

Private Placement Memorandum
Relating to shares in

EWAX (East West Africa Index Fund)

Investment Manager
African Asset Management Ltd

Custodian
Barclays Bank

Administrator
African Asset Management Ltd

Trustees
Kenya Commercial Bank Limited

Auditors
Deloitte & Touche

The date of this Memorandum is 1 January 2009

Investors are advised to seek professional advice in relation to the contents of this Memorandum

The directors of the EWAX Fund, whose names appear herein, accept responsibility for the information contained in this memorandum. To the best of the knowledge and belief of the directors who have taken all reasonable care to ensure that such is the case, the information contained in this memorandum is in accordance with the facts and contains no omission likely to affect the information and completeness of this memorandum. Recipients of this memorandum should inform themselves about and observe any applicable legal requirements.

This Memorandum is based on the law and practice currently in force of the Republic of Kenya and is subject to change therein.

DIRECTORY

The Fund	EWAX (East West Africa Index Fund) African Asset Management Ltd Kimathi House, 6 th Floor, Kimathi Street, P.O. Box 11987 - 00100 Nairobi, Kenya
Directors	Michael Preiss Fred Mweni Eric Migwi Polycarp Ngoje
Investment Manager	African Asset Management Ltd Kimathi House, 6 th Floor, Kimathi Street, P.O. Box 11987 - 00100 Nairobi, Kenya
Custodian	Barclays Bank Limited Barclays Securities Services (Kenya) Loita Street, Barclays Plaza, M3 P.O. Box 40984 - 00100 GPO, Nairobi, Kenya
Auditors	DELOITTE & TOUCHE "Kirungii" Ring Road Westlands P.O. Box 40092-00100 Nairobi, Kenya
Legal Advisors	Mboya & Wangong'u Advocates 7 th Floor, Lonrho House, Standard Street Nairobi, Kenya www.mboyawangongu.com

Summary of Key Terms

In this Information Memorandum, unless otherwise specifically stated, words defined in the Act bear the meanings therein assigned to them, and unless inconsistent with the context, all words and expressions importing the masculine gender shall include the feminine, and words signifying the singular number shall include the plural and vice versa.

In this Information Memorandum, unless inconsistent with the context, the following expressions shall have the following meanings:

Legal Structure EWAX (East West Africa Index Fund) is an open ended index fund in Custody of, and run through by Barclays Securities Services and managed by African Asset Management Limited.

Investment Manager is African Asset Management Ltd, limited liability company having its registered office at Kimathi House, 6th Floor, Kimathi Street, P.O. Box 11987 - 00100 Nairobi, Kenya, or any successor appointed by the fund.

Objective to achieve long time capital growth in African economies and stock exchanges.

Minimum subscription is US\$ 1,000

Fees placement fee is 5% charged upfront and management fees of 2% per annum. The redemption fees is 5%

"Accounting period" The EWAX Index Fund shall have an annual accounting period ending the last day of December in each year; but the Fund Manager (African Asset Management Ltd) , shall publish and submit to the Capital Markets Authority an interim report for the half-year period ending on the last day of June in each year.

"Business day" Excluding Saturday, Sunday, and public holidays.

"Capital gains" means and includes all securities, rights and other benefits in the nature of capital accruals received or to be received by or on behalf of the EWAX Index Fund by reason of the holding of the underlying securities on behalf of the unit holders, whether received in cash or securities or by warrant, cheque.

"Certificate" or "certificates of entitlement" means a certificate issued pursuant to the provisions of this Deed which serves as evidence of the title of the possessor thereof to the units referred to therein and properly acquired by him in the EWAX Index Fund.

"Custodian" means a company approved by the Capital Markets Authority to hold custody funds, securities, financial instruments or documents of title to assets of the EWAX Index Fund.

"Dealing" means an act of buying, selling or agreeing to buy or sell or trade units by the Fund Manager.

“Dilution” means that EWAX Index Fund may suffer reduction in the value of its portfolio as a result of costs incurred in dealing in its underlying investments and of any spread between the buying and selling prices of such investments.

“Dilution levy” means a charge incurred as a result of EWAX Index Fund suffering a reduction in the value of its portfolio as a result of costs incurred in dealing in its underlying investments and of any spread between the buying and selling process of such investments.

