

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This document, which comprises a prospectus relating to RM Secured Direct Lending plc (the "**Company**") prepared in accordance with the Prospectus Rules has been approved by the Financial Conduct Authority (the "**FCA**") and has been delivered to the FCA in accordance with Rule 3.2 of the Prospectus Rules. This document has been made available to the public as required by the Prospectus Rules.

Applications will be made to the UK Listing Authority and the London Stock Exchange for all of the Shares (issued and to be issued) in connection with the Issue to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. Applications will be made for all Shares and/or C Shares of the Company to be issued pursuant to each Subsequent Placing under the Placing Programme to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission of the Shares to be issued under the Issue will become effective and that unconditional dealings will commence in the Shares at 8.00 a.m. on 15 December 2016. It is expected that any subsequent Admissions pursuant to Subsequent Placings under the Placing Programme will become effective and dealings will commence between 24 November 2016 and 23 November 2017. No application has been made or is currently intended to be made for the Shares and/or C Shares to be admitted to listing or trading on any other stock exchange.

The Company and each of the Directors, whose names appear on page 34 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read the entire document and, in particular, the section headed "Risk Factors" beginning on page 16 when considering an investment in the Company.

RM SECURED DIRECT LENDING PLC

(Incorporated in England and Wales with registered number 10449530 and registered as an investment company under section 833 of the Companies Act)

**Placing and Offer for Subscription for up to 100 million Shares at
100 pence per Share**

Placing Programme of up to 150 million Shares and/or C Shares in aggregate

**Admission to the premium listing segment of the Official List
of the UK Listing Authority and to trading on the
London Stock Exchange's Main Market for listed securities**

Investment Manager
RM Capital Markets Limited

Sponsor, Placing Agent and Broker
Nplus1 Singer Advisory LLP

N+1 Singer which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in relation to Admission, the Issue, the Placing Programme and the other arrangements referred to in this document. N+1 Singer will not regard any other person (whether or not a recipient of this document) as its client in relation to Admission, the Issue, the Placing Programme and the other arrangements referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to Admission, the Issue, the Placing Programme, the contents of this document or any transaction or arrangement referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on N+1 Singer by FSMA or the regulatory regime established thereunder, N+1 Singer does not make any representation express or implied in relation to, nor accepts any responsibility whatsoever for, the contents of the document or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the C Shares,

Admission, the Issue or the Placing Programme. N+1 Singer (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability) whether arising in tort, contract or otherwise which it might have in respect of the contents of the document or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the C Shares, Admission, the Issue or the Placing Programme.

The Offer for Subscription will remain open until 11.00 a.m. on 9 December 2016 and the Placing will remain open until 1.00 p.m. on 9 December 2016. Persons wishing to participate in the Offer for Subscription should complete the Application Form set out in Appendix 1 to this document and, if applicable, the Tax Residency Self-Certification Form set out in Appendix 2 to this document. To be valid, Application Forms must be completed and returned with the appropriate remittance, by post to Capita Asset Services at Corporate Actions at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by hand (during business hours only), to Capita Asset Services at Corporate Actions at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received no later than 11.00 a.m. on 9 December 2016.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **"U.S. Securities Act"**) or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold only outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the **"U.S. Investment Company Act"**) and investors will not be entitled to the benefits of the U.S. Investment Company Act. This document should not be distributed into the United States or to U.S. Persons.

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe, for Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or N+1 Singer. The offer and sale of Shares has not been and will not be registered under the applicable securities law of any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia or the Republic of South Africa. Subject to certain exemptions, the Shares may not be offered to or sold within any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia or the Republic of South Africa or to any national, resident or citizen of any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia or the Republic of South Africa.

Dated: 24 November 2016

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SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A—E (A.1—E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “Not applicable”.

Section A – Introduction and warnings

<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
A.1	Warning	This summary should be read as an introduction to this document. Any decision to invest in Shares should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale or final placement of securities through financial intermediaries	The Company consents to the use of this document by financial intermediaries in connection with the subsequent resale or final placement of securities by financial intermediaries. The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this document is given commences on 24 November 2016 and closes on 9 December 2016, unless closed prior to that date. Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.

Section B – Issuer

<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
B.1	Legal and commercial name	RM Secured Direct Lending plc
B.2	Domicile and legal form	The Company was incorporated in England and Wales on 27 October 2016 with registered number 10449530 as a public company limited by shares under the Companies Act. The principal legislation under which the Company operates is the Companies Act.
B.5	Group description	Not applicable. The Company is not part of a group.
B.6	Major shareholders	As at 23 November 2016 (the latest practicable date prior to the publication of this document) insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company’s capital or voting rights.

		All Shareholders have the same voting rights in respect of the share capital of the Company. Pending the allotment of Shares pursuant to the Issue, the Company is controlled by the Investment Manager. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
B.7	Key financial information	Not applicable. No key financial information is included in this document as the Company is yet to commence operations.
B.8	Key pro forma financial information	Not applicable. No pro forma financial information.
B.9	Profit forecast	Not applicable. No profit forecast or estimate is included in this document.
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. There are no audit reports in this document.
B.11	Qualified working capital	Not applicable. The Company is of the opinion that on the basis that the Minimum Net Proceeds are raised, the working capital available to it is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.
B.34	Investment policy	Investment Objective The Company aims to generate attractive and regular dividends through investment in secured debt instruments of UK SMEs and mid-market corporates including any loan, promissory notes, lease, bond, or preference share (such debt instruments, as further described below, being “Loans”) sourced or originated by the Investment Manager with a degree of inflation protection through index-linked returns where appropriate. Investment Policy The Company will seek to meet its investment objective by making investments in a diversified portfolio of Loans to UK SMEs and mid-market corporates. These Loans will generally be, but not limited to, senior, subordinated, unitranche and mezzanine debt instruments, documented as loans, notes, leases, bonds or convertible bonds. Such Loans shall typically have a life of 2 – 10 years. In certain limited cases Loans in which the Company invests may have equity instruments attached, ordinarily any such equity interests would come in the form of warrants or options attached to a Loan. Typically the Loans will have coupons which may be fixed, index-linked or LIBOR linked. Loans will be directly originated or sourced by the Investment Manager who will not invest in Loans sourced via or participations through, peer to peer lending platforms. Loans in which the Company invests will be predominantly secured against assets such as real estate or plant and machinery and/or income streams such as account receivables.

		The Company will make Loans to borrowers in a range of Market Sectors within certain exposure limits which will vary from time to time, according to market conditions and as determined by the Board, subject to the Investment Restrictions set out below. The Company will at all times invest and manage its assets in a manner which is consistent to the spreading of investment risk. The following investment limits and restrictions will apply to the Company's Loans and business which, where appropriate, shall be measured at the time of investment or once the Company is fully invested: ● the amount of no single Loan shall exceed 10 per cent. of Gross Assets; ● exposure to a single borrower shall not exceed 10 per cent. of Gross Assets; ● Loans will be made across not less than four Market Sectors; ● not less than 70 per cent. of Gross Assets will be represented by Loans denominated in Sterling or hedged back to Sterling; ● Loans made to borrowers in any one Market Sector shall not exceed 40 per cent. of Gross Assets; ● Loans with exposure to project development /construction assets shall not exceed 20 per cent. of Gross Assets; ● the Company will not provide Loans to borrowers whose principal business is defence, weapons, munitions or gambling; ● the Company will not provide Loans to borrowers which generate their annual turnover predominantly from tobacco, alcohol or pornography; and ● the Company will not invest in other listed closed-ended funds. In the event of a breach of the investment guidelines and restrictions set out above, the Investment Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service and the Investment Manager will look to resolve the breach with the agreement of the Board. The Company intends to conduct its affairs so as to qualify as an investment trust for the purposes of section 1158 of the CTA 2010, and its investment activities will therefore be subject to the restrictions set out above. Borrowing and gearing The Company may utilise borrowings for share buybacks and short term liquidity purposes. The Company may also, from time to time, use borrowing for investment purposes on a short term basis where it expects to raise additional equity. Gearing represented by borrowings will not exceed 20 per cent. of Net Asset Value calculated at the time of drawdown. Hedging and derivatives The Company may invest in derivatives for efficient portfolio management purposes. In particular the Company can engage in interest rate hedging. Loans will primarily be denominated in Sterling, however the Company may make limited Loans denominated in currencies other than Sterling and the Board, at the recommendation of the Investment Manager, may look to hedge any other currency back to Sterling should they see fit.
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		In accordance with the requirements of the UK Listing Authority, any material change to the Company's investment policy will require the approval of Shareholders by way of an ordinary resolution at a general meeting.
B.35	Borrowing limits	The Company may utilise borrowings for share buybacks and short term liquidity purposes. The Company may also, from time to time, use borrowing for investment purposes on a short term basis where it expects to raise additional equity. Gearing represented by borrowings will not exceed 20 per cent. of Net Asset Value calculated at the time of drawdown.
B.36	Regulatory status	As an investment trust, the Company will not be regulated as a collective investment scheme by the FCA. However, from Admission, it will be subject to the Listing Rules, Prospectus Rules and the Disclosure and Transparency Rules.
B.37	Typical investor	An investment in the Shares and/or C Shares is only suitable for institutional investors and professionally advised or financially sophisticated, non-advised private investors who understand, and are capable of evaluating, the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in the Issue or in the Placing Programme. Furthermore, an investment in the Shares and/or C Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of securities and the income from them can go down as well as up.
B.38	Investment of 20 per cent. or more in single underlying asset or investment company	Not applicable. No asset will constitute 20 per cent. or more of Gross Assets on Admission.
B.39	Investment of 40 per cent. or more in single underlying asset or investment company	Not applicable. No asset will constitute 40 per cent. or more of Gross Assets on Admission.
B.40	Applicant's service providers	<i>Investment Manager</i> The Company, through the AIFM, has appointed RM Capital Markets Limited to manage the Company's portfolio pursuant to the Investment Management Agreement which is summarised in paragraph 6.2 of Part 7 of this document. In addition, pursuant to the terms of the Investment Management Agreement entered into between the Company, the AIFM and the Investment Manager, the AIFM has delegated to the Investment Manager the portfolio management duties which it has assumed under the terms of the AIFM Agreement. Accordingly, pursuant to the terms of the Investment Management Agreement, the Investment Manager will be responsible, subject to the overall supervision of the Directors and subject to the investment policy of the Company for the discretionary investment of the Net Proceeds and the management of the Portfolio. The Investment Manager is entitled to receive from the Company in respect of its services provided under the Investment Management Agreement, a management fee payable monthly in arrears. Where the

	prevailing Net Asset Value is equal to or in excess of £75 million, the Investment Manager shall be entitled to a fee calculated at the rate of 0.875 per cent. per annum of the prevailing Net Asset Value. Where the prevailing Net Asset Value is less than £75 million, the Investment Manager shall be entitled to a fee calculated at the rate of 0.50 per cent. per annum of the Net Asset Value, together with reimbursement of reasonable expenses properly incurred by it in the performance of its duties. No performance fee will be payable by the Company to the Investment Manager. 50 per cent. of the management fee received by the Investment Manager will be reinvested into the Shares for the first three years following Admission. The Investment Manager has irrevocably agreed and undertaken to subscribe for the allotment of new Shares (to the value of 50 per cent. of the management fee). Such new Shares shall be issued by the Company to the Investment Manager on a quarterly basis in arrears and credited as fully paid at a price equal to the Net Asset Value per Share calculated at the end of the relevant quarter. In circumstances where the Shares are trading at a discount to Net Asset Value at a time when a management fee is payable, the Investment Manager is obliged, provided it is lawful to do so, to use its reasonable endeavours to purchase Shares in the market. Any such Shares allotted to the Investment Manager shall be subject to the Lock-in Deed. The Investment Management Agreement may be terminated by the Company or the Investment Manager giving the other party at least 12 months' notice in writing, such notice not to be given prior to the third anniversary of Admission. The Investment Management Agreement shall also terminate automatically if the AIFM Agreement is terminated for whatever reason. Further details of the Investment Management Agreement are set out in Part 7 of this document. <i>AIFM</i> The Company has appointed International Fund Management Limited as the Company's external non-EEA AIFM. The AIFM will be responsible, <i>inter alia</i>, for the Company's risk management in accordance with the terms of the AIFM Agreement, details of which are set out in Part 7 of this document. The AIFM will act as the Company's manager for the purposes of AIFMD. Pursuant to the Investment Management Agreement, the AIFM has delegated portfolio management to the Investment Manager but will maintain responsibility for implementing appropriate risk measurement and management standards and procedures for the Company. The AIFM will also carry out the on-going oversight functions and supervision and ensure compliance with the applicable requirements of the AIFM Rules. The AIFM is legally and operationally independent of the Company and the Investment Manager. The AIFM shall be entitled to receive from the Company a fee to be calculated and accrue at a rate equivalent to 0.125 per cent. of the Company's Net Asset Value subject to an annualised minimum of £85,000 applied on a monthly basis. The AIFM will also be entitled to reimbursement of certain expenses properly and reasonably incurred. The AIFM Agreement is terminable on either party giving 6 months written notice, provided such notice may not be given prior to the first anniversary of Admission. The AIFM Agreement shall also terminate automatically if the Investment Management Agreement is terminated for whatever reason. Further details of the AIFM Agreement are set out in Part 7 of this document.
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		<i>Administrator and Company Secretary</i> PraxisIFM Fund Services (UK) Limited has been appointed by the Company to provide administration services and company secretarial services to the Company in accordance with the Administration Agreement. The Administrator will provide certain administrative services to the Company which includes reporting the Net Asset Value, bookkeeping and accounts preparation. The Company Secretary is the named company secretary of the Company and will provide company secretarial support to the Board including the provision of meeting agendas, supporting papers and minutes for Board and shareholder meetings and co-ordination of the production of annual reports and half yearly reports. An administration fee will be charged for the provision of the administration services. The administration fee will be payable monthly and shall be calculated at the rate of 0.085 per cent. of Net Asset Value per annum subject to a minimum fee of £75,000 (exclusive of VAT) per annum plus disbursements. A company secretarial fee will be charged for the company secretarial services which shall be calculated on a time spent basis. The Administrator shall also be entitled to make reasonable charges based on time spent for work performed in connection with the issuance of C Shares and the administration of any C Share portfolios including the calculation of Net Asset Value per C Share. The Administrator shall also be entitled to reimbursement of all out-of-pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company. Further details of the Administration Agreement are set out in Part 7 of this document. <i>Registrar</i> Capita Registrars Limited has been appointed as the Company's Registrar pursuant to the Registrar Agreement. The Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of any VAT). The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company. Further details of the Registrar Agreement are set out in Part 7 of this document. <i>Receiving Agent</i> The Company has also appointed Capita Registrars Limited to provide receiving agent services in connection with the Offer for Subscription. Further details of the Receiving Agent Agreement are set out in Part 7 of this document. <i>Broker</i> N+1 Singer has been appointed as corporate broker to the Company. Under the terms of the N+1 Singer Engagement Letter, N+1 Singer is entitled to a fee of £75,000 per annum except in certain limited circumstances, payable quarterly in advance (exclusive of VAT). Further details of the N+1 Singer Engagement Letter are set out in Part 7 of this document.
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		<i>Valuation Agent</i> Mazars LLP has been appointed as valuation agent to the Company pursuant to the Valuation Agent engagement letter. The Valuation Agent is responsible for: (a) providing a monthly valuation report to the Company which gives a valuation of the Company's portfolio of Loans at each date; and (b) valuing individual Loans acquired as at the date of their acquisition. In both cases the valuation will be prepared in accordance with IFRS. Under the terms of the Valuation Agent Engagement Letter on each illiquid investment, the Valuation Agent is entitled to an initial fee of an amount equal to 0.08 per cent. of the nominal value of the investment made subject to a minimum amount of £1,000 and, a maximum amount of £5,000. In addition, the Valuation Agent shall receive an annual fee of 0.04 per cent. of the aggregate nominal value of the investments held by the Company up to an aggregate nominal value of £200 million and to the extent that the aggregate nominal value of the investments held by the Company is more than £200 million an additional 0.03 per cent. of the aggregate nominal value of the investments above £200 million. The Valuation Agent engagement letter may be terminated on 90 days' notice. Further details of the Valuation Agent Engagement Letter are set out in Part 7 of this document.
B.41	Regulatory status of investment manager and custodian	The Investment Manager is authorised and regulated by the FCA.
B.42	Calculation of Net Asset Value	The Net Asset Value (and Net Asset Value per Share) is calculated monthly by the Administrator. Calculations are made in accordance with IFRS or as otherwise determined by the Board. Details of each monthly valuation, and of any suspension in the making of such valuations, are announced by the Company through a Regulatory Information Service as soon as practicable after the end of the relevant month. The Valuation Agent is responsible for carrying out the fair market valuation of the Company's Loans on a monthly basis in accordance with IFRS. The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the Loans of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system's failure of the Administrator) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.
B.43	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44	No financial statements have been made up	The Company has not commenced operations and no financial statements have been made up as at the date of this document.
B.45	Portfolio	Not applicable. The Company is newly incorporated and does not currently hold any assets.
B.46	Net Asset Value	The Net Asset Value per Share at Admission is anticipated to be £0.98.

Section C – Securities

<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
C.1	Type and class of securities	The maximum number of Shares which may be issued pursuant to the Issue is 100 million Shares with a nominal value of £0.01 each at an Issue Price of £1.00. The Company also intends to issue Shares with a nominal value of £0.01 each and C Shares of nominal value 10 pence each pursuant to the Placing Programme. The ISIN of the Shares is GB00BYMTBG55 and the SEDOL of the Shares is BYMTBG5. The ticker for the Shares is RMDL. The ISIN of the C Shares is GB00BD884W63 and the SEDOL of the C Shares is BD884W6. The ticker for the C Shares is RMCC.
C.2	Currency	The Shares and C Shares will be denominated in Sterling.
C.3	Number of securities to be issued	The target size of the Issue is £100 million before expenses. The maximum number of Shares which may be issued pursuant to the Issue is 100 million. The total number of Shares to be issued pursuant to the Issue, and therefore the Gross Proceeds, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service announcement prior to Admission. If the Minimum Net Proceeds are not raised, the Issue will not proceed.
C.4	Description of the rights attaching to the securities	The holders of the Shares and C Shares shall only be entitled to receive, and to participate in, any dividends declared in relation to the relevant class of shares that they hold. On a winding-up or a return of capital by the Company, if there are C Shares in issue, the net assets of the Company attributable to the C Shares shall be divided pro rata among the holders of the C Shares. For so long as C Shares are in issue, and without prejudice to the Company's obligations under the Act, the assets attributable to the C Shares shall, at all times, be separately identified and shall have allocated to them such proportion of the expenses or liabilities of the Company as the Directors fairly consider to be attributable to any C Shares in issue. The holders of Shares shall be entitled to all of the Company's remaining net assets after taking into account any net assets attributable to any C Shares (if any) in issue. The Shares and the C Shares (if any) shall carry the right to receive notice of, attend and vote at general meetings of the Company. The consent of either the holders of Shares or the holders of C Shares will be required for the variation of any rights attached to the relevant class of shares.
C.5	Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Shares or C Shares.
C.6	Admission	Applications will be made to the UK Listing Authority and to the London Stock Exchange for all of the Shares (issued and to be issued) pursuant to the Issue to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. Application will be made to the UK Listing Authority and to the London Stock Exchange for all of the Shares and C Shares being offered

		pursuant to the Placing Programme to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission of the Shares offered pursuant to the Issue will become effective, and that dealings in the Shares will commence at 8.00 a.m. on 15 December 2016. It is expected that any subsequent Admissions under Subsequent Placings will become effective and dealings will commence between 24 November 2016 and 23 November 2017. All Shares and/or C Shares to be issued pursuant to a Subsequent Placing under the Placing Programme will be allotted conditional upon Admission occurring.
C.7	Dividend policy	The first interim dividend is expected to be declared in May 2017 in respect of the period commencing on Admission and ending on 31 March 2017. The second interim dividend is expected to be declared in August 2017 and the third interim dividend is expected to be declared in November 2017. The final dividend in respect of the period commencing on Admission and ending on 31 December 2017 is expected to be declared in March 2018. Thereafter dividends are expected to be declared in May, August, November and March of each year in respect of the preceding quarter. The Company will target an annualised dividend yield of 4 per cent. (on the Issue Price) in the financial period from Admission to 31 December 2017 rising to a dividend yield of 6.5 per cent. (on the Issue Price) for the year to 31 December 2018. Investors should note that the targeted annualised dividend yields are targets only and not profit forecasts and there can be no assurance that either will be met or that any dividend growth will be achieved.
C.22	Information about the Shares	In the event that any C Shares are issued under the Placing Programme, the investments which are attributable to the C Shares following Conversion will be merged with the Company's existing portfolio of investments. The new Shares arising on Conversion of the C Shares will, subject to the Articles, rank <i>pari passu</i> with the Shares then in issue. The Shares carry the right to receive all dividends declared by the Company or the Directors, subject to the rights of any C Shares in issue. On a winding-up, provided the Company has satisfied all of its liabilities and subject to the rights conferred by any C Shares in issue at that time to participate in the winding-up, the holders of Shares will be entitled to all of the surplus assets of the Company. Holders of Shares will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Share held. The nominal value of the Shares is 1 penny per Share. The Shares will be in registered form, will be admitted to the premium listing segment of the Official List and will be traded on the London Stock Exchange's main market for listed securities. The Company will use its reasonable endeavours to procure that, upon Conversion, the new Shares are admitted to the premium listing segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities. There are no restrictions on the free transferability of the Shares, subject to compliance with applicable securities laws.

Section D – Risks

<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
D.1	Key information on the key risks that are specific to the Company or its industry	The key risk factors relating to the Company and its investment strategy are: ● The Company has not commenced operations and has no operating history. No historical financial statements or other meaningful operating or financial data upon which prospective investors may base an evaluation of the likely performance of the Company have been made up. An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective and that the value of an investment in the Company could decline substantially as a consequence. ● an economic slowdown in the UK or globally could adversely affect the Company's ability to invest the Net Proceeds as quickly as it would like to if such conditions result in businesses reducing their demand for capital in the short term. Depending on the severity and duration of any economic slowdown, the creditworthiness of the Company's end-users may become impaired which would cause an increased risk of default on their repayment obligations and cause the Company to incur a loss; ● past performance of the Investment Manager cannot be relied upon as an indicator of future performance and the Company can offer no assurance that investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained; ● investor returns will be dependent upon the performance of the portfolio and the Company may experience fluctuations in its operating results; ● the Company's investment policy may involve the use of leverage, which exposes the Company to risks associated with borrowings; The key risks relating to the Investment Manager are: ● the Company will depend on the managerial expertise available to the Investment Manager and investors will be highly dependent on the financial and managerial experience of certain investment professionals associated with the Investment Manager and any delegate of the Investment Manager, none of whom is under any contractual obligation to the Company to continue to be associated with the Investment Manager or any delegate of the Investment Manager. The loss of one or more of these individuals could have a material adverse effect on the performance of the Company. The key taxation and regulation risks relating to the Company are: ● the Company may not be able to maintain its investment trust status; and ● changes in taxation legislation or practices may adversely affect the Company and the tax treatment for Shareholders investing in the Company.
D.3	Key information on the key risks that are specific to the Shares	The key risk factors relating to the Shares are: ● Shares may trade at a discount to the Net Asset Value per Share; and ● it may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Shares.

