Statistics Board as well as having been a director of the Board of Governors of the Mauritius Offshore Business Activities Authority and of the Board of Investment. He was also a member of the IMF Advisory Group for sub-Saharan Africa (AGSA) and a member of the Senate and the Court of the University of Mauritius. Presently, alongside being a Director of MCB Group Ltd and a member of its Risk Monitoring Committee, he acts as Chairperson or as board member of several companies of the Group. He is also a member of the Policy Research Group of the Financial Services Commission (Mauritius).	Villa 212, Port Chambly, Terre Rouge, Mauritius
Ronald Lam Yan Foon (Non-Executive Director)	Rony Lam is the Chief Executive Officer of MCB Capital Markets Ltd, which is the capital markets and non-banking financial services arm of the MCB Group, one of the oldest banking group on the island. He started his career with KPMG in Beijing and London, where he qualified as a Chartered Accountant. Since 2000, he has pursued a career in investment banking at HSBC Investment Bank and Barclays in London and Asia. From 2007 to 2012, he was a Partner at Fenchurch Advisory Partners, a leading UK investment banking firm focused exclusively on advising financial institutions and private equity firms on mergers and acquisitions and capital market transactions. Mr. Lam holds a B.A. and M.A (Cantab) in Economics from Cambridge University and he qualified as a Chartered Accountant in 1998.	La Preneuse, Mauritius

<p>Sanjay Niranjjan Sachdev (Non-Executive Director)</p>	<p>Sanjay Sachdev (Resident in the United States of America) has over 26 years' experience in the global financial services industry in various leadership positions, building asset management businesses. As Chairman of ZyFin Holdings since March 2013, Sanjay is currently involved in establishing and leading a unique asset management business and a macro-economic research firm focused on India, ASEAN and GCC/MENA regions. He is also a senior advisor to a number of private institutions including a reputed family office and private equity institution. Prior to establishing ZyFin, Mr Sachdev drove the creation of several multi-billion USD asset management businesses across public and private markets investing in different asset classes. Between December 2010 and November 2012, he was President & CEO of Tata Asset Management, managing US\$5 billion of assets and developed a partnership with Mizuho Bank of Japan. Prior to that, Mr Sachdev worked as the Managing Director of Shinsei Bank Group for S.E. Asia and India between June 2006 and September 2010. Before joining Shinsei Bank, Mr Sachdev was associated with the Principal Financial Group for over 12 years as Global Manager based out of the US with a focus on emerging markets. He was Managing Director of Principal PNB Asset Management during its acquisition of three other asset management businesses and managed assets of over US\$3 billion and launch of a wealth management business in India. He is credited with launching Asia's first BRICS fund in Malaysia with CIMB, India's first Nifty index fund and establishing a historic partnership with the Indian government to open the post office network for financial services product distribution all over the country. He has recently been appointed as a global Board Member of the Financial Planning Standards Board that issues the Certified Financial Planner designation globally. Mr Sachdev holds a Certificate in Corporate Governance from the Wharton School of Management, a Master's Degree in International Management from the American Graduate School of International Management and a Degree in Law from the Government Law College, University of Bombay, India.</p>	<p>12222, Sunset Terrace, Clive, IA-50325-8121, United States of America</p>
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4.1.2 Emoluments and benefits

- a) No remuneration or benefits in kind have been or will be granted to the Directors by any affiliate of the Fund. However Directors shall be entitled to reimbursement from the Fund for all reasonable out-of-pocket expenses incurred by them on behalf of the Fund including travel and other reasonable costs incurred in connection with their services.
- b) Any Director may also act in a professional capacity as provided for by Mauritian Law and he will be entitled to be remunerated for such services at market rates.

4.1.3 Director's interests

No commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital.

Neither the Directors nor their associates have any interest in the equity or debt securities of the Fund.

Mr Sachdev who serves as Director of the Fund is a shareholder and director of Zyfin Holdings Ltd, the parent company of the Index Provider and the Investment Advisor.

4.1.4 Shareholding information

All the Management Shares will be held by the Manager, as promoter of the Fund, and the Fund is not aware of any person who is directly or indirectly interested in 5 per cent or more of the number of shares of any class of share capital carrying rights to vote in all circumstances at a meeting of the holder of Management Shares.

4.1.5 Material contracts

Except as disclosed herein, there are no contract or arrangement subsisting at the date of this Prospectus in which any Director is materially interested and which is significant in relation to the business of the Fund.

4.2 The Manager

4.2.1 Constitution and governing law

The Fund is being promoted by the Manager (MCB Investment Management Co. Ltd), a public company incorporated on 16th June 1998 in Mauritius and governed by the Companies Act 2001.

The Manager is duly licensed under the Securities Act 2005 to, inter alia, promote, manage and administer collective investment schemes and closed-ended funds. Investors should be aware that the Manager has, in addition to its CIS Manager license, an Investment Adviser (unrestricted) license issued by the FSC and is accordingly entitled to also provide advisory and portfolio management services to its clients. The Manager will subscribe to all of the Management Shares issued by the Fund from time to time.

4.2.2 About the MCB Group

MCBIM is a wholly-owned subsidiary of MCB Capital Markets Ltd (“MCBCM”) which is the capital markets and non-banking financial services arm of the MCB Group (“MCB”).

MCB is one of the oldest banking group on the island with more than 177 years of existence to date. MCB’s long history, commitment to its clients and innovative culture underpin its solid franchise and track record of sustained profitability. A summary of key features of the Group is highlighted in the table below:

Name	MCB Group Limited
SEM ticker	MCBG
Industry classification	Financial services
Market capitalisation	Mauritian Rupees 50bn
FY15 profits	Mauritian Rupees 5.7bn (29.5% YoY increase from FY14)
Shareholders	Over 18,000 local and foreign shareholders
Clients	More than 1 million individual and corporate customers
Geographical presence	Physical presence in 9 countries, operations in over 30 African countries
Employees	Over 3,000 employees
Current market share	40% in respect of domestic credit to the economy and local deposits and nearly 50% of cards issued

As at date of writing, MCBCM does not have any material proportion of its assets situated outside of Mauritius.

4.2.3 Name and Address of Head Office

MCB Investment Management Co. Ltd
 9th Floor, MCB Centre,
 Sir William Newton Street
 Port Louis
 Mauritius

4.2.4 Principal functions of the Manager

The principal functions of the Manager are outlined below. These functions are for the time being entrusted to a team of eleven persons.

a) Managing the Fund

The Manager shall take all reasonable steps to ensure that the Fund's assets are being managed in accordance with prevailing legislation and its constitutive documents.

b) Pricing of Participating Shares and publication

Prices of the Participating Shares are calculated and published on a daily basis on the website of the Fund. The Manager will gather latest prices of all underlying assets in the portfolio and calculate the issue and redemption prices of the Fund.

c) Preparation of interim and annual reports

The Manager will ensure that proper accounting records are kept for the Fund and is responsible for the preparation of interim and annual reports.

d) Liaison with third parties

The Manager will ensure the liaison with third party specialists such as the Registrar and the Auditors.

4.2.5 Names and profiles of board members of the Manager

The board of directors of the Manager consists of one executive, one independent and three non-executive directors, namely:

a) Gilbert Gnany – Non-Executive Director

Please refer to paragraph 4.1.1 for bio data.

b) Ronald Lam Yan Foon – Non-Executive Director

Please refer to paragraph 4.1.1 for bio data.

c) Jeremy Paulson-Ellis – Non-Executive Director

Mr. Paulson-Ellis was one of the founding directors of the Genesis Group, a specialist institutional investment manager in Emerging Markets and was the Chairman since its formation in January 1989 until his retirement in June 2009. Prior to that he was Chairman of Vickers da Costa, an international London-based stockbroker, following its takeover by Citicorp in 1985. He was involved in the management of the first offshore fund formed to invest in Japan and was closely involved in the development and launch of the first country funds for South Korea and Taiwan, and the second for Thailand.

d) Michael Naameh – Independent Director

A professional investment manager and economist with over 28 years of experience. The major part of Mr. Naameh's career has been devoted to helping central banks, sovereign wealth funds and public sector pension funds to develop optimum investment and risk management policies and strategies. He currently oversees the investment operations and key government relationships of Crown Agents Investment Management Ltd (CAIML). He has co-authored two books on central bank reserve management and presented many papers on reserves, pension and risk management issues at international forums including the World Bank Small States Forum, Commonwealth Finance Ministers Meetings and Asian Development Bank. He plays a leading role designing and delivering client and regional training programmes of CAIML. Mr. Naameh holds a BA (Hons) in Business Studies and an MSc in International and Monetary Economics and is a member of the Institute of Chartered Financial Analyst (CFA).

e) Ameenah Ibrahim - Managing Director

Ms. Ibrahim holds a "Maîtrise-es-Sciences Économiques – Mention Monnaie et Finance" from the University of Montpellier. She has been very active in the development of the company - from operations to the fund

management side of the business - and is now Managing Director. She overlooks the management of equity portfolios, local fixed income and global asset allocation mandates and spearheads the development of equities portfolio. She joined MCB Investment Management after graduating from the university.

4.2.6 Track record – fund setup and management

The Manager is one of the largest portfolio and CIS Managers in Mauritius with a wide platform of Collective Investment Schemes duly authorised by the FSC and with total assets under management of over USD 450 million as at 30th September 2015. Following its amalgamation with MCB Fund Managers Ltd in October 2012, the company has more than 20 years' experience in the development of new funds and their management and administration.

The company has, over the years, successfully launched eleven collective investments schemes namely:

- MCB General Fund (1994) – a balanced fund investing at least 60% in local equities and fixed income and up to 40% in overseas funds and fixed income securities.
- MCB Tracker Fund (1998) – a unique fund in Mauritius aiming at replicating the performance of the local SEM-7 index (blue-chip stocks).
- MCB Domestic Equities Fund (2001) – a local equity fund which aims at outperforming the local SEMDEX index.
- MCB Yield Fund (2003) – a local fixed income fund with an objective of delivering a higher yield than commercial banks' savings rate over a given year.
- MCB Overseas Fund (2009) – a fund of foreign funds (70%) and up to 50% in overseas fixed income securities.
- MCB Bond & Currency Fund (2011) – a USD-denominated fund investing in overseas bonds and aiming at delivering a return through capital appreciation of bonds and currencies and coupon and interest income
- MCB Fixed Income Fund (2012) – a USD-denominated fund investing in overseas bonds, currencies and derivative instruments and aiming at delivering a return through capital appreciation of bonds and currencies and coupon and interest income. The fund is aimed specifically at expert investors.
- MCB 2025/30/35/40 target date funds (2012) – four target date funds seeking to balance the total return and stability over time by investing in a mix of asset classes with different risk profiles. As the Fund approaches and passes the Target Date, it will increasingly emphasize income and conservation of capital by investing a greater portion of its assets in bonds or other fixed income securities and high-yielding equities.
- MCB Africa Bond Fund (2014) – a USD-denominated fund established in order to enable investors to capture returns from investments in African local currency fixed income securities
- MCB India Nifty Fund (2014) – a USD-denominated fund investing in Indian securities and which aims at replicating the USD performance of the CNX Nifty Index.
- MCB Africa Equity Fund (2015) – a USD-denominated fund investing in listed African equities.

4.2.7 Investment management team of the Manager

The investment team has a wealth of experience which can be seen in the performance track record the company has generated within the various mandates it has secured. Key members of the team include:

a) Ameenah Ibrahim – Managing Director

Please refer to paragraph 4.2.5e) for biodata

b) Abhimanyu Yadav – Head of Fixed Income & Currencies

Mr. Yadav heads the development of fixed income and currency fund management at MCB Investment Management. Prior to joining the firm, he was a portfolio manager at MEAG New York (Munich Re), where he led fixed income strategy for the firm's Canadian fixed income portfolios (US\$10bn AUM) and co-managed the credit portion for the US fixed income portfolios (US\$30bn AUM). Before joining MEAG New York, Mr. Yadav was a Risk Manager and then Credit Analyst at Genworth Financial for 4 years. He therefore has considerable experience

investing in fixed income strategies covering sovereign bonds, investment grade and high yield corporates and ABS under both active and passive mandates versus customised publicly available fixed income benchmarks.

c) Hashim Joomye – Fund Manager

Mr. Joomye is a fund manager and also heads the business development function at MCB Investment Management. Prior to this, he was employed as Investment Analyst with the Mauritius Fund Management Co. Ltd. Early in his career, Mr. Joomye spent three years working for a London firm of Chartered Accountants before joining BDO Stoy Hayward. He holds a Masters Degree in Investment Analysis from the University of Stirling in Scotland after having qualified as a Chartered Certified Accountant.

d) Satish Lutchmeenaraidoo – Junior Fund Manager

Mr. Lutchmeenaraidoo joined the Manager as an investment analyst in global fixed income and currency markets. Prior to joining the company, he worked at GHF Futures as a commodity derivatives trader and at Deutsche Bank as Client Service Administrator. The academic history of Mr. Lutchmeenaraidoo has been in the science side (Physics) until he undertook his MSc Management and Finance – Financial Engineering at Euromed Management in Marseille, France. He is also a CFA level 2 candidate.