“EWAX Index Fund” means all cash, debt securities and equity securities for the time being held or deemed to be held upon trust pursuant to a trust deed establishing the EWAX Equity fund or other incorporation or offering document of the EWAX Index Fund.

“Income accruals for an accounting period” means any dividend, interest or other income for distribution received by or accrued to the EWAX Index Fund, the custodian, herein BARCLAYS Bank Limited or the Fund Manager (African Asset Management), on behalf of the unit holders for that accounting period together with any amounts carried forward from any previous accounting period as not having been distributed.

“Made-up price of a unit” means the Net Asset Value price described in the Trust deed, plus the initial charges.

“Management fee” means the periodical charge deductible from income accruals and payments in lieu of income accruals to remunerate the Fund Manager for managing the EWAX Index Fund funds, expressed as a percentage of the average month-end market value of the total assets comprising the EWAX Index Fund during the accounting period for which the charge is levied.

“Portfolio” means a group of securities in which members of the public are invited to acquire units pursuant to the collective investment scheme and includes any amount in cash forming part of the assets pertaining to such portfolio (herein also known as the fund).

“Recognized stock exchange” means any African Stock Exchange, or a stock exchange approved by the Fund Manager and the Trustee and subject to the Act.

“Register” means the register of unit holders.

“Securities” means-

- Debentures or bonds issued or proposed to be issued by a government;
- Debentures, shares, bonds, commercial paper or notes issued or proposed to be issued by a body corporate;
- Any right, warrant, option or futures in respect of any debenture, shares, bonds, notes or in respect of commodities;
- Any unit, interest or share offered under a collective investment scheme; or
- Any instruments commonly known as securities but does not include-
 - a) Bills of exchange;
 - b) Promissory notes;
 - c) Certificates of deposits issued by a bank or financial institution licensed under the Banking Act.

“Shillings” means KES (Kenyan Shillings) the currency of the Republic of Kenya.

“The Act” refers to the Kenyan Capital Markets Act and any Regulations issued there under.

“The Auditors” means a person or firm qualified for appointment as auditor of a public Company in Kenya and appointed by the Fund Manager as its auditor and as auditor of the Trust, subject to the provisions of the Act. A person shall not be qualified for appointment as unless he is a member of and holds a valid practicing certificate issued by the Institute of Certified Public Accountants of Kenya.

“The Authority” means the Kenyan Capital Markets Authority.

“Trust Deed or Deed” means the trust deed and any other deeds supplemental thereto in relation to the AAM EWAX Index Fund funds that sets out the trusts governing the EWAX Index Fund includes every instrument that varies those trusts or effects the powers, duties or functions of the Trustee or manager of the unit trust.

“Trustee in relation to the Unit Trust”, means a Trustee in which are invested the money, investments or other EWAX Index Fund funds portfolio that are for the time being subject to the Trusts governing the Unit trust. The Trustee of the EWAX Index Fund funds is Kenya Commercial Bank.

“Underlying securities, in relation to a unit portfolio”, means the securities comprised in or constituting the unit portfolio concerned and includes any cash or claims derived or resulting from the conduct of the unit portfolio which are held by or due to the EWAX Index Fund funds, the Fund Manager or the Trustee for the benefit of the unit holders in that unit portfolio.

“Unit” means one undivided unit in the EWAX Index Fund portfolio of the AAM EWAX Index Fund funds.

“Unit portfolio” means the underlying securities in which persons are invited or permitted by the Fund Manager to acquire units pursuant to the EWAX Index Fund funds including any cash and /or claims forming part or deemed to form part of the assets pertaining to the EWAX Index Fund but after deduction of any liability pertaining or deemed to pertain to such unit portfolio.

“Unit holder” means any person (other than the Fund Manager) who has purchased units and is a holder of units in the EWAX Index Fund funds and is registered in the register of unit holders evidencing that he has an interest in the fund.

“EWAX Index Fund” means any scheme or arrangement in the nature of a trust in pursuance of which persons are invited or permitted, as beneficiaries under the trust, to acquire an interest or undivided unit in one or more unit portfolios and to participate proportionately in the income or profits derived there from herein referred to as EWAX Index Fund funds.