Section E – Offer

<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
E.1	Net proceeds and costs of the Issue	The costs and expenses of, and incidental to, the Issue payable by the Company are expected to be 2 per cent. of the Gross Proceeds. In the event that the Issue does not proceed all costs and expenses (including VAT where relevant) of and incidental to the Issue shall be paid by the Investment Manager. The Investment Manager and certain principals of the Investment Manager have indicated to the Company that they intend to subscribe for, in aggregate, 1 million Shares under the Issue. The net proceeds of the Placing Programme are dependent, <i>inter alia</i>, on: the Directors determining to proceed with a Subsequent Placing under the Placing Programme, the level of subscriptions received and the price at which such Shares and/or C Shares are issued. It is expected that the costs of issuing Shares and/or C Shares under the Placing Programme will be covered by issuing such Shares at the Placing Programme Price. The costs and expenses of any issue of C Shares under the Placing Programme will be paid out of the gross proceeds of such issue and will be borne by holders of C Shares only.
E.2.a	Reason for offer and use of proceeds	The Company's principal use of cash (including the Net Proceeds) will be to fund investments sourced by the Investment Manager, as well as initial expenses related to the Issue, ongoing operational expenses and payment of dividends and other distributions to Shareholders in accordance with the Company's dividend policy.
E.3	Terms and conditions of the offer	N+1 Singer has agreed to use its reasonable endeavours to place Shares with certain institutional investors pursuant to the Placing at the Issue Price. The Company has agreed to make an offer of Shares pursuant to the Offer for Subscription at the Issue Price. The maximum number of Shares available under the Issue is 100 million. In the event that commitments under the Issue exceed 100 million Shares in aggregate, it would be necessary to scale back applications under the Issue. In such an event, applications under the Issue will be scaled back at N+1 Singer's discretion (in consultation with the Company and the Investment Manager) and thereafter no further commitments or applications will be accepted and the Issue will be closed. The Offer for Subscription will not be subject to scaling back in favour of the Placing. The Issue is conditional, <i>inter alia</i>, on: (i) Admission having become effective on or before 8.00 a.m. on 15 December 2016 or such later time and/or date as the Company and N+1 Singer may agree (being not later than 8.00 a.m. on 31 December 2016); (ii) the Placing and Offer Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission; and (iii) the Minimum Net Proceeds being raised. Ordinary Shares and/or C Shares which may be made available under the Placing Programme will be at the Placing Programme Price. The Placing Programme will open on 24 November 2016 and will close on 23 November 2017 (or any earlier date on which it is fully subscribed, as agreed between the Company and N+1 Singer). Each allotment and issue

		of Shares and/or C Shares pursuant to a subsequent Placing under the Placing Programme is conditional, <i>inter alia</i> , on the Admission of those Ordinary Shares and/or C Shares by 8.00 a.m. on such date as the Company and N+1 Singer may agree from time to time in relation to that subsequent Admission and a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules.
E.4	Material interests	Not applicable. No interest is material to the Issue or the Placing Programme.
E.5	Name of person selling securities and lock-up agreements	Not applicable. No person or entity is offering to sell Shares as part of the Issue. The Investment Manager and its principals have agreed with the Company and N+1 Singer that, save for certain limited circumstances, they will not dispose of, directly or indirectly, any of the Shares held by them at the date of the Lock-in Deed or acquired during the Issue Lock-in Period (as defined below) for the period commencing on Admission and ending on the third anniversary of Admission (the “Issue Lock-in Period”). The Investment Manager and its principals have further agreed that, save for certain limited circumstances, they will not, and will procure that their permitted transferees will not, dispose of, directly or indirectly, any of the Shares issued to them pursuant to the Investment Management Agreement (the “Investment Manager Shares”) for the period commencing on the date of issue of any Investment Manager Shares to the first anniversary of such date of issue.
E.6	Dilution	No dilution will result from the Issue. If 150 million Shares are issued pursuant to the Placing Programme, assuming the Issue has been subscribed as to 100 million Shares, there would be a dilution of approximately 60 per cent. in Shareholders’ voting control of the Company immediately after the Issue.
E.7	Estimated expenses	The costs and expenses of, and incidental to, the Issue payable by the Company are expected to be 2 per cent. of the Gross Proceeds. The costs and expenses of the Placing Programme will depend on subscriptions received but it is expected that these costs will be covered by issuing such Shares at the Placing Programme Price. The costs and expenses of any issue of C Shares under the Placing Programme will be paid out of the gross proceeds of such issue and will be borne by holders of C Shares only.

RISK FACTORS

Investment in the Company should not be regarded as short term in nature and involves a high degree of risk. Accordingly, investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including, in particular, the risks described below.

The Directors believe the risks described below are the material risks relating to the Shares at the date of this document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this document, may also have an adverse effect on the performance of the Company and the value of the Shares. Investors should review this document carefully and in its entirety and consult with their professional advisers before making an application to participate in the Issue.

RISKS RELATING TO THE COMPANY

The Company has no operating history

The Company was incorporated on 27 October 2016. The Company has not commenced operations and has no operating history. No historical financial statements or other meaningful operating or financial data upon which prospective investors may base an evaluation of the likely performance of the Company have been made up. An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective and that the value of an investment in the Company could decline substantially as a consequence.

Reliance on service providers and other third parties

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company must therefore rely upon the performance of third party service providers to perform its executive functions. In particular, the AIFM, the Investment Manager, the Administrator, the Company Secretary, the Registrar and their respective delegates, if any, will perform services that are integral to the Company's operations and financial performance. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Company at all as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Company's performance and returns to Shareholders. The termination of the Company's relationship with any third party service provider or any delay in appointing a replacement for such service provider, could disrupt the business of the Company materially and could have a material adverse effect on the Company's performance and returns to Shareholders.

Past performance cannot be relied upon as an indicator of future performance

The Company's performance may be volatile and investors may lose all or part of their investment. Past performance of other investments managed or advised by the Investment Manager is no indication of future results and there can be no assurance that the Company will achieve results comparable to any past performance achieved by the Investment Manager or any employee of the Investment Manager described in this document.

RISKS RELATING TO THE COMPANY'S INVESTMENT STRATEGY

The Company may not meet its investment objective or target dividend yield

The Company may not achieve its investment objective. Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The Company's investment objective is to generate attractive and regular dividends through investment in Loans sourced or originated by the Investment Manager and to generate capital appreciation by virtue of the fact that the returns on some Loans will be index-linked. The declaration, payment and amount of any future dividends by the Company will be subject to the discretion of the Directors and will depend upon, amongst other things, the Company successfully pursuing the investment policy and the Company's

earnings, financial position, cash requirements, level and rate of borrowings and availability of profit, as well the provisions of relevant laws or generally accepted accounting principles from time to time.

There is no guarantee that the Company's targeted dividend yield will be met or that any dividend or capital growth will be achieved.

Achievement of the Company's investment objective will be dependent upon the Company successfully pursuing its investment policy. The success of the Company will depend on the Investment Manager's ability to make and acquire Loans in accordance with the Company's investment policy and for these Loans to be repaid in accordance with their terms. This, in turn, will depend on the ability of the Investment Manager to apply its investment processes in a way which is capable of identifying suitable opportunities for the Company. There can be no assurance that the Investment Manager will be able to do so or that the Company will be able to invest on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

Poor economic conditions may adversely affect the Company's ability to build the Portfolio

An economic slowdown in the UK or globally could adversely affect the Company's ability to invest the Net Proceeds as quickly as it would like to if such conditions result in businesses reducing their demand for capital in the short term. If this happens, the Company's distributions to Shareholders during the initial period of the Company's operations may be less than if the Net Proceeds were invested in accordance with the Company's expected timetable. It could also result in reduced interest rates, which could reduce the returns the Company can obtain on its investments and, as a consequence, may reduce the distributions it can make to Shareholders. Depending primarily on the severity and duration of any economic slowdown, the creditworthiness of the Company's borrowers may become impaired which could cause an increased risk of default on their repayment obligations and cause the Company to incur a loss.

Investor returns will be dependent upon the performance of the Portfolio and the Company may experience fluctuations in its operating results

Investors contemplating an investment in the Shares should recognise that the market value of the Shares can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the Portfolio. No assurance is given, express or implied, that Shareholders will receive back the amount of their original investment in the Shares.

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of investments made by the Company, the Company's borrowers defaulting on their repayment obligations, changes in the Company's operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Company encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period.

Availability of appropriate investments

The Company will have no Loans or commitments to invest on Admission when it commences operations and there is no guarantee that Loans will be made in a timely manner, or at all.

The Company has identified a Seed Portfolio and Pipeline. There can be no guarantee that the Company will be able to make or acquire all or any of the Loans comprised in the Seed Portfolio and/or the Pipeline on terms that are consistent with the Company achieving its investment objective or at all.

Before the Company is able to make or acquire the Loans comprised in the Seed Portfolio and/or the Pipeline, the Investment Manager will need to complete necessary due diligence and enter into appropriate legal documentation. Therefore there can be no guarantee these steps will occur.

In addition the Company may become subject to competition in sourcing and making investments. Some of the Company's competitors may have greater financial, technical and marketing resources or a lower cost of capital and the Company may not be able to compete successfully for investments. Competition for investments may lead to the available interest coupon on investments decreasing, which may further limit the Company's ability to generate its desired returns.

If the Investment Manager is not able to source a sufficient number of suitable investments within a reasonable time frame whether by reason of lack of demand, competition or otherwise, a greater proportion of the Company's assets will be held in cash for longer than anticipated and the Company's ability to achieve its investment objective will be adversely affected. To the extent that any investments to which the Company is exposed prepay, mature or are sold it will seek to reinvest such proceeds in further investments in accordance with the Company's investment policy. There can be no guarantee that such further investments can be made in a timely manner (or at all) and consequently the Company may hold material cash balances pending reinvestment. Further, such proceeds may be reinvested in the purchase of assets with a lower yield and/or with different characteristics to those replaced.

Sufficiency of due diligence

Whilst the Investment Manager's due diligence process may include engaging professional third party advisers, including financial and legal advisers, independent valuation experts, financial model auditors and insurance experts to advise in connection with the Company's investments, this may not reveal all facts that may be relevant in connection with an investment and may not highlight issues that could affect the investments' performance, leading to a risk that the return received on investments will be lower than envisaged and that the principal may not be repaid in full, or at all. These factors may materially adversely affect the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders. Moreover, there can be no assurance that satisfactory due diligence will result in an investment being successful.

Changes in laws or regulations governing the Company's operations may adversely affect the Company's business

The Company and its operations are subject to laws and regulations enacted by national and local governments and government policy. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time-consuming and costly. Any change in the laws, regulations and/or government policy affecting the Company or any changes to current accountancy regulations and practice in the UK may have a material adverse effect on the ability of the Company to successfully pursue its investment policy and meet its investment objective and/or on the value of the Company and the Shares. In such event, the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders may be materially adversely affected.

Furthermore, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to closed-ended investment companies that are admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. The Company must comply with the London Stock Exchange Admission and Disclosure Standards, the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules. Any failure in future to comply with any future changes to such rules and regulations may result in the Shares being suspended from trading on the London Stock Exchange.

The financial markets are uncertain and have been the subject of governmental intervention

Uncertain conditions in the global financial markets, and initiatives by governments to address them, have created a great deal of uncertainty for the finance industries, which may adversely affect the Company's investments and overall performance.

The scale and extent of these government initiatives have been unprecedented in recent times and it remains unclear what impact they will have on global financial markets in the long term, and on European, U.S. and other economies.

These initiatives are subject to change, may be implemented in unanticipated ways and their effects are difficult to predict. It is not known whether the Company and the counterparties and obligors to whom the Company will be exposed or its competitors will be able to benefit from these initiatives, directly, indirectly or at all. There can be no assurance the conditions in the global financial markets, or actions by governments, will not worsen and/or further adversely affect the value of the Company's investments and overall performance.

UK exit from the European Union

A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU. A vote was given in favour of the UK leaving the EU ("**Brexit**"). The extent of the impact on the Company will depend in part on the nature of the arrangements that are put in place between the UK and the EU following Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. In addition, the macroeconomic effect of a Brexit on the value of investments in the lending market and, by extension, the value of investments in the Portfolio is unknown. As such, it is not possible to state the impact that Brexit will have on the Company and its investments. It could also potentially make it more difficult for the Company to raise capital in the EU and/or increase the regulatory compliance burden on the Company. This could restrict the Company's future activities and thereby negatively affect returns.

Investments outside the UK are exposed to local legal, economic, political, social and other risks

Whilst the Company's investments will primarily be in the UK, it may make investments abroad. The laws and regulations of various jurisdictions in which the Company may invest, may impose restrictions that would not exist in the UK. Such jurisdictions may have their own legal, economic, political, social, cultural, business, industrial and labour and environment risks and Loans made in such jurisdictions may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in the UK.

In addition, governments may from time to time impose restrictions intended to prevent capital flight, which may, for example, involve punitive taxation (including high withholding taxes) on certain securities or transfers or the imposition of exchange controls, making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for the Company to distribute the amounts realised from its investments at all or may force the Company to distribute such amounts other than in Sterling and therefore a portion of the distribution may be made in foreign securities or currency. It also may be difficult to obtain and enforce a judgment in a local court. No assurance can be given that a given political or economic climate, or particular legal or regulatory risks, will not adversely affect an investment by the Company.

The Company's investment policy may involve the use of leverage, which exposes the Company to risks associated with borrowings

In accordance with its borrowing and gearing policy, the Company may borrow up to 20 per cent. of its Net Asset Value calculated at the time of draw down. The Company may use such borrowings to seek to enhance investment returns. While the use of borrowings should enhance the total return on the Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's underlying assets is falling or rising at a lower rate than the cost of borrowing, reducing the total return on the Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Share.

Any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its Net Asset Value (which is likely to adversely affect the market price of a Share). Any reduction in the number of Shares in issue (for example, as a result of buy-backs or tender offers) will, in the absence of a corresponding reduction in borrowings, result in an increase in the Company's level of gearing.

The Company will pay interest on its borrowings. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates.

There is no guarantee that any borrowings of the Company will be refinanced on their maturity either on terms that are acceptable to the Company or at all.

RISKS RELATING TO LOANS

The Company's investments will be predominantly in the form of Loans whose revenue streams are secured against contracted, predictable medium to long-term cash flows and/or physical assets, and whose debt service payments are dependent on such cash flows and/or the sale or refinancing of the physical assets. There are a number of risks (detailed below) that could result in either the cash flows of the borrower being lower than anticipated or the sale or refinancing of the physical assets not generating as much capital as

anticipated. This would potentially adversely affect the ability of the borrower to service its debts including any Loans.

All the risks detailed below may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Residual value risk

The returns on the Loans may be dependent on the sale or refinance of physical assets. If the value of, or the quantum of refinancing achievable against, such physical assets is less than anticipated, this may adversely affect the ability of the borrower to service its debts including any Loans.

Counterparty default

Borrowers to whom the Company provides Loans may be exposed to credit risk from a wide range of counterparties including, but not limited to:

- the entity/ies that is/are responsible in whole or in part for providing the borrower with its revenues or with guaranteeing certain liabilities or risks associated with the project; subcontractors providing a range of services including facilities management companies, operation and maintenance companies, special purpose vehicle management and administration, construction companies and others;
- counterparties to lease agreements (in respect of loans in equipment leasing and/or asset finance);
- insurance companies; and
- banks providing bank accounts for the borrower or hedging arrangements for any currency or exchange rate risks.

In the event of a counterparty default, there may be significant difficulties for the borrower in finding an alternative or replacement counterparty on the same or better terms, and in some cases would immediately expose the borrower to financial loss, potentially impacting on the ability of the borrower to service its debts including any Loans.

Reliance on sub-contractors and/or servicers

The Company may make Loans in projects and assets that have no employees and which are dependent on the performance of sub-contractors or third party servicers under a contractual relationship. If a sub-contractor or servicer fails to perform its role competently it may result in a borrower suffering financial loss thereby impairing its ability to service its debts, including any Loans.

If a borrower to whom the Company has provided a Loan is required to replace a key sub-contractor (including a facilities manager or property developer) or servicer due to the insolvency of that sub-contractor or servicer or for any other reason including a default by the contractor or servicer on its obligations (financial or operational), there can be no certainty that an adequate replacement can be found nor at what cost. Any resulting increase in the costs of the project or asset may adversely affect the borrower's ability to service its debts, including any Loans.

Further, the subcontractors' and servicers' liabilities to a borrower, to whom the Company has provided a Loan, for the risks they have assumed will often be subject to financial limits and de minimis thresholds. It is possible that these limits may be exceeded in certain circumstances or the thresholds not reached. Any loss or expense in excess of such a cap or below such a threshold would be borne by the borrower, unless covered by insurance.

Senior debt covenant breach risk

Any subordinated and mezzanine Loans made by the Company will be subordinate to a borrower's senior debt. The covenants provided by a borrower in favour of its senior lenders are generally extensive and a breach of one or more of such covenants may result in payments to the Company, as a subordinated lender, being suspended. Where such a breach or any other event leads to an event of default, the senior lenders will normally have a priority claim on cashflow generated by the borrower (whether arising through its continuing operation or from the disposal of the assets of the business) and/or have the right to take control

of the borrower and ultimately to sell it. In such circumstances, it is unlikely that the subordinated debt of the borrower will be satisfied in full, if at all.

Bridge loan risk

The Company may finance portfolios of bridge loans. Bridge loans are generally temporary financing instruments and as such it is the expectation that the portfolio of bridge loans will experience regular repayments. The returns on the Loans will be based on an assumption as to the time taken to re-invest repaid capital and the interest rate at which it can be lent. If capital cannot be lent in a timely fashion, or at assumed interest rates, there may be a material adverse effect on the performance of the Loan.

No control

The Company will make Loans to finance projects and/or assets predominantly in the form of medium to long term Loans. As it will not typically be a shareholder in such projects and/or assets the Company will not normally have control over decisions made at project and asset level. This may result in decisions being made relating to the relevant project or asset that are not in the interests of the Company.

Assumptions and errors in targeted returns on Loans and financial models

The Company will make Loans which rely on detailed financial models based on certain assumptions, estimates and projections of each investments future cashflows (which will primarily consist of interest and principal receipts). These cashflows may be affected by, amongst other things:

- interest rates, inflation rates, tax rates and currency exchanges rates, as discussed below;
- borrower defaults, loan restructurings, grace periods, extensions, waivers and debt forgiveness and write-offs;
- provisions for the refurbishment or replacement of certain items of equipment; and
- prepayments of investments.

There can be no assurance assumptions, estimates and projections used turn out to be accurate and hence that an investment's actual cash flows will equal or exceed those that are expected or that the targeted return on such investment will be achieved.

Errors in these financial models or in the methodology used in such financial models, or in the analysis of the models or their assumptions, may mean that the return on an investment is less than expected.

Liability of operating risk

The financial models for certain projects may be modelled on the basis that many of the risks of operating the relevant concessions are substantially assumed by subcontractors. The borrowers may be exposed to cost or liability where this does not happen, for example, as a result of limits of liability, default by or the insolvency of a contractor or defective contractual provisions.

Rates of inflation

The Company may make Loans based on estimates or projections of future rates of inflation because the Investment Manager expects that the underlying revenues and/or expenses of the borrower to whom the Company provides Loans will be linked to inflation. If actual inflation differs from this expectation, the net cash flows of the borrower may be lower than anticipated, potentially adversely affecting its ability to service its debts including any Loans.

Rates of interest

The Company may make Loans based on estimates or projections of future interest rates because the Investment Manager expects that the underlying revenues and/or expenses of a borrower to whom the Company provides Loans will be linked to interest rates, or that the Company's returns from a Loan are linked to interest rates. If actual interest rates differ from such expectation, the net cash flows of the borrower or payable to the Company may be lower than anticipated.

Insurance costs and availability

The Loans may be in part based on estimates and projections of the cost in relation to underlying projects and assets of maintaining insurance cover for, amongst other things, buildings, contents, business interruption and third party risks (for example arising from fire, flood or terrorism). Although generally not the most significant cost incurred in relation to any project or asset, the cost of insurance to cover risks including those referred to above may be a material cost. Where the cost of maintaining the insurance is greater than projected, it is possible that the relevant borrower's ability to service its debts, including any Loans may be negatively impacted. Moreover a borrower cannot insure against all possible contingencies that may affect projects and assets and if an event occurs for which the borrower has no insurance, it could lose some or all of its investment and impact the borrower's ability to service its debts (including any Loans made by the Company). Furthermore, borrowers to whom the Company provides Loans may fail to obtain insurance in breach of their contracts.

Delays in the receipt of anticipated cashflows

Some Loans may be exposed to the risk that the release of cash due or expected to become due in respect of a relevant project or asset may not be achieved in the expected timeframe. In such an event, the delay in the receipt of the expected cashflow may adversely affect the income received by the Company.

Acquisition risks

The Company may provide Loans to borrowers that are acquiring assets where the vendor is required to provide various warranties for the benefit of the acquirer and its funders in relation to the acquisition. Such warranties will be limited in extent and are typically subject to disclosure, time limitations, materiality thresholds and liability caps and to the extent that any loss suffered by the acquirer arises outside the warranties or such limitations or exceeds such caps it will be borne by the acquirer, which may have a material adverse effect on the performance of the Loan.

Borrower default, Loan non-performance and collateral risks

The success or otherwise of the Loans is dependent on borrowers fulfilling their payment obligations when they are due. Borrowers to whom the Company has provided Loans may be unable to fulfil such obligations in full, or at all, and/or may cause, or fail to rectify, other events of default under the Loans including through the insolvency of such borrowers. Accordingly, the Company may be unable to recover all or any of its investment made in relation to such Loans.

Non-performing Loans may require a substantial amount of negotiations and/or restructuring which may result in further substantial, irrecoverable costs being incurred by the Company and/or a substantial write down of the principal of such Loans and/or a substantial change in the terms, conditions and covenants with respect to such defaulted Loans. However, even if a restructuring were successfully accomplished, there is risk that, upon maturity of such Loans, replacement "take-out" financing will not be available. This may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Where the Company makes Loans in jurisdictions outside the UK, its ability to recover any amounts outstanding may be impacted by the insolvency regimes in force in the jurisdiction of incorporation of the borrower or in the jurisdiction in which it mainly conducts its business (if different from the jurisdiction of incorporation), and/or in the jurisdiction in which the assets of such borrower are located. Such insolvency regimes may adversely affect the Company's ability to recover such amounts as are outstanding from the borrower which relates to that investment, which may adversely affect the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

The Company may make Loans in jurisdictions that impose use and other taxes which are required to be paid by the borrower or the end-user of the asset for which finance has been secured. Failure by the borrower or the end-user to file and/or pay these taxes may result in the Company having to file and/or pay these taxes, in the event of default in order to recover the assets or to satisfy a claim.