4.2.8 Investment Management Agreement

The Fund has entered into an investment management agreement (the “Investment Management Agreement”) of unlimited duration with the Manager which gives the Manager full power to administer, supervise and direct the acquisition and/or disposal (by whatever means) of the Fund’s investments subject to and in compliance with the investment objectives (as described in paragraph 5 below) and in light of any reasonable instructions that may be given by the Board.

The Manager in addition fulfils additional duties and reporting obligations including:

- a) To provide instructions with respect to the execution of purchases and sales of investments on behalf of the Fund as it deems to be in the best interests of the Fund;
- b) To make all material disclosure to the Fund regarding itself and its members, managers, partners, officers, directors, shareholders, employees, affiliates or any person who controls any of the foregoing, their investment performance and general investment methods, the investment performance of their client accounts, but without the Fund revealing the identities of its clients
- c) To maintain a continuous record of all investments and securities acquired by the Fund and with respect to all transactions effected by it or on behalf of the Fund in accordance with such regulatory and reporting requirements of the FSC and such other relevant authorities;
- d) To maintain such books and records as are appropriate, check all periodical reports, transaction advice and/or statements received from time to time from the Custodian and shall render to the Fund such periodic and special reports as the Fund may reasonably request from time to time;
- e) To deal with applications for shares of the Fund and the issue of shares duly subscribed for;
- f) To deal with redemption requests and payment of proceeds thereof;
- g) To calculate the Net Asset Value;
- h) To ensure that relevant information pertaining to the trading and investment of the assets of the Fund are furnished to the Fund as may reasonably be requested from time to time;
- i) To perform (by itself or through other service providers) investment administration services required by the Fund and engage in any other lawful activities.

The Manager has the ability to delegate to agents or other persons, including portfolio managers, the performance of any or all of the services under the Investment Management Agreement and its duties and obligations. However the Manager remains responsible for (i) all the acts and omissions and (ii) costs of all such persons that it appoints except for transaction costs which shall be recharged to the Fund.

The Manager will be remunerated in the manner set out in paragraph 6.9.2 below.

The Investment Management Agreement may be terminated by either party by giving at least three (3) month's written notice to the other party or upon the occurrence of any of the following events:

- a) If the other party goes into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation notice of which to be forthwith given in writing to the first party) or is proved to the satisfaction of the court to be unable to pay its debts or commits any act of bankruptcy under the laws of Mauritius or if a receiver is appointed in respect of any of the assets of that other party;
- b) If the other party commits any material breach of its obligations under the Investment Management Agreement and (if such breach shall be capable of remedy) fails, within fifteen (15) Business Days of receipt of written notice served by the first party requiring the other party, to make good such breach; or
- c) At any time if the other party ceases to be permitted to act as such under the applicable laws (including in the case of the Manager, its FSC license is revoked or suspended).

The Investment Management Agreement contains provisions exempting the Manager from liability except where the Manager's actions constitute gross negligence, wilful misconduct, bad faith, dishonesty, fraud or breach of the Investment Management Agreement. The Fund has agreed to indemnify and hold harmless the Manager from and against any and all losses, claims, damages, liabilities, costs, expenses and demands (including, without limitation, costs and expenses arising therefrom or incidental thereto), (collectively "Losses"), to which the Manager may become subject arising out of the Investment Management Agreement, the transactions contemplated by it or the fact that the Manager is or was a Manager to the Fund, unless any such Losses are the direct result of the Manager's actions which constituted gross negligence, wilful misconduct, bad faith, dishonesty, fraud or breach of the Investment Management Agreement.

In addition, the Investment Management Agreement contains provisions indemnifying the Fund against any and all losses if such Losses are as a result of the Manager's gross negligence, wilful misconduct, bad faith, dishonesty fraud or breach of the Investment Management Agreement.

4.3 Market making activities

MCB Stockbrokers Ltd (the "Market Maker") has been appointed as market maker by the Fund. The Market Maker has given an undertaking to the Fund that it will provide liquidity to the market during pre-determined windows on all trading days and will always, in normal market circumstances, endeavour to provide and maintain a reasonable bid and offer. In certain exceptional circumstances, the SEM may relieve the Marker Maker from its responsibility to maintain a reasonable bid and offer until the issue is resolved.

4.4 The Investment Adviser

The Manager has appointed Zyfin Capital Limited as investment adviser (the "Investment Adviser" or "ZyFin") to provide investment advisory services.

ZyFin is a company focusing on macro research and analytics to get insights on the economic growth and the financial markets such as India. Based on the insights from ZyFin's proprietary research capabilities, ZyFin develops unique and innovative portfolio strategies (Indices) which are passive in nature. Such strategies are listed on stock exchanges globally either independently by ZyFin or in association with its partners. ZyFin Capital acts as investment advisor to LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF which is listed on London stock exchange and Deutsche Börse.

The Investment Adviser is remunerated by the Manager according to the terms and conditions of the agreement established between them, the main clauses being as follows:

- a) The mandate shall be on pure advisory basis such that the Manager shall retain overall control and discretion on whether the Fund shall invest in accordance with the advice/recommendation of the Investment Adviser;
- b) The Investment Adviser shall be responsible for advising the Manager with respect to the management of the Fund's assets, in line with this Prospectus and with applicable laws.
- c) The agreement also establishes a detailed operational and procedural section which lays down how the Manager and Investment Adviser interact on a regular basis.

4.5 The Registrar

The Fund has appointed MCB Registry and Services Ltd as registrar. The Registrar is incorporated under the laws of Mauritius and is licensed by the FSC as a Registrar and Transfer Agent. The duties of the Registrar include:

- a) Maintaining, in relation to each class of shares of the Fund, the register of shareholders of the Fund and generally performing all actions related to the issuance and transfer of such shares and the safe-keeping of certificates, if any;
- b) Performing all acts related to the redemption and/or purchase of shares of the Fund;
- c) Maintaining a record of dividends declared, if any, and dividends paid; on behalf of the Fund;
- d) Dealing with and replying to all correspondence and other communications addressed to the Fund in relation to the replacement or transfer of shares of the Fund; and
- e) Performing all other incidental services necessary to its duties, which duties shall be set out in the registrar and transfer agent agreement.

4.6 The Corporate Secretary

GFin Corporate Services Ltd has been appointed as the corporate secretary for the Fund. The Corporate Secretary is incorporated under the laws of Mauritius and is licensed by the FSC as a Management Company to, inter alia, provide company management services to global business companies. The duties of the Corporate Secretary include:

- a) Providing guidance to the Board relating to their duties, responsibilities and powers;
- b) Informing the Board of all legislation pertaining to meetings of the shareholders and the Board;
- c) Ensuring that the minutes of all meetings of shareholders and Board are properly recorded, and that all statutory registers are properly maintained; and
- d) Certifying in the annual financial statements, that the Fund has filed with the Registrar of Companies all such returns as are required under the Act as may be amended from time to time.

4.7 The Custodian

Citibank N.A. (the "Custodian") has been appointed as custodian of the Fund. The Custodian is authorised and regulated by the Securities and Exchange Board of India ("SEBI") and has the necessary authorisation under the Securities and Exchange Board of India Regulations 2006.

The agreement between the Custodian and the Fund may be terminated by either party giving not less than sixty (60) days' prior written notice to the other party. Furthermore, unless otherwise agreed in writing, the Custodian may close an inactive custody account or cash account upon thirty (30) days' prior written notice (but subject to any legal requirement as to a different notice period). The Custodian may close any custody account or cash account upon notice to the Fund as the Custodian reasonably considers necessary for the Custodian or any other member of the Citi Group to comply with applicable law in regard to taxes or other requirements including, but not limited to, (i) statute or regulation, (ii) legal, governmental or regulatory authority, or (iii) agreement entered into by the Custodian and any governmental authority or between any two or more governmental authorities (applicable law as used in this sentence may be domestic or foreign) as provided in this Prospectus.

The Custodian shall be remunerated directly by the Fund according to the terms and conditions of the contract established between them.

5 INVESTMENT OBJECTIVE & PRACTICES AND FINANCIAL CHARACTERISTICS

5.1 Underlying Investments

The investment universe of the Fund will consist principally of Government of India bonds denominated in INR. The underlying investments of the Fund are expected to be very liquid (daily average volume traded USD 4 billion in November 2015) with minimal impact cost.

5.2 Investment objective

The Fund's objective is to track the performance of ZyFin India Sovereign Bond Liquid Index in USD (the "Index") which constitute the most liquid fixed rate, local currency sovereign bond issued by the Central Government of India. The Index is a comprehensive, transparent and rule based benchmark of the Indian Sovereign bond market. For Index tracking purposes, the Fund will assume that all dividends are re-invested.

Should there be any changes in the Index constituents or the investment objective of the Fund, the latter shall be communicated by means of a communique posted on the Issuer's website (www.mcbscm.mu/ETFs).

5.3 Indexing Strategy

The Fund aims to track the performance of the Index as closely as possible and practical, regardless of whether the Index level rises or falls, while seeking to minimize as far as possible the tracking error between the Fund's performance and that of the Index's closing price.

In order to seek to achieve its investment objective, the Fund aims to replicate the Index to the extent possible, by holding the Index constituent. However, where full replication of the Index is not reasonably possible and practical (for example as a result of regulatory costs and constraints, illiquidity or unavailability of Index constituent), the Manager may consider purchasing securities closely equivalent to the relevant Index constituent, in order to build a representative portfolio that provides a return that is comparable to that of the Index.

However, in the event that the Manager cannot identify or acquire such equivalent securities, the Manager may consider purchasing Indian mutual funds units as far as possible with similar investment objective as the Index. This replication strategy may result in higher tracking error. In that respect, the Fund has applied for and obtained a derogation from the FSC to depart from Regulation 68 (2) of the CIS Regulations pursuant to Regulation 68 (5) of the CIS Regulations.

5.4 The Index

5.4.1 The Index Provider

The Index is published by ZyFin Research Private Limited ("ZyFin Research" or "Index Provider"). ZyFin Research is an Index and data analytic firm specializing in macro-economic and capital market indices. The mission of ZyFin Research is to transform investing in emerging and frontier markets by offering a combination of original, transparent and uniquely integrated indices and indicators along with asset management products driven by its path-breaking research on consumption, macro-economy and financial markets.

Reports of ZyFin Research are accessed by spectrum of clients from strategy, research teams and traders at buy side and sell side firms, commercial and retail banks, manufacturing and services firms, multilaterals, government and academic institutions.

ZyFin Research is the creator of the Index and retains all proprietary rights, and controls the compilation and composition of the Benchmark Index. ZyFin Research has appointed, Intellika Technologies Private Limited (the "Index Calculator") as an independent third party Index calculation agent. ZyFin Research has licensed the Index to the Fund in terms of the License agreement signed between ZyFin Research and the Fund.

5.4.2 Description and features of the index

The Index is developed by ZyFin Research and maintained by an independent Index Committee, who meets at regular intervals. The committee ensures that the Index adheres to its guidelines predefined in the rulebook and the index remains investible during the rebalancing dates. The Index tracks total return performance of the most liquid fixed rate, local currency sovereign bond issued by the Government of India. The presence of the most liquid bond makes the index replicable and investable. For detailed computation methodology, please visit the following web link: research.zyfin.com/pdf/ZyFin_India_Sovereign_Bond_Liquid_Index.pdf

The universe is comprised of all securities issued by the Government of India subject to eligibility rules including:

1. Principal and interest payment in local currency;
2. Bond pays fixed-rate coupon;
3. Market of issue is India;
4. Years to Maturity is between 8 to 13 years;
5. Outstanding amount is greater than or equal to INR 50,000 million.
6. Bond is not a 'special bond', such as Oil Bonds, issued by the Government of India.