“Units in issue” means all units which have been created and which have been entered in the registers including those held by the Fund Manager and which have not been cancelled.

1. Validity

The information Memorandum will be valid for a period of one year from the date of release. This will be reviewed and revised at least twice in a year or earlier where the need arises, to take into account any change or new matter, other than a matter which reasonably appears to the Fund Manager to be insignificant. A revision of the information memorandum may take the form of a complete substitution of the previous memorandum, or a supplement to the Information Memorandum. The date of the change shall be prominently displayed.

2. Disclaimer

Permission has been granted by the Capital Markets Authority to offer to the public the securities which are the subject of this issue. As a matter of policy, the Authority assumes no responsibility for the correctness of the any statements or opinions made or reports contained in this Information Memorandum. Approval by the Authority is not to be taken as an indication of the merits of the EWAX Index Fund funds.

Investment features

The Fund

EWAX (East West Africa Index Fund) is an open ended index fund run in custody of and through by Barclays Securities Services and managed by African Asset Management Limited.

Redemption

Redemption is permitted on a monthly basis. Any unit holder desiring to sell units shall be entitled at any time, by valid notice received by the Fund Manager, to require the Fund Manager to repurchase all or any of such units, and the Fund Manager shall repurchase such units subject to the provisions of this memorandum. Notice for redemption should be provided before 3.00pm on a business day to be eligible for that day's value date, and if it's received after this time will be deemed to be notice received before 3.00pm the following day. The minimum value of units that may be redeemed at any one time shall be US\$ 1,000.00.

Management fees

The fund will pay the investment manager a management fee at 2% per annum of the net asset value of the fund for the services rendered.

Risk factors

Investing in the fund involves a high degree of capital risk as with any investment fund of less developed emerging markets, there can be no assurance of the fund will be profitable and create capital gains. Before investing into the fund it is every investors duty to read the information memorandum, and to consider his or her financial situation and risk tolerance.

Delegation of operations

While the directors have overall responsibility of the fund, they are not responsible for the day-to-day operation and administration of the fund. This has been delegated to the investment manger, the administrator and other service providers as defined in this information memorandum.

Investment objective

The investment objective is primarily long-term capital growth.

Investment rationale

Investing in Africa

Africa presents a largely under-explored investment area. African economies and capital markets are still over-looked and under-researched by many, hence offering excellent long-term returns for the far-sighted investor.

Over the past 4 years, African markets have consistently provided some of the world's strongest returns, despite the areas perception of being historically too risky.

Africa arguably is the "Last Frontier" both in terms of assets and geography in Emerging Market portfolios. Strong underlying growth and the fact that East West African markets and stocks in particular are un-correlated to Western markets and the already emerged of emerging markets, means that investors benefit from diversification and low correlation risk.

Today many parts of Africa have undergone considerable transformation and development, and now offer far-sighted investors to get exposure to the last frontier markets and an expanding universe of high quality and attractively valued African companies.

The economies of East West African countries are forecast to grow by an average of 6% this year, generating increasing optimism. The recent strong growth performances are under-pinned by remarkable improvements in macroeconomic management as well as very strong global demand for East West African export commodities.

Over time, Africa will capture a larger share of the global savings pool. While there is risk in investing in Africa, some or even most of these risks are over-stated due to lack of familiarity with the reality of Africa in 2009.

So far the returns of investing in Africa have far out-weighted the risks and The East West Africa Index Fund offers great diversification for any global emerging markets portfolio.

Life and liquation of the fund

The fund is open ended.

Financial Year.

The financial year will end on the 31st December of each year. The year will be divided into two accounting periods, ending on 30th June and 31st December.

Investor taxation

Investors should ascertain from their professional investment advisors on the consequences of investing in EWAX index fund under the relevant laws of the jurisdictions to which they are subject, including any tax consequences and exchange control requirements if applicable.

EWAX Index Fund

The EWAX (East West Africa) Index Fund is a Market Capitalization Weighted Index Fund of the largest blue chip stocks from both East and West Africa.

EWAX enables investors to get strategic, efficient and low cost exposure to the economic growth stories of Kenya, Tanzania, Uganda, Mauritius, Nigeria, Ghana, Senegal and the Ivory Coast.