Further, whilst the Company's investments will be predominantly in the form of Loans whose revenue streams are secured against contracted, predictable cash flows and/or physical assets, the value of any collateral for such Loans may be uncertain, have little or no market value and the process for securing such collateral may be lengthy and expensive.

If the market value of any property investments for which the Company has provided a Loan is found to be materially lower than assumed or projected, this may adversely impact the Company's ability to recover the value of its Loans in the event of a borrower default. This may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Where the Company has made Loans by way of secured fixed and floating debt instruments the collateral and security arrangements in relation to such Loans will be subject to such security or collateral having been correctly created and perfected and any applicable legal or regulatory requirements which may restrict the giving of collateral or security by a borrower under a Loan, such as, for example, thin capitalisation, over-indebtedness, financial assistance and corporate benefit requirements. If the Company's Loans do not benefit from the expected collateral or security arrangements this may affect the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

RISKS RELATING TO SPECIFIC MARKET SECTORS

Loans will be made to borrowers that operate in different Market Sectors each of which will have risks that are specific to that particular Market Sector. Examples of such risks (on a non-exhaustive basis) include:

- *Real estate:* exposure to general trends in the real estate market, exposure to the ability of tenants to make rental payments, changes in government regulation, changes in real property taxes, changes in interest rates and availability of mortgage funds and environmental liabilities.

To the extent Loans fund property development the Company will be exposed to construction risks, the risk that contractors and sub-contractors do not comply with contractual obligations, cost overruns and delays;
- *Technology, Media & Telecoms:* obsolescence of the relevant technology, failure to adequately protect intellectual property and infringement of other's intellectual property;
- *Agriculture:* the vagaries of weather, the unpredictable nature of biological processes, the seasonality of production and market cycles, the geographical separation of production and end-user and the uncertain political economy of the agricultural sector;
- *Healthcare:* clinical or regulatory failures, cut-backs in government healthcare spending, increased regulation and burden of compliance with health and safety legislation and scarcity of qualified staff; and
- *Energy & Waste:* construction risks, variations in volume price and demand for output, costs of transportation, environmental risk and increased regulation and changes in law.

Any of these risks, or any additional risk and uncertainties relevant to a particular Market Sector not currently known to the Directors, may have an adverse effect on the performance of the Company and the value of the Shares.

RISKS RELATING TO THE SHARES AND THE C SHARES OFFERED PURSUANT TO THE ISSUE AND PURSUANT TO THE PLACING PROGRAMME

General risks affecting the Ordinary Shares and the C Shares

The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount invested.

The market price of the Shares and/or C Shares may fluctuate independently of their underlying Net Asset Value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Shares, market conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of a Share and/or C Share may therefore trade at a discount to its Net Asset Value.

It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Shares and/or C Shares

The price at which the Shares or C Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. Admission should not be taken as implying that there will

be a liquid market for the Shares or C Shares. The market prices of the Shares or C Shares may not reflect their underlying Net Asset Value.

While the Directors retain the right to effect the tender or repurchase of Shares in the manner described in this document, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors so to act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares on the market. There can be no guarantee that a liquid market in the Shares will develop or that the Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value or at all.

The number of Shares to be issued pursuant to the Issue and the number of Shares and/or C Shares to be issued pursuant to the Placing Programme is not yet known, and there may be a limited number of holders of such Shares and/or C Shares. Limited numbers and/or holders of such Shares and/or C Shares may mean that there is limited liquidity in such Shares and/or C Shares which may affect (i) an investor's ability to realise some or all of his investment and/or; (ii) the price at which such investor can effect such realisation; and/or (iii) the price at which such Shares and/or C Shares trade in the secondary market.

The Company may not have adequate distributable profits to allow the Company to return capital to Shareholders

Investors are reminded that, in accordance with the Companies Act, Shares may only be repurchased out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or out of distributable profits (including any reserve arising out of the cancellation of the Company's share premium account). There can be no assurance that the Company will have any such proceeds or distributable profits to allow the Company at any time to make a tender offer or to utilise any granted buy-back authority and to thereby return capital to Shareholders.

In the event of a winding-up of the Company, the Shares will rank behind any creditors of the Company and therefore, any positive return for holders of Shares will depend on the Company's assets being sufficient to meet the prior entitlements of any creditors.

The Company may issue additional securities that dilute existing Shareholders

Subject to the Companies Act and all other legal and regulatory requirements, the Company may issue additional shares (including Shares and/or C Shares). Any additional issuances by the Company, or the possibility of such issue, may cause the market price of the existing Shares to decline. Furthermore, although Shares and/or C Shares may not be issued at a discount to their prevailing Net Asset Value per Share (unless they are first offered pro rata to existing shareholders of the same class, or the issuance is otherwise authorised by shareholders), the voting rights of holders of Shares may be diluted by further issues of Shares and on conversion of any C Shares depending on the applicable conversion ratio.

The Directors have been authorised to issue, without the application of pre-emption rights, up to 150 million Shares and/or C Shares. If the Directors decide to issue further Shares on a non-pre-emptive basis the proportions of the voting rights held by the holder of the Shares on Admission will be diluted on the issue of such Shares as each Share carries the right to one vote. Additionally, the voting rights may be diluted further on conversion of any C Shares issued through the Placing Programme, depending on the applicable conversion ratio.

The Shares may be subject to significant forced transfer provisions

The Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or under any other applicable securities laws (see page 29 of this document). If at any time the holding or beneficial ownership of any Shares by any person (whether on its own or taken with other Shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its Shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act of 1934 and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act of 1934; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Code; or (v) creates a significant

legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, the Directors may require the holder of such Shares to dispose of such Shares and, if the Shareholder does not sell such Shares, may dispose of such Shares on their behalf. These restrictions may make it more difficult for a U.S. Person to hold and Shareholders generally to sell the Shares and may have an adverse effect on the market value of the Shares (see paragraph 4.5 of Part 7 of this document).

RISKS ASSOCIATED WITH THE INVESTMENT MANAGER

The Company will depend on the managerial expertise available to the Investment Manager

The performance of the Company's investments will depend heavily on the skills available to the Investment Manager to analyse, select and manage the investments. As a result, investors will be highly dependent on the financial and managerial experience of certain investment professionals associated with the Investment Manager and any delegate of the Investment Manager, none of whom is under any contractual obligation to the Company to continue to be associated with the Investment Manager or any delegate of the Investment Manager. The loss of one or more of these individuals could have a material adverse effect on the performance of the Company.

There can be no assurance that the Investment Manager will be successful in implementing the Company's investment objective

The Company may not achieve its investment objective. Meeting that objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The Company will be dependent upon the Investment Manager's successful implementation of the Company's investment policy and their investment strategies, and ultimately on its ability to create a Portfolio capable of generating attractive returns. This implementation in turn will be subject to a number of factors, including market conditions and the timing of investments relative to market cycles, many of which are beyond the control of the Company and difficult to predict. There can be no assurance that the Company will be successful in sourcing suitable investments.

There can be no assurance that a replacement manager will be found if the Investment Manager resigns, is removed or otherwise no longer serves as the Investment Manager

The Investment Management Agreement may be terminated by the Company or the Investment Manager giving the other party at least 12 months' notice in writing, such notice not to take effect prior to the third anniversary of Admission. The Investment Management Agreement may be terminated earlier by either party with immediate effect on the occurrence of certain events, including: (i) the other party commits any material breach of any of the terms of the Investment Management Agreement and either such breach is incapable of remedy or the other party fails to remedy such breach within 30 days of being requested in writing by the innocent party to do so; (ii) the other party goes into liquidation (apart from voluntary liquidation for the purposes of reconstruction or amalgamation on the terms previously agreed by the first party (such agreement not to be unreasonably withheld or delayed), or if a receiver is appointed over the whole or any of the other party's assets or if any analogous event occurs; or (iii) such termination is required by any competent governmental or regulatory authority. If the Investment Management Agreement is terminated, the Directors would have to find a replacement manager for the Company and there can be no assurance that such a replacement will be found.

The Investment Manager may allocate some of their resources to activities in which the Company is not engaged, which could have a negative impact on the Company's ability to achieve its investment objective

The Investment Manager is not required to commit all of its resources to the Company's affairs. Insofar as the Investment Manager devotes resources to its responsibilities to other business interests, its ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Company's profitability, Net Asset Value and the market price of the Shares.

The Investment Manager and/or companies with which it is associated may act as manager in relation to, or be otherwise involved with, other investment funds or accounts (“Other Accounts”)

Conflicts of interest among the Company and these Other Accounts may exist. In addition, these Other Accounts may have investment objectives that are similar to, or overlap to a greater or lesser extent with, those of the Company as well as investment guidelines that differ from those applicable to the Company's investments. The Investment Manager may determine that an investment opportunity in the Company is appropriate for an Other Account but not for the Company or that the allocation to the Company should be of a different proportion than that of an Other Account.

The Investment Manager will allocate investment opportunities fairly and equitably among the Company and Other Accounts in accordance with established allocation procedures and protocol, where applicable, to the extent possible over a period of time. The Investment Manager will have no obligation to purchase, sell or exchange any investment for the Company which the Investment Manager may purchase, sell or exchange for one or more Other Accounts if the Investment Manager believes in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for the Company.

The Investment Manager and its officers and employees will devote as much of their time to the activities of the Company as they deem necessary and appropriate and as required under the Investment Management Agreement. The Investment Manager and its affiliates are generally not restricted from forming additional investment funds, from entering into other management relationships or from engaging in other business activities, even though such activities, even though such activities may be in competition with the Company and/or may involve substantial time and resources. These activities may be viewed as creating a conflict of interest in that the time and effort of the Investment Manager and its officers and employees will not be devoted exclusively to the business of the Company but will be allocated between the business of the Company and such other activities. Future activities by the Investment Manager and its affiliates, including the establishment of other investment funds, may give rise to additional conflicts of interest.

RISKS RELATING TO TAXATION AND REGULATION

The Company may not be able to maintain its investment trust status

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions of approval as an investment trust. Any change in the Company's tax status or in taxation legislation generally could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, lead the Company to lose its exemption from tax on chargeable gains or alter the post-tax returns to Shareholders. It is not possible to guarantee that the Company will remain non-close, which is a requirement to obtain and maintain status as an investment trust, as the Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for approval as an investment trust, will, as soon as reasonably practicable, notify Shareholders of this fact.

Changes in taxation legislation or practices may adversely affect the Company and the tax treatment for Shareholders investing in the Company

Investors should consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company. Representations in this document concerning the taxation of investors or prospective investors in Shares are based upon current tax law and practice, each of which is in principle subject to change. The value of particular tax reliefs, if available, will depend on each individual Shareholder's circumstances. This document is not a substitute for independent tax advice.

The Company has not registered and will not register as an investment company under the U.S. Investment Company Act

The Company will seek to qualify for an exemption from the definition of “investment company” under the U.S. Investment Company Act and will not register as an investment company in the United States under the U.S. Investment Company Act. The U.S. Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which are applicable to the Company or its investors.

In addition, to avoid being required to register as an investment company under the U.S. Investment Company Act and to avoid violating such act, the Company has implemented restrictions on the ownership of its Shares, which may materially affect the ownership of Shares by U.S. Persons.

The Company's assets could be deemed "plan assets" that are subject to the requirements of ERISA and/or Section 4975 of the U.S. Code

The purchase of Shares by an employee benefit plan subject to ERISA, or Section 4975 of the U.S. Code or by any entity whose assets are treated as assets of any such plan, could result in the assets of the Company being considered plan assets for the purposes of ERISA, and/or Section 4975 of the U.S. Code and regulations made thereunder. In such circumstances the Company and the Investment Manager and also the fiduciaries of such an employee benefit plan could be liable for any ERISA violations by the Company and the Investment Manager and for other adverse consequences under ERISA. Each purchaser and transferee of Shares will be deemed to have represented by its purchase or receipt of the Shares, and throughout the period that it holds the Shares, that it is not an employee benefit plan subject to ERISA or Section 4975 of the U.S. Code or an entity whose assets are treated as assets of any such employee benefit plan. The Directors are also empowered by the Articles to require Shareholders, which they consider may because of their shareholding result in the assets of the Company being considered plan assets, to transfer their Shares in order to reduce this risk materialising. See paragraph 4.5 of Part 7 of this document for further details.

Greater regulation of the financial services industry, which imposes additional restrictions on the Company, may materially affect the Company's business and its ability to achieve its investment objective

Legislation proposing greater regulation of the financial services industry and the financial markets is being actively pursued in the European Union and other jurisdictions. Without prejudice to the generality of the foregoing, the European Commission and other relevant authorities have stated that they are considering whether lending by non-bank institutions (or "shadow banking") should, in itself, be a regulated activity and the Financial Stability Board has recently announced a consultation on the subject.

There can be no assurance that future regulatory action will not result in additional market dislocation. It is impossible to predict the nature, timing and scope of future changes in laws and regulations applicable to the Company. Any such changes in laws and regulations may have a material adverse effect on the ability of the Company to successfully pursue its investment policy and to realise its profit potential, and may include a requirement of increased transparency as to the identity of investors in the Company. Any such event may materially adversely affect the investment returns of the Company.

Foreign Account Tax Compliance (commonly known as "FATCA")

The FATCA provisions are U.S. provisions contained in the U.S. Hiring Incentives to Restore Employment Act of 2010, FATCA is aimed at reducing tax evasion by U.S. citizens.

FATCA imposes a withholding tax of 30 per cent. on (i) certain U.S. source interest, dividends and certain other types of income; and (ii) beginning no earlier than 1 January 2017 the gross proceeds from the sale or disposition of assets which produce U.S. source interest or dividends and, potentially on "foreign passthru payments" (a term which is not yet defined), which are received by a foreign financial institution ("**FFI**"), unless the FFI complies with certain reporting and other related obligations under FATCA. The UK has concluded an intergovernmental agreement ("**IGA**") with the U.S., pursuant to which parts of FATCA have been effectively enacted into UK law.

Under the IGA, an FFI that is resident in the UK (a "**Reporting FI**") is not subject to withholding under FATCA provided that it complies with the terms of the IGA, including requirements to register with the IRS and requirements to identify, and report certain information on, accounts held by certain U.S. persons owning, directly or indirectly, an equity or debt interest in the Company (other than equity and debt interests that are regularly traded on an established securities market, as described below) and report on accounts held by certain other persons or entities to HMRC, which will exchange such information with the U.S. Internal Revenue Service.

The Company expects that it will be treated as a Reporting FI pursuant to the IGA and that it will comply with the requirements under the IGA and relevant UK legislation. The Company also expects that its Shares

may, in accordance with the current HMRC practice, comply with the conditions set out in the IGA to be “regularly traded on an established securities market” meaning that the Company should not have to report specific information on its Shareholders and their investments to HMRC. However, there can be no assurance that the Company will be treated as a Reporting FI, that its Shares will be considered to be “regularly traded on an established securities market” or that it will not in the future be subject to withholding tax under FATCA or the IGA. If the Company becomes subject to a withholding tax as a result of FATCA or the IGA, the return on investment for some or all Shareholders may be materially adversely affected.

The UK has also concluded similar intergovernmental agreements (“**Additional IGAs**”) with other jurisdictions (including the Isle of Man, Guernsey and Jersey (the “**Crown Dependencies**”) and seven of the British Overseas Territories (Cayman Islands, Gibraltar, Montserrat, Bermuda, the Turks and Caicos Islands, the British Virgin Islands and Anguilla)). The additional IGAs with the Crown Dependencies and Gibraltar may require the Company to report more widely on its Shareholders, although the Company expects that it may be able to benefit from a similar reporting exemption to that contained in the IGA outlined above.

Other jurisdictions are also considering introducing FATCA-style legislation in order to obtain information about their respective tax residents. Again, these may require the Company to report more widely on its Shareholders but the exact scope of such rules will need to be determined on a jurisdiction by jurisdiction basis. Accordingly, Shareholders may be required to provide certain identifying information to the Company, which information may be disclosed to relevant tax authorities.

FATCA, the IGA and the Additional IGAs are complex. The above description is based in part on regulations, official guidance, the IGA and the Additional IGAs, all of which are subject to change. All prospectus investors and Shareholders should consult with their own tax advisors regarding the possible implications of FATCA or FATCA-style legislation on their investment in the Company.

Alternative Investment Fund Managers Directive

The AIFMD, which was required to have been transposed by EU member states into national law on 22 July 2013, imposed a new regime for EU managers of AIFs and in respect of marketing of AIFs in the EU. The AIFMD has been transposed in the UK by the UK AIFMD Rules. Subject to transitional provisions, the AIFMD requires that the EU AIFMs of AIFs are authorised and regulated as such.

Based on the provisions of AIFMD and the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) (the “**AIFM Regulations**”), the Board has been advised that the Company is an AIF within the scope of AIFMD and the AIFM Regulations. The Company intends to operate as an externally managed AIF, with International Fund Management Limited being the Company’s AIFM. The Company is an EEA AIF and the AIFM is a non-EEA AIFM.

The AIFM will need to comply with various operational and transparency obligations in relation to the AIFMD in order to raise capital from EEA investors. In complying with these obligations, the Company may be required to provide additional or different information to or update information given to Shareholders and appoint or replace external service providers that the Company intends to use, including those referred to in this document. In addition, in requiring AIFMs to comply with these organisational, operational and transparency obligations, the AIFMD is likely to increase management and operating costs and in particular regulatory and compliance costs, of the Company.

IMPORTANT INFORMATION

GENERAL

No broker, dealer or other person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares other than those contained in this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Shares. Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Shares.

This document should be read in its entirety before making any application for Shares. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

In connection with the Placing, N+1 Singer or any of its affiliates acting as an investor for its or their own account(s) may subscribe for Shares and, in that capacity, may retain, purchase, sell, offer to sell, or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, N+1 Singer or any of its affiliates acting as an investor for its or their own account(s). N+1 Singer does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this document and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document is received are required to inform themselves about and to observe such restrictions.

FOR THE ATTENTION OF UNITED STATES RESIDENTS

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold only outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this document is requested to disregard it.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN CANADA, JAPAN, AUSTRALIA OR THE REPUBLIC OF SOUTH AFRICA

The offer and sale of Shares has not been and will not be registered under the applicable securities laws of Canada, Japan, Australia or the Republic of South Africa. Subject to certain exemptions, the Shares may not be offered to or sold within Canada, Japan, Australia or the Republic of South Africa or to any national, resident or citizen of Canada, Japan, Australia or the Republic of South Africa.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Relevant Member State, no Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant Member State prior to the publication of a document in relation to the Shares which has been approved by the competent authority in that Relevant Member State, or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- (a) to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- (b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication of a document pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Shares or to whom any offer is made under the Issue will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and the amendments thereto, including Directive 2010/73/EU) (the “**2010 PD Amending Directive**”), to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

In addition, Shares will only be offered to the extent that the Company: (i) is permitted to be marketed into the relevant EEA jurisdiction pursuant to either Article 36 or 42 of the AIFM Directive (if and as implemented into local law); or (ii) can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor).

INTERMEDIARIES

The Company consents to the use of this document by Intermediaries in connection with any subsequent resale or final placement of Shares in the UK by Intermediaries who are appointed by the Company and/or N+1 Singer, a list of which will appear on the Company’s website. Such consent is given from the date any Intermediaries are appointed to participate in connection with any subsequent resale or final placement of Shares until the closing of the period for the subsequent resale or final placement of Shares on 9 December 2016, being the date upon which the Offer for Subscription closes, unless closed prior to that date.

Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company’s consent and the conditions attached thereto. Any application made by investors to any Intermediary is subject to the terms and conditions imposed by each Intermediary.

Information on the terms and conditions of any subsequent resale or final placement of Shares by any Intermediary is to be provided at the time of the offer by the Intermediary.

The Company accepts responsibility for the information in this document with respect to any subscriber for Shares pursuant to any subsequent resale or final placement of Shares by Intermediaries appointed by the Company and/or N+1 Singer.

Any new information with respect to Intermediaries unknown at the time of approval of this document will be available on the Company's website.

PRESENTATION OF INDUSTRY, MARKET AND OTHER DATA

Market, economic and industry data used throughout this document is sourced from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

CURRENCY PRESENTATION

Unless otherwise indicated, all references in this document to "GBP", "pounds sterling", "£" or "p" are to the lawful currency of the UK; all references to "U.S.\$", "U.S. Dollars" or "\$" are to the lawful currency of the United States and all references to "Euros" and "€" are to the lawful currency of the participating Member States of the Eurozone.

GOVERNING LAW

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales.

WEBSITE

The contents of the Company's website, <https://rm-funds.co.uk/rm-secured-direct-lending-fund/>, do not form part of this document. Investors should base their decision whether or not to invest in the Shares on the contents of this document alone.

FORWARD LOOKING STATEMENTS

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

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the Prospectus Rules), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 8 of Part 7 of this document.

EXPECTED TIMETABLE

Expected Issue Timetable

Offer for Subscription opens	24 November 2016
Latest time and date for receipt of Application Forms under the Offer for Subscription	11.00 a.m. on 9 December 2016
Latest time and date for receipt of placing commitments under the Placing	1.00 p.m. on 9 December 2016
Announcement of the results of the Issue	8.00 a.m. on 13 December 2016
Admission of the Shares to the Official List of the UKLA and dealings in the Shares commence on the main market for listed securities of the London Stock Exchange	8.00 a.m. on 15 December 2016
Crediting of CREST stock accounts in respect of the Shares	15 December 2016
Share certificates despatched in respect of the Shares	week commencing 19 December 2016 (or as soon as possible thereafter)

Expected Placing Programme Timetable

Placing Programme opens	24 November 2016
Publication of Placing Programme Price in respect of each issue pursuant to the Placing Programme	as soon as practicable following the closing of each placing pursuant to the Placing Programme
Admission and crediting of CREST stock accounts in respect of each issue pursuant to the Placing Programme	as soon as practicable following the allotment of Shares and/or C Shares pursuant to the Placing Programme
Share certificates despatched in respect of Shares and/or C Shares issue pursuant to the Placing Programme	as soon as practicable following the allotment of Shares and/or C Shares pursuant to the Placing Programme
Placing Programme closes and last date for Shares and/or C Shares to be admitted pursuant to the Placing Programme	23 November 2017

The dates and times specified are subject to change subject to agreement between the Company and N+1 Singer. All references to times in this document are to London time unless otherwise stated.