From the pool of eligible universe, a security which has reported highest aggregate traded value for the previous month is selected as Index constituent. The index has single constituent at all points of time. All information regarding Index level, constituents, methodology, rebalancing etc. are uploaded on ZyFin's web page <http://research.zyfin.com/CapitalMarket>

Information relating to the construction of the Index, including the treatment of various corporate actions (where applicable), is documented in the ground rule document which is available on the ZyFin's web page accessible on the following link <http://research.zyfin.com/DownloadPdf?pid=5#>

Information relating to the Index level for the preceding day and Index constituents, will be published onto the website (www.mcbscm.mu/ETFs) of the Fund on a daily basis.

Key Facts about the Index:

- Base Date: March 31, 2005
- Base Value: 1000
- No. of constituents: 1
- Calculation Frequency: Daily (End of the day on each Business Day)
- Rebalance Frequency: Monthly
- Currency: INR and USD

5.4.3 The Index Calculator

Intellika Technologies Pvt Ltd (the "Index Calculator"), is an IT solution provider headquartered at Mumbai-Maharashtra, India. The Index Calculator is independent from the Manager and its associated companies.

The Index is reviewed by an index committee. The Committee comprises of independent and external members appointed by the independent Index Calculator which is responsible for reviewing the composition and rebalancing of the Index. The members are selected based on their professional experience in Indian capital markets and are practising financial auditors of several financial services companies. The committee currently comprises of two members. Both the members are qualified and experienced professionals in their respective domains. One member is a practicing member of Institute of Chartered Accountants of India, managing partner of a firm 'Raju and Prasad Chartered Accountants' and also, Independent Director and member of audit committee for Times Guaranty Limited (Promoted by Bennett Coleman and Co. Ltd., a well-known publication house in India). The other member is an Ex-Senior Vice President of PNB Gilts Ltd., which is a subsidiary of Punjab National Bank (one of the largest public sector banks in India). The committee also reviews the rules and methodology of the Index and makes any amendments, if necessary.

5.4.4 Details of the Index calculation system.

The custom index service of the Index Calculator is responsible for index development, calculation, maintenance and dissemination. Their highly skilled technology team automates the entire process as per pre-defined rules provided by the client so that the entire process runs with least manual intervention.

Some of the key steps in developing a Financial Index service are:

- Underlying financial and trade data management
- Data quality checks and classification
- Constituent selection
- Constituent weighting
- Back-testing of Index

- Daily Index value generation
- Corporate action adjustments
- Periodic Index reviews
- Dissemination of Index data to client and client defined destinations via FTP and e-mails

5.4.5 Continuity

The Index Provider has well experienced personnel within the indexing domain. The team has a total experience of almost 15 years in indexing across global and local indexing companies and exchanges such as MSCI & National Stock Exchange of India. The Index provider also has appropriate back up plans in form of primary and secondary index calculation engines. The raw data for index calculation is sourced from multiple agencies to minimize any disruptions. Further information is available in the ground rule document accessible on <http://research.zyfin.com/DownloadPdf?pld=5#>

5.4.6 Changes to the Index

The Manager, subject to the approval of the Board, may decide, if it considers it to be in the interests of the Fund, to change or substitute the Index. The Manager may, for instance, decide to substitute the Index in the following circumstances:

- a) the Index constituent ceases to be sufficiently liquid or otherwise be available for investment in a manner which is regarded as acceptable by the Manager;
- b) the quality, accuracy and availability of data of the Index has deteriorated;
- c) the components of the Index would cause the Fund to be in breach of the limits contained in the "Investment Restrictions" section of the Prospectus and/or materially affect the taxation or fiscal treatment of the Fund or any of its investors;
- d) the Index ceases to exist or, in the determination of the Manager, there is, or is expected to be, a material change in the formula for, or the method of, calculating the Index or a component of the Index or there is, or is expected to be, a material modification of the Index or a component of the Index;
- e) the Index Provider increases its licence fees to a level which the Manager considers excessive;
- f) there is a change of ownership of the Index Provider to an entity not considered acceptable by the Directors and/or a change of name of the Index; or
- g) a new index becomes available which is regarded as being of greater benefit to the investors than the existing Index.

The above list is indicative only and cannot be understood as being exhaustive in respect of the ability of the Manager to change the Index in any other circumstances as it considers appropriate.

Subject to any necessary approval to be obtained from the SEM and the FSC, any proposal by the Manager to change the Index shall be subject to the prior approval of the shareholders of the Fund by ordinary resolution only if it is deemed to be a change of investment objective or a material change of investment policy of the Fund. Otherwise, in accordance with the requirements of the CIS Regulations, shareholders will be notified of the proposed change.

5.5 Currency universe

The Fund will hold investments and cash denominated both in United States Dollars and the Indian Rupee.

5.6 Investment restrictions and practices

The Fund:

- a) Will restrict its investments (other than cash and cash equivalents) to bonds issued by the Government of India or to such other securities, including mutual funds, that would enable it to achieve its investment objective;
- b) will 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 5% of its net assets, taken at market value at the time of purchase, would be invested in securities of that issuer;
- c) shall not 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;
- d) shall not purchase real estate;
- e) shall not purchase a mortgage;
- f) shall not purchase or sell derivatives;
- g) shall not purchase an illiquid asset if, immediately after the purchase more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of illiquid assets;
- h) shall not purchase a security for the purpose of exercising control or management of the issuer of the security; and
- i) shall not purchase or sell commodities, including precious metals.

The Fund has applied for and obtained a derogation to invest more than 5% of its Net Asset Value in the shares of other collective investment schemes.

In addition the Fund shall not:

- a) 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 Fund 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 its net 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
- b) subscribe to securities offered by a company under formation;
- c) engage in the business of underwriting or marketing securities of any other issuer;
- d) subject to the Securities Act 2005, lend money, securities or other assets,
- e) guarantee securities or obligations of another person;
- f) 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;
- g) purchase a security from, or sell a security to, one of the following persons-
 - i. the Manager or the Custodian;
 - ii. an officer of the Manager or the Custodian;
 - iii. an affiliate of a person referred to in sub paragraphs g) (i) and (ii), unless the purchase from or sale to the affiliate is carried out at arm's length.

The Manager may be required to deposit margins in advance, in cash or in approved securities, from time to time with relevant authorities or regulators such as clearing houses or exchanges in India, to trade in underlying index securities. Such margins deposited should not be construed as used for the purpose of leveraging of the investment portfolio. Such margins payment may result into higher tracking error.

5.7 Risk factors

An investment in the Fund involves significant risk and should be made only after consulting with independent, qualified sources of investment, legal, tax, accounting and other advice. The risks involved in investing into the Fund are laid down in schedule I to this Prospectus.

5.8 Suitability

The Fund is suitable for investors:

- a) Looking to access the Indian sovereign bond market, thereby diversifying their fixed income portfolio;
- b) Having an investment horizon of at least 5 years; and
- c) Looking for regular returns in USD from coupon income and potential long-term gains from capital appreciation of the underlying bonds.

5.9 Recommended minimum holding period

It is recommended that an investment in the Fund be held for a period of at least 5 years.

5.10 Dividends

The holders of the Management Shares shall not be eligible to any dividend payment. The Fund will, subject to solvency requirements, distribute all surplus income by way of dividends to the holders of Participating Shares.

Dividends will be declared usually twice a year immediately after a coupon is received or on realisation of income accrued further to a portfolio rebalancing, provided that the net income (after accounting for fees and expenses) of the Fund allows for a meaningful dividend to be paid to investors.

Dividends will be paid in USD to investors having provided a valid local USD bank account associated with their CDS account. If bank accounts associated with the investors' CDS account are not USD accounts, the equivalent of the USD amount of the dividend will be paid instead and the currency conversion rate to be used will be that applied by the investors' respective banks on the date the dividends are credited to the accounts.

Given that the Fund is denominated in USD and that dividend payments are also initiated in USD, no cheques will be issued to investors. If the dividend disposal mode on an investor's CDS account is "By cheque" at the time a dividend is being paid or where an invalid bank account has been provided, the investor will be promptly notified that his share of the dividends is being held with the Registrar until the investor provides a valid bank account to which the dividends can be credited. No interests will be payable on such dividends held with the Registrar & Transfer Agent.

5.11 Tax considerations

The discussion herein is for informational purposes only and is not intended to be a complete discussion of all tax implications and is not to be construed as tax advice. Each prospective investor should consult its professional tax adviser and make its own inquiries with respect to the tax considerations of an investment in the Fund. Tax consequences may vary depending upon the particular status of an investor. The contents of Paragraph [5.11](#) are true at the time of writing and investors are reminded to exercise caution when interpreting the following paragraphs since laws and regulations of countries are subject to change from time to time without notice whatsoever.

5.11.1 The Fund

The Fund holds a Category 1 Global Business Licence under the Financial Services Act 2007 and to the extent that the Fund intends to avail itself of the Double Taxation Avoidance Agreements to which Mauritius is a party, the Fund shall therefore be liable to income tax as per the Mauritius Income Tax Act 1995 at the uniform tax rate of 15% on its worldwide income. However, the Fund is entitled to claim credit for actual taxes suffered in another jurisdiction or a deemed Foreign Tax Credit ("FTC") of 80% of the Mauritian tax, resulting in a maximum effective tax rate payable of 3%. If no written evidence is presented to the Director General of the Mauritius Revenue Authority ("MRA") showing the amount of foreign tax charged, the amount of foreign tax is nevertheless conclusively presumed to be equal to 80% of the Mauritius Tax chargeable with respect to that income. The Fund has to obtain a tax residence certificate from the MRA and such certification is determinative of its resident status for DTAA purposes. Accordingly the Fund qualifies as a resident of Mauritius for the purposes of all DTAA. On this basis, the fund is entitled to certain relief from foreign tax subject to continuance of the current terms of such DTAA.

5.11.2 India Mauritius Tax Treaty provisions

The discussion on Indian tax matters contained herein is based on existing law, including the provisions of the Indian Income Tax Act, 1961 (“ITA”) and the provisions of the Double Tax Avoidance Agreement between India and Mauritius. ITA is amended every year by the Indian Finance Act of the relevant year, and this summary reflects changes through the date hereof. No assurance can be given that future legislation, administrative rulings or court decisions will not significantly modify the conclusions set forth in this summary, possibly with retroactive effect. Additionally, the discussion of Indian tax matters contained herein does not address the tax consequences to investors arising from the acquisition, holding or disposition of interests in their respective local jurisdictions.

5.11.3 Taxability of Income under the ITA

The ITA codifies the law relating to taxes on income in India. The ITA provides for taxation of persons resident in India on their global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India.

The Fund is set up in Mauritius and invests substantially all its assets in Indian sovereign bonds (hereinafter referred to as “debt securities”). In this regard, the Fund is registered as a Foreign Portfolio Investor (“FPI”) with the Designated Depository Participant (“DDP”) (i.e. local custodian bank in India).

For Indian income-tax purposes, the Fund is likely to be assessed to tax as a ‘Corporate’ tax payer. The income-tax implications with respect to the income earned by the Fund are detailed below.

Residency in India

Residents of India are subject to taxation in India on their worldwide income. As per the amendment made by the Finance Act, 2015, a company is said to be tax resident in India in any year, if its place of effective management (“POEM”) in that year, is in India. Further, the term POEM means a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made. Since the POEM of the Fund is outside India, the Fund should be regarded as a non-resident in India.

Accrual / Receipt of Income

Since the Fund would be regarded as non-resident in India, it will be subject to taxation in India if (a) it receives or is deemed to receive income in India, (b) the income accrues or arises in India or (c) the income is deemed to accrue or arise in India. Income is deemed to accrue or arise in India if it accrues or arises, whether directly or indirectly (i) through or from any ‘business connection’ in India, (ii) through or from any property in India, (iii) through or from any asset or source of income in India or (iv) through the transfer of a capital asset situated in India.

Characterization of Income

As per section 2(14) of the ITA, ‘capital asset’ includes any security held by a FPI which has invested in such security in accordance with the regulations made under the SEBI Act, 1992. Accordingly, all income arising out of the sale of Indian securities held by the FPI shall be treated as capital gains.

Income streams

The Fund is expected to earn the following streams of income from investment in Indian debt securities:

- Capital gains on transfer of debt securities
- Interest income from investment in debt securities

Taxation of Capital Gains

Under the provisions of the ITA, depending upon the period of holding of securities, capital gains earned by the Fund on transfer of debt securities would be taxable either as short-term or long-term capital gains.

