

**LANCELOT GLOBAL PCC**

("the Company")

*(a protected cell investment company registered in Mauritius with registration number (087217/C1/GBL)*

**THE ASCENTA SPECIAL SITUATIONS RESOURCE FUND (USD)**

**(the "Cell")**

**CELL APPENDIX**

The Directors of the Company accept responsibility for the accuracy of the information in this Cell Appendix. 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 Appendix is in accordance with the facts and does not omit anything likely to affect the import of such information.

Save as provided below, words and expressions defined in the Cell Appendix shall have the same meanings herein.

**Potential investors who are in any doubt as to the risks involved in investment in the Cell are recommended to obtain independent financial advice before making an investment. Investment in the Cells should be made only after consulting with independent, qualified sources of investment and tax advice. Each Cell is a speculative investment, and is not intended to be a complete investment program. It is designed only for investors who are able to bear the risk of an investment in the Cells, including the risk of capital loss. There can be no assurance that the Cells will achieve their investment objective.**

The Cell is a cell of the Lancelot Global PCC. The Directors resolved to create this Cell on the 7<sup>th</sup> day of September 2011.

Dated: 7<sup>th</sup> September 2011

**INTRODUCTION**

## **The Cell**

The Cell is a cell of the Company, Lancelot Global PCC, a collective investment scheme, constituted as a protected cell company in Mauritius on 16 May 2008.

## **MANAGEMENT AND ORGANISATION**

### **Investment Advisor**

Ascenta Asset Management Ltd (“Ascenta”)

7A, 7<sup>th</sup> Floor

Ebene Mews

57 Ebene Cyber City

Ebene

Mauritius

Ascenta will be appointed as an investment advisor to this Cell pursuant to an Investment Advisory Agreement. The principal activity of Ascenta will be that of an investment advisor. Ascenta is not a member of the Manager’s group structure.

Ascenta may from time to time appoint sub advisors.

Investment Advisory Agreement is available for inspection at 7A 7<sup>th</sup> Floor, Ebene Mews, 57 Ebene Cyber City, Ebene, Mauritius

## **FEEES AND EXPENSES**

Initial Fee:	A maximum of 5.25% of Subscription amount received
Investment Advisory Fee:	2.20% of the Net Asset Value of the Cell per annum.
Estimated provision for expenses of the Cell:	0.07% of the NAV of the Cell
Administration Fee:	0.30% of the NAV of the Cell.
Custody Fee:	0.10% of the NAV of the Cell subject to an annual minimum fee of USD 5,000.00

### **Performance Fee**

- a) in each Performance Period, the Investment Advisor is also entitled to earn a performance fee (the "Performance Fee") from the Cell as compensation for outperforming the Rolling Target;
- b) a Performance Period is the 3 (three) month period ending on the last Business Day of June, September, December and March of each calendar year (a "Performance Date") and will cease on 30 September annually, recommencing 1 October annually; the price at 30 September being the commencement price;
- c) the Performance Fee is equal to 20% (twenty per cent) of the currency amount by which the Net Asset Value per Share as at the relevant Performance Date is greater than the Rolling Target;
- d) the Rolling Target is the sum of the High Water Mark plus the Benchmark;
- e) the High Water Mark is a currency amount per Share equal to the highest Net Asset Value per Share from the date of inception of the Cell to the Performance Date immediately prior to the relevant Performance Date;
- f) the Benchmark is a currency amount pro rata equivalent of the performance of the USD Libor plus 3 over the same Performance Period as at the same Performance Date, but if such currency amount is negative then the Benchmark shall be deemed to be zero;
- g) the Performance Fee if any shall be paid to the Investment Advisor out of the Cell by the Administrator within 14 (fourteen) Business Days of the relevant Performance Date; however, if the payment of the Performance Fee would have the effect of reducing the Net Asset Value per Share below the Rolling Target, then the Performance Fee shall be irrevocably deemed to be an amount such that after its payment the Net Asset Value per Share would be equal to the Rolling Target, and the payment of such adjusted amount will be immediately made to the Investment Advisor.