ISSUE STATISTICS

Issue Statistics

Issue Price	100 pence
Maximum Gross Proceeds*	£100 million
Aggregate number of Shares to be issued pursuant to the Issue	up to 100 million
Net Proceeds*	a maximum of £98 million
Net Asset Value per Share at Admission	98 pence

** Assuming Maximum Gross Proceeds of £100 million. The target size of the Issue is £100 million. The number of Shares to be issued pursuant to the Issue, and therefore the Gross Proceeds and the Net Proceeds, is not known as at the date of this document but will be notified by the Company via a Regulatory Information Service prior to Admission. The Issue will not proceed if the Minimum Net Proceeds are not raised. If the Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant.*

Placing Programme Statistics

Maximum size of the Placing Programme	150 million Shares and/or C Shares in aggregate
Placing Programme Price	in respect of the Shares, not less than the prevailing Net Asset Value (cum-income) per Share at the time of issue, or £1 per C Share for any issue of C Shares*

** Please refer to the paragraph headed "The Placing Programme Price" under Part 5 of this document for full details.*

DEALING CODES

The dealing codes for the Shares will be as follows:

ISIN	GB00BYMTBG55
SEDOL	BYMTBG5
Ticker	RMDL

The dealing codes for the C Shares will be as follows:

ISIN	GB00BD884W63
SEDOL	BD884W6
Ticker	RMCC

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors (all non-executive)	Norman Crighton (<i>Non-Executive Chairman</i>) Guy Heald Marlene Wood all of the registered office below:
Registered Office	Mermaid House 2 Puddle Dock London EC4V 3DB
Investment Manager	RM Capital Markets Limited 7 Melville Crescent Edinburgh EH3 7JA
AIFM	International Fund Management Limited Sarnia House, Le Truchot St Peter Port Guernsey GY1 4NA
Administrator and company secretary	PraxisIFM Fund Services (UK) Limited Mermaid House 2 Puddle Dock London EC4V 3DB
Sponsor, Placing Agent and Broker	Nplus1 Singer Advisory LLP 1 Bartholomew Lane London EC2N 2AX
Solicitors to the Company	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Solicitors to the Sponsor, Placing Agent and Broker	CMS Cameron McKenna LLP Cannon Place 78 Cannon Street London EC4N 6AF
Auditor, Reporting Accountants and Tax Adviser	Ernst & Young LLP 25 Churchill Place London E14 5EY
Registrar	Capita Registrars Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

Receiving Agent

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Valuation Agent

Mazars LLP
Tower Bridge House
Katherine's Way
London
E1W 1DD

PART 1

INFORMATION ON THE COMPANY

1. INTRODUCTION

RM Secured Direct Lending plc was incorporated on 27 October 2016 as a public company limited by shares. The Company intends to carry on business as an investment trust within the meaning of section 1158 of the CTA 2010.

The Company is seeking to raise Gross Proceeds of £100 million by way of a Placing and Offer for Subscription which comprises an offer by the Company of up to 100 million Shares at the Issue Price, being 100 pence per Share.

The Company will primarily invest via direct lending to UK SMEs and mid-market corporates secured over a range of assets including real estate, plant and machinery and income streams.

The Company's AIFM will delegate portfolio management to RM Capital Markets Limited (the "**Investment Manager**"). The Investment Manager will provide discretionary portfolio management services in relation to the Portfolio. Further information on the Investment Manager and the investment team responsible for the management of the Portfolio, is set out in Part 3 of this document.

Applications will be made to the UK Listing Authority and to the London Stock Exchange for all of the Shares (issued and to be issued pursuant to the Issue) to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in the Shares will commence at 8.00 a.m. on 15 December 2016.

2. INVESTMENT OBJECTIVE, INVESTMENT POLICY AND INVESTMENT RESTRICTIONS

Investment Objective

The Company aims to generate attractive and regular dividends through investment in secured debt instruments of UK SMEs and mid-market corporates including any loan, promissory notes, lease, bond, or preference share (such debt instruments, as further described below, being "**Loans**") sourced or originated by the Investment Manager with a degree of inflation protection through index-linked returns where appropriate.

Investment Policy

The Company will seek to meet its investment objective by making investments in a diversified portfolio of Loans to UK SMEs and mid-market corporates. These Loans will generally be, but not limited to, senior, subordinated, unitranche and mezzanine debt instruments, documented as loans, notes, leases, bonds or convertible bonds. Such Loans shall typically have a life of 2-10 years. In certain limited cases Loans in which the Company invests may have equity instruments attached, ordinarily any such equity interests would come in the form of warrants or options attached to a Loan. Typically the Loans will have coupons which may be fixed, index-linked or LIBOR linked.

Loans will be directly originated or sourced by the Investment Manager who will not invest in Loans sourced via or participations through, peer to peer lending platforms.

Loans in which the Company invests will be predominantly secured against assets such as real estate or plant and machinery and/or income streams such as account receivables.

The Company will make Loans to borrowers in a range of Market Sectors within certain exposure limits which will vary from time to time, according to market conditions and as determined by the Board, subject to the Investment Restrictions set out below.

The Company will at all times invest and manage its assets in a manner which is consistent to the spreading of investment risk.

Investment Restrictions

The following investment limits and restrictions will apply to the Company's Loans and business which, where appropriate, shall be measured at the time of investment or once the Company is fully invested:

- the amount of no single Loan shall exceed 10 per cent. of Gross Assets;
- exposure to a single borrower shall not exceed 10 per cent. of Gross Assets;
- Loans will be made across not less than four Market Sectors;
- not less than 70 per cent. of Gross Assets will be represented by Loans denominated in Sterling or hedged back to Sterling;
- Loans made to borrowers in any one Market Sector shall not exceed 40 per cent. of Gross Assets;
- Loans with exposure to project development /construction assets shall not exceed 20 per cent. of Gross Assets;
- the Company will not provide Loans to borrowers whose principal business is defence, weapons, munitions or gambling;
- the Company will not provide Loans to borrowers which generate their annual turnover predominantly from tobacco, alcohol or pornography; and
- the Company will not invest in other listed closed-ended funds.

In the event of a breach of the investment guidelines and restrictions set out above, the Investment Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service and the Investment Manager will look to resolve the breach with the agreement of the Board.

The Company intends to conduct its affairs so as to qualify as an investment trust for the purposes of section 1158 of the CTA 2010, and its investment activities will therefore be subject to the restrictions set out above.

Borrowing and gearing

The Company may utilise borrowings for share buybacks and short term liquidity purposes. The Company may also, from time to time, use borrowing for investment purposes on a short term basis where it expects to raise additional equity. Gearing represented by borrowings will not exceed 20 per cent. of Net Asset Value calculated at the time of drawdown.

Hedging and derivatives

The Company may invest in derivatives for efficient portfolio management purposes. In particular the Company can engage in interest rate hedging. Loans will primarily be denominated in Sterling, however the Company may make limited Loans denominated in currencies other than Sterling and the Board, at the recommendation of the Investment Manager, may look to hedge any other currency back to Sterling should they see fit.

In accordance with the requirements of the UK Listing Authority, any material change to the Company's investment policy will require the approval of Shareholders by way of an ordinary resolution at a general meeting.

3. DIVIDEND POLICY AND TARGET RETURNS

Subject to compliance with the Companies Act, the Company intends to pay Sterling dividends on a quarterly basis.

The first interim dividend is expected to be declared in May 2017 in respect of the period commencing on Admission and ending on 31 March 2017. The second interim dividend is expected to be declared in August 2017 and the third interim dividend is expected to be declared in November 2017. The final dividend in respect of the period commencing on Admission and ending on 31 December 2017 is expected to be declared in March 2018. Thereafter dividends are expected to be declared in May, August, November and March of each year in respect of the preceding quarter.

The Company will target an annualised dividend yield of 4 per cent. (on the Issue Price) in the financial period from Admission to 31 December 2017 rising to a dividend yield of 6.5 per cent. (on the Issue Price) for the year to 31 December 2018.

Investors should note that the targeted annualised dividend yields are targets only and not profit forecasts and there can be no assurance that either will be met or that any dividend growth will be achieved.

4. INVESTMENT OPPORTUNITY

The global financial crisis of 2008 and the European debt crisis of 2009-2011 highlighted the need for greater supervision of the financial sector and the need for corporate borrowers to diversify their sources of funding from the traditional bank lending market. At the same time policy makers across the globe have looked to ensure that banks are holding more capital against their loan books. Whilst prior to the financial crisis it was difficult for non-bank lenders to find opportunities, there is now an environment where borrowers are actively seeking funding from non-banking institutions.

Whilst a significant level of funding has gone into the larger corporate direct lending sector and into the smaller more homogenous asset finance space there has not been as much lending to UK SME and mid-market companies. The Board and the Investment Manager therefore believe that there is a real opportunity to close this gap and provide those types of companies with access to capital at attractive levels. Secured lending typically provides higher recovery rates and an attractive return profile especially if targeting assets which are harder to finance by being outside the lending parameters of mainstream lending institutions or other financing firms.

The Company will focus on these harder to finance sectors within the SME and mid-market corporate space and lending activities will concentrate on these opportunities. The Investment Manager has specific skills in sourcing and originating such opportunities and believes that the demand for this type of lending will continue due to the overall funding requirements of these businesses combined with their individual complexity in typically modest deal sizes.

Further detail on the lending market overview and opportunities is set out in Part 2 of this document.

5. THE INVESTMENT MANAGER AND THE AIFM

Investment Manager

The Investment Manager is RM Capital Markets Limited which is authorised and regulated in the UK by the FCA. The Investment Manager has experience in industry and financial services including the trading and execution of debt instruments, management of clients' funds, lending, advisory, capital markets and risk management. The Investment Manager has transacted in excess of £50 billion of bonds and loans since its inception. In addition, the Investment Manager has advised or originated, structured and conducted or managed the due diligence process for over £1 billion of Sterling credit transactions and approximately €600 million of Euro based transactions in each case since 2012.

Founded in 2010 as a specialist fixed income broker whose clients are banks, investment management groups and hedge funds, the Investment Manager has offices in Edinburgh, London and Paris with 28 employees and contractors across its business. The Investment Manager's trading business transacts in fixed, floating and index-linked bonds, whilst its sales and trading team are active in government bonds, corporate bonds and financial bonds across the high grade, high yield and distressed parts of the market. Further details on the Investment Manager can be found in Part 3 of this document.

AIFM

The AIFM is International Fund Management Limited, part of the PraxisIFM Group, one of the largest independently owned financial services groups based in the Channel Islands. The AIFM has a strong track record in providing management and risk advisory services to funds and investment managers since 2006. Under the arrangements in place between the Company, the Investment Manager and the AIFM, the AIFM has delegated all aspects of portfolio management to the Investment Manager. Further details on the AIFM, its role and the delegation of portfolio management can be found in Part 3 of this document.

6. INVESTMENT STRATEGY

Type of Investment

The Investment Manager expects the majority of individual Loan values or transactions to range from £2 million to £10 million. However, there may be a number of smaller asset finance transactions which may be below this range on an opportunistic basis. There are expected to be a range of maturities within the Portfolio, although most Loans will have maturities of approximately 2 to 10 years.

The Company's focus will be on bespoke, higher-yielding lending opportunities identified or originated by the Investment Manager with favourable security packages. However, the Investment Manager will also source Loans in the market which pass its rigorous due diligence process and satisfy its stringent security and monitoring requirements. The Investment Manager believes that this will help balance the quantity of fixed and LIBOR-related debt within the Portfolio, allow the Company to optimise all available investment opportunities and facilitate funds to be deployed more quickly where appropriate thereby minimising cash drag.

All Loans, whether originated or sourced by the Investment Manager will be consistent with the Company's investment policy and be subjected to the investment process described below.

The Company will have Market Sector diversity and target maximum exposure limits, which the Board will review from time to time, in each case measured in terms of Gross Assets at the time of investment. Initially these will be:

Sector Diversity & Target Maximum Exposure Targets

- Agriculture: 35%
- Consumer Discretionary & Hospitality: 25%
- Transport: 35%
- Technology, Media & Telecoms: 35%
- Energy & Waste: 40%
- Property: 25%
- Healthcare: 35%
- Industrial: 35%
- Micro SMEs: 10%

It should be noted that the above listed Market Sectors and target maximum exposure limits may be revised by the Board from time to time subject always to the Company's investment policy.

Origination

The Investment Manager has significant experience and a demonstrable track record in identifying, sourcing and originating opportunities consistent with the Company's investment policy and has extensive relationships with borrowers, equity investors and senior and subordinated lenders as a consequence. It is envisaged that the Investment Manager will originate lending opportunities which it can structure directly and/or use its existing market relationships to source other debt investment opportunities. The Investment Manager also has experience in leasing and hire purchase investments and a number of transactions will be focussed on lending to borrowers holding non-standardised assets which require funding.

By having both an established capital markets and advisory business along with an extensive debt sales and trading business, the Investment Manager is well positioned to seek to deliver suitable investment opportunities to the Company. As set out in paragraph 5 of Part 2, the Investment Manager has identified a Seed Portfolio of approximately £74 million and a further Pipeline of £72 million which are in various stages of discussions with the relevant borrowers and has visibility on additional opportunities of in excess of £136 million.

Investment Process

The Investment Manager will ensure a rigorous investment process is used and appropriate due diligence is conducted on every prospective Loan. The Investment Manager's internal credit policy manual sets out the following key terms which form the basis of the investment process:

- Eligible investments – the scope of investments allowed e.g. sector focus and the type of investments allowed;
- Use of proceeds – the reasons why the borrower requires funding;
- Loan application process – the key stages of any investment being considered;
- Credit investigation – the credit research, financial modelling and sensitivity analysis along with agreed Know your Customer (KYC) checks;
- Due diligence – including, but not limited to, legal, technical, financial, insurance, tax and credit research;
- Credit review and decision – the formal process by which a credit committee of the Investment Manager will approve the investment;
- Documentation and transaction close; and
- Administration, monitoring & control and portfolio strategy – the accounting, banking and finance, operations and compliance procedures in relation to the on-going monitoring of each investment.

Preliminary review

Many prospective borrowers have bespoke funding needs and there are opportunities for the Investment Manager to originate transactions directly with such companies. When considering these types of Loans the two credit considerations are:

1. **How much debt can the borrower afford to take on?** The Investment Manager will assess the maximum level of the debt the borrower can afford by using internal proprietary models. This sizing is determined by the levels of visible net cash-flows the borrower has. The Investment Manager believes that this is the most suitable metric for determining repayment by the borrower rather than simple turnover or sales-based metrics.
2. **How secure are the assets and/or the cash-flows that the Company has security over?** The Investment Manager will assess the assets of the borrower and their likely residual values and/or cash flows and their continued visibility.

Having taken the above into consideration the Investment Manager will structure and document a transaction in order to give the Company an extensive and favourable security package, typically with the assets and/or contracts of the borrower being placed within a special purpose vehicle (SPV) and then security, in the form of a share pledge and debenture over the SPV, being granted in favour of the Company. This is in order to segregate the assets from the borrower entity in the event of the borrower becoming insolvent. The Company will also use separate bank accounts in order to control and project cash flows combined with additional lender protection through reporting covenants, representations and warranties.

Where the Investment Manager arranges lease transactions on behalf of the Company (where the Company will own certain assets and subsequently lease them to third parties) additional security may be sought from the third-party lessor if the Investment Manager, seeking to mitigate all risks, believes this additional security should be required.

The Investment Manager, utilising its existing market-based relationship may also source third party Loans. These opportunities are usually already documented and structured in which case the Investment Manager will conduct all due diligence and research using available information prior to acquiring the Loan or progressing the opportunity, as set out in more detail below. For these transactions, the Investment Manager will utilise its own credit research team to select what it believes are the best and most secure opportunities with the right characteristics on a relative value basis.

Due Diligence

The Investment Manager will review all identified risks for any Loan which it considers appropriate for the Company and will assess how those risks are mitigated. The Investment Manager will where appropriate use professional third party advisers, including technical consultants, financial and legal advisers and valuation and insurance experts. This can, where appropriate, provide an additional and independent review of the key aspects and risks of a transaction, providing additional comfort as to the level of risk mitigation as well as ongoing performance.

Investment Approval

Each investment proposal will be presented to the Credit Committee of the Investment Manager which currently comprises four individuals: James Robson, Ian Cunningham, Malcolm Hayday CBE and Henry Chaplin, with lending experience and expertise, further details of which are set out in Part 3 of this document. In reviewing each potential investment, the Credit Committee will consider a range of factors including a detailed analysis of the Loan opportunity, the capital structure of the borrower, track record, market reputation, historical information/reporting, deal modelling credit and risk analysis and any other analysis that might be necessary to fully understand the proposed Loan.

In the event that the Investment Manager or any partners, directors, officers or employees of the Investment Manager are directly or indirectly interested in any entity, project or asset in relation to any investment proposal, the Investment Manager will raise this in accordance with the Company's conflicts policy and seek the approval of the Board prior to making any such investment.

Investment Monitoring

The Investment Manager will continually monitor the progress of the Company's investments which will include regular technical reporting in respect of each of its Loans. The Investment Manager will seek ad hoc additional reporting and updates where there has been a material event which, in the opinion of the Investment Manager, has the potential to impair the value of the relevant investment.

The Investment Manager will report to the Board on the Portfolio on a quarterly basis with additional updates where appropriate.

7. SEED PORTFOLIO AND PIPELINE

The Investment Manager has identified a Seed Portfolio suitable for initial investment by the Company upon which it has already conducted extensive due diligence and agreed key terms. In addition, the Investment Manager is progressing due diligence and advancing negotiations on a Pipeline of additional investment opportunities. The Seed Portfolio comprises £74 million of prospective Loans whilst the Pipeline comprises £72 million of prospective Loans. The Investment Manager currently has visibility on an additional £136 million of suitable opportunities.

The investment into any Seed Portfolio of and/or Pipeline Loans is subject, *inter alia*, on the Investment Manager completing satisfactory due diligence and documentation. In any event, it is expected that the Net Proceeds of the Issue will be deployed in accordance with the Company's investment policy within a period of 6 to 9 months after Admission (subject to market conditions). Further details of the Seed Portfolio and the Pipeline are set out in Part 2 of this document.

There can be no assurance that any of the Loans comprised in the Seed Portfolio or the Pipeline will be made by the Company. The Investment Manager, in any event, will continue to evaluate other potential Loan opportunities in accordance with the Company's investment policy.

8. MEETINGS, REPORTS AND ACCOUNTS

The audited accounts of the Company will be prepared in Sterling under IFRS. The Company's annual report and accounts will be prepared up to 31 December each year, with the first accounting period of the Company ending on 31 December 2017. It is expected that copies of the report and accounts will be published by the end of April each year and copies sent to Shareholders. Shareholders will also receive an unaudited half-yearly report covering the six months to 30 June each year, which is expected to be published within the following three months. The first financial report and accounts that Shareholders will receive will be the

annual report for the period ending on 31 December 2017 (covering the period from incorporation of the Company).

The Company intends to hold its first annual general meeting before 30 June 2018 and will hold an annual general meeting each year thereafter. Other general meetings may be convened from time to time by the Directors by sending notices to Shareholders.

9. VALUATION METHODOLOGY

The Company's Loans will be measured at fair value. The Valuation Agent is responsible for carrying out the fair market valuation of the Loans on a monthly basis in accordance with IFRS.

The Valuation Agent will value the Loans by taking the financial information on such Loans supplied by the Company and selecting an appropriate set of comparators based on the particular Loan being valued. In the main it is anticipated that the standard valuation methodology will be to use a discounted cash flow analysis and benchmarked discount/interest rates appropriate to the nature of the underlying investment and the date of valuation. However, the Valuation Agent will use alternative valuation methodologies if appropriate if the particular Loan is "non-standard".

Where Loans made by the Company are inflation-linked or LIBOR-based, the individual cash flows expected to arise will be based on forecast inflation or LIBOR rates as at the date of valuation as indicated on Bloomberg or an alternative source as agreed at the time.

The specific discount rate used for valuing each Loan is based on appropriate long term quoted Sterling interest rate swap rates and a risk premium. The Valuation Agent will determine the specific risk premium that it believes the market would reasonably apply taking, *inter alia*, the following into account:

- the performance of the underlying assets, taking into account the nature of the loan and its parameters, and including any actual or potential event in relation to each underlying asset that may be expected to have a material impact on the ability of the borrower to meet its obligations to its lenders, such as operating performance failures, or the credit impairment of the obligor;
- general credit market activity and investor sentiment, which the Valuation Agent assesses by taking into account its knowledge of such markets gained from discussions with market participants and from publicly-available information on relevant transactions and publicly-traded securities; and
- changes to the economic, legal, taxation or regulatory environment relevant to each asset.

The Valuation Agent will exercise its due judgement in assessing the likelihood of any interruptions to the debt payments due to the Company in light of the operational performance of each underlying asset.

10. NET ASSET VALUE

The Net Asset Value (and Net Asset Value per Share) is calculated monthly by the Administrator. Calculations are made in accordance with IFRS or as otherwise determined by the Board. As described above, the Company's Loans will be measured at fair value and the Valuation Agent is responsible for carrying out the fair market valuation of the Loans on a monthly basis in accordance with IFRS.

Details of each monthly valuation, and of any suspension in the making of such valuations, are announced by the Company through a Regulatory Information Service as soon as practicable after the end of the relevant month.

The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the Loans of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system's failure of the Administrator) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.

11. CASH USES AND CASH MANAGEMENT ACTIVITIES

In accordance with the Company's investment policy, the Company's principal use of cash (including the Net Proceeds) will be to fund investments sourced by the Investment Manager, as well as initial expenses related to the Issue, ongoing operational expenses and payment of dividends and other distributions to Shareholders in accordance with the Company's dividend policy as set out in the section entitled "Dividend Policy and Target Returns" above.

The Company may from time-to-time have surplus cash (for example, following the disposal of an acquired investment). It is expected that any surplus cash will be temporarily invested in cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a single-A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency; or "government and public securities" as defined for the purposes of the FCA rules.

12. PREMIUM/DISCOUNT MANAGEMENT

The Board has the discretion to seek to manage the premium/discount rating at which the Shares may trade to their Net Asset Value per Share through further issues, tender offers, buy-backs and the provision of a liquidity opportunity, as appropriate.

Liquidity opportunity

Before the Company's fourth annual general meeting, and at subsequent three yearly intervals, the Board currently intends (at its discretion) to formulate and submit to Shareholders proposals (which may constitute a tender offer or other method of distribution) to provide Shareholders an opportunity to realise the value of their Shares at or near the prevailing Net Asset Value per Share less costs.

Discount Control

The Directors recognise the importance to investors of seeking to ensure that the Shares do not trade at a significant discount to their prevailing Net Asset Value. To the extent that the Shares trade at a significant discount to this prevailing Net Asset Value the Board will consider whether (in the light of the prevailing circumstances) the Company should purchase its own Shares (whether pursuant to the general authority referred to below or pursuant to the tender offers made on appropriate terms).

The Board anticipates that the combination of the discount protection mechanism offered by the facility to buy-back Shares, together with the prospect a liquidity opportunity, will serve to maintain any discount at a consistently low level. There is, however, no guarantee or assurance that the discount control mechanisms proposed by the Board will reduce any discount.

Repurchase of Shares

The Directors will consider repurchasing Shares in the market if they believe it to be in Shareholders' interests. Any purchase of Shares by the Company will be in accordance with the Articles, the Listing Rules and the rules of the London Stock Exchange in force at the time.

Without prejudice to the foregoing, the Directors may, at their absolute discretion, use available cash to purchase in the market Shares of a class in issue at any time, subject to having been granted authority to do so, should the Shares of such class trade at an average discount to Net Asset Value (calculated daily in accordance with the methodology set out below) of more than 6 per cent. as measured each month over the preceding six month trading period. The average discount will be calculated by dividing the sum of the discount or premium (as the case may be) on each business day in a calendar month (adjusted for dividends) by the number of such business days. The premium or discount on any given day is to be calculated by reference to the closing Share price and the Net Asset Value announced for that month.