Nature of Asset	Short-term capital asset	Long-term capital asset
For assets being a security (other than a unit) listed in a recognised stock exchange in India or a Unit of the Unit Trust of India or a unit of an equity oriented fund or zero coupon bonds	Held for not more than 12 months	Held for more than 12 months
For assets other than those specified above	Held for not more than 36 months	Held for more than 36 months

Long-term capital gains arising from transfer of debt securities would be subject to tax at the rate of 10% (plus applicable surcharge and education cess). Income received in respect of short-term capital gains arising from the transfer of debt securities would be subject to tax at the rate of 30% (plus applicable surcharge and education cess).

Taxation of Interest Income

As per the ITA, interest on rupee denominated corporate bonds and government securities payable to the Fund would be subject to a tax at the rate of 5% (plus applicable surcharge and education cess) if the following conditions are satisfied:

- Such interest is payable on or after 1 June 2013 but before 1 July 2017;
- In respect of rupee denominated corporate bonds, rate of interest does not exceed the rate which is notified by the Central Government

If the above rates do not apply, interest income on securities would be subject to tax at the rate of 20% (plus applicable surcharge and education cess).

5.11.4 Taxability of Income under the Treaty

Tax Residency and eligibility to Treaty benefits

Since India has signed a tax treaty with Mauritius, the provisions of the Treaty should apply to the extent it is more beneficial than the provisions of the domestic tax law. This is subject to the Fund being a tax resident of Mauritius and fulfilling the eligibility criteria to claim benefits under the Treaty. To avail treaty benefits, the Fund would be required to obtain a tax residency certificate ("TRC") from the Mauritius Revenue Authorities, furnish a declared Form No.10F along with supporting documents. The specific documents to be maintained in this regard are not prescribed by the Indian Government and would depend upon the facts of each case. Further, it has not been specified under the tax laws when the form or other documents are to be submitted. These documents may have to be submitted to the tax authorities, if called for, during tax audit proceedings.

The term 'resident of a Contracting State' as defined in the Treaty means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature. Also, the Treaty provides that if a person, other than an individual, is a resident of both the Contracting States, i.e., India and Mauritius, then it shall be deemed to be a resident of the Contracting State in which its POEM is situated. Since the POEM of the Fund would be in Mauritius, the Fund should be eligible to avail Treaty benefits.

Taxation of Capital Gains

Under the Treaty, capital gains earned on transfer of debt securities (i.e. Indian sovereign bonds) in India would be exempt from taxes in India.

Taxation of Interest Income

India-Mauritius tax treaty does not provide for any concessional tax rates for interest income from investments in debt securities in India. Therefore, such interest income earned will be taxed as per the provisions of ITA as mentioned above.

5.11.5 Other provisions

Withholding Tax

Interest income earned by the FPIs will be subject to withholding tax at the rate of 5%/20% (plus applicable surcharge and cess). In case of interest on government securities, based on experience, we understand that the taxes are not withheld on such payments and accordingly, the Fund would be required to estimate the interest income for the financial year and discharge advance taxes prior to repatriation of income outside India.

No deduction of tax is required from any income by way of capital gains arising from transfer of debt securities in case of the FPI. However, advance tax is required to be discharged by the FPI prior to repatriation of sale proceeds outside India.

Indirect transfers

As per the provisions of the ITA, income arising from a transaction entered into outside India between two non-residents should not be taxable in India unless the income could be regarded as arising from a business connection in India or from any asset or source of income in India or through the transfer of a capital asset situated in India, or if received or deemed to be received in India.

The Finance Act, 2015, has clarified that a foreign company or entity shall be deemed to derive its value substantially from Indian assets if the fair market value of Indian assets represents at least 50 per cent of value of all the assets owned by such foreign company or entity, subject to minimum value of Indian assets of INR 100 million.

Since the Fund is likely to invest mainly in debt securities in India, offshore transfers, satisfying certain conditions ought to be taxable in India. However, exemption is available in the case of dividend pay-outs by the foreign entity to its investors. Relief is also proposed for minority shareholders (along with its associated enterprises) that neither hold the right of control or management nor hold voting power or share capital or interest exceeding five per cent of the total voting power or total share capital in the overseas company.

If the above-mentioned provisions are applied to non-resident investors of the Fund, it could result in tax liability on investors in respect of transfer/redemption of units in the Fund in case the investors are not covered by the exemptions provided by the Finance Act, 2015. In such a case, a withholding tax obligation is also likely to arise on the Fund in respect of such transfers.

The investors should, however, be eligible to avail treaty benefits, subject to satisfying certain conditions.

5.11.6 General Anti Avoidance Rules ('GAAR')

GAAR provisions were proposed to be effective from 1 April 2015. The Finance Act, 2015 has deferred GAAR by two years, now effective from 1 April 2017. All investments made up to 31 March 2017 will be grandfathered. Also, the GAAR provisions will apply prospectively. GAAR provisions need to be separately analysed based on specific facts of each case.

5.11.7 Taxation of shareholders in Mauritius

At the time of writing, prevailing law provides that shareholders who are either Mauritian individuals or non-residents of Mauritius will not be subject to any form of Mauritian tax on redemption of shares they hold in the Fund. Mauritian corporations disposing of their shares may be liable to tax on the profits realised on redemption if the shares purchased are disposed within six months of the purchase date. Dividend income received from the Fund is not subject to tax in Mauritius and there is currently no withholding tax on dividend payments made to local companies or foreign companies.

6 CONDITIONS OF OPERATIONS

6.1 Share capital

The share capital of the Fund is denominated in USD and made up of no par value shares. It is divided into two classes of shares namely:

- a) Management Shares; and
- b) Participating Shares;

The Board may, at any time, decide to create additional classes of shares of the Fund subject to the provisions of the Companies Act 2001, the Securities Act 2005 and the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008.

The Board may issue and redeem Participating Shares to/from any person and in any number it thinks fit without the requirement of any prior approval of the shareholders of the Fund. The Board is expressly permitted to issue further Participating Shares at any time ranking as to voting or distribution rights or both equally with shares of such classes already in issue without such issuance as amounting to a variation of rights under section 114 of the Act.

The Fund has one (1) Management Share in issue (owned by MCB Investment Management Co. Ltd at the time of issue). The Management Share shall confer upon the holders thereof the rights set out in the Constitution as highlighted below. The Board shall issue the Management Share only to the Manager.

6.2 Classes of shares of the Fund

6.2.1 Management Share

The terms of issue of the Management Share are as follows:

- Voting:
The holder of the Management Share shall have the right to receive notice of meeting of any meeting of the shareholders of the Fund and shall have all the voting rights of the Fund.
- Dividends:
The holder of the Management Share shall not have any rights to dividends.
- Distribution of surplus assets:
Upon winding up of the Fund, the holder of the Management Share shall have the right to receive an amount equal to the sums paid up on such Management Share but after payment to the holders Participating Shares in accordance with the Constitution.

6.2.2 Participating Shares

The terms of issue of the Participating Shares are as follows:

- Voting:
The holders of Participating Shares shall not have the right to receive notice of shareholders' meeting and attend such meetings, and shall have no right to vote at any meeting of shareholders and/or to approve any resolution of the Fund except in the circumstances permitted by the Constitution or required under Mauritian Law.
- Dividends:
The holders of Participating Shares shall have rights to dividends.
- Distribution of surplus assets:
Upon winding up of the Fund, the holders of Participating Shares shall have the right to a *pro-rata* share of any surplus assets of the Fund and shall rank in priority to the holder of Management Share in accordance with the Constitution.

Participating Shares shall be issued on the other terms set out hereinafter and in the Constitution.

6.2.3 Reporting obligations to holders of Participating Shares

- Annual report

The Manager shall, as soon as practicable (but not later than 90 days) after the end of each Accounting Period of the Fund, publish on the website of the Fund an annual report reviewing the operation of the Fund during the accounting period then ended. Written copies of the Annual Report will be available free of charge on written request at the Manager's office.

- Interim report

The Manager shall, as soon as practicable (but not later than 45 days) after the end of each calendar quarter, publish on the website of the Fund an interim report reviewing the operation of the Fund during the accounting period then ended. Written copies of the Interim Report will be available free of charge on written request at the Manager's office.

- Annual statements of holdings

The Manager shall send to each holder of Participating Shares, an annual statement of account by September each year to allow each holder of Participating Shares to be fully aware of his overall investment in the Fund over the last financial year. The statement will also show an indicative value of the investments.

6.2.4 Summary of rights and terms of issue of shares in the Fund

Rights & other terms	Management Shares	Participating Shares
Voting	Yes	No
Dividends	No	Yes
Distribution of surplus assets	Yes, but after distributions to holders of Participating Shares	Yes
Redemption	No	Yes
Annual Statements of holdings	N/A	Yes

6.3 Net asset value, portfolio valuation and pricing

6.3.1 Net Asset Value

The Net Asset Value of the Fund is determined by the Manager (or any person retained by the Manager on behalf of the Fund to provide such services), under the overall supervision and direction of the Board, based on the latest available prices on each Valuation Day.

If the Manager is unable to carry out a valuation exercise as a result of any cause beyond its reasonable control ("Force Majeure Event"), the Fund shall be valued as soon as reasonably possible after the removal of the Force Majeure Event, it being understood that such valuation shall take place only on a Business Day.

The Net Asset Value of the Fund is calculated by taking the total assets of the Fund, including all cash, cash equivalents and other securities (each valued at fair market value and which are further described in sub-paragraph "Portfolio Valuation" below), and subtracting the total liabilities of the Fund (valued at fair market value) determined in accordance with International Financial Reporting Standards ("IFRS") subject to the amortization of the Fund's organisational and initial offering fees and expenses described in paragraph 6.9 below.

All NAV publications pertaining to the Fund, will be published on the website on the following address www.mcbcm.mu/ETFs

6.3.2 Portfolio valuation

Fixed income securities are normally valued on the basis of quotes obtained from brokers and dealers or pricing services using data reflecting the earlier closing of the principal markets for those securities. Prices obtained from independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Certain fixed income securities purchased on a delayed delivery basis are marked to market daily until settlement at the forward settlement date.

Investments initially valued in currencies other than the USD are converted to the USD using exchange rates obtained from pricing services. As a result, the NAV of the Fund may be affected by changes in the value of currencies in relation to the USD. When forward currency contracts are involved, the Fund will use the spot rates as provided by data providers and adjust them for the market determined forward points to reflect the gain / loss from the forward currency contract.

Securities and other assets for which market quotes are not readily available are valued at fair value as determined in good faith by the Board or persons acting at their direction. The Manager will disclose to the board the pricing sources used for each dealing day whilst the fund is only open for monthly dealing.

The Fund will be valued with accrual on holdings up to and including the day of valuation.

In the event the Manager at any time considers that the above basis of valuation is inappropriate to reflect the correct values or, that the values determined in accordance with the foregoing principles are unfair, the Manager may, with the approval of the Board, make such allowance as it considers appropriate. In particular this may happen in case of market illiquidity.

6.3.3 Pricing per share

The NAV per Share in respect of Participating Shares shall be calculated by dividing the Net Asset Value of the Fund by the total number of Participating Shares outstanding on the Valuation Day. Any changes in assets and liabilities and in the number of Participating Shares will be recorded in the books not later than the first Valuation Day following the date of transaction.

The Issue Price and Redemption Price of Participating Shares shall be the NAV per Share.

The NAV per Share in respect of Participating Shares will be available at the office of the Manager and published on the website of the Fund at www.mcbscm.mu/ETFs.

The NAV per share, Issue Price and Redemption Price will be rounded to an accuracy of two (2) decimal places.

6.4 Suspension of dealing

The Board is empowered to suspend all dealings and the calculation of the Net Asset Value pertaining to the Fund or any class of shares of the Fund and may do so in any of the following events:

- a) when one or more stock exchanges or other markets which provide the basis for valuing any assets of the Fund are closed other than for or during holidays, or if dealings therein are restricted or suspended or where trading is restricted or suspended in respect of securities forming a substantial part of the Fund's assets;
- b) when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Fund, disposal of the assets of the Fund is not reasonably practicable without this being seriously detrimental to the interests of shareholders, or if, in the opinion of the Board, a fair price cannot be calculated for the assets of the Fund;
- c) in the case of a breakdown of the means of communication normally used for the valuing of any assets or if for any reason the value of any asset which is material in relation to the Net Asset Value (as to which the Board shall have sole discretion) may not be determined as rapidly and accurately as required;
- d) if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Fund are rendered impracticable, or if purchases, sales, deposits and withdrawals of any assets of the Fund cannot be effected at the normal rates of exchange, as determined by the Board; and
- e) if, for reasons beyond the control of the Fund, a fair price for the assets of the Fund is not being bid by any party in spite of the fact that all reasonable efforts have been made to obtain such a bid.