The EWAX Index Fund

Investing in the Fund Applications for purchase of fund units can be any number of units in the EWAX Index Fund. However, the minimum investment is USD 1,000 or equivalent in local African currencies. Your investment will be divided by the Manager selling price to determine the number of units allotted to you. The price of the unit is calculated each trading day by ascertaining the Net Asset Value of the Fund.

Fund Operation

African Asset Management invests in a portfolio of shares by channeling its investment funds into companies that comprise the East West Africa Index (EWAX Index). Our astute passive index fund management style reduces volatility and risk, whereby 95% of the Fund is invested in the EWAX Index under respective market capitalization proportions.

The remaining 5% is invested in Initial Public Offerings (IPOs), at the discretion of the Fund Manager. Once the IPO investments have been listed on the respective Stock Exchanges for a period of three months, they will be sold, unless the company is included in the EWAX Index.

One Investment 8 African economies

The EWAX Index Fund is invested in the following blue chip African companies, refer to: http://www.africanassetmanagement.com/east_african_index_fund.htm

Investment Income

Your investment income will primarily be derived from long-term capital appreciation. In addition, dividend income that accrues to the Fund, will be distributed annually after the deduction of the Fund's operating fees and expenses. You may choose to obtain more units in the Fund by re-investing your income.

Benefits

- Convenience
- Low to negative correlations with western markets and most other emerging markets
- Lower volatility and risk due to passive long-term index fund investing
- Capital gains and income distribution are tax free
- As the value of the Fund grows so does the value of your investment
- Ability to subscribe for more units in the future
- Enables easy exit from the fund through the sale of units

Low Risk and Convenient Investments

Passive index fund investing is lowering risk and is creating excellent long-term returns by getting wide exposure to large cap companies in one of Africa's most prosperous regions, showing great potential.

Investing with African Asset Management is simple and secure, with Barclays Bank holding your assets as custodian bank. Deloitte is the company secretary and auditor of African Asset Management and its EWAX Index Fund.

Strategic analyses of underlying economies and prospective entities by our experienced fund managers and financial analysts give you maximum long-term returns with lower volatility. These index strategies present key bases for such investments.

Information on the Directors, Investment Managers and other advisors.

The directors have overall authority and responsibility for the operation and management of the fund and will exercise supervision and control of the fund including making decision on matters of general policy. The following people are key individuals in the management of the Fund.

Michael Preiss

Founder & Chief Investment Strategist
mpreiss@africanassetmanagement.com

Mr. Preiss is the Founder & Chief Investment Strategist of African Asset Management.

He is also Chairman of African Capital Management, an International Import & Export Business and Investment Company with operations in Africa, Asia and the Middle East.

Board Member for the Middle-East and Asia with the American Academy of Financial Management (AAFM) and Advisor on its Global Board of Standards on Wealth Management and Private Banking curriculum.

He is also a Director & Economic Advisor to Ceylon Asset Management in Sri Lanka, responsible for the launch of the Ceylon Index Fund, the 1st Index fund on the Colombo Stock Exchange.

Previously, Mr Preiss, served as Associate Director, Investment Advisory Group at HSBC Private Bank in Dubai, serving clients in the Middle East and South Asia. He also served as Director and Research Fellow at The Asian Bond Market Forum, a Hong Kong based non-profit think-tank. The ABMF provides policy research on the development of Asian local currency bond markets and advises on bond-market issuance programs and infrastructure development. In this role, Mr Preiss was working with Thailand's Ministry of Finance, as one of the founding members of the Asian Bond Market Development Secretariat in Bangkok.

A regular guest commentator on Bloomberg TV, CNBC Asia, and the BBC as well as India's New Delhi Television, a columnist for finance magazines in Hong Kong and China, as well Singapore's Business Times where he contributes the regular "Executive Money" column. In Kenya, he contributes the regular: Ahead of the Curve / with Michael Preiss, column in The Standard Newspaper.

Mr Preiss is a graduate of the European Business School with a major in Finance and international economics, having studied at the schools centers in London, Paris and Bologna, Italy in the respective local languages. In addition he studied in Japan, Korea, and China.

He has also been a guest lecturer at the Chinese University of Hong Kong where he taught on Technical Analysis as well as a course on Banking & Financial Institutions with a focus on China's Financial System. He also taught at the School of Finance - Renmin University in Beijing and has been invited to design a course curriculum on "Fixed Income Securities" for the Graduate School of The People's Bank of China, China's Central Bank.