In exercising their powers to buy back Shares, the Directors have complete discretion as to the timing, price and volume of Shares so purchased. No expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. The implementation of any Share buyback programme and the timing, price and volume of Shares purchase at all times will be subject to compliance with the Articles, the Listing Rules and all other applicable legal and regulatory requirements.

In accordance with the Companies Act, Shares may only be repurchased out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or out of distributable profits. The Directors intend, following Admission, to apply to the Court to cancel the share premium account so as to create a new special reserve which may be treated as distributable profits and out of which tender offers and share buy-backs may be funded.

A special resolution has been passed granting the Directors authority to repurchase up to 14.99 per cent. of the Company's issued share capital immediately following Admission during the period expiring on the conclusion of the Company's first annual general meeting. Renewal of this buy-back authority will be sought at each annual general meeting of the Company or more frequently if required.

Purchases of Shares will only be made through the market at prices (after allowing for costs) below the relevant prevailing Net Asset Value per Share and otherwise in accordance with guidelines established from time-to-time by the Board. Under the current Listing Rules, the maximum price that may be paid by the Company on the repurchase of any Shares pursuant to a general authority is 105 per cent. of the average of the middle market quotations for the Shares for the five Business Days immediately preceding the date of purchase or, if higher, that stipulated by article 5(6) of the Market Abuse Regulation. The minimum price will not be below the nominal value of one penny in respect of the Shares.

Premium Management

In the event that the Shares trade at a premium to the Net Asset Value per Share, the Company may issue new Shares. The Directors have authority to issue up to 150 Shares immediately following Admission pursuant to the Placing Programme. Please refer to Part 5 of this document for details about the Placing Programme. Shareholders' pre-emption rights over this unissued share capital have been disapplied so that the Directors will not be obliged to offer any new Shares to Shareholders pro rata to their existing holdings. The reason for this is to retain flexibility, following Admission, to issue new Shares to investors. Unless authorised by Shareholders, no Shares will be issued at a price less than the prevailing Net Asset Value per Share at the time of their issue.

Investors should note that the issuance of new Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of new Shares that may be issued.

Treasury Shares

Any Shares repurchased pursuant to the general buy-back authority or discretionary tender offers referred to above may be held in treasury. The Companies Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. These shares may be subsequently cancelled or sold for cash. This would give the Company the ability to reissue Shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

The Board intends only to authorise the sale of Shares from treasury at prices at or above the prevailing Net Asset Value per Share (plus costs of the relevant sale). This should result in a positive overall effect for Shareholders if Shares are bought back at a discount and then sold at a price at or above the Net Asset Value per Share (plus costs of the relevant sale).

C Shares

If there is sufficient demand at any time following Admission, the Company may seek to raise further funds through the issue of C Shares. The rights conferred on the holders of C Shares or other classes of shares issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of the issue of the relevant shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

The Articles contain the C Share rights, full details of which are set out in paragraph 4 of Part 7 of this document.

The C Shares would be available for issue by the Company (subject to the listing of the C Shares on the premium listing segment of the Official List and admission to trading on the London Stock Exchange) if the

Directors consider it appropriate to avoid the dilutive effect that the proceeds of the issue might otherwise have on the existing assets of the Company. The Directors have authority to issue up to 150 million C Shares pursuant to the Placing Programme. Shareholders' pre-emption rights over this unissued share capital have been disapplied.

A new class of C Shares may be issued by the Company if there are in issue C Shares that have not been converted into Shares prior to the date on which the Company issues further C Shares.

13. THE ISSUE

The target size of the Issue is up to £100 million, before expenses. The maximum number of Shares which may be issued pursuant to the Issue is 100 million. The total number of Shares to be issued pursuant to the Issue, and therefore the Gross Proceeds, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service announcement prior to Admission.

N+1 Singer has agreed to use its reasonable endeavours to procure further subscribers pursuant to the Placing for Shares at the Issue Price on the terms and subject to the conditions set out in the Placing and Offer Agreement and the Placing Letter.

The Company has agreed to make an offer of Shares pursuant to the Offer for Subscription at the Issue Price, subject to the terms and conditions of the Offer for Subscription. These terms and conditions should be read carefully before an application is made. Investors should consult their independent financial adviser if they are in any doubt about the contents of this document or the acquisition of Shares.

Further details about the Issue are set out in Part 4 of the document.

14. THE AIFM DIRECTIVE

Under the AIFM Directive, certain conditions must be met to permit the marketing of shares in AIFs to prospective and existing investors in the EEA, including that prescribed disclosures are made to such investors.

The Company currently intends to operate as an externally managed EEA domiciled AIF with a non-EEA AIFM for the purposes of the AIFM Directive and as such it will not be required to seek full-scope authorisation under the AIFM Directive. However, following national transposition of the AIFM Directive in a given EEA member state, the marketing of shares in EEA AIFs that are managed by a non-EEA AIFM to investors in that EEA member state is prohibited unless certain conditions are met. The AIFM has filed a notification with the FCA pursuant to Article 42 of the AIFM Directive to market the Shares in the UK under the UK national private placement regime.

The Company cannot guarantee that any relevant conditions to marketing will be satisfied. In cases where any such conditions are not satisfied, the ability of the Company to market Shares and/or C Shares or raise further equity capital in the EEA may be limited or removed.

Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that limit the Company's ability to market future issues of its Shares and/or C Shares may materially adversely affect the Company's ability to carry out its investment policy successfully and to achieve its investment objective, which in turn may adversely affect the Company's business, financial condition, results of operations, Net Asset Value and/or the market price of the Shares.

The Company and the Investment Manager may, in the future, if considered operationally efficient transfer the risk management functions for the Company to the Investment Manager subject to the Investment Manager receiving all necessary permission and authorisations from the FCA to act as a full-scope AIFM under the AIFM Directive (which at the date of this document it has not made any application to do).

15. NON-MAINSTREAM POOLED INVESTMENTS

As an investment trust, the Shares will be "excluded securities" under the FCA's rules on non-mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA's restriction on the promotion of non-mainstream pooled investments.

16. TAXATION

Potential investors are referred to Part 6 of this document for details of the taxation of the Company and Shareholders in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers immediately.

17. RISK FACTORS

The Company's performance is dependent on many factors and potential investors should read the whole of this document and in particular the section entitled "Risk Factors" on pages 16 to 28 of this document.

PART 2

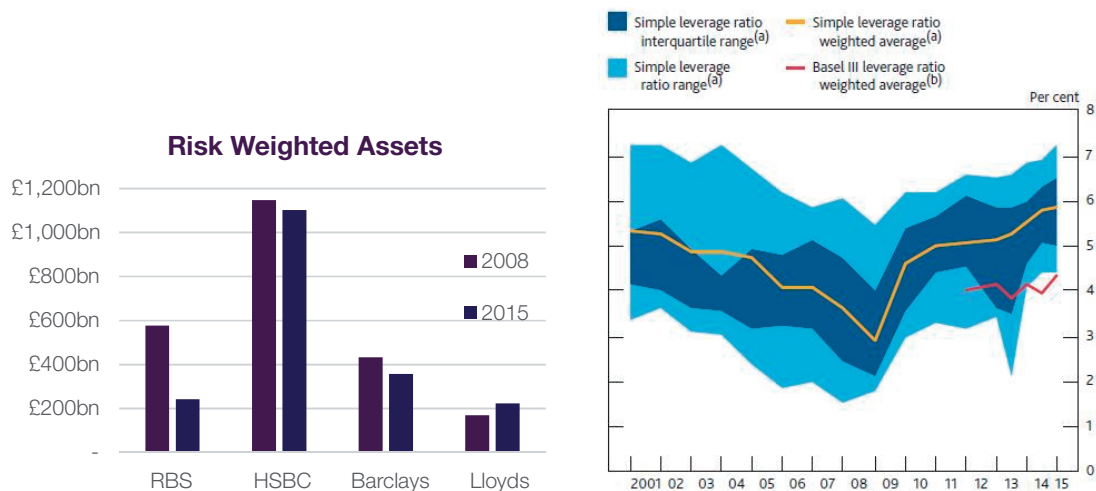
LENDING MARKET OVERVIEW AND OPPORTUNITIES

1. STRUCTURAL CHANGE OF THE CREDIT MARKETS

The global financial crisis of 2008 and the European debt crisis of 2009-2011 highlighted the need for greater supervision of the financial sector and the need for corporate borrowers to diversify their sources of funding as the traditional bank lending market changed.

A considerable amount of regulation has been introduced in the last eight years, such as Basel III, Solvency II, AIFMD, EMIR, MIFID II, CRR, Dodd Frank etc.

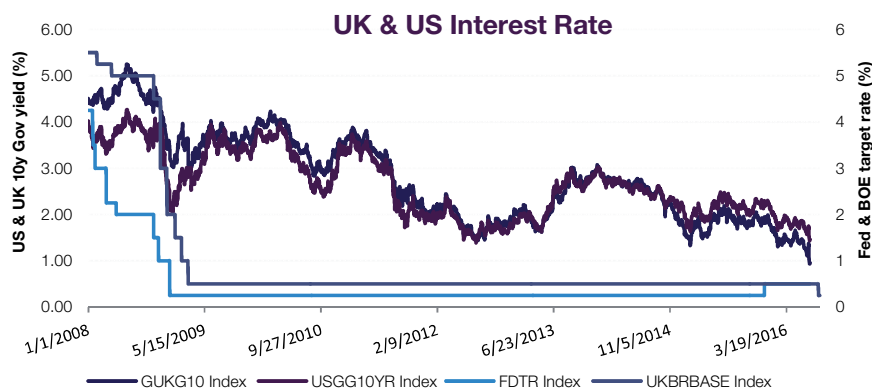
The impact of this regulation on the financial services sector and in particular the banking sector has led to a reduction in lending, bank leverage, and overall risk-appetite.



Sources: RBS, HSBC, Barclays and Lloyds. Company Annual Accounts, 2008 & 2015 respectively.

Source: BOE Resilience of UK Financial System/PRA Regulatory Returns, published accounts and Bank calculations.

At the same time as increased regulation, central bank have attempted to stimulate economic growth and the funding markets by injecting capital into the global economies through various quantitative easing programmes (TARP, QE 1-3, European Financial Stability Facility, European Stability Facility, etc).



Sources: US Treasury, Bank of England, Debt Management Office and Bloomberg

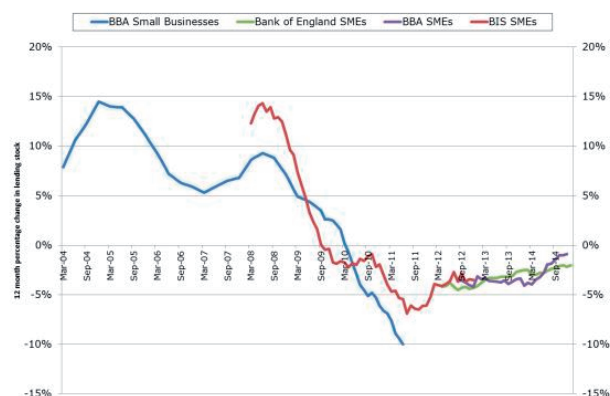
This has had the effect of reducing yields globally and has affected the risk premium that investors expect to receive from investments. Investors in liquid credit now face the prospect of negative yields on government bonds and minimal yields on investment grade credit with high yield credit risk premiums compressing as investors search for yield across the credit spectrum and capital structure.

It is the Investment Manager's view that given the structural changes facing the banking sector, and the various policy actions of UK, European and US central banks, liquid credit and equity assets appear to offer a suboptimal return for the risk associated with them. Therefore investors who require stable and predictable risk-adjusted returns should seek alternative defensive investments where the terms are set by the investors rather than the investment banks acting for the borrowers – direct lending is a prime example.

2. SME AND MID-MARKET CORPORATE LENDING

Since the financial crisis lending by banks to SMEs and mid-market corporates has contracted significantly as traditional lenders have sought to lend to larger 'safer' companies with less complex financing requirements.

Figure 1: Lending to UK Businesses (12 month percentage change in lending stock)¹¹



Source: Bank of England, British Bankers Association, British Business Bank

This has meant that small and medium size corporates have had less access to capital and have had to seek funding elsewhere. Often borrowers in this category require funding for projects or assets which are bespoke and do not therefore fit the standardised banking model. The lending opportunities can often be more complex owing to due diligence, more labour intensive to document and require bespoke solutions to ensure enhanced and robust security packages.

According to the European Commission, SMEs represent 99 per cent. of all businesses in the EU, ranging from sole-traders to corporates with 250 employees and revenues of approximately €50 million.

Specifically within the UK, SME's are a critical component of the UK Economy, and with Britain voting to leave the European Union, they will be the engine room for British growth in the years and decades to come. The British Government estimate UK SME's employ approximately 15.6 million people (approximately 60 per cent. of all private sector employment) and generate approximately £1.75 trillion a year in revenues and contribute Gross Added Value of €473 billion representing 49.8 per cent. of the UK Economy.

3. DIRECT LENDING

The direct lending model has a number of key features which the Investment Manager believes makes it more appealing than the liquid corporate credit market as illustrated by the following:

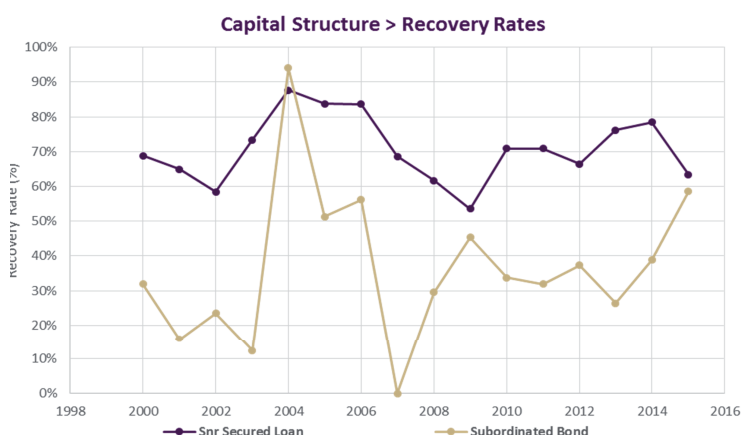
Bilateral agreements

Direct lending generally involves bilateral agreements (or small club deals) which are negotiated directly with management of borrower companies. This allows for more in-depth negotiations and tailoring of documentation to fit the requirements of both the borrowers and the lenders.

The target yield from direct lending opportunities, are typically higher than the general liquid credit market opportunities.

Bespoke security

The more in-depth processes mean that there is greater ability to structure security packages, which meet both the needs of borrower(s) and lender(s). By tailoring structures in this manner, lenders have greater visibility of a borrower's financial performance, communication and reporting with management is more frequent and if an adverse credit event does occur, the ultimate recovery rates are typically higher than that of liquid high yield corporate credit. The capital structure chart below produced by Moody's Investor Service, illustrates the statistical data on observed recovery rates for senior secured loans and subordinated bonds.



Source: Moody's Investor Service > Annual Default Study: Corporate Default & Recovery Rates, 1920 – 2015

Comprehensive covenant packages

Another key characteristic of direct lending loans are the comprehensive covenants included within the loan documentation. These range from and typically include financial covenants, which can limit and control the debt levels of a borrower, information and affirmative covenants, which require the borrower's management to provide on a predefined periodic basis financial accounts, management accounts, budgets and where applicable technical reports on the business and its performance, and negative covenants, which require borrowers to refrain from certain actions which could ultimately result in a deterioration of the borrowers financial health (such as selling core assets).

In-depth due diligence

The 'hands-on' approach of direct lending means the lender benefits from directly conducting due diligence rather than relying on third parties limited due diligence, which helps de-risk the lenders position and negotiate more appropriate lending terms.

4. THE OPPORTUNITY

The new era of lending has given rise to new sources of capital from non-bank lenders to technology driven peer-to-peer platforms. Companies have responded positively to these developments, and in 2014 Grant Thornton LLP surveyed 100 UK based mid-market companies and found that nearly 80 per cent. perceive non-bank lending either positively or very positively. This is supported by data from the Peer2Peer Finance Association which states that cumulative lending to businesses by their members had reached approximately £3.38 billion by Q2 2016.

The Investment Manager believes that whilst there are now more lenders in the market, direct lending will grow much larger and become a permanent feature in the UK and Europe as supply side drivers, such as regulatory banking reforms hamper liquidity, whilst demand side drivers such as a corporate refinancing requirements remain significant.

Furthermore non-bank lenders have tended to favour vanilla, homogenous lending opportunities often in specific sectors, whilst the Investment Manager believes the greatest opportunities to generate risk-adjusted returns are in providing bespoke direct lending solutions, where lending and security can be tailored to the specific needs of the borrower(s) and lender(s) requirements – it is therefore this area which the Company intends to focus on.

5. SEED PORTFOLIO AND PIPELINE

The Investment Manager is currently engaged in various stages of negotiations in respect of making Loans to borrowers that meet the Company's investment objective and policy. The Investment Manager has identified a Seed Portfolio of approximately £74 million of prospective Loans and a Pipeline comprising £72 million of prospective Loans. The Investment Manager currently has visibility on an additional £136 million of suitable opportunities which are in various stages of discussions with the relevant borrowers.

Investments made by the Company in any of these Loans is subject, among other things, to the Investment Manager completing satisfactory due diligence and documentation. Any such Loans will also be subject to agreement having been reached between the Company, the Investment Manager and the relevant counterparty as to the terms of such Loan. A breakdown of the identified Seed Portfolio currently under consideration is set out in the table below:

<i>Sector</i>	<i>Business Activity</i>	<i>Loan Size</i>	<i>Expected Yield (%)</i>	<i>Term (years)</i>	<i>Weighted Average Life (WAL)</i>
Supermarkets & Pharmacies	Small UK Food Retailer	£10.00m	7.13	4.78	4.78
Education	Provider of Education Support Services	£5.00m	13.6	3.78	3.78
Consumer Discretionary	UK Retailer	£5.00m	8.00	5.75	5.75
Media	Digital Support Services to UK SME Market	£5.00m	8.00	4.93	4.93
Telecommunications	B2B Unified Communications Providers to UK SMEs and mid-market corporates	£5.00m	6.70	5.20	5.20
Consumer Discretionary	UK Based Restaurant Group	£5.00m	6.89	4.83	4.83
Education	Private Higher Education Provider	£5.00m	8.46	3.81	3.81
Manufacturing	Window Manufacturer	£5.00m	9.00	6.07	6.07
Energy & Waste	Renewable Energy Generation	£0.35m	15.00	15.00	5.00
Property	Property Company Operating in the Residential and Commercial Sectors	£10.00m	10.00	2.00	2.00
Food & Agri-Business	Provider of Food Services	£1.20m	8.00	4.00	2.00
Hospitality & Leisure	100+ Year Old Boutique Hotel Group	£0.75m	9.00	5.00	5.00
Property	Property Company Operating in the Residential and Commercial Sectors	£10.00m	9.00	2.00	2.00
Energy & Waste	Capacity Market/Energy Generation Business	£7.00m	8.00	10.00	3.00
Asset Finance	Manufacturer & Provider of Power Generation Equipment	£0.37m	10.00	3.00	1.50
Social Infrastructure	Provider & Operator of Domestic Boilers	£15.00m	8.00	6.00	3.00
Social Infrastructure	Provider & Operator of Domestic Boilers	£3.00m	9.10	6.00	3.00
Property	Property Company Operating in the Residential and Commercial Sectors	£10.00m	10.00	2.00	2.00
Energy & Waste	Renewable Heat Producer & Operator	£3.50m	9.00	10.00	7.50
Social Infrastructure	Student Accommodation Provider to Russell Group Universities	£4.00m	10.00	2.00	2.00
Energy & Waste	Waste Recycling Business & Energy Generator	£7.00m	8.00	12.00	6.00
Energy & Waste	Recycling Business, with Gov & Blue-chip Contracts	£7.50m	12.00	12.00	6.00
Asset Finance	Manufacturer & Provider of Power Generation Equipment	£2.00m	9.00	5.00	2.50
Food & Agri-Business	Operator of Food Washing Equipment for Food Packaging and Sale to Supermarket	£2.00m	12.00	3.00	1.50
Food & Agri-Business	Agricultural Operator	£2.50m	9.50	10.00	5.00
Food & Agri-Business	Agricultural Operator	£2.40m	9.00	10.00	5.00
Manufacturing	Producer of Sustainable Feedstocks	£2.50m	9.00	10.00	5.00
Telecommunications	Provider of POS Terminals	£10.00m	8.00	3.0	1.50
TOTAL		<u>£146.07</u>			

There can be no assurance that any of the Loans in the table above will be made by the Company. The Investment Manager, in any event, will continue to evaluate other potential Loans in accordance with the Company's Investment Policy.

PART 3

DIRECTORS, MANAGEMENT AND ADMINISTRATION

1. DIRECTORS

The Directors are responsible for the determination of the Company's investment objective and policy and have overall responsibility for the Company's activities including the review of investment activity and performance. The Directors may delegate certain functions to other parties, such as the Investment Manager, the AIFM, the Administrator and the Registrar. In particular, responsibility for managing the assets comprised in the Portfolio has been delegated to the Investment Manager who is not required to, and generally will not, submit individual investments decisions for the approval of either the AIFM or the Board.

The Directors will meet at least four times a year. The Directors (including the Chairman) are all non-executive directors and independent of the Investment Manager.

The Directors are as follows:

Norman Crighton (aged 50) *(Non-executive Chairman)*

Mr. Crighton is the Chairman of Weiss Korea Opportunity Fund and a non-executive director of Global Fixed Income Realisation Limited. Mr. Crighton was, until May 2011, an investment manager at Metage Capital Limited where he was responsible for the management of a portfolio of closed-ended funds and has more than 22 years' experience in closed-ended funds having worked at Olliff and Partners, LCF Edmond de Rothschild, Merrill Lynch, Jefferies International Limited and latterly Metage Capital Limited. His experience covers analysis and research as well as sales and corporate finance.

Guy Heald (aged 66) *(Non-executive Director)*

Mr. Heald has spent most of his career in banking, not only specialising in markets, but also in general management positions overseeing all aspects of banking, including lending. He worked in London, New York and Tokyo and has an extensive knowledge of companies needs for financing and managing interest rate, liquidity and foreign exchange risks. During his career he worked for Brown Shipley, Chemical Bank and HSBC where he held senior positions including Head of Global Markets and Chief Executive Office at HSBC Japan. After leaving banking in 2003 he has served as an adviser, non-executive director and trustee of several charities as well as starting a number of successful family companies of his own. The SME market is of particular interest to him, specifically the challenges facing companies in their pursuit for growth, as he invests venture and growth capital himself.

Marlene Wood (aged 54) *(Non-executive Director and Chair of the Audit Committee)*

Mrs. Wood is a chartered accountant and currently non-executive director and audit committee chair of GCP Student Living plc and the Scottish Funding Council for Further and Higher Education. She has also recently chaired the strategy working group for the University of the Highlands and Islands.

Mrs. Wood has 20 years' experience in the commercial property sector having been finance director for Miller Developments raising finance for major property transactions both in the U.K. and Europe. Her experience covers governance and risk management as well as financial oversight and debt raising.