The Board's power to suspend dealings and the calculation of the Net Asset Value in the circumstances described in the above paragraph shall apply as if references to "assets of the Fund" include references to any underlying investments or assets representing or attributable to the assets of the Fund, whether directly or indirectly.

The Board shall, in addition to the subject of suspension, have the right to postpone any Valuation Day to the next Business Day if, in the opinion of the Board a significant proportion of the assets of the Fund cannot be valued on an equitable basis and such difficulty is expected to be overcome within one Business Day.

No issue or redemption of shares of the Fund will take place during any period when the calculation of the Net Asset Value is suspended. The Fund may withhold payment to shareholders of the Fund whose shares have been redeemed prior to such suspension until after the suspension is lifted, such right to be exercised in circumstances where the Board believe that the making such payment during the period of suspension would materially and adversely affect and prejudice the interests of continuing shareholders.

The Fund where possible shall take all reasonable steps to bring any period of suspension to an end as soon as possible in any event not later than thirty (30) days after the start of the suspension.

Any suspension of dealing shall be published in accordance with the provisions of applicable laws.

6.5 Indebtedness

The Fund shall not, over the course of its existence:

- Engage in activities to lever the Fund or issue any type of guaranteed and unguaranteed debt securities;
- Contract any borrowings or indebtedness in the nature borrowings
- Apply for any mortgages and charges to encumber the assets of the Fund
- Assign any contingent liabilities or guarantees upon the Fund

6.6 Subscriptions for and redemption of Participating Shares on the Primary Market

The provisions set out in this paragraph 6.6 apply to subscriptions for and redemption of Participating Shares on the Primary Market and not to the purchase and sales of Participating Shares on Secondary Markets. Applications for subscriptions or redemptions of Participating Shares can only be made by an Authorised Participant on the Primary Market. All other investors may purchase or sell Participating Shares on the Secondary Market through Investment Dealers, as described in paragraph 6.7 below.

Notwithstanding the above, the Manager reserves the right to accept subscriptions from investors other than Authorised Participants during the Initial Launch Period.

6.6.1 Subscription for Participating Shares

Participating Shares shall be issued by the Fund in accordance with the applicable laws and in accordance with the procedures set out hereunder:

a) Subscription procedure

Applications for Participating Shares from Authorised Participants may be made to the Manager. An application form is attached to this Prospectus and will also be made available on the website of the Fund: www.mcbscm.mu/ETFs

Duly completed applications forms and required supporting documents (the "Application Documents") together with remittance (including all applicable Duties & Charges) must be submitted to the Manager. Applications will be processed when they are physically received at the office of the Manager.

Notwithstanding the above, subscription for Participating Shares may, at the discretion of the Fund, be processed and issued on receipt of scanned copies of the Application Documents PROVIDED that the original Application Documents are received by the Manager within one (1) month of the issue of such shares. Failure to send the original Application Documents within the prescribed delay may result in (i) the Fund and/or the Manager taking such actions as may be necessary or required under the anti-money laundering laws and/or (ii) the compulsory redemption of the applicable Participating Shares at the then NAV per Share less any applicable Duties & Charges, the proceeds of which will be sent back to the investor without interest and net of bank charges.

Payments must be made by bank transfer to the account of the Fund specified in the application form.

Payments by cash will not be accepted.

Shares must be fully paid up. No credit will be given to investors or potential investors.

All documents sent by post should be addressed to:

MCB India Sovereign Bond ETF
 c/o MCB Investment Management Co Ltd
 9th Floor, MCB Centre, Sir William Newton Street
 Port Louis.

Subscription monies must be received in full (including all applicable Duties & Charges) before the Manager can act on the investor's order to purchase shares in the Fund.

The Fund may, after consultation with the Manager, reject, in all or in part, any subscription (without assigning any reason) at its sole and absolute discretion and the investor would be required to hold the Fund and the Manager harmless in respect of any cost, loss or prejudice resulting from such rejection. Any amount paid on application will be returned to the investor without interest and net of bank charges.

b) Initial Launch Price and Period

- Initial Launch Price: USD 10.00
- Initial Launch Period opens on: 26th April 2016
- Initial Launch Period closes on: 27th May 2016
- Settlement: By 4 pm on 27th May 2016

c) Minimum funding to be raised

The minimum amount of subscriptions to be raised during the Initial Launch Period is USD 1,000,000. This minimum is required for the Fund to start operating. Should this minimum amount not be reached by the end of the Initial Launch Period, all monies already paid by investors will be returned to them together with any interest earned thereon. Refunds will be made by bank transfer (net of bank charges) to the account specified on the application forms.

All subscription monies will be kept in a bank account in the name of the Fund at The Mauritius Commercial Bank Limited, 13-15 Sir William Newton Street, Port Louis.

d) Minimum subscriptions and prefunding

India is a prefunding market, which means that Indian securities can only be purchased on a pre-funded basis. Accordingly, each Authorized Participant submitting an application to subscribe for Participating Shares in the Fund is required to deliver upfront a minimum subscription amount (the "Basket Value") by the Dealing Deadline (except in respect of subscriptions during the Initial Launch Period) to cover the purchase by the Fund of underlying Indian securities in connection with the subscription request.

The Basket Value, which includes Duties & Charges, will be estimated by the Manager and Investment Adviser, based on their knowledge and experience of the relevant markets and securities. The Basket Value must be subsequently converted to INR for investment purposes. Details on the Basket Value may be obtained from the Manager.

Where any Basket Value paid by an Authorized Participant is subsequently determined to have been in excess of the actual amount required for the purchase of the relevant number of underlying Indian securities, the excess cash amount will be held in custody on a temporary basis and will be reimbursed to the relevant Authorized Participant as soon as practicable, net of any foreign exchange transaction costs and any other related costs. The relevant Authorized Participant shall remain an unsecured creditor of the Fund in respect of the amount to be reimbursed ("Reimbursement Amount") until such time as the amount is paid to it. Authorized Participants should note that no interest will accrue on the relevant Reimbursement Amount and interest shall therefore not be payable by the Fund to the relevant Authorized Participant in respect of any such amount.

In the event that the Basket Value is insufficient to purchase all the underlying Indian securities required to be purchased in connection with the subscription, the Fund will not be able to acquire all the requisite underlying securities and will need to carry out one or more further purchases on subsequent day(s). Similarly, if restrictions under Indian laws, regulations and/or stock exchange rules, or the suspension of trading of particular Indian securities restrict the Fund from acquiring all the requisite underlying securities, the Fund may also need to carry out one or more further purchases on subsequent day(s). The market risk arising from the timing of the placement of further underlying trades and any delay in trading will be borne by the Authorized Participants. In the event of any funding shortfall, the Authorized Participant will be required to deliver additional sums to make up any funding shortfall to enable further purchases to be made until all the requisite underlying Indian securities have been acquired for the Fund and such additional sums will be required to be delivered to the Company by such reasonable timeframe as shall be notified to the Authorized Participant at the time of any such shortfall occurring but which shall in any event not be less than two Business Days and not more than five Business Days.

The Basket Value currently stands at USD 780,000. Only subscriptions equivalent to the Basket Value and multiples thereof will be accepted by the Fund. The Manager may, at its absolute discretion taking into account changes in market conditions, waive or revise the Basket Value stated above from time to time.

e) Subscriptions Dealing Deadline

The Manager will accept subscriptions for Participating Shares on each Dealing Day. Participating Shares in respect of applications received and accepted by the Manager before the Dealing Deadline will be issued at the Issue Price prevailing on the Calculation Day immediately following that Dealing Day (see below for calculation basis).

Applications received after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day, provided always that the Manager may decide, in exceptional circumstances, to accept subscriptions after the relevant Dealing Deadline provided that they are received before the relevant Valuation Point.

f) Basis of pricing

As shares of the Fund are issued on a forward pricing basis, the Issue Price of such shares shall not be ascertainable at the time of application. When subscribing for shares of the Fund, applicants pay the Basket Value which will buy the applicant the number of shares equivalent to such Basket Value less any applicable Duties & Charges and the resulting figure divided by the Issue Price applicable on the relevant Calculation Day. The number of shares will be rounded down to the nearest whole number.

g) Confirmation of purchase, delivery and settlement

Upon admission to listing of the Official Market of the SEM, the Participating Shares will be credited directly to CDS accounts of Investors where those Investors have CDS accounts. Investors who do not hold a CDS account, will be required to open a CDS account with an Investment Dealer of their choice.

Prior to the delivery of the Participating Shares in the CDS accounts of the Investors, legal ownership of shares will be reflected in book entries recorded by the Registrar on the register of members. Once delivered in the CDS accounts, legal ownership of the Participating Shares will be reflected in book entries recorded by the CDS and such records shall constitute the definitive evidence of the title of the holder of the Participating Shares to the number of Participating Shares shown in their respective CDS account.

A confirmation note detailing the amount invested and the number and class of shares of the Fund allocated to the investor in the Fund will be sent (by email where same has been provided or otherwise by post) to the investor within 10 Business Days from the relevant Dealing Day. The Fund will be responsible for settlement and not the SEM or any exchange.

6.6.2 Redemption of Participating Shares

Participating Shares shall be redeemed by the Fund in respect of the Primary Market in accordance with applicable laws and in accordance with the procedures set out hereunder.

a) Redemption procedure

A holder of Participating Shares (the "Applicant") may by himself, or acting through an authorised agent, on any Dealing Day request the Fund to, subject to the Minimum Redemption Amount, redeem all or any portion of its shares at the applicable Redemption Price subject to an appropriate provision for Duties and Charges. Any request for redemption (the "Redemption Request") made by the Applicant shall:

- be in writing in such form and containing such information as may from time to time, or in particular cases, or for particular purposes, be prescribed by the Board or the Manager. The Redemption Request form can be obtained from the Manager or downloaded from the Fund's website;
- be served and delivered at the registered office of the Manager or such other place as may from time to time be agreed upon by the Board or the Manager; and
- be made in accordance with such other procedures as the Board or the Manager may determine either generally or in any specific case or cases.

b) Redemption limits

If, on any Dealing Day, the aggregate of all Redemption Requests represents more than ten percent (10%) of the total value of all Participating Shares in issue on that Dealing Day, the Fund shall have the right to redeem the shares to which the Redemption Requests relate at a price determined by a successful sale of the requisite assets of the Fund and unless and until the sale is successfully effected, the Redemption Requests shall be deemed suspended in accordance with the Constitution. In selling the requisite assets, the Fund shall give due consideration to the interests of the holders of shares of the Fund as a whole.

c) Minimum redemption amount

The Minimum Redemption Amount shall be equivalent to the Basket Value and multiples thereof, or such other amount as may be determined by the Manager from time to time and notified to Authorised Participants. Where at the time a Redemption Request is received, the holdings, valued at the latest available Redemption Price, of the Authorised Participant who has made such a Redemption Request is determined to be below the relevant Basket Value, the Manager may refuse such Redemption Request until the Authorised Participant has increased its holdings to the required level through the purchase of Participating Shares on the secondary market.

d) Redemptions Dealing Deadline

The Manager intends to procure for the redemption of Participating Shares on each Dealing Day. The dealing deadline is noon Mauritian time on each Dealing Day. Shares in respect of Redemption Requests received and accepted by the Manager before the Dealing Deadline will be redeemed at the Redemption Price prevailing on the Calculation Day immediately following that Dealing Day (see below for calculation basis).

Redemption Requests received after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day, provided always that the Manager may decide, in exceptional circumstances, to accept Redemption Requests after the relevant Dealing Deadline provided that they are received before the relevant Valuation Point.