Fred Mweni

Executive Chairman

mweni@africanassetmanagement.com

Mr Mweni is in charge of company strategy implementation and company operations.

He is responsible for the overall operational aspects of the firm. He does the analysis trends at the stock market and advising corporate and individual clients. He is also responsible for Bonds dealing and block equity sales by institutional investors. He is also involved in advising clients on raising capital through the use of various capital market instruments and on corporate restructuring.

Previously he was the Assistant General Manager in charge of investment banking and funds management at Suntra Investment Bank Limited, where he was in charge of all the corporate finance projects, which he oversaw the listing of several high profile IPO's like Mumias Sugar second IPO, KenGen IPO, Eveready IPO, Scan Group IPO, the listing of Equity Bank Limited.

Mr Mweni holds a bachelor's degree in Economics from Egerton University and is a member of Institute of Economic Affairs. He also holds a graduate degree in Masters of Arts (Economics) from the University of Nairobi.

Eric Migwi

Business Development Director

emigwi@africanassetmanagement.com

Mr Migwi is responsible for overall business development of African Asset Management.

In addition, Mr Migwi is overseeing compliance and administration.

Eric Migwi is a graduate of the University of Reading in the United Kingdom and its prestigious International Securities Markets Association program, graduating with a Masters degree in Finance and International Business as well as an Honors degree in Economics.

Previously, Mr. Migwi worked in several capacities in International banking in Europe, Asia and Africa. Currently, Mr Migwi is also a Director with the American Academy of Financial Management East Africa and an Associate Professor of Finance & Economics at the Institute of Technology Australia - East Africa Campus.

He is also a Board Member of African Capital Management, an International Import & Export Business and investment company with operations in Africa, Asia and the Middle East.

Polycarp Ngoje

Regional Head of Research

polycarp@africanassetmanagement.com

Mr Ngoje holds a Bachelor of Science and Masters of Business Administration degree in Finance from Egerton University, Kenya. He is currently a PhD candidate financial economics at Dar Esaalam University, Tanzania and a CFA candidate. He has a wealth of experience in investment and financial analysis, corporate finance and deal structuring, research and development, investment advisory, business development and strategic management. He has successfully structured various public offers at the Nairobi Stock Exchange. Notable among them is Diamond Trust Bank Rights Issue (\$ 12million), Olympia Capital Holdings Limited (\$6.5million), Equity Bank Limited listing of equity shares at the stock market, Structured and valued the sale of assets of Muhoroni Sugar Company worth \$42 million. Mr Ngoje has over five years of extensive exposure in corporate finance, investment analysis and research in capital market in Africa.

He is a regular stock market and investment commentator on Citizen TV, CNBC Africa, and investment columnist for Shillings and Sense magazine of the Standard News Papers, The Independent Investment Analyst in the FS magazine, the popular Board Room Column and previous writer of regular "Stock Market" column in Financial Post.

In addition he is a regular contributor for the local media covering the finance and investment matters in Kenya. He has researched and published findings on offshore investment opportunities in the debt and equity instruments and is currently writing a book on Kenyan capital markets.

Naaim Abbasi

Business Development Director - Middle East

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Mr Abbasi is Director of Business Development - Middle East, for African Asset Management. He also serves as Advisor to African Capital Management. In addition, an Investment Advisor based in Kuwait.

He is responsible for maintaining several clients investment portfolios, including family-owned businesses and high net worth individuals. He has consulted on various issues such as asset allocation and alternative investments. His work includes Real Estate transactions across the Middle East and The United States, along equities within the GCC, Hong Kong and The United States. In additional, Mr Naaim markets the international funds inside the MENA region. Within the last two years he has raised over USD 110million. Mr. Abbasi co-authored The Global Real Estate Investing course for the American Academy of Financial Management and is currently working on a book about investment opportunities in Africa.

Prior to this role, Mr. Abbasi was working as a Portfolio Manager in Kuwait. Among duties were to actively trade futures and currencies, while composing detailed market research on a daily basis including technical and fundamental analysis.