2. MANAGEMENT OF THE COMPANY

2.1 *The Investment Manager*

The Company, through the AIFM, has appointed RM Capital Markets Limited to manage the Company's portfolio pursuant to the Investment Management Agreement which is summarised in paragraph 6.2 of Part 7 of this document.

In addition, pursuant to the terms of the Investment Management Agreement entered into between the Company, the AIFM and the Investment Manager, the AIFM has delegated to the Investment Manager the portfolio management duties which it has assumed under the terms of the AIFM Agreement. Accordingly, pursuant to the terms of the Investment Management Agreement, the Investment Manager will be responsible, subject to the overall supervision of the Directors and subject

to the investment policy of the Company for the discretionary investment of the Net Proceeds and the management of the Portfolio.

Details of the fees and expenses payable to the Investment Manager are set out in the section headed “Fees and Expenses” below.

2.1.1 *About the Investment Manager*

The Investment Manager is RM Capital Markets Limited which is authorised and regulated in the UK by the FCA. The Investment Manager has experience in industry and financial services including the trading and execution of debt instruments, management of clients’ funds, lending, advisory, capital markets and risk management. The Investment Manager has transacted in excess of £50 billion of bonds and loans since its inception. In addition, the Investment Manager has advised or originated, structured and conducted or managed the due diligence process for over £1 billion of Sterling credit transactions and approximately €600 million of Euro based transactions in each case since 2012.

Founded in 2010, as a specialist fixed income broker whose clients are banks, investment management groups and hedge funds, the Investment Manager has offices in Edinburgh, London and Paris with 28 employees and contractors across its business. The Investment Manager’s trading business transacts in fixed, floating and index-linked bonds whilst its sales and trading team are active in government bonds, corporate bonds and financial bonds across the high grade, high yield and distressed parts of the market. Further details on the Investment Manager can be found in Part 3 of this document.

In 2012, the Investment Manager set up its capital markets and advisory team. As well as providing advisory services, the team originates, structures, manages the due diligence and documentation process and places debt instruments with institutional investors. The team’s clients range from SMEs and consortium special purpose vehicles.

In 2015, the Investment Manager launched its direct lending business, seeded by an institutional investor. The direct lending business originates all loans in house and lends on a senior secured basis, to borrowers with strong management teams that demonstrate strong earnings visibility and have tangible security. The direct lending business has provided loan commitments to a number of borrowers operating in a variety of sectors including; telecommunication, media, energy generation, property and social infrastructure. By utilising its existing in-house capabilities and resources, the Investment Manager has developed a significant Seed Portfolio and Pipeline for the Company details of which are set out in Part 2 of this document.

2.1.2 *Investment Team*

The biographies of the lead members of the investment team of the Investment Manager are set out below:

James Robson *(Chief Investment Officer)*

James has 18 years of experience in capital markets and credit products. He founded RM Capital Markets Limited in 2010 and currently heads the direct lending business and is a member of the Credit Committee of the Investment Manager. Prior to founding RM Capital Markets Limited, James was a credit trader for RBS and Dresdner and was the former head of the European corporate credit trading business at HSBC. James has a BSc in Economics and Business Management from Newcastle University.

Pietro Nicholls *(Head of Sourcing and Origination)*

Pietro has 10 years of experience in investment banking, capital markets, project finance and corporate lending. Pietro has extensive experience advising publicly listed, unlisted and government related entities on investment, financing, M&A and liability management solutions. Over the last 24 months, Pietro’s team has advised on, sourced and or arranged over 2 billion Euro of debt finance transactions located within Western Europe. Pietro played a key role in the development of the UK retail bond market, a now established form of funding for corporates.

Rosie Dalton (*Senior Investment Analyst*)

Rosie has 12 years of experience in investment management, with a focus on global credit markets. Prior to joining the Investment Manager, Rosie worked for CQS, a global multi strategy asset management firm. Rosie was responsible for a circa US\$750 million portfolio of loans and bonds. Rosie has extensive experience in credit and investment analysis, with a focus on bottom up credit analysis. Rosie is also involved in the negotiation, structuring and (where applicable) restructuring of loan and bond transactions. Rosie has a BA(Hons) in Accounting and Finance, an MSc in Financial Markets & Derivatives and is a Fellow at the Chartered Institute of Securities & Investment.

2.1.3 *The Credit Committee*

Each investment proposal will be presented to the Credit Committee of the Investment Manager (which currently comprises James Robson, Ian Cunningham, Malcolm Hayday CBE and Henry Chaplin) in order that every investment is properly approved and documented ahead of investment. In reviewing each potential investment, the Credit Committee will consider a range of factors including a detailed analysis of the Loan opportunity, the capital structure of the borrower, track record, market reputation, historical information/reporting, deal modelling credit and risk analysis and any other analysis that might be necessary to fully understand the Loan.

The biographies of the members of the Credit Committee of the Investment Manager (save in respect of James Robson which is set out in paragraph 2.1.2 above) and are set out below:

Henry Chaplin (*Chair of the Credit Committee*)

Henry has 26 years of experience in capital markets, corporate finance advisory and custody. Henry acts as chairman of NCM Fund Services which he led as a buy-out from Noble Group in 2009. Henry is also a non-executive director of N+1 Singer Advisory LLP and a board member of UKFTF, a £200 million private equity fund. Henry was an officer in the Royal Green Jackets for 5 years and has also worked in management consultancy.

Ian Cunningham (*External Credit Committee Member*)

Ian has 40 years of experience in lending and banking at RBS with a focus on SME and corporate lending. Ian was the former Head of Corporate & Commercial Credit for RBS (Scotland), a position which he held for 13 years until 2009. Ian was also a former member of RBS's Global Credit Committee and as responsible for all credit risk training globally. He is currently Head of Credit at the LendingCrowd, Edinburgh. Henry is a fellow of the Institute of Bankers in Scotland.

Malcolm Hayday CBE (*External Credit Committee Member*)

Malcolm has 40 years' experience in corporate lending and banking with a focus on SMEs, social enterprises and community finance. Malcolm was awarded a CBE in 2013 for services to charities and social enterprises. Malcolm is the founder and was the first chief executive of The Charity Bank, the world's only registered charity and authorised bank. He was also chair of the internal credit committee. Malcolm's previous experience was in lending and credit and included establishing a European credit function within a major bank. Malcolm is a Fellow of the Royal Society for the Arts, a Senior Fellow at the Finance Innovation Lab and Associate of the Institute for Social Banking. He has co-authored a recipe book for social finance for the European Commission.

2.1.4 *Investment Management Agreement*

The Investment Manager is entitled to receive from the Company in respect of its services provided under the Investment Management Agreement, an advisory fee payable monthly in arrears. Where the prevailing Net Asset Value is equal to or in excess of £75 million, the Investment Manager shall be entitled to a fee calculated at the rate of 0.875 per cent. per annum of the Net Asset Value. Where the prevailing Net Asset Value is less than £75 million, the Investment Manager shall be entitled to a fee calculated at the rate of 0.50 per cent. per annum of the Net Asset Value, together with reimbursement of reasonable expenses properly incurred by it in the performance of its duties. 50 per cent. of the management fee received by

the Investment Manager will be reinvested into the Shares for the first three years following Admission. The Investment Manager has irrevocably agreed and undertaken to subscribe for the allotment of new Shares (to the value of 50 per cent. of the management fee). Such new Shares shall be issued by the Company to the Investment Manager on a quarterly basis in arrears and credited as fully paid at a price equal to the Net Asset Value per Share calculated at the end of the relevant quarter. In circumstances where the Shares are trading at a discount to Net Asset Value at a time when a management fee is payable, the Investment Manager is obliged, provided it is lawful to do so, to use its reasonable endeavours to purchase Shares in the market. Any such Shares allotted to the Investment Manager pursuant to the Investment Management Agreement shall be subject to the Lock-in Deed described in paragraph 6.9 of Part 7 of this document.

The Investment Management Agreement may be terminated by the Company or the Investment Manager giving the other party at least 12 months' notice in writing, such notice not to be given prior to the third anniversary of Admission.

The Company's annual report and accounts will contain a statement as to whether, in the opinion of the Directors, the continuing appointment of the Investment Manager on the terms of the Investment Management Agreement is in the interests of Shareholders as a whole, together with a statement of the reasons for this view.

2.2 THE AIFM

Pursuant to the AIFM Agreement, a summary of which is set out in paragraph 6.3 of Part 7 of the document, the Company has appointed International Fund Management Limited, part of the PraxisIFM Group, to act as the Company's external non-EEA AIFM. The AIFM will act as the Company's manager for the purposes of AIFMD. Pursuant to the Investment Management Agreement (further details of which are set out in paragraph 6.2 of Part 7 of this document), the AIFM has delegated portfolio management to the Investment Manager. The AIFM has, pursuant to the terms of the Investment Management Agreement delegated all portfolio management duties to the Investment Manager but will maintain responsibility for implementing appropriate risk measurement and management standards and procedures for the Company. The AIFM will also carry out the on-going oversight functions and supervision and ensure compliance with the applicable requirements of the AIFM Rules. The AIFM is legally and operationally independent of the Company and the Investment Manager.

The PraxisIFM Group's head office is in Guernsey. The AIFM is a Guernsey licenced alternative investment fund manager and has a strong track record in providing principal management and risk advisory services to funds and investment managers since 2006.

Details of the fees and expenses payable to the AIFM are set out in the section headed "Fees and Expenses" below.

3. OTHER ARRANGEMENTS

Administrator and Company Secretary

PraxisIFM Fund Services (UK) Limited has been appointed by the Company to provide administration services and company secretarial services to the Company in accordance with the Administration Agreement. The Administrator will provide certain administrative services to the Company which includes reporting the Net Asset Value, bookkeeping and accounts preparation. The Company Secretary is the named company secretary of the Company and will provide company secretarial support to the Board including the provision of meeting agendas, supporting papers and minutes for Board and shareholder meetings and co-ordination of the production of annual reports and half yearly reports.

Registrar

The Company will utilise the services of Capita Registrars Limited to act as the Company's registrar pursuant to the Registrar Agreement (further details of which are set out in paragraph 6.5 of Part 7 of this document). The Registrar is responsible for providing registration services to the Company and maintaining the necessary books and records (such as the Company's register of Shareholders).

Receiving Agent

The Company has appointed Capita Asset Services to act as the Company's receiving agent for the purposes of the Offer for Subscription pursuant to the Receiving Agent Agreement (further details of which are set out in paragraph 6.6 of Part 7 of this document).

Auditor

EY will provide audit services to the Company. The annual report and accounts will be prepared according to accounting standards laid out under IFRS.

Valuation Agent

Mazars LLP has been appointed as valuation agent to the Company pursuant to the Valuation Agent Engagement Letter (further details of which are set out in paragraph 6.8 of Part 7 of this document). In such capacity, the Valuation Agent is responsible for (a) providing a monthly valuation report to the Company updating the monthly valuation of the Company's portfolio of investments; and (b) valuing assets acquired as at the date of their acquisition.

4. FEES AND EXPENSES OF THE COMPANY

Issue expenses

The issue expenses of the Company are those that arise from or are incidental to the establishment of the Company, the Issue and Admission. These expenses include the commissions payable under the Placing and Offer Agreement, Receiving Agent's fees, listing and admission fees, printing, legal and accounting fees and any other applicable expenses.

The costs and expenses of, and incidental to, the Issue payable by the Company are expected to be 2 per cent. of the Gross Proceeds. In the event that the Issue does not proceed all costs and expenses (including VAT where relevant) of and incidental to the Issue shall be paid by the Investment Manager.

On-going annual expenses

The Company's ongoing annual expenses will include the following and are currently expected to amount to 1.5 per cent. of Net Asset Value per annum assuming a Net Asset Value on Admission of £98 million:

(i) Investment Manager

Under the terms of the Investment Management Agreement, the Investment Manager will be entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties.

The Investment Manager is entitled to receive from the Company, in respect of its services provided under the Investment Management Agreement, an advisory fee payable monthly in arrears equal to 0.875 per cent. per annum of the Net Asset Value. No performance fee will be payable by the Company to the Investment Manager.

50 per cent. of the management fee received by the Investment Manager will be reinvested into the Shares for the first three years following Admission. The Investment Manager has irrevocably agreed and undertaken to subscribe for the allotment of new Shares (to the value of 50 per cent. of the management fee). Such new Shares shall be issued by the Company to the Investment Manager on a quarterly basis in arrears and credited as fully paid at a price equal to the Net Asset Value per Share calculated at the end of the relevant quarter. In circumstances where the Shares are trading at a discount to Net Asset Value at a time when a management fee is payable, the Investment Manager is obliged, provided it is lawful to do so, to use its reasonable endeavours to purchase Shares in the market. Any such Shares allotted to the Investment Manager shall be subject to the Lock-in Deed.

(ii) AIFM

Under the terms of the AIFM Agreement, the AIFM is entitled to receive a fee to be calculated and accrue at a rate equivalent to 0.125 per cent. of the Company's Net Asset Value subject to an annualised minimum of £85,000 applied on a monthly basis. The AIFM shall also be entitled to

reimbursement of all out-of-pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company.

(iii) *Administrator and Company Secretary*

Under the terms of the Administration Agreement, an administration fee will be charged for the provision of the administration services. The administration fee will be payable monthly and shall be calculated at the rate of 0.085 per cent. of Net Asset Value per annum subject to a minimum fee of £75,000 per annum plus disbursements. A company secretarial fee will be charged for the company secretarial services which shall be calculated on a time spent basis.

The Administrator shall also be entitled to make reasonable charges based on time spent for work performed in connection with the issuance of C Shares and the administration of any C Share portfolios including the calculation of Net Asset Value per C Share.

The Administrator shall also be entitled to reimbursement of all out-of-pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company.

The above fees are stated exclusive of VAT and will be subject to VAT at applicable rates.

(iv) *Registrar*

The Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of any VAT). The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.

(v) *Valuation Agent*

The Valuation Agent is entitled to on each illiquid investment an initial fee of an amount equal to 0.08 per cent. of the nominal value of the investment made subject to a minimum amount of £1,000 and, a maximum amount of £5,000. In addition, the Valuation Agent shall receive an annual fee of 0.04 per cent. of the aggregate nominal value of the investments held by the Company up to an aggregate nominal value of £200 million and to the extent that the aggregate nominal value of the investments held by the Company is more than £200 million an additional 0.03 per cent. of the aggregate nominal value of the investments above £200 million.

(vi) *Directors*

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. The initial fees will be £30,000 for each Director per annum save that the Chairman's initial fee will be £36,000 per annum and the chairman of the Audit and Management Engagement Committee will receive £33,000 per annum.

All of the Directors will also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties. The Board may determine that additional remuneration may be paid, from time-to-time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

(vii) *Other operational expenses*

Other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including travel, accommodation, printing, audit, due diligence and legal fees. These expenses will be deducted from the assets of the Company and are estimated to be in the region of £0.22 million per annum assuming Net Asset Value on Admission of £98 million. All out-of-pocket expenses of the Investment Manager, the Administrator, the Company Secretary, the Registrar and the Directors relating to the Company will be borne by the Company.

5. CONFLICTS OF INTEREST

Conflicts of interest may arise between the Company, the Directors, the Investment Manager and certain of the directors, members and officers of each. Relevant information is set out below.

None of the Directors has any conflict of interest or potential conflicts of interest between any duties to the Company and his/her private interests and/or any other duties.

The Investment Manager, any of its directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an **“Interested Party”**) may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services.

The Directors have satisfied themselves that the Investment Manager has procedures in place to address potential conflicts of interest and that, where a conflict arises, the Investment Manager will allocate the opportunity on a fair basis.

Save as disclosed above, there are no potential or actual conflicts of interest between any duties owed to the Company by the Directors or any of the directors of the Investment Manager or any of the directors of the Company and their private interests or other duties.

6. THE TAKEOVER CODE

The Takeover Code will apply to the Company as at Admission.

7. CORPORATE GOVERNANCE

The Company will comply with the provisions of Chapter 9 of the Listing Rules regarding corporate governance. Chapter 9 of the Listing Rules requires that the Company must “comply or explain” against the UK Corporate Governance Code. In addition, the Disclosure and Transparency Rules require the Company to, (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management systems.

The Directors recognise the value of the UK Corporate Governance Code and have taken appropriate measures to ensure that the Company complies, so far as is possible given the Company’s size and nature of business, with the UK Corporate Governance Code. The areas of non-compliance by the Company with the UK Corporate Governance Code are in respect of the provisions relating to:

- the role of the chief executive;
- the appointment of a senior independent director;
- executive directors’ remuneration; and
- the need for an internal audit function.

The Board considers these provisions are not relevant to the position of the Company because it is an externally managed investment company and it has no employees and therefore no requirement for a chief executive and by reason of the size and composition of the Board.

As at the date of this document, the Company complies with the AIC Code and will become a member of the AIC shortly following Admission. In accordance with such code, the Company meets its obligations in relation to the UK Corporate Governance Code.

Audit and Management Engagement Committee

The Company’s Audit and Management Engagement Committee will be chaired by Marlene Wood and consists of all the Directors and will meet at least twice a year or more often if required. The Board considers that the members of the Audit and Management Engagement Committee have the requisite skills and experience to fulfil the responsibilities of the Audit and Management Engagement Committee. The Audit and Management Engagement Committee examines the effectiveness of the Company’s control systems, will review the half-yearly and annual reports and also will receive information from the Investment Manager. It will also review the scope, results, cost effectiveness, independence and objectivity of the external auditor. The Audit and Management Engagement Committee’s other principal duties will be to consider the terms

of appointment of the Investment Manager and it will annually review that appointment and the terms of the Investment Management Agreement.

Other Committees

The Company has not established a nomination committee or a remuneration committee because all of the Directors are independent non-executive directors of the Company.

8. DIRECTOR'S SHARE DEALING

The Directors will comply with the share dealing code adopted by the Company following implementation of the Market Abuse Regulation on 3 July 2016 in relation to their dealings in Shares. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

PART 4

THE ISSUE

1. INTRODUCTION

The Issue is being implemented by way of a Placing and Offer for Subscription.

The target size of the Issue is £100 million before expenses. The maximum number of Shares which may be issued pursuant to the Issue is 100 million. The aggregate proceeds of the Issue, after deduction of expenses, are expected to be £98 million on the assumption that the Gross Proceeds are £100 million. The total number of Shares to be issued pursuant to the Issue, and therefore the Gross Proceeds, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service announcement prior to Admission. The Issue has not been underwritten.

The Investment Manager and certain principals of the Investment Manager have indicated to the Company that they intend to subscribe for, in aggregate, 1 million Shares under the Issue. These Shares are subject to the Lock-In Deed described in paragraph 6.9 of Part 7 of this document.

The Issue is conditional, *inter alia*, on:

- (i) Admission having become effective on or before 8.00 a.m. on 15 December 2016 or such later time and/or date as the Company and N+1 Singer may agree (being not later than 8.00 a.m. on 31 December 2016); and
- (ii) the Placing and Offer Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission.

Application will be made for the Shares to be admitted to listing on the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission of the Shares will become effective and dealings in the Shares will commence at 8.00 a.m. on 15 December 2016.

2. THE ISSUE

Placing and Offer for Subscription

N+1 Singer, as agent for the Company, has also agreed to use its reasonable endeavours to procure additional subscribers pursuant to the Placing on the terms and subject to the conditions set out in the Placing and Offer Agreement and the Placing Letter. Commitments under the Placing must be received by 1.00 p.m. on 9 December 2016 (or such later date as the Company and N+1 Singer may agree). If the Placing is extended, the revised timetable will be notified to any investors who have placed orders.

The Company has agreed to make an offer of Shares pursuant to the Offer for Subscription at the Issue Price, subject to the terms and conditions of the Offer for Subscription as set out in Part 10 of this document.

These terms and conditions and the Application Form set out in the Appendix 1 to this document should be read carefully before an application is made. Investors should consult their independent financial adviser if they are in any doubt about the contents of this document or the acquisition of Shares. Application Forms accompanied by a cheque or banker's draft in Sterling made payable to Capita Registrars Limited RE: RM Secured Direct Lending plc – Offer for Subscription A/C for the appropriate sum should be returned to the Receiving Agent by no later than 11.00 a.m. on 9 December 2016. If the Offer for Subscription is extended, the revised timetable will be notified to any investors who have placed orders.

Applications under the Offer for Subscription must be for Shares with a minimum subscription amount of £1,000 and thereafter in multiples of £100.

In addition to completing and returning the Application Form to Capita Asset Services, you will also need to complete and return a Tax Residency Self Certification Form. The "individual tax residency self-certification – sole holding" form can be found at Appendix 2 of this document, further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Capita Asset Services on 0371 664 0321 or can be downloaded from the Investment Manager's website (which is

<https://rm-capital.co.uk>). Calls are charged at the standard geographic rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

It is a condition of any application under the Offer for Subscription that (where applicable) a completed version of the relevant form is provided with the Application Form before any application under the Offer for Subscription can be accepted. Application Forms that are returned without the completed Tax Residency Self-Certification Form will be referred to the Company after the Offer for Subscription closes at 11.00 a.m. on 9 December 2016. It will then be the Company's decision if these Application Forms can be accepted under the Offer for Subscription.

The Placing and Offer for Subscription if fully subscribed is expected to raise gross proceeds of approximately £98 million.

3. SCALING BACK

The maximum number of Shares available under the Issue is 100 million. In the event that commitments under the Issue exceed 100 million Shares, it would be necessary to scale back applications under the Issue. In such an event, applications under the Issue will be scaled back at N+1 Singer's discretion (in consultation with the Company and the Investment Manager) and thereafter no further commitments or applications will be accepted and the Issue will be closed. The Offer for Subscription will not be subject to scaling back in favour of the Placing.

4. THE PLACING AND OFFER AGREEMENT

The Placing and Offer Agreement contains provisions entitling N+1 Singer to terminate the Issue (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Issue and these arrangements will lapse and any monies received in respect of the Issue will be returned to each applicant without interest at the applicant's risk.

The Placing and Offer Agreement provides for N+1 Singer to be paid commissions by the Company in respect of the Shares to be allotted pursuant to the Issue. Under the Placing and Offer Agreement, N+1 Singer is entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties, part or all of its fees relating to the Issue. N+1 Singer is also entitled under the Placing and Offer Agreement to retain agents and may pay commission in respect of the Issue to any or all of those agents out of its own resources.

Further details of the terms of the Placing and Offer Agreement are set out in paragraph 6.1 of Part 7 of this document.

5. INTERMEDIARIES

In connection with the Offer for Subscription, N+1 Singer and/or the Company may appoint Intermediaries to market the Shares to potential retail investors in the United Kingdom.

Each Intermediary will on appointment agree to terms and conditions which will regulate, *inter alia*, the conduct of the Intermediaries in relation to the offering of Shares on market standard terms and provide for the payment of commission to any such Intermediaries that elect to receive commission from N+1 Singer and/or the Company.

Each Intermediary will submit an Application Form pursuant to the Offer for Subscription in its own name, as nominee, for the aggregate number of Shares procured by it via subscriptions from underlying retail investors.