In the event of a suspension of dealing (see above for details) Redemption Request forms will be processed on the Dealing Day immediately following the cessation of such suspension.

e) Calculation basis for Redemption Proceeds

As shares of the Fund are redeemed on a forward pricing basis, the Redemption Price of such shares shall not be ascertainable at the time of application. In their Redemption Request form, applicants must specify the value of shares that they wish to redeem subject to the Minimum Redemption Amounts stated above (the "Redemption Value"). The Fund will then dispose of the required number of underlying securities, taking into account the Redemption Value and the specificities of the market for Indian Government bonds. The proceeds resulting from such disposal (the "Proceeds") will be divided by the Redemption Price applicable on the relevant Calculation Day to determine the number of the applicants' Participating Shares that will be redeemed as a result of the Redemption Request (the "Redemption Shares"). The redemption proceeds is calculated by multiplying the Redemption Shares OR the total number of Redeemable Shares actually held by the applicant, whichever is the lower, by the applicable Redemption Price subject to an appropriate provision for Duties and Charges (the resultant amount being hereinafter referred to as the "Redemption Proceeds").

Where a Redemption Request would have the effect of causing an investor to hold a number of Participating Shares the value of which would be substantially less than the Basket Value, the Fund reserves the right to redeem the total number of Participating Shares held by that investor as at the date such Redemption Request was made and pay the corresponding Redemption Proceeds as per the paragraph below.

f) Confirmation of redemption

Upon the redemption of shares being effected, the Applicant shall cease to be entitled to any rights in respect thereof. A confirmation note will be sent (by email where same has been provided or otherwise by post) to the Applicant within 10 Business Days after the applicable Dealing Day.

g) Payment of Redemption Proceeds

Redemption Proceeds (net of any bank charges) will be paid to the relevant redeemers' accounts within 10 Business Days of the applicable Dealing Day.

6.6.3 Transfer of shares

Upon listing onto the Official Market of the SEM, the Participating Shares shall be freely transferable with all records of transfers directed through the CDS.

6.7 Sales and purchases on the secondary market

The Participating Shares are listed for secondary trading on the Official Market of the SEM by mean of an introduction and individual Participating Shares may be purchased and sold by investors thereon through any Investment Dealer. If an investor buys or sells Participating Shares on the secondary market, such investor will pay the secondary market price for Participating Shares. In addition, an investor will incur customary brokerage commissions and charges.

The trading prices of Participating Shares will fluctuate continuously throughout trading hours based on market supply and demand rather than the NAV per Share, which is only calculated at the end of each business day. The Shares will trade on the market at prices that may be above (i.e. at a premium) or below (i.e. at a discount), to varying degrees, the NAV per Share. The trading prices of Participating Shares may deviate significantly from the NAV per Share during periods of market volatility and may be subject to brokerage commissions and/or transfer taxes associated with the trading and settlement through the stock exchange. There can be no guarantee that once the Shares are listed on a stock exchange they will remain listed. Investors should also refer to the paragraph on risk factors for more information.

An INAV, which is an estimate of the Net Asset Value per Share calculated using market data, will be disseminated at regular intervals throughout the day. The INAV is based on quotes and last sale prices from the securities' local market and may not reflect events that occur subsequent to the local market's close. Premiums and discounts between the INAV and the market price may occur and the INAV should not be viewed as a "real-time" update of the Net Asset Value per Share, which is calculated only once a day. None of the Fund, the Manager, any of its affiliates or any third party calculation agents involved in, or responsible for, the calculation or publication of such INAVs makes any warranty as to their accuracy. Details of the INAV for the Fund is available on the website of the Fund.

6.8 Expenses incurred for the issue

All issue costs will be incurred by the Manager and will not be recharged to the Fund.

6.9 Summary of fees and charges payable by investors

6.9.1 Fees payable on issues and redemptions – Duties & Charges

Includes all stamp duties and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions (including foreign exchange spreads), custodian and sub-custodian charges, transfer fees and expenses, agents' fees, brokerage fees, commissions, bank charges, registration fees and other duties and charges, including any provision for the spread or difference between the price at which any asset was valued for the purpose of calculation of the NAV per Share and the estimated or actual price at which any such asset is purchased or expected to be purchased, in the case of subscriptions, or sold or expected to be sold, in the case of redemptions, including, for the avoidance of doubt, any charges or costs arising from any adjustment to any swap or other derivative contract required as a result of a subscription or redemption, whether paid, payable or incurred or expected to be paid, payable or incurred in respect of the constitution, increase or reduction of all of the cash and other assets of the Fund or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of Participating Shares (including, if relevant the issue or cancellation of certificates for Participating Shares) or investments by or on behalf of the Fund. Duties & Charges applicable for redemptions will also reflect any movement in USD-INR exchange rate between the applicable Calculation Day and the day on which the Proceeds (as defined in Paragraph 6.6.2 e) above) are actually converted from INR to USD.

6.9.2 Management Fees and other fees payable to functionaries

a) Management fees

The Fund shall pay to the Manager a fee (the "Management Fee") calculated, as a percentage per annum of the Fund's NAV. The Management Fee shall accrue on a daily basis and be payable on the last Business Day of each month. This percentage may from time to time be revised by the Manager after agreement with the Board but shall in no case exceed 0.99% per annum.

b) Secretarial fees

The fees payable by the Fund to the Corporate Secretary have a fixed and variable component. These fees may be reviewed from time to time by the Corporate Secretary in accordance with the terms of the Corporate Services Agreement but shall in no case exceed market rate.

c) Registrar fees

The Fund shall pay a fee to the Registrar for keeping the register of shareholders (the "Registrar Fee"). The Registrar Fee will be calculated as a percentage per annum of the NAV of the Fund. The registrar fee shall accrue on a daily basis and be payable on the last Business Day of each month. This percentage may from time to time be revised by the Registrar in accordance with the terms of the registrar and transfer agent agreement.

d) Custodian fees

The Fund shall pay to the Custodian for the safe-keeping and dealing with the assets of the Fund a fee calculated as a percentage per annum of the NAV of the Fund. The custodian fee shall accrue on a daily basis and be payable on the last Business Day of each month. This percentage may from time to time be revised by the by the Custodian in accordance with the terms of the custody agreement. The Custodian shall in turn remit a portion of its fees to the sub custodian of the fund.

6.9.3 Organisational expenses

The expenses incurred in establishing the Fund or devising its structure or preparing its Constitution from time to time (including without limitation: obtaining of authorisations for the Fund, the determination of its tax status and in the preparation of its initial agreements with (inter alia) any administrator, custodian, investment manager, registrar or secretary and in connection with the initial issue of shares) are, except and to the extent that it may be otherwise agreed by the Board, to be paid by the Fund and be recognized when incurred.

Where the Manager pays or has paid the expenses on behalf of the Fund, the Manager may charge the expenses incurred to the Fund. For the purpose of Net Asset Value calculation, expenses will be allocated to the different shares or classes of shares (as applicable) and may be amortized or written off over a period of five (5) years commencing on the first Business Day of the month during which the Fund commences investment activities or as the Board may determine from time to time. A note reconciling the Net Asset Value calculation at year end shall be included in the statutory accounts of the Fund.

6.9.4 Other fees and charges

The following expenses shall be borne by the Fund together with any tax in the nature of value added tax or otherwise payable in respect of any such fees and expenses. Such expenses shall, where applicable, be apportioned on a class by class basis:

- a) In addition to the periodic fee referred to above, the Manager is entitled to be reimbursed the following expenses reasonably incurred by it in the performance of its duties including without limitation:
 - (i) Legal costs, stamp duties, valuation, search and enquiry fees;
 - (ii) Expenses in connection with the appointment and engagement of any approved valuer, accountant, stockbroker and such other person as may be necessary for the purpose of exercising the powers of the Manager or Board and performing their obligations under the constitutive documents of the Fund (which person or persons may be a related corporation of the Manager);
 - (iii) All taxes or any amount in bona fide reimbursement of any such taxes properly charged to the Manager (whether by any taxing authority or any other person) in connection with the Fund on account of the Manager, any shareholder or otherwise;

- (iv) Any other expenditure properly and reasonably incurred in connection with carrying out the duties of Manager under the constitutive documents of the Fund and/or any other applicable legislation or regulation.
- (v) all usual bank charges and fees incurred or charged in relation to the maintenance and operation of banking accounts and incurred in money transmission on behalf of the Fund;
- (vi) all legal costs and liabilities in relation to any legal action taken on behalf of the Fund;
- b) the cost of dealing in the assets of the Fund (including inter alia the cost and expenses of buying and selling securities and financial instruments, brokerage fees and commissions, interest or taxes payable, and all other transaction related expenses);
- c) the cost of insurance premiums (if any), including, without limitation, the cost of director and officer liability insurance policies;
- d) the cost and expenses incurred in obtaining a listing of the Fund on any licensed securities exchange, if such listing is deemed desirable by the shareholders;
- e) the costs incurred in modifying the constitutive documents of the Fund;
- f) any expenses incurred in respect of meetings of shareholders;
- g) the fees and expenses of the auditor of the Fund as fixed by the Board;
- h) the fees payable to regulatory bodies;
- i) the costs incurred in respect of the distribution of income (or capital) to shareholders;
- j) the costs incurred in respect of printing and posting of confirmation notes and interim and annual statements;
- k) costs incurred in respect of the publication of prices of the Fund;
- l) the fees and expenses of any consultants or advisers to the Fund appointed with the approval of the Board;
- m) the costs, charges and expenses incurred in relation to the preparation, registration and distribution of any Prospectus issued by the Manager in respect of shares in the Fund and the preparation, registration (if requisite) and distribution of any periodical or other report or document required by law to be prepared in respect of the Fund; and
- n) any other costs, incidental to the operation of the Fund that may be charged to the Fund;

The Manager is responsible for providing all office personnel, space and facilities required for the performance of its services to the Fund.

Audited and abridged financial statements will be published onto the website of the Fund (www.mcbscm.mu/ETFs) on an annual and quarterly basis respectively.

6.10 Total Expense Ratio (TER)

The Manager will endeavour to maintain the Total Expense Ratio (TER) of the Fund, being the total fees and expenses paid by the Fund expressed as a percentage of the Net Asset Value of the Fund, at a maximum of 0.99% at all times.

6.11 Timetable

Subscriptions opening period: 26th April 2016

Subscriptions closing period: 27th May 2016

Delivery of securities: 3rd June 2016

Date of commencement of dealings: 6th June 2016

Marketing period: 29th March to 27th May 2016

Proposed date of listing: 6th June 2016

Payment date: 27th May 2016

7 GENERAL INFORMATION

7.1 Financial year end

The financial year of the Fund is 30th of June every year.

7.2 Duration and termination of the Fund

The Fund will have an indefinite life. The Fund may be wound up in accordance with the applicable insolvency laws of the Republic of Mauritius or upon exercise by the FSC of its powers under the applicable legislation. On a winding up, whether as a solvent or an insolvent company, the liquidator will distribute the assets of the Company in accordance with Mauritian Laws and the Constitution.

The Fund may pass the appropriate resolution to wind up or cause for the winding up of the Fund where the size of the Fund is too small and/or that it becomes uneconomical and/or investment in these assets are no longer, appropriate for or does not provide value to, investors.

7.3 Anti-Money Laundering Provisions

The Financial Intelligence and Anti-Money Laundering Act 2002 provides for the offences of money laundering, the reporting of suspicious transactions and the measures to combat money laundering. A money laundering offence is committed when a person engages in a transaction that involves property which is or represents the proceeds of any crime or receives, is in possession of, conceals, disguises, transfers, converts, disposes of, removes from or brings into Mauritius any property which is or represents the proceeds of any crime.

The Act also lays down the obligation on “every bank, financial institution, cash dealer or member of a relevant profession or occupation” to report forthwith to the Financial Intelligence Unit (FIU) any “suspicious transaction”. To satisfy the requirements under this Act, the Manager may require additional evidence of identification from a prospective investor prior to issuing shares. Besides existing legislation, the Fund will also adhere to the requirements of the relevant codes on Prevention of Money Laundering issued by the FSC.

8 DATA PROTECTION

The Manager shall, for the performance of its obligations, collect and, where necessary or required, process, information hereby voluntarily communicated by any prospective investor (the “Personal Data”). The Manager undertakes to treat the Personal Data confidentially and securely in line with the provisions of the Data Protection Act 2004, as amended from time to time.

Any prospective investor has the right of access to, the possibility of correction, and destruction, of the Personal Data which is in the custody or control of the Manager.

Save as otherwise herein provided, the Manager warrants not to reveal or otherwise disclose the Personal Data to any external body, unless (i) the Manager has obtained the express consent of any prospective investor, or (ii) it is under either a legal obligation or any other duty to do so, or (iii) where the Personal Data is disclosed to any agent, third party service provider, professional adviser or any other person under a duty of confidentiality to the Manager’s group (its affiliates and parent company), as well as to certain service providers within the Manager’s group. It is drawn to the attention of prospective investors that the foregoing disclosures may require that the Personal Data be transferred to parties located in countries which do not offer the same level of data protection as the Republic of Mauritius.