Mr Abbasi was raised in San Diego, California, spending a total of 18 years there. During the latter years he worked with Centurion Counsel, an investment management firm specializing in managing investments for institutional clients and qualified individuals. He graduated from the New York Institute of Technology with a major in General Management. Since then he has completed the Chartered Wealth Management and Chartered Portfolio Management Certifications. Naaim Abbasi is a regular contributor to Kuwait's national newspaper, Al-Qabas.

Professor Dr. Gordian Gaeta

Senior Advisor

gaetag@africanassetmanagement.com

Dr Gaeta is a private equity investor, company executive and director with over 25 years experience. He currently serves in various executive and advisory roles to a number of organizations in most of which he is a stakeholder. He also widely publishes and lectures on Risk, Finance and Management. An Austrian citizen, he has lived for over two decades in Hong Kong and currently resides in Dubai.

Previously a bank executive in several countries, Dr Gaeta became a managing partner for financial services in Asia with Booz. Allen & Hamilton. Gordian started an investment firm in Hong Kong in the late 80s and has since been an active investor. He has been involved in advising, structuring and executing investments for third parties or his own account. In financial services, Dr Gaeta has stakes in or strategic partnerships with asset management and investment firms. He is currently the Chief Risk Officer for a new derivatives investment bank and sits on several investment committees or advisory boards of funds and banks.

Dr Gaeta also serves as a director and chairman of the ethics committee of the Certifying Institute of Management Consultants in Hong Kong and as member of the Global Ethics Committee with observer status at the United Nations, as member of the Global Board of Standards of the American Institute for Financial Management, as chairman of the Asian Risk Advisory Forum and co-chair of the Asian Banker Summit. Dr Gaeta holds a doctorate and master in Law and studied undergraduate Mathematics and postgraduate business sciences at the Vienna and Zurich Institutes of Technology respectively.

Raj Shourie

Senior Advisor

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Mr Shourie has over 20 years of experience in London, Hong Kong, Tokyo and Singapore (where he currently resides) in investment banking, law and private equity.

Mr Shourie was a Managing Director, Global Markets with Deutsche Bank AG (Singapore) and prior to that he was Head of the Financial Institutions Group, Asia-Pacific at Barclays Capital and Head of Asia Asset Finance with CSFB in Tokyo and Singapore. Previously, he was with the Global Investment Banking unit of Bankers Trust based out of London and working within the Emerging Markets (Asia, Eastern Europe and Latin America).

He has spent all his professional career in the M&A, Corporate Finance and Capital Markets sectors involved in corporate acquisitions and buy-outs, restructurings, raising capital and hedging risk in various forms and with managing market, credit, legal and operational risk. His experience encompasses the Infrastructure, Oil & Gas, Commodities, Property and Financial Institutions sectors and several ground breaking transactions.

Mr Shourie current focus is on advising and on investment into developmental private equity opportunities across Asia.

Mr Shourie was educated at Southampton University (LLB) (First Class Hons), The College of Law (Guildford) and Warwick University (MBA). He trained as a M&A and corporate lawyer with Clifford Chance in London and Hong Kong.

He was a Member of Deutsche Bank's Global Markets Asian Management Committee and a Board member of Deutsche Securities Ltd in Hong Kong.

He was also a Member of the Monetary Authority of Singapore's Debt Capital Markets' Committee. He has been an active speaker at industry conferences over several years in Asia and Europe.

The directors and management members of African Asset Management Limited may appoint new directors or remove directors from time to time.

Administrator

Under the administration agreement, the administrator is responsible for calculating the net asset value of the fund accordance with procedures approved by, and under the direction of the fund and using price sources methodologies authorized by the fund.

Auditor

The fund has appointed Deloitte & Touché as the independent auditor of the fund. The auditor will prepare annual audit and financial reports and will submit its report to the Fund. Such report will provide an opinion regarding the fund financial statements and an assessment of the accounting principal used.

Determination of Net Asset Value

The valuation of securities will be done daily at the close of the working day.

The value of the fund to be used in determining the buying/selling price quoted by The Fund Manager on the creation /cancel of units shall be *the net asset value at the end of the working day on which the written request to buy /create and sell/cancel units is received by the Fund Manager and the trustee respectively.*

The repurchase price quoted shall be the net asset value of the fund as computed here in.