## INVESTMENT

### Investment Objectives

The Cell seeks to achieve capital appreciation by investing in a diversified portfolio of companies in the natural resources sector including oil and gas, mining and agriculture; and companies peripheral to the natural resources sector including related technologies, processing and shipping. As well, the Cell will invest in the clean-tech and renewable energy sectors including companies involved in the development or production of bio-fuels, or solar, wind or hydroelectric energy. As well, the Cell shall have the right to invest in such other companies as the Directors may feel are suitable at their absolute discretion.

### Investment Strategy

The Cell seeks to maximize investment return through a diversified, risk-managed equity portfolio consisting of both: high potential-return, early-stage investments and highly-liquid mature issues. The Cell will capitalize on both macroeconomic cyclical price movements within the commodities sector as well as shorter-term mispricing on an individual company-by-company basis. A rigorous process of due-diligence will be applied to each investment including an assessment of (1) quality of management, (2) quality of assets, and (3) appropriateness of valuation.

### Investment Restrictions

- The Cell shall not invest more than ten percent (10%) of its Net Asset Value in any single company, except in respect of investment into cash or cash-like instruments.
- A minimum of 70 percent (70%) of the Cell's portfolio will trade on a reputable North American or European Stock Exchange or quotation system.
- For the avoidance of doubt, the above investment restrictions do not apply for a period of 6 months from the first issue of Shares or for a period beginning on that date and ending on the first date on which the value of the scheme property exceed £1,000,000 or its equivalent, whichever is the shorter period.
- The Cell shall not be required to dispose of any assets which breach the above investment restrictions as a result merely of their appreciation or depreciation during the time in which they are held.
- It is not intended that the Cell will invest in any Collective Investment Vehicle that is managed by the Manager or an associate of the Manager.

### Hedging

A Cell may enter into hedging transactions where it has acquired investments not denominated in its Base Currency. Currency risk may be hedged by entering into forward transactions at the discretion of the Investment Advisor. The margins and premiums payable for such transactions shall not exceed the Net Asset Value of the Cell.

The Cell may also hedge its investment portfolio by taking short positions in the market.

**Borrowing**

The Cell may from time to time borrow up to 10% of its total net assets as calculated on the most recent Valuation Day, to provide for redemption/repurchase payments only.

**Distribution Policy**

It is the intention of the Directors to accumulate all income receipts and capital gains of the Cell on a daily basis for reinvestment and not to make distributions to Shareholders, although the Directors reserve the right to declare or recommend dividends should they consider it appropriate.

**Income Equalisation**

Income equalisation shall not apply to the Cell.

**Prime Broker**

Haywoods Securities Limited

## TERMS AND CONDITIONS OF THE CELL PARTICIPATING SHARES

### Subscription and Redemption Information

The Subscription Price and Redemption Price are calculated (last Business Day of the week), net of all fees and costs.

Base Currency	USD
Conversion Notice Period	Two Business Days prior to each Redemption Dealing Day
Investment Dealing Day	The first Business Day of each week, if that day is not a Business Day, the next succeeding Business Day
Minimum initial investment	USD 10,000
Minimum subsequent investment	USD 5,000
Redemption Dealing Day	The first Business Day of each week, if that day is not a Business Day, the next succeeding Business Day
Redemption Notice Period	Two Business Days prior to each Redemption Dealing Day
Redemption proceeds payment	Payment of the redemption proceeds will be made on or before the fifth Business Day following the applicable Redemption Dealing Day
Subscription Notice Period:	Two Business Days prior to an Investment Dealing Day
Valuation Day	The Business Day immediately preceding the relevant Investment Dealing Day
Valuation Point	5 PM Mauritian Time
Prime Broker	The Fund may use the services of a Prime Broker for the trading and custody of assets. In such circumstances, the Custodian is responsible for those assets of the Fund not held by the appointed Prime Broker, with the appointed Prime Broker being responsible for the other assets of the Fund. Such assets other than those held by the appointed Prime Broker will be held by the Custodian in separate client accounts and will be separately designated in the books of the Custodian. Some prime brokers are not obliged to segregate client assets from proprietary assets and in the event of the insolvent liquidation of such prime brokers, any assets which may not clearly be identified as client assets may be available to the liquidator, leaving the relevant Cell with only an unsecured claim in the insolvency ranking no more than pari passu with the claims of other unsecured creditors.