Where personal information relating to the officers, employees and directors of any prospective investor is, or is required to be, collected by the Manager, the prospective investor expressly shall procure to do all such things that may be required by the Manager to ensure that its officers, employees and directors are made aware of the data protection provisions herein and that such officers, employees and directors give their consent with regards to the collection, processing and transfer of such personal information by the Manager.

9 BOARD APPROVAL

This Prospectus has been approved for issue by the Board on 29th March 2016.

Director

Director

SCHEDULE I – RISK FACTORS

Prospective investors are urged to consult their own financial advisors or accountant before making an investment in the Fund.

An investment in the Fund will entail investment risks and there is no guarantee of specific or minimum investment performance or return on capital, and there is no assurance that the Fund will meet its investment objective. Moreover, an investment in the Fund could result in a complete loss of the investment proceeds.

The purchase of shares involves substantial risk and is suitable only for persons who understand the possible consequences of an investment in the Fund and who are able to bear the risk of loss of their entire investment. Prospective investors should consider the risks described below in addition to risks set forth elsewhere in this Prospectus.

Investors should remember that the price of the shares of the Fund and any income from them may fall as well as rise and that investors may not get back the full amount invested. Past performance is not a guide to future performance and the Fund should be regarded as medium to long-term investment. Where a purchase involves a foreign exchange transaction, it may be subject to the fluctuations of currency values. Exchange rates may also cause the value of underlying overseas investments to go down or up. Investors should be aware that the following statements are intended to summarise some of the risks, but are not exhaustive, nor do they offer advice on the suitability of investments.

Investment in the Fund may be considered as speculative and should be made only by investors who are able to bear the risk of loss of an investment in the Fund. Investors should be aware of the risks associated with the Fund's investment policy and are advised to consult their professional advisors, such as lawyers, financial advisors, accountants or tax advisors when determining whether an investment in the Fund is suitable for them.

The Fund is a new entity and has no track record or operating history. There can be no assurance that any rate of return will be realized or that significant capital losses will not occur. The Fund's returns may be unpredictable and, accordingly, it is not suitable as the sole investment vehicle for an investor. An investor should only invest in the Fund as part of an overall investment strategy, and then only if the investor is able to withstand a total loss of its investment. Prospective investors should carefully consider each and every risk involved herein, and all other information contained in this Prospectus.

The following disclosure cannot address every risk that may be associated with an investment in the Fund due to the uncertainty of future events. Accordingly, the following list of risks do not purport to be a complete explanation of the risks involved in an investment in the Fund. Prospective investors should read the entire Prospectus and consult with their own advisors before deciding to subscribe.

I. Investment Risks

The Fund's portfolio is subject to normal market fluctuations as well as the risks inherent in the investment techniques described in the Prospectus and there can be no assurance that appreciation will occur or that losses will not be realised. Consequently the value of shares may be subject to volatile movements. The value of the shares and the income produced by them can fall as well as rise. Investors may not get back the value of their original investment.

Investments in Debt Securities

Among the principal risks of investing in debt securities are the following:

- interest rate risk (the risk that the value of the fund's investments will fall, if interest rates rise); interest rate risk generally is greater for the funds that invest in fixed income securities with relatively long maturities than for the fund that invest in fixed income securities with shorter maturities;
- credit risk (the risk of the issuer defaulting on its obligations, and be unwilling or unable to meet their obligations to the fund).

Sensitivity to Interest Rates

A rise in interest rates may cause a decline in the market value of the fixed income debt securities held by the Fund, thereby having a negative effect on the value of the Fund. Investors will therefore be exposed to the risk that the NAV per Share or the market price of the Participating Shares being negatively affected by interest rate fluctuations. When

the Fund invests in or is otherwise exposed to interest bearing securities, it is exposed to the risk of interest rate changes and fluctuations.

Pricing of the securities in the fund

There may be no exchange on which Indian fixed income securities in which the Fund will invest are listed. As a result, pricing of the fixed income securities comprising the fund may be dependent on input from fixed income trading desks or price providers, reducing the transparency of pricing. Generally, the value of any fixed income security is calculated as the average mid prices from investment dealers who provide such prices subject to exclusions of outliers and other sources based on best judgment. In addition, some of the fixed income securities held by the Fund may not be rated and accordingly it may be more difficult to determine pricing.

Reinvestment risk

Cash flows on a Government security includes a fixed coupon every half year and repayment of principal at maturity. These cash flows need to be reinvested whenever they are paid. Hence there is a risk that the Fund may not be able to reinvest these proceeds at profitable rates due to changes in interest rate scenario.

Liquidity risk

Liquidity risk refers to the inability of an investor to liquidate (sell) his holdings due to non-availability of buyers for the security, i.e., no trading activity in that particular security. Usually, when a liquid bond of fixed maturity is bought, its tenor gets reduced due to time decay. For example, a 10 year security will become 8 year security after 2 years due to which it may become illiquid. Due to illiquidity, the investor may need to sell at adverse prices in case of urgent funds requirement. However, in such cases, eligible investors can participate in market repo and borrow the money against the collateral of the securities

Currency Risk

Currency Risk refers to the risk of fluctuations in the external value of Indian Rupee for an investor who is a non-Indian Rupee based and has not hedged the risk.

Custody Risks

A Custodian has been appointed to provide cash and security custody services to the Company. Bankruptcy or fraud of the bank may impair the operational capabilities or the capital position of the Company and result in losses and the Net Asset Value of the Funds of the Company to suffer. The Custodian may not be required to segregate the Company's assets deposited with them, in which case the assets of the Company may be subject to the claims of the general creditors of the Custodian if it becomes insolvent.

Mauritius Related Risks

The Company is required to comply with the provisions of the Financial Services Act 2007, and the Securities Act 2005, the Listing Rules of the SEM and the regulations made under those laws. Consequently, the Company will have to disclose to the relevant authorities any information which they may require pursuant to these laws and further the Company will have to comply with and report any suspicious transactions under the Financial Intelligence and Anti-Money Laundering Act 2002.

Pursuant to the Mauritius Companies Act, 2001, the Funds may only make a distribution to their respective shareholders if they satisfy the solvency test prescribed by the Mauritius Companies Act, 2001. The Fund will satisfy the solvency test when it is to pay its debts as they become due in the normal course of business and the value of the assets of the Fund is greater than the value of their liabilities. These limitations may adversely affect the ability of the Fund to make distributions to its respective shareholders.

Redemption Risks

Shareholders may apply to have their Participating Shares redeemed on any redemption Dealing Day. However, the ability of Fund to meet redemption requests will depend on the availability of liquidity to the Fund. This in turn will be affected by the liquidity of the underlying funds in which the Fund may invest. Although investments in certain types of securities may in normal market circumstances be liquid; at times and particularly during periods of market turmoil, previously liquid investments may become illiquid. Accordingly, in certain circumstances the Board may decide to

utilize its power to defer redemption requests above a certain percentage, seek to give effect to redemptions in specie or from time to time suspend the subscription and redemption of such Participating Shares.

II. India Market Risk.

Investment in emerging markets such as India may subject the Fund to higher risk of loss than investment in developed markets. This is due to, among other things:

- greater market volatility;
- lower trading volume and liquidity issues;
- limited securities markets;
- restrictions on purchases of securities by foreign investors;
- the imposition of currency or capital controls or the expropriation or nationalisation of assets
- political, social and economic instability;
- economic dependence on a few industries or on international trade or revenue from particular commodities;
- high levels of inflation, deflation or currency devaluation;
- regulatory, financial reporting, accounting and disclosure standards that may be less stringent than those of developed markets;
- settlement and custodial systems that are not as well-developed as those in developed markets that may cause delays in settlement and possible “failed settlements”;
- potential difficulty, expense or delay in enforcing legal rights, particularly against governments;
- precarious financial stability of issuers (including governments);
- uncertainty and unexpected variations in the application of tax rules;
- greater risk of market shut down; and
- more governmental limitations on foreign investment policy than those typically found in a developed market.

III. Concentration Risk

The Fund will invest substantially all of its assets in issuers located in India, with the result that the Fund’s performance will be closely tied to the market, currency, economic, political, or regulatory conditions and developments in India and could be more volatile than the performance of more geographically-diversified funds. Further, investors may buy or sell substantial amounts of the Fund’s shares in response to factors affecting or expected to affect India, resulting in abnormal inflows or outflows of cash into or out of the Fund. These abnormal inflows or outflows may cause the Fund’s cash position or cash requirements to exceed normal levels and consequently, adversely affect the management of the Fund and the Fund’s performance. The Fund’s liquidity may also be affected by such concentration of investment.

IV. Force Majeure Event

The risk that the Manager, Investment Advisor, Custodian or any sub custodian is not able to perform its duties or suspends its obligations due to a Force Majeure Event. “Force Majeure Event” means any event due to any cause beyond the reasonable, such as restrictions on convertibility or transferability, requisitions, involuntary transfers, unavailability of communications system, sabotage, fire, flood, explosion, acts of God, civil commotion, strikes or industrial action of any kind, riots, insurrection, war or acts of government.

V. Regulatory Risks

Future developments in governmental, central bank and other regulations and supervision in Mauritius and India may adversely affect securities markets in the region, by imposing restrictions on trading or transferring securities. Restrictions may also be imposed by the securities regulators and the relevant stock exchanges in various countries including those where Unit holders are located. Additionally, despite legislation to encourage foreign investment, the legal systems in India are undergoing rapid change and in others remains underdeveloped, leading to significant risks for investors, including risks relating to the ownership and transferability of assets and the enforcement of proprietary rights.

VI. Lack of Prior Operating History of the fund

The Fund is a newly organized investment fund with no previous operating history. Please refer to Paragraph 3.4 for further details.

VII. Risks specific to investing in index-tracking exchange traded funds (ETFs)**Index Tracking Risks**

While the Fund seeks to track the performance of its benchmark Index, whether through a replication or optimising strategy, there is no guarantee that it will achieve perfect tracking and the Fund may potentially be subject to tracking error risk, which is the risk that its returns may not track exactly those of its benchmark Index, from time to time. This tracking error may result from an inability to hold the exact constituents of the benchmark Index, for example where there are local market trading restrictions, small illiquid components, a temporary unavailability or interruption in trading of certain securities comprising the benchmark Index and/or where regulations limit exposure to the constituents of the benchmark Index.

In addition, the Fund may rely on index licences granted by third party index providers to use and track the benchmark Index. In the event that the index provider terminates or varies the index licence, it will affect the ability of the Fund to continue to use and track the benchmark Index and to meet its investment objectives. Regardless of market conditions, the Fund aims to track the performance of its benchmark Index and does not seek to outperform its benchmark Index.

Index related Risks and Disclaimers.

The Index Provider does not guarantee the accuracy and/or the completeness of the Index or any data included therein, and the Manager or the Fund shall have no liability for any errors, omissions, or interruptions therein. The Index Provider makes no warranty, express or implied, as to results to be obtained by the Fund, owners of the Participating Shares of the Fund or any other person or entity from the use of the Index or any data included therein. Without limiting any of the foregoing, in no event shall the Index Provider, the Manager or the fund have any liability for any special, exemplary, punitive, direct, indirect or consequential damages (including lost profits), however caused and on any theory of liability, whether in contract, strict liability or tort (including negligence or otherwise), resulting from the use of the Index or any data included therein, even if notified of the possibility of such damages.

Tracking Error Management

The objective of passive funds / ETFs is to closely track the underlying index, *vis a vis* keeping the tracking error as low as possible. Tracking error reflects the efficiency of the Manager in replicating the performance of the underlying index. Tracking error in respect of the Fund could occur due to many reasons, including higher cash held by the fund for expenses, margins, if any and due to non-availability of FPI quotas/limits, costs of the FPI quotas/limits, local trading and settlement constraints, local regulatory issues, rebalancing costs of the portfolio etc. Though some of the factors contributing to the tracking error would not be in the control of the Manager, it will be the endeavour of the Manager to keep the tracking error at reasonably lower levels by deploying effective tracking error minimizing strategies.

Index-Related Risks

As prescribed by this Prospectus, in order to meet its investment objective, the Fund seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the benchmark Index as published by the index provider. There is no assurance that the index provider will compile the benchmark Index accurately, or that the benchmark Index will be determined, composed or calculated accurately. While the index provider does provide descriptions of what the benchmark Index is designed to achieve, the index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of the benchmark Index, and does not guarantee that the benchmark Index will be in line with the described index methodology.