The formula to be adopted to determine the value of the fund per share is:

Value of the Assets of the fund-liabilities.

Number of Units issued and fully paid.

AAM will calculate this at the end of each working day and on a weighted average basis. Values of the asset of the fund include:

- Aggregate market value of the underlying securities in the unit portfolio at a valuation point.
- Aggregate of all income accruals and payments received in lieu of income accruals from the creation of new units.
- Amount of the compulsory charges payable on the respect of the acquisition of all the underlying securities comprising the unit portfolio.

Initial charge payable in respect of all the units in issue.

Application Forms

Application Forms can be downloaded from
<http://www.africanassetmanagement.com/pdf/fund.pdf>

Principal Risk

The Fund may be subject to the principal risks noted below. Some or all of these risks may adversely affect the Fund's NAV, trading price, yield, total return and its ability to meet its investment objective.

African Economic Risk

Certain African economies experience over-extension of credit, currency devaluations and restrictions, rising unemployment, high inflation, decreased exports and economic recessions. Economic events in any one country can have a significant effect on the entire African region as well as on major trading partners outside Africa and any adverse event in the African markets may have a significant adverse effect on some or all of the countries.

Asset Class Risk

The securities in the Underlying Index or the Fund's portfolio may under perform the returns of other securities or indexes that track other industries, groups of industries, markets, asset classes or sectors. Various types of securities or indexes tend to experience cycles of out performance and underperformance in comparison to the general securities markets.

Concentration Risk

To the extent that its Underlying Index or portfolio is concentrated in the securities of companies in a particular market, industry, group of industries, sector or asset class, the Fund may be adversely affected by the performance of those securities, may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting that market, industry, group of industries, sector or asset class. An investment in the Fund should not constitute a complete investment program.

Currency Risk

Because the Fund's NAV is determined on the basis of the U.S. dollar, you may lose money if you invest in the Fund if the currency of a foreign market depreciates against the U.S. dollar, even if the local currency value of the Fund's holdings in that market increases.

Custody Risk

Custody risk refers to the risks in the process of clearing and settling trades and to the holding of securities by local banks, agents and depositories. Low trading volumes and volatile prices in less developed market make trades harder to complete and settle. Local agents are held only to the standards of care of the local markets. Governments or trade groups may compel local agents to hold securities in designated depositories that are not subject to independent evaluation. The less developed a country's securities market is, the greater the likelihood of custody problems.

Foreign Securities Risks

Investments in the securities of non-U.S. issuers are subject to all the risks of investing in the markets of such issuers, including market fluctuations caused by factors such as economic and political developments, changes in interest rates and abrupt changes in stock prices. As a result of investing in foreign securities, the Fund may be subject to the risks listed below. These risks may decrease the value of your investment:

- Less liquid and less efficient securities markets;
- Greater securities price volatility;
- Exchange rate fluctuations and exchange controls;
- Less publicly available information about issuers;
- Imposition of withholding or other taxes;
- Imposition of restrictions on the expatriation of funds or other assets of the Fund;
- Higher transaction and custody costs and delays in attendant settlement procedures;
- Difficulties in enforcing contractual obligations;
- Less regulation of the securities markets;
- Different accounting, disclosure and reporting requirements;
- Substantial government involvement in the economy;
- Higher rates of inflation; and
- Greater social, economic and political uncertainty, the risk of nationalization or expropriation of assets and risk of war.

Issuer Risk

The performance of the Fund depends on the performance of individual companies in which the Fund invests. An issuer may perform poorly and the value of its securities may decline. Poor performance may be caused by poor management decisions, competitive pressures, changes in technology, disruptions in supply, labor problems or shortages, corporate restructurings, fraudulent disclosures or other factors. Issuers may, in times of distress or on their own discretion, decide to reduce or eliminate dividends which would also cause their stock prices to decline.

Legal Enforcement of Shareholder Rights Risk

Legal principles relating to corporate affairs and the validity of corporate procedures, directors' fiduciary duties and liabilities and stockholders' rights in markets in which the Fund invests may not be as extensive as those that apply in the U.S. The Fund may therefore have more difficulty asserting its rights as a stockholder of a non-U.S. company in which it invests than it would as a stockholder of a comparable U.S. company.