Each applicant who applies for Shares via an Intermediary must comply with the appropriate money-laundering checks required by the relevant Intermediary. Where an application is not accepted or there are insufficient Shares available to satisfy an application in full (due to scaling back of subscriptions or otherwise), the relevant Intermediary will be obliged to refund the applicant as required and all such refunds shall be

made without interest. The Company and N+1 Singer accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

The publication of this document and any actions of the Company and/or N+1 Singer, the Intermediaries or other persons in connection with the Offer for Subscription should not be taken as any representation or assurance as to the basis on which the number of Shares to be offered under the Offer for Subscription or allocations between applications in the Offer for Subscription (from Intermediaries or otherwise) will be determined and any such actions or statements are hereby disclaimed by the Company and N+1 Singer.

6. ADMISSION

Admission is expected to take place at 8.00 a.m. on 15 December 2016. An investor applying for Shares in the Issue may receive Shares in certificated or uncertificated form. The Shares are in registered form. No temporary documents of title will be issued. Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. It is expected that CREST accounts will be credited on 15 December 2016 in respect of Shares issued in uncertificated form and definitive share certificates in respect of Shares held in certificated form will be despatched by post after the week commencing 19 December 2016.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Shares, nor does it guarantee the price at which a market will be made in the Shares. Accordingly, the dealing price of the Shares may not necessarily reflect changes in the Net Asset Value per Share.

7. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Shares under the CREST system. The Company has applied for the Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any Shareholder so wishes.

8. USE OF PROCEEDS

The Directors intend to use the Net Proceeds after costs and after providing for the Company's operational expenses, to purchase investments originated or sourced by the Investment Manager in line with the Company's investment objective and investment policy. It is expected that the Net Proceeds will be deployed in accordance with the Company's investment policy within a period of 6 to 9 months after Admission (subject to market conditions).

9. OVERSEAS PERSONS

The attention of potential investors who are **Overseas Persons** is drawn to the paragraphs below.

The offer of Shares under the Issue to Overseas Persons may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to obtain Shares under the Issue. It is the responsibility of all Overseas Persons receiving this document and/or wishing to subscribe for Shares under the Issue to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements.

Persons (including, without limitation, nominees and trustees) receiving this document may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company

has not, and will not be, registered under the U.S. Investment Company Act and the offer, issue and sale of the Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Shares are only being offered and sold outside the United States to non-U.S. Persons in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. Investors should additionally consider the provisions set out under the heading Important Notices on page 29 of this document.

In addition, until 40 days after the commencement of the Issue, an offer or sale of the Shares within the United States by any dealer (whether or not participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

The Company reserves the right to treat as invalid any agreement to subscribe for Shares under the Issue if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

United States transfer restrictions

Each of N+1 Singer and the Investment Manager has acknowledged and warranted in the Placing and Offer Agreement that it will not offer or sell or procure the offer or sale of the Shares except in compliance with Regulation S. The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, investors may not reoffer, resell, pledge or otherwise transfer or deliver, directly or indirectly, any Shares within the United States, or to, or for the account or benefit of, any U.S. Person.

10. TYPICAL INVESTOR

An investment in the Shares is only suitable for institutional investors and professionally advised or financially sophisticated, non-advised private investors who understand, and are capable of evaluating, the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in the Issue or in the Placing Programme. Furthermore, an investment in the Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of securities and the income from them can go down as well as up.

PART 5

THE PLACING PROGRAMME

1. INTRODUCTION

Following the Issue, the Directors intend to implement the Placing Programme (it being a programme of Subsequent Placings of Shares and/or C Shares. The Directors are authorised to issue up to 150 million Shares and/or C Shares in aggregate pursuant to the Placing Programme without having to first offer those Shares and/or C Shares to existing Shareholders. The Share Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares and/or C Shares over a period of time. The Placing Programme is being implemented to enable the Company to raise additional capital in the period from 24 November 2016 to 23 November 2017 once the proceeds of the Issue have been fully invested. The Placing Programme is intended to satisfy market demand for Shares and/or C Shares and to raise further money after the Issue to increase the size of the Company and invest in accordance with the Company's investment policy.

In using their discretion under the Placing Programme, the Directors may also take into account the desirability of limiting the premium to Net Asset Value at which the Shares trade in order to ensure that Shareholders and new investors who acquire Shares are not disadvantaged by being required to acquire additional Shares at a high premium to Net Asset Value per Share.

The actual number of Shares and/or C Shares to be issued pursuant to a Subsequent Placing under the Placing Programme is not known as at the date of this document but will be notified by the Company via an RNS announcement and the Company's website, prior to Admission of the relevant Shares and/or C Shares to be issued pursuant to such Subsequent Placing.

The maximum number of Shares and/or C Shares available under the Placing Programme should not be taken as an indication of the number of Shares and/or C Shares finally to be issued.

The Placing Programme will open on 24 November 2016 and will close on 23 November 2017 (or any earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors).

Shares and/or C Shares will, subject to the Company's decision to proceed with an allotment at any given time, be made available at the Placing Programme Price to investors.

C Shares will be issued at the price of £1 per C Share. No Shares will be issued at a discount to the (cum-income) Net Asset Value per Share at the time of the relevant allotment. The Company will not issue any Shares at a discount of 10 per cent. or more to the middle market price of the Shares at the relevant time without Shareholder approval.

The allotment of Shares and/or C Shares under the Placing Programme is at the discretion of the Directors. Allotments may take place at any time prior to the final closing date of 23 November 2017 (or any earlier date on which it is fully subscribed). An announcement of each allotment will be released through a Regulatory Information Service, including details of the number of Shares and/or C Shares allotted and the Placing Programme Price for the allotment.

There is no minimum subscription. The Placing Programme is not being underwritten and, as at the date of this document, the actual number of Ordinary Shares and/or C Shares to be issued under the Placing Programme is not known.

The net proceeds of the Placing Programme are dependent, *inter alia*, on: the Directors determining to proceed with a Subsequent Placing under the Placing Programme, the level of subscriptions received and the price at which such Shares and/or C Shares are issued. It is expected that the costs of issuing Shares under the Placing Programme will be covered by issuing such Shares at the Placing Programme Price. The costs and expenses of any issue of C Shares under the Placing Programme will be paid out of the gross proceeds of such issue and will be borne by holders of C Shares only.

The rights attaching to C Shares, including the rights as to conversion into Shares, are described in paragraph 4.21 of Part 7 of this document.

2. SCALING BACK

In the event of oversubscription of a Subsequent Placing, applications under the Subsequent Placing will be scaled back at the Company's discretion (in consultation with N+1 Singer).

3. THE PLACING AND OFFER AGREEMENT AND CONDITIONS

Under the Placing and Offer Agreement between the Company, the Investment Manager, the Directors and N+1 Singer, N+1 Singer has undertaken, as agent for the Company, to use its reasonable endeavours to procure subscribers under the Placing Programme for Shares and/or C Shares at the Placing Programme Price. Details of the Placing and Offer Agreement are set out in paragraph 6.1 of Part 7 of this document.

Each allotment and issue of Shares and/or C Shares pursuant to a Subsequent Placing under the Placing Programme is conditional, *inter alia*, on the Admission of those Shares and/or C Shares by 8.00 a.m. on such date as the Company and N+1 Singer may agree from time to time in relation to that subsequent Admission, a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules and the Placing and Offer Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to any subsequent Admission.

In circumstances in which the conditions to a Subsequent Placing are not fully met, the relevant issue of Shares and/or C Shares pursuant to the Placing Programme will not take place.

4. THE PLACING PROGRAMME PRICE

Subject to the requirements of the Listing Rules, the minimum price at which the Shares will be issued pursuant to the Placing Programme, which will be in Sterling, will be calculated by reference to the estimated prevailing diluted Net Asset Value of the existing Shares (cum-income) together with a premium sufficient to cover the costs and expenses of issuing such Shares (including, without limitation, any placing commissions). Fractions of Shares will not be issued.

C Shares will be issued at the price of £1 per C Share.

The Placing Programme Price will be announced through a Regulatory Information Service as soon as practicable in conjunction with each Subsequent Placing.

5. VOTING DILUTION REGARDING THE SHARES

If 150 million Shares are issued pursuant to the Placing Programme, assuming the Issue has been subscribed as to 150 million Shares, there would be a dilution of approximately 60 per cent. in Shareholders' voting control of the Company immediately after the Issue.

6. GENERAL

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, the Company and its agents (and their agents) or the Investment Manager may require evidence in connection with any application for Shares and/or C Shares, including further identification of the applicant(s), before any Shares and/or C Shares are issued.

7. ADMISSION, CLEARING AND SETTLEMENT

The Placing Programme may have a number of closing dates in order to provide the Company with the ability to issue Shares and/or C Shares over the duration of the Placing Programme. Shares and/or C Shares may be issued under the Placing Programme from 8.00 a.m. on 24 November 2016 until 8.00 a.m. on 23 November 2017.

Application will be made to the UK Listing Authority and the London Stock Exchange for all of the Shares and/or C Shares issued pursuant to the Placing Programme to be admitted to the premium listing segment of the Official List to trading on the London Stock Exchange's main market for listed securities. It is expected that any subsequent Admissions pursuant to Subsequent Placings will become effective and dealings will

commence between 24 November 2016 and 23 November 2017. All Shares and/or C Shares issued pursuant to the Placing Programme will be allotted conditionally on such Admission occurring.

This document has, *inter alia*, been published in order to obtain admission to the premium listing segment of the Official List of any Shares and/or C Shares issued pursuant to any Subsequent Placings under the Placing Programme.

In the event that there are any significant changes affecting any of the matters described in this document or where any significant new matters have arisen after the publication of this document and prior to Admission of any Shares and/or C Shares issued pursuant to the Placing Programme, the Company will publish a supplementary prospectus. Any supplementary prospectus published will give details of the significant change(s) or the significant new matter(s).

Shares and/or C Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of Shares and/or C Shares to be issued in uncertificated form pursuant to a Subsequent Placing, these will be transferred to successful applicants through the CREST system.

It is anticipated that dealings in the Shares and/or C Shares (as the case may be) will commence approximately three Business Days after their allotment. Dealing in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. Whilst it is expected that all Shares and/or C Shares allotted pursuant to the Placing Programme will be issued in uncertificated form, if any Shares and/or C Shares are issued in certificated form it is expected that share certificates will be despatched approximately one week following Admission of the Shares and/or C Shares (as the case may be).

The ISIN number of the Shares is GB00BYMTBG55 and the SEDOL code is BYMTBG5.

The ISIN number of the C Shares is GB00BD884W63 and the SEDOL code is BD884W6.

Any Shares issued pursuant to the Placing Programme will rank *pari passu* with the Shares then in issue (save for any dividends or other distributions declared, made or paid on the Shares by reference to a record date prior to the allotment of the relevant Shares). The Shares will be issued in registered form.

Any C Shares issued pursuant to the Placing Programme will rank *pari passu* with any C Shares then in issue. The C Shares will be issued in registered form.

8. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Shares and C Shares under the CREST system. The Company shall apply for the Shares and/or C Shares offered under the Placing Programme to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Shares and/or C Shares following Admission may take place within the CREST system if any holder of such Shares and/or C Shares so wishes.

9. USE OF PROCEEDS

The Directors intend to use the net proceeds of any Subsequent Placing under the Placing Programme to acquire investments in accordance with the Company's investment objective and investment policy.

10. PROFILE OF A TYPICAL INVESTOR

Each Subsequent Placing under the Placing Programme is designed to be suitable for institutional investors and professionally-advised private investors. The Shares and/or C Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in Shares and/or C Shares in a Subsequent Placing.

11. OVERSEAS PERSONS

The attention of potential investors who are **Overseas Persons** is drawn to the paragraphs below.

The offer of Shares and/or C Shares under the Placing Programme to Overseas Persons may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to obtain Shares and/or C Shares under the Placing Programme. It is the responsibility of all Overseas Persons receiving this document and/or wishing to subscribe for Shares and/or C Shares under the Placing Programme to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements.

Persons (including, without limitation, nominees and trustees) receiving this document may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the U.S. Investment Company Act and the offer, issue and sale of the Shares and/or C Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Shares and/or C Shares are only being offered and sold outside the United States to non-U.S. Persons in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Shares and/or C Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. Investors should additionally consider the provisions set out under the heading Important Notices on page 29 of this document.

The Company reserves the right to treat as invalid any agreement to subscribe for Shares and/or C Shares under the Placing Programme if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

PART 6

TAXATION

UK TAXATION

Introduction

The information below, which relates only to United Kingdom taxation, summarises the advice received by the Board in so far as applicable to the Company and to persons who are resident in the United Kingdom for taxation purposes and who hold Shares as an investment. It is based on current United Kingdom tax law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

If you are in any doubt as to your tax position or you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate professional adviser without delay.

The Company

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies and continues to satisfy the conditions necessary for it to be approved by HMRC as an investment trust under section 1158 of the CTA 2010 and pursuant to regulations made under section 1159 of the CTA 2010. However, none of the Investment Manager, the AIFM nor the Directors can guarantee that this approval will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a close company. The Directors consider that the Company should not be a close company immediately following Admission. In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust the Company will be exempt from UK taxation on its capital gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way.

An investment trust approved under sections 1158 and 1159 of the CTA 2010, or one that intends to seek such approval, is able to elect to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period (referred to here as the "streaming" regime). Under regulations made pursuant to the Finance Act 2009, the Company may, if it so chooses, designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends, to the extent that it has "qualifying interest income" for the accounting period. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period.

The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non-UK companies) fall within one of the "exempt classes" in Part 9A of the CTA 2009.

Shareholders

Taxation of capital gains

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to capital gains tax in respect of any gain arising on a disposal of their Shares. Each such individual has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £11,100 for the tax year 2016–2017. Capital gains tax chargeable will be at the current rate of 10 per cent. (for basic rate tax payers) and 20 per cent. (for higher and additional rate tax payers) during the tax year 2016–2017.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax on chargeable gains arising on a disposal of their Shares. The indexation allowance may reduce the

amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss.

Capital losses realised on a disposal of Shares must be set off as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate Shareholder), even if this reduces an individual Shareholder's total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to an individual Shareholder in the year of his death.

Taxation of Shareholders on tendering Shares under the tender offers

A Shareholder who sells Shares in a tender offer or by way of a repurchase in the market should be treated, for the purposes of UK taxation, as though the Shareholder had sold them in the normal way to a third party (see above). It is not intended that an application will be made to HMRC for clearance under section 701 of the ITA or section 748 of the CTA 2010 in respect of the provisions in the ITA or (for corporate Shareholders) the CTA 2010 which permit HMRC to counteract tax advantages arising from certain transactions in securities by treating some or all of the proceeds of capital disposals as a distribution of income. However, they do not apply where it can be shown that the transactions in question were entered into for bona fide commercial reasons and do not involve as one of their main objects the obtaining of a tax advantage. Shareholders are advised to take independent advice as to the potential application of relevant provisions in the light of their own particular motives and circumstances.

Taxation of dividends

(a) Individual Shareholders

(i) Non interest distributions

In the event that the Directors do not elect for the "streaming" regime to apply to any dividends paid by the Company, the following statements summarise the expected UK tax treatment for individual Shareholders who receive dividends from the Company. The following statements would also apply to any dividends not treated as "interest distributions" were the Directors to elect for the streaming regime to apply.

The notional 10 per cent. dividend credit was abolished with effect from 6 April 2016. A £5,000 (fiscal year 2016-2017) annual tax free dividend allowance was introduced for UK individuals with effect from 6 April 2016. Dividends received in excess of this threshold will be taxed, for the fiscal year 2016/17 at 7.5 per cent. (basic rate taxpayers), 32.5 per cent. (higher rate taxpayers) and 38.1 per cent. (additional rate taxpayers). The taxation of dividends received by SIPPs and ISAs will be unaffected.

The Company will not be required to withhold tax at source when paying a dividend.

(ii) Interest distributions

Should the Directors elect to apply the "streaming" regime to any dividends paid by the Company, were the Company to designate any dividends paid as an "interest distribution", a UK resident Shareholder in receipt of such a dividend would be treated as though they had received a payment of interest. Such a Shareholder would be subject to UK income tax at the current rates of 20 per cent., 40 per cent. or 45 per cent., depending on the level of the Shareholder's income. The UK Government has announced (but legislation has not yet been enacted) that no withholding tax will be applied to such distributions paid after 6 April 2017.

With effect from 6 April 2016, each UK resident individual who is a basic rate taxpayer is entitled to a Personal Saving Allowance which exempts the first £1,000 of savings income (including distributions deemed as 'interest distributions' from an Investment Trust Company). The exempt amount is reduced to £500 for higher rate taxpayers and additional rate taxpayers do not receive an allowance.

(b) Other Shareholders

UK resident corporate Shareholders may be subject to corporation tax on dividends paid by the Company unless they fall within one of the exempt classes on Part 9A of CTA 2009. If, however, the

Directors did elect for the “streaming” rules to apply, and such corporate Shareholders were to receive dividends designated by the Company as “interest distributions”, they would be subject to corporation tax in the same way as a creditor in a loan relationship.

It is particularly important that prospective investors who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.

Stamp Duty and Stamp Duty Reserve Tax

Transfers on sale of Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer. The purchaser normally pays the stamp duty.

An agreement to transfer Shares will normally give rise to a charge to stamp duty reserve tax (“SDRT”) at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

ISA, SSAS and SIPP

Shares acquired by a UK resident individual Shareholder in the Offer or on the secondary market (but not the Placing) should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£15,240 in the tax year 2016-2017).

Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Junior ISAs are available to children under the age of 18 who are resident in the UK subject to the annual allowance of £4,080 for the 2016-2017 tax year. Sums received by a Shareholder on a disposal of Shares would not count towards the Shareholder’s annual limit; but a disposal of Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

Individuals wishing to invest in Shares through an ISA should contact their professional advisers regarding their eligibility.

The Directors have been advised that the Shares should be eligible for inclusion in a SIPP or a SSAS, subject to the discretion of the trustees of the SIPP or the SSAS, as the case may be.

Information reporting

The UK has entered into international agreements with a number of jurisdictions which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, an Inter-governmental Agreement with the US in relation to FATCA and International Tax Compliance Agreements with Guernsey, Jersey, the Isle of Man and Gibraltar. The UK has also introduced legislation implementing other international exchange of information arrangements, including the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development and the EU Directive on Administrative Cooperation in Tax Matters. In connection with such agreements and arrangements the Company may, among other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to the authorities in other jurisdictions.

PART 7

GENERAL INFORMATION

1. THE COMPANY

- 1.1 The Company was incorporated in England and Wales on 27 October 2016 with registered number 10449530 as a public company limited by shares under the Companies Act.
- 1.2 The principal place of business and the registered office of the Company is Mermaid House, 2 Puddle Dock, London EC4V 3DB with telephone number +44 (0) 20 7653 9690.
- 1.3 The principal legislation under which the Company operates is the Companies Act. As an investment trust, the Company will not be regulated as a collective investment scheme by the FCA. However, from Admission, the Company and the Shareholders will be subject to the Listing Rules, Prospectus Rules and the Disclosure and Transparency Rules.
- 1.4 Save for entry into the material contracts summarised in paragraph 6 of this Part 7, the Company has not commenced operations since incorporation and, as at the date of this document, no financial statements have been made up and no dividends have been declared by the Company.
- 1.5 The Company's accounting period will end on 31 December of each year. The first accounting period will end on 31 December 2017. The annual report and accounts will be prepared in Sterling according to accounting standards laid out under IFRS.
- 1.6 On 7 November 2016, the Company was granted a certificate under section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- 1.7 The Company is domiciled in England and Wales, has no subsidiaries, does not have any employees and does not own any premises.
- 1.8 The Company has given notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to section 833 of the Companies Act.
- 1.9 The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of sections 1158 and 1159 (and regulations made thereunder) of the CTA 2010. In summary, the conditions that must be met for approval as an investment trust are that:
 - 1.9.1 the Company must not be a close company at any time during any accounting period in which it is approved as an investment trust;
 - 1.9.2 each class of the Company's ordinary share capital is admitted to trading on a regulated market;
 - 1.9.3 the Company must not retain in respect of any accounting period an amount greater than 15 per cent. of its income;
 - 1.9.4 the business of the Company must consist of investing its funds in shares, land or other assets with the aim of spreading investment risk and giving Shareholders the benefit of the results of the management of its funds; and
 - 1.9.5 the Company must not be a venture capital trust or a UK REIT within the meaning of the CTA 2010.

2. SHARE CAPITAL

- 2.1 On incorporation, the issued share capital of the Company was one Share of a nominal value of £0.01, which was subscribed for by the Investment Manager. On 3 November 2016 the Company issued 50,000 Management Shares of a nominal value of £1.00 each which were subscribed for by the Investment Manager.

2.2 Set out below is the issued share capital of the Company as at the date of this document:

	<i>Nominal value (£)</i>	<i>Number</i>
Shares	0.01	1
Management Shares	50,000	50,000

The Share is fully paid and the Management Shares are paid up as to one quarter of their nominal value.

2.3 Set out below is the issued share capital of the Company as it will be following the Issue (assuming that 100 million Shares are allotted):

	<i>Nominal value (£)</i>	<i>Number</i>
Shares	1,000,000.01	100,000,001
Management Shares	50,000	50,000

All Shares will be fully paid. The Management Shares are fully paid up and will be redeemed following Admission out of the proceeds of the Issue.

2.4 The effect of the Issue will be to increase the net assets of the Company. On the assumption that the Issue is subscribed as to 100 million Shares, the fundraising is expected to increase the net assets of the Company by a minimum of £100 million. The Issue is expected to be earnings enhancing.

2.5 By ordinary and special resolutions passed on 23 November 2016:

2.5.1 the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot Shares up to an aggregate nominal amount of £1,200,000 in connection with the Issue, such authority to expire immediately following Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Shares in pursuance of such an offer or agreement as if such authority had not expired;

2.5.2 the Directors were empowered (pursuant to section 570 of the Companies Act) to allot Shares for cash pursuant to the authority referred to in paragraph 2.5.1 above as if section 561 of the Companies Act did not apply to any such allotment, such power to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired;

2.5.3 the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot up to 150 million Shares and/or C Shares in aggregate, such authority to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Shares in pursuance of such an offer or agreement as if such authority had not expired;

2.5.4 the Directors were empowered (pursuant to sections 570 and 573 of the Companies Act) to allot Shares and/or C Shares and to sell Shares and/or C Shares from treasury for cash pursuant to the authority referred to in paragraph 2.5.3 above as if section 561 of the Companies Act did not apply to any such allotment or sale, such power to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require Ordinary Shares and/or C Shares to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or agreement as if such power had not expired;

2.5.5 conditionally upon the issue of Shares by the Company pursuant to the Issue and the payment up in full thereof, it was resolved that the amount standing to the credit of the share premium account of the Company following completion of the Issue be cancelled; and

- 2.5.6 the Company was authorised in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of Shares provided that the maximum number of Shares authorised to be purchased is 14.99 per cent. of the Shares in issue immediately following completion of the Issue. The minimum price which may be paid for a Share is £0.01. The maximum price which may be paid for a Share must not be more than the higher of (i) 5 per cent. above the average of the mid-market value of the Shares for the five Business Days before the purchase is made or (ii) the higher of the last independent trade and the highest current independent bid for Shares. Such authority will expire on the earlier of the conclusion of the first annual general meeting of the Company and the date 18 months after the date on which the resolution was passed save that the Company may contract to purchase Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase Shares in pursuance of such contract.
- 2.6 The provisions of section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to sections 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities save to the extent disapplied as mentioned in paragraphs 2.5.2 and 2.5.4 above.
- 2.7 In accordance with the power granted to the Directors by the Articles, it is expected that the Shares will be allotted (conditionally upon Admission) pursuant to a resolution of the Board to be passed shortly before Admission in accordance with the Companies Act.
- 2.8 Save as disclosed in this paragraph 2, no share or loan capital of the Company has since the date of incorporation of the Company been issued or been agreed to be issued, fully or partly paid, either for cash or for a consideration other than cash, and no such issue is now proposed.
- 2.9 The Company has not granted any options over its share or loan capital which remain outstanding and has not agreed, conditionally or unconditionally to grant any such options and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 2.10 All of the Shares will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.
- 2.11 Applicants who have signed and returned Application Forms in respect of the Offer for Subscription may not withdraw their applications for Shares subject to their statutory rights of withdrawal in the event of the publication of a supplementary prospectus.

3. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

- 3.1 The Directors intend to subscribe for Shares pursuant to the Issue in the amounts set out below:

<i>Director</i>	<i>Number of Shares</i>	<i>% of issued Share capital*</i>
Norman Crighton	20,000	0.02
Guy Heald	20,000	0.02
Marlene Wood	15,000	0.01

** Assuming that the Issue is subscribed as to 100 million Shares*

Save as disclosed in this paragraph, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

- 3.2 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. Each of the Directors intends to stand for re-election on an annual basis. There is no notice period specified in the letters of appointment or Articles for the removal of Directors. The Articles

provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.

- 3.3 Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Save for the Chairman, the initial fees will be £30,000 for each Director per annum. The Chairman's initial fee will be £36,000 per annum. The Chairman of the Audit and Management Engagement Committee will receive an additional £3,000 per annum. The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties. The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 31 December 2017 which will be payable out of the assets of the Company are not expected to exceed £99,000.
- 3.4 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.
- 3.5 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or that has been effected by the Company since its incorporation.
- 3.6 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.
- 3.7 Over the five years preceding the date of this document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Norman Crighton	Global Fixed Income Realisation Limited Universal Umwelt Limited Weiss Korea Opportunity Fund	Private Equity Investor plc Rangers International Football Club plc SME Loan Fund plc The Rangers Football Club Limited Trading Emissions plc World Firsts Organization Limited
Guy Heald	Orford Road Tapas Limited Adnams plc Jennings Underwriting Limited Melianthus Limited Soho Theatre Bar Limited Zakari Investments Limited TA Hotel Collection Limited Zakari Wines Limited BBA (2010) Limited Alexie Design and Construction Limited Argenta Private Capital Limited Silver Lining 55 Limited Sagittarus Royaume-Uni Limited Pacific Asset Management (S) Pte Limited	Hazelwood Hall Management Company Limited ARC Capital Holdings GB Bloodstock Limited

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Marlene Wood	One Parent Families Scotland GCP Brunswick limited GCP Scape East Limited GCP Topco Limited GCP Brunswick 2 Limited GCP RHUL 2 Limited GCP RHUL Limited Edinburgh Printmakers Limited GCP Student Living plc 201 Finance Limited GCP Holdco Limited GCP APEX Limited GCP WL Limited GCP SG Limited GCP Operations Limited Scottish Funding Council	

- 3.8 The Directors in the five years before the date of this document:
- 3.8.1 do not have any convictions in relation to fraudulent offences;
 - 3.8.2 have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
 - 3.8.3 do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.
- 3.9 As at 23 November 2016 (the latest practicable date prior to the publication of this document) insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights.
- 3.10 All Shareholders have the same voting rights in respect of the share capital of the Company.
- 3.11 Pending the allotment of Shares pursuant to the Issue, the Company is controlled by the Investment Manager, as described in paragraph 2 of this Part 7. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 3.12 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 3.13 Save for the entry into of the Investment Management Agreement, the Company has not entered into any related party transaction at any time during the period from incorporation to 23 November 2016 (the latest practicable date prior to the publication of this document).
- 3.14 As at the date of this document, none of the Directors has any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.
- 3.15 The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

4. THE ARTICLES

The Articles contain provisions, *inter alia*, to the following effect:

4.1 **Objects/Purposes**

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

4.2 **Voting rights**

4.2.1 Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and any suspension or abrogation of voting rights pursuant to the Articles, at a general meeting of the Company every member who is present in person shall, on a show of hands, have one vote, every proxy who has been appointed by a member entitled to vote on the resolution shall, on a show of hands, have one vote and every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder. A Shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

4.2.2 Unless the Board otherwise determines, no member is entitled to vote at a general meeting or at a separate meeting of Shareholders of any class of shares, either in person or by proxy, or to exercise any other right or privilege as a member in respect of any share held by him, unless all calls presently payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by such member to the Company have been paid or if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.

4.2.3 Notwithstanding any other provision of the Articles, where required by the Listing Rules, a vote must be decided by a resolution of the holders of the Company's shares that have been admitted to premium listing. In addition, where the Listing Rules require that a particular resolution must in addition be approved by the independent shareholders (as such term is defined in the Listing Rules), only independent shareholders who hold the Company's shares that have been admitted to premium listing can vote on such separate resolution.

4.3 **Dividends**

4.3.1 Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.

4.3.2 Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on Shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.

4.3.3 All dividends, interest or other sums payable and unclaimed for a period of 12 months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.

4.3.4 The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in

particular of paid up shares or debentures of any other company, or in any one or more of such ways.

4.3.5 The Board may also, with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.

4.3.6 Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.

4.4 ***Winding up***

If the Company is wound up, with the sanction of a special resolution and any other sanction required by law and subject to the Companies Act, the liquidator may divide among the Shareholders in specie the whole or any part of the assets of the Company and for that purpose may value any assets and determine how the division shall be carried out as between the Shareholders or different classes of shareholders. With the like sanction, the liquidator may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as he may with the like sanction determine, but no shareholder shall be compelled to accept any shares or other securities upon which there is a liability.

4.5 ***Transfer of shares***

4.5.1 Subject to any applicable restrictions in the Articles, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument must be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the transferee's name is entered in the register of members.

4.5.2 The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:

4.5.2.1 it is in respect of a share which is fully paid up;

4.5.2.2 it is in respect of only one class of shares;

4.5.2.3 it is in favour of a single transferee or not more than four joint transferees;

4.5.2.4 it is duly stamped (if so required); and

4.5.2.5 it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied (except in the case of (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the regulations and the relevant electronic system.

- 4.5.3 Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a bona fide sale to an unconnected party.
- 4.5.4 If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.
- 4.5.5 No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- 4.5.6 If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934 and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act 1934; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, or (vi) would cause the Company adverse consequences under the foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010, then any shares which the Directors decide are shares which are so held or beneficially owned ("**Prohibited Shares**") must be dealt with in accordance with paragraph 4.5.7 below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.
- 4.5.7 The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).
- 4.5.8 Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a U.S. Person.

4.6 **Variation of rights**

- 4.6.1 Subject to the provisions of the Companies Act, if at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class.
- 4.6.2 The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

4.7 **Alteration of share capital**

The Company may by ordinary resolution:

- 4.7.1 consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
- 4.7.2 subject to the provisions of the Companies Act, sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares;
- 4.7.3 determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; and
- 4.7.4 redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

4.8 **General meetings**

- 4.8.1 The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- 4.8.2 A general meeting shall be convened by such notice as may be required by law from time-to-time.
- 4.8.3 The notice of any general meeting shall include such statements as are required by the Companies Act and shall in any event specify:
 - 4.8.3.1 whether the meeting is convened as an annual general meeting or any other general meeting;
 - 4.8.3.2 the place, the day, and the time of the meeting;
 - 4.8.3.3 the general nature of the business to be transacted at the meeting;
 - 4.8.3.4 if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and
 - 4.8.3.5 with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the member) more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member.
- 4.8.4 The notice must be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any general meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of notice by, any person entitled to receive the same, shall not invalidate the proceedings at the meeting.

- 4.8.5 The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Act or the Articles to be made available at the meeting.
- 4.8.6 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
- 4.8.7 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member so entitled or a proxy for a member so entitled or a duly authorised representative of a corporation which is a member so entitled, shall be a quorum. If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole member so entitled or a proxy for such sole member so entitled or a duly authorised representative of a corporation which is such sole member so entitled, shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- 4.8.8 A resolution put to a vote of the meeting shall be decided on a show of hands unless a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded by:
- 4.8.8.1 the Chairman;
 - 4.8.8.2 at least five members having the right to vote on the resolution;
 - 4.8.8.3 a member or members representing not less than five per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or
 - 4.8.8.4 member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).

4.9 ***Borrowing powers***

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and, subject to the provisions of the Companies Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowings of the Company that the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Company shall not, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 20 per cent. of the Company's net assets at the time of draw down.

4.10 ***Issue of shares***

Subject to the provisions of the Companies Act and to any rights for the time being attached to any shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine, and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.

4.11 The business of the Company shall be managed by the Directors who, subject to the provisions of the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

4.12 **Directors' fees**

4.12.1 The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time-to-time determine (not exceeding in aggregate £250,000 per annum or such other sum as the Company in general meeting shall from time-to-time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day to day.

4.12.2 The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

4.13 **Directors' interests**

4.13.1 The Board may authorise any matter proposed to it in accordance with the Articles which would otherwise involve a breach by a Director of his duty to avoid conflicts of interest under the Companies Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company or the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it (excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.

4.13.2 Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director and in respect of which he has a duty of confidentiality to another person and will not be in breach of the general duties he owes to the Company under the Companies Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.

4.13.3 Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Act, a Director, notwithstanding his office:

4.13.3.1 may be a party to or otherwise be interested in any transaction arrangement or proposal with the Company or in which the Company is otherwise interested;

4.13.3.2 may hold any other office or place of profit at the Company (except that of auditor of the Company or any of its subsidiaries) and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;

4.13.3.3 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has powers of appointment; and

- 4.13.3.4 shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction, arrangement or proposal or from any interest in any body corporate. No such transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty not to accept benefits from third parties.
- 4.13.4 A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.
- 4.13.5 The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.

4.14 *Restrictions on Directors voting*

- 4.14.1 A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he has an interest which is to his knowledge a material interest and, if he purports to do so, his vote will not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:
- 4.14.1.1 any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
 - 4.14.1.2 the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
 - 4.14.1.3 the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - 4.14.1.4 the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
 - 4.14.1.5 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - 4.14.1.6 any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Companies Act) in one per cent. or more of the issued equity share capital of any class of such body corporate nor to his knowledge holds one per cent. or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure and Transparency Rules) in such body corporate;
 - 4.14.1.7 any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
 - 4.14.1.8 any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;
 - 4.14.1.9 any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or

4.14.1.10 any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.

4.14.2 A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

4.15 *Number of Directors*

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors shall be not less than two and the number is not subject to a maximum.

4.16 *Directors' appointment and retirement*

4.16.1 Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director shall hold office only until the next annual general meeting.

4.16.2 At each annual general meeting of the Company, any Directors appointed by the Board since the last annual general meeting shall retire. In addition each of the Directors will stand for re-election on an annual basis.

4.17 *Notice requiring disclosure of interest in shares*

4.17.1 The Company may, by notice in writing, require a person whom the Company knows to be, or has reasonable cause to believe is, interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required by the Directors. Such information may include, without limitation, particulars of the person's identity, particulars of the person's own past or present interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him, where the interest is a present interest and any other interest, in any shares, which subsisted during that three year period at any time when his own interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.

4.17.2 If any shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 days after service of the notice), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "**default shares**") the shareholder shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. in nominal value of the class of shares concerned, the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

4.18 *Untraced shareholders*

Subject to the Articles, the Company may sell any shares registered in the name of a member remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

4.19 *Indemnity of officers*

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he might otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence,

default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in section 235(6) Companies Act). In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

4.20 **Management Shares**

The Management Shares can be redeemed at any time (subject to the provisions of the Companies Act) by the Company and carry the right to receive a fixed annual dividend equal to 0.01 per cent. of the nominal amount of each of the Management Shares payable on demand. For so long as there are shares of any other class in issue, the holders of the Management Shares will not have any right to receive notice of or vote at any general meeting of the Company. If there are no shares of any other class in issue, the holders of the Management Shares will have the right to receive notice of, and to vote at, general meetings of the Company. In such circumstances, each holder of a Management Share who is present in person (or, being a corporation, by representative) or by proxy at a general meeting will have on a show of hands one vote and on a poll every such holder who is present in person or by proxy (or being a corporation, by representative) will have one vote in respect of each Management Share held by him.

4.21 **C Shares and Deferred Shares**

The rights and restrictions attaching to the C Shares and the Deferred Shares arising on their conversion are summarised below.

4.21.1 The following definitions apply for the purposes of this paragraph 4.21 only:

“Calculation Date” means, in relation to any tranche of C Shares, the earliest of the:

- (i) close of business on the date to be determined by the Directors occurring not more than 10 Business Days after the day on which the Investment Manager shall have given notice to the Directors that at least 85 per cent. of the Net Proceeds (or such other percentage as the Directors and Investment Manager shall agree) shall have been invested; or
- (ii) close of business on the date falling six calendar months after the allotment of that tranche of C Shares or if such a date is not a Business Day the next following Business Day; or
- (iii) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of Conversion of that tranche of C Shares; or
- (iv) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are in contemplation in relation to any tranche of C Shares;

“Conversion” means conversion of any tranche of C Shares into Shares and Deferred Shares in accordance with paragraph 4.21.8 below;

“Conversion Date” means, in relation to any tranche of C Shares, the close of business on such Business Day as may be selected by the Directors falling not more than 10 Business Days after the Calculation Date of such tranche of C Shares;

“Conversion Ratio” is the ratio of the net asset value per C Share of the relevant tranche to the net asset value per Share, which is calculated as:

$$\text{Conversion Ratio} = \frac{A}{B}$$

$$A = \frac{C-D}{E}$$

$$B = \frac{F-G}{H}$$

where:

“C” is the aggregate of:

- (i) the value of the investments of the Company attributable to the C Shares of the relevant tranche (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) which are listed, quoted, dealt in or traded on a stock exchange calculated by reference to the bid-market quotations at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the relevant Calculation Date on the principal stock exchange or market where the relevant investment is listed, quoted, dealt in or traded, as derived from the relevant exchange's or market's recognised method of publication of prices for such investments where such published prices are available;
- (ii) the value of all other investments of the Company attributable to the C Shares of the relevant tranche (other than investments included in (i) above) calculated by reference to the Directors' belief as to a fair current value for those investments on the relevant Calculation Date after taking into account any other price publication services reasonably available to the Directors; and
- (iii) the amount which, in the Directors' opinion, fairly reflects, on the relevant Calculation Date, the value of the current assets of the Company attributable to the C Shares of the relevant tranche (excluding the investments valued under (i) and (ii) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature);

"D" is the amount (to the extent not otherwise deducted from the assets attributable to the C Shares of the relevant tranche) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares of the relevant tranche on the relevant Calculation Date;

"E" is the number of C Shares of the relevant tranche in issue on the relevant Calculation Date;

"F" is the aggregate of:

- (i) the value of all the investments of the Company attributable to the Shares (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) which are listed, quoted, dealt in or traded on a stock exchange calculated by reference to the bid-market quotations at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the relevant Calculation Date on the principal stock exchange or market where the relevant investment is listed, quoted, dealt in or traded as derived from the relevant exchange's or market's recognised method of publication of prices for such investments where such published prices are available; and
- (ii) the value of all other investments of the Company attributable to the Shares (other than investments included in (i) above) calculated by reference to the Directors' belief as to a fair current value for those investments on the relevant Calculation Date after taking into account any other price publication services reasonably available to the Directors; and
- (iii) the amount which, in the Directors' opinion, fairly reflects, on the relevant Calculation Date, the value of the current assets of the Company attributable to the Shares (excluding the investments valued under (i) and (ii) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature);

"G" is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the Shares on the relevant Calculation Date; and

"H" is the number of Shares in issue on the relevant Calculation Date (excluding any Shares held in treasury),

provided that the Directors shall make such adjustments to the value or amount of A and B as the Directors believe to be appropriate having regard among other things, to the assets of the Company immediately prior to the date on which the Company first receives the Net Proceeds

relating to the C Shares of the relevant tranche and/or to the reasons for the issue of the C Shares of the relevant tranche;

“Deferred Shares” means deferred shares of one penny each in the capital of the Company arising on Conversion;

“Existing Shares” means the Shares in issue immediately prior to Conversion;

“Force Majeure Circumstances” means, in relation to any tranche of C Shares (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares of the relevant tranche with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are proposed to be issued; or (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest; and

“Net Proceeds” means the net cash proceeds of the issue of any tranche of C Shares (after deduction of those commissions and expenses relating thereto and payable by the Company).

References to Shareholders, C shareholders and deferred shareholders should be construed as references to holders for the time being of Shares, C Shares of the relevant tranche and Deferred Shares respectively.

4.21.2 The holders of the Shares, any tranche of C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights to be paid dividends:

4.21.2.1 the Deferred Shares (to the extent that any are in issue and extant) shall entitle the holders thereof to a cumulative dividend at a fixed rate of one per cent. of the nominal amount thereof (the **“Deferred Dividend”**) on the date six months after the Conversion Date on which such Deferred Shares were created in accordance with paragraph 4.21.8 (the **“Relevant Conversion Date”**) and on each anniversary of such date payable to the holders thereof on the register of members on that date as holders of Deferred Shares but shall confer no other right, save as provided herein, on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date six months after the Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of members of the Company as holders of Deferred Shares on that date. It should be noted that given the proposed redemption of the Deferred Shares as described below, it is not expected that any dividends will accrue or be paid on such shares;

4.21.2.2 the holders of any tranche of C Shares shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of the assets attributable to the C Shares of that tranche and from profits available for distribution which is attributable to the C Shares of that tranche;

4.21.2.3 the Existing Shares shall confer the right to dividends declared in accordance with the Articles;

4.21.2.4 the Shares into which any tranche of C Shares shall convert shall rank *pari passu* with the Existing Shares for dividends and other distributions made or declared by reference to a record date falling after the relevant Calculation Date; and

4.21.2.5 no dividend or other distribution shall be made or paid by the Company on any of its shares (other than any Deferred Shares for the time being in issue) between any Calculation Date and the relevant Conversion Date (both dates inclusive) and no such dividend shall be declared with a record date falling between any Calculation Date and the relevant Conversion Date (both dates inclusive).

4.21.3 The holders of the Shares, any tranche of C Shares, the Deferred Shares and the Management Shares shall, subject to the provisions of the Articles, have the following rights as to capital:

- 4.21.3.1 the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase or redemption by the Company of any of its shares) at a time when one or more tranches of C Shares are for the time being in issue and prior to the Conversion Date be applied amongst the holders of the Existing Shares pro rata according to the nominal capital paid up on their holdings of Existing Shares, after having deducted therefrom:
- 4.21.3.1.1 first, an amount equivalent to (C-D) for each tranche of C Shares in issue using the methods of calculation of C and D given in the definition of Conversion Ratio, which amount(s) shall be applied amongst the C shareholders of the relevant tranche(s) pro rata according to the nominal capital paid up on their holdings of C Shares of the relevant tranche;
- 4.21.3.1.2 secondly, if there are Deferred Shares in issue, in paying to the holders of Deferred Shares one penny in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders;
- 4.21.3.1.3 thirdly, in paying to the holders of the Management Shares in respect of each such share the amount paid up or treated as paid up thereon,
- for the purposes of this paragraph 4.21.3.1 the Calculation Date shall be such date as the liquidator may determine; and
- 4.21.3.2 the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase or redemption by the Company of any of its shares) at a time when no C Shares of any tranche are for the time being in issue be applied as follows:
- 4.21.3.2.1 first, if there are Deferred Shares in issue, in paying to the deferred shareholders one penny in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders;
- 4.21.3.2.2 secondly, there will be paid to the holders of the Management Shares in respect of each such share the amount paid up or treated as paid up thereon; and
- 4.21.3.2.3 thirdly, the surplus shall be divided amongst the Shareholders pro rata according to the nominal capital paid up on their holdings of Shares.
- 4.21.4 As regards voting:
- 4.21.4.1 the C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as that applying to holders of Existing Shares as set out in the Articles as if the C Shares and Existing Shares were a single class; and
- 4.21.4.2 the Deferred Shares shall not carry any right to receive notice of nor to attend or vote at any general meeting of the Company.
- 4.21.5 The following shall apply to the Deferred Shares:
- 4.21.5.1 the C Shares shall be issued on such terms that the Deferred Shares arising upon Conversion (but not the Shares arising on Conversion) may be redeemed by the Company in accordance with the terms set out herein;
- 4.21.5.2 immediately upon Conversion of any tranche of C Shares, the Company shall redeem all of the Deferred Shares which arise as a result of Conversion of that tranche for an aggregate consideration of one penny for all of the Deferred Shares so redeemed and the notice referred to in paragraph 4.21.8.2 below shall be deemed to constitute notice to each C Shareholder of the relevant tranche (and any person or persons having rights to acquire or acquiring C Shares of the relevant

tranche on or after the Calculation Date) that the Deferred Shares shall be so redeemed; and

4.21.5.3 the Company shall not be obliged to: (i) issue share certificates to the deferred shareholders in respect of the Deferred Shares; or (ii) account to any deferred shareholder for the redemption moneys in respect of such Deferred Shares.

4.21.6 Without prejudice to the generality of the Articles, for so long as any C Shares are for the time being in issue it shall be a special right attaching to the Existing Shares as a class and to the C Shares as a separate class that without the sanction or consent of such holders given in accordance with the Company's Articles:

4.21.6.1 no alteration shall be made to the Articles of the Company;

4.21.6.2 no allotment or issue will be made of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the allotment or issue of further C Shares; and

4.21.6.3 no resolution of the Company shall be passed to wind-up the Company.

For the avoidance of doubt but subject to the rights or privileges attached to any other class of shares, the previous sanction of a special resolution of the holders of Existing Shares and C Shares, as described above, shall not be required in respect of:

4.21.6.4 the issue of further Shares ranking *pari passu* in all respects with the Existing Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Existing Shares by the issue of such further Shares); or

4.21.6.5 the sale of any shares held as treasury shares (as such term is defined in section 724 of the Companies Act) in accordance with sections 727 and 731 of the Companies Act or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).

4.21.7 For so long as any tranche of C Shares are for the time being in issue, until Conversion of such tranche of C Shares and without prejudice to its obligations under applicable laws the Company shall:

4.21.7.1 procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares of that tranche can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of that tranche;

4.21.7.2 allocate to the assets attributable to the C Shares of that tranche such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the Net Proceeds and the Calculation Date relating to such tranche of C Shares (both dates inclusive) as the Directors fairly consider to be attributable to that tranche of