The Manager's mandate as described in this Prospectus is to manage the Fund consistently with the relevant benchmark Index provided to the Manager. Consequently, the Manager does not provide any warranty or guarantee for index provider errors. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, particularly where the indices are less commonly used. Therefore gains, losses or costs associated with index provider errors will be borne by the Fund and their Shareholders. For example, during a period where the benchmark Index contains incorrect constituents, a fund

tracking such published benchmark Index would have market exposure to such constituents and would be underexposed to the constituents that should have been included in the benchmark Index.

As such, errors may result in a negative or positive performance impact to the fund and its shareholders. Shareholders should understand that any gains from index provider errors will be kept by the fund and its shareholders and any losses resulting from index provider errors will be borne by the fund and its shareholders.

Apart from scheduled rebalances, the index provider may carry out additional ad hoc rebalances to the benchmark Index in order, for example, to correct an error in the selection of index constituents. Where the benchmark Index of the Fund is rebalanced and the Fund in turn rebalances its portfolio to bring it in line with its benchmark Index, any transaction costs (including any capital gains tax and/or transaction taxes) and market exposure arising from such portfolio rebalancing will be borne directly by the Fund and its shareholders.

Unscheduled rebalances to the benchmark Index may also expose the Fund to tracking error risk, which is the risk that its returns may not track exactly those of the benchmark Index. Therefore, errors and additional ad hoc rebalances carried out by the index provider to a benchmark Index may increase the costs and market exposure risk of the fund.

Where the Fund's benchmark Index aims to identify securities that meet criteria which have an element of being forward looking (for example, securities that are expected to provide a high yield), there is no guarantee that the benchmark Index will meet its objective. Many factors can affect the performance of a security and the impact of these factors on a security or its price can be difficult to predict.

VIII. Secondary Trading Risk

The Participating Shares will generally be traded on the Official Market of the Stock Exchange of Mauritius and may be listed or traded on one or more other stock exchanges. Notwithstanding the appointment of a Market Maker, there can be no certainty that there will be liquidity in the Participating Shares on any one or more of the stock exchanges or that the market price at which Participating Shares may be traded on a stock exchange will be the same as the Net Asset Value per Share. There can be no guarantee that once the Participating Shares are listed or traded on a stock exchange they will remain listed or traded on that stock exchange.

Suspension risk on local markets

In certain markets, trading on the local exchange may be carried out by one or a small number of local market account holders. If such account holder(s) fail(s) to deliver securities or monies in relation to a trade, there is a risk of suspension in relation to all funds which effect their trading on the local market through such account holder(s). This risk may be increased where a fund participates in a securities lending programme. Suspension in either case may increase the costs of the Fund. Moreover, Trading of Participating Shares on the SEM may be suspended if the Fund fails to comply with the Listing Rules.

IX. Risks relating to Foreign Portfolio Investor (FPI)

Unless otherwise permitted, to invest in India capital market, the Fund is required to be registered as a Foreign Portfolio Investor ("FPI") with SEBI under SEBI (FPI) Regulations, 2013, before such investments can be made.

Currently investment in Indian government securities by FPI is subject to a monetary limit, which may be amended from time to time. As of the date of the Prospectus, the limits that govern the investments in Indian government securities by FPI's are INR 1,535 billion for all Central government securities. The limits with effect from January 1, 2016 has been enhanced to INR 1,795 billion for all Central government securities

The limits for FPI investment in the Central Government securities will be increased in phases to reach 5 per cent of the outstanding stock by March 2018. In aggregate terms, this is expected to open up room for additional investment of INR 1,200 billion in the limit for Central government securities by March 2018 over and above the existing limit of INR 1,535 billion for all Central government securities.

The fund may therefore be able to invest in Central government securities of India only when FPI limit is available and this may only be achieved by incurring higher costs. Investors should be aware that the availability of the FPI limit can be unpredictable and as a result, the Fund may, at times, have substantial exposure to other debt instruments at the discretion of the Manager or the Fund. FPI limits or quotas may or may not be available in such an event the ability of the fund to buy the underlying bonds may be a constraint, which in turn might result in high tracking error or higher cash balances.

X. Unhedged Exposure Risk

The assets of the fund will generally be invested in securities denominated in INR and any income or capital received by the fund from these investments will, likewise, be received in INR. As Participating Shares in the fund are denominated in US Dollars (USD), changes in currency exchange rates between the INR and USD may affect the value of the Participating Shares. As the currency exchange rates of emerging market countries, such as India, tend to be more volatile than those of more developed economies, the effect of changes in exchange rates on the value of Participating Shares in the fund may be more pronounced than it would be for funds which invest in more developed markets.

Furthermore, the Fund will accept subscriptions and pay distributions and redemption proceeds, in USD, while it invests in INR and will therefore incur costs in connection with conversions between these currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they buy and sell various currencies. Thus, a dealer normally will offer to sell currency to the Fund at one rate, while offering a lesser rate of exchange should the Fund wish immediately to resell that currency to the dealer. Due to the relatively high volatility of INR, the spread between a dealer's sell and offer prices for INR may be greater than that for the currencies of more developed economies, which may result in relatively high currency exchange costs for the fund. The Fund will conduct its currency exchange transactions on a spot (i.e. cash) basis at the spot rate prevailing in the currency exchange market. It is anticipated that most of the Fund's currency exchange transactions will occur at the time securities are purchased and will be executed through the local broker or custodian acting for the Fund.

XI. Indian Controls on Repatriation of Capital and Profits

The right to repatriate capital, dividends and interest income may be subject to prior government approval. The Fund's investments, and income it receives on those investments, might be denominated in local currency which will need to be ultimately converted to US Dollars. To the extent that a prior government approval is required to repatriate funds, the Fund may be adversely affected by delay in approval, and where exchange rates are fluctuating, delay may directly and adversely affect the value of the repatriated sum on conversion to US Dollars.

XII. Participating Shareholders

The Participating Shareholder will not be subject to taxation in India unless such Shareholder is a resident of India or, if a non-resident, has an Indian source income or income received (whether accrued or otherwise) in India. Further, the taxability of income in India earned by the Participating Shareholders from the Fund shall also depend on the tax treaty that the country where the Participating Shareholder is a tax resident has entered into with India.

SCHEDULE II – SUMMARY OF CONSTITUTION

As regards transfer and registration

The Participating Shares shall be admitted to listing on the Official Market of the SEM. Once listed, the Participating Shares shall be freely transferable with all records of transfers directed through the CDS and shall be free of all lien.

As regards definitive certificates

Participating Shares and Management Shares shall, subject to the Act, be issued in inscribed form and no certificate shall be issued in respect of shares of the Company.

As regards dividends

The holders of Participating Shares shall have the right to receive dividends declared by the Company.

The holder of the Management Shares shall not have any rights to dividends

As regards directors

The members of the Board are appointed by the holders of the Management Shares. Unless otherwise determined by the Company by Ordinary Resolution, the number of the Directors shall not be less than two and the board of the Company shall at all times consist of two Mauritian resident directors.

Appointment and Removal of Directors

The office of a Director shall be vacated in any of the following events namely:-

- a. If he resigns his office by notice in writing signed by him and left at the Office;
- b. If he becomes insolvent or makes any arrangements or composition with his creditors generally;
- c. If he is absent from three consecutive meetings of the Board without leave expressed by a resolution of the Board, and the Board resolves that his office be vacated;
- d. If he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment; and
- e. If he is removed from office by an Ordinary Resolution of the Company.

The Company shall at any meeting of shareholders at which a Director retires or is removed fill up the vacated office by electing a Director unless the Company shall determine to reduce the number of Directors

Powers and Duties of the Board of Directors

The business of the Company shall be managed by the Board, who may exercise all such powers of the Company as are not by the Act or by this Constitution required to be exercised by shareholders, subject nevertheless to any provision of the Constitution, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in a meeting of shareholders, but no regulation made by the Company in a meeting of shareholders shall invalidate any prior act of the Board which would have been valid if no regulations had been made.

In accordance with the Fourteenth (14th) Schedule of the Act, the Board may enter into major transactions without having to obtain the approval of the shareholders of the Company.

Remuneration and Other Interests of Directors

No remuneration or benefits in kind have been or will be granted to the Directors by any affiliate of the Fund. However Directors shall be entitled to reimbursement from the Fund for all reasonable out-of-pocket expenses incurred by them on behalf of the Fund including travel and other reasonable costs incurred in connection with their services.

Any Director may also act in a professional capacity as provided for by Mauritian Law and he will be entitled to be remunerated for such services at market rates.

Subject to the disclosure requirements and formality requirements of the Act in relation to transactions with Directors and transactions in which Directors have an interest, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director on such terms as to tenure of office and otherwise as the Board may determine. Subject to the disclosure requirements and formality requirements of the Act in relation to

transactions with Directors and transactions in which Directors have an interest, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director on such terms as to tenure of office and otherwise as the Board may determine. Subject to the disclosure requirements and formality requirements of the Act, a Director shall, for the purposes of Section 152 of the Act, be counted in the quorum and shall be entitled to vote in respect of his appointment to hold any office or place of profit under the Company or the arrangement of the terms of any such appointment or in respect of any contract or arrangement in which he is materially interested. Any Director may act by himself or through his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, PROVIDED THAT nothing herein contained shall authorise a Director or his firm to act as Auditor to the Company.

As regards accounts

The Board shall cause proper books of account to be kept with respect to all the transactions, assets and liabilities of the Company in accordance with the Act.

The books of account shall be kept at the Office, or at such other place or places as the Board shall think fit, and shall at all times be open to the inspection of the Board, but no person, other than a Director or Auditor or an officer, clerk, accountant, or other person whose duty requires and entitles him to do so, shall be entitled to inspect the books, accounts, documents or writings of the Company, except as provided by the Act or authorised by the Board or by the Company in a meeting of shareholders.

A balance sheet shall be made out as at each Balance Sheet Date and laid before the Company at its Annual Meeting in each year, and such balance sheet shall contain a general summary of the assets and liabilities of the Company.

As regards Rights

The pre-emptive rights on the issue of shares contained in section 55 of the Act are hereby negated. No shareholder shall have any pre-emptive rights whatsoever to subscribe for any additional shares issued by the Company.

The rights attached to any class of shares may be varied with the consent in writing of the holders of three-quarters(3/4) of the issued shares of that class.

The special rights attached to any class of shares shall be deemed not to be varied by :-

- (a) the creation, allotment or issue of further shares ranking *pari passu* therewith;
- (b) by the creation, allotment, issue or redemption of Participating Shares; or
- (c) by the winding up of the Company and the exercise by the liquidator of his power.

As regards notices

Any notice or document may be served by the Company on any shareholder either personally or by sending it through the post in a prepaid letter addressed to such shareholder at his address as appearing in the Register. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders. Any shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened. A notice may be given by advertisement and notice so given shall be published in at least one international/local newspaper and shall be deemed to have been served at noon on the day on which the advertisement appears.

As regards redeemable shares

The holders of Participating Shares shall not have the right to receive notice of meeting of shareholders of the Company and shall have no right to vote at any such meetings and/or to approve any resolution of the Company. The holders of Participating Shares shall not have any rights to dividends.

As regards capital structure

The share capital of the Company is made up of no par value shares and is divided into Management Shares and Participating Shares. The Board may, at any time, decide to create additional classes of shares of the Company subject to the provisions of the Companies Act 2001, the Securities Act 2005 and the CIS Regulations. Subject to the other provisions of this Constitution, the Board may issue shares at any time, to any person (save for the Management Shares which can be held only by the Manager) and in any number it thinks fit without the requirement of any prior approval of the shareholders. Shares of the Company shall be issued fully paid-up.

As regards proxies

A meeting of shareholder may be held by a number of shareholders who constitute a quorum, being assembled in person or by proxy. A quorum shall be deemed to be constituted by the presence of one shareholder present in person or by proxy entitled to vote on resolutions of shareholders to be considered at the meeting.

As regards untraceable members

The Company shall have no right to sell Shares registered in the name of a shareholder who is untraceable.

As regards the alteration of the Constitution

The Company may by Special Resolution alter or modify the Constitution as originally drafted or as amended from time to time, subject to the prior written approval of the Stock Exchange of Mauritius and the Financial Services Commission, as the case may be, for such alteration, modification or amendment.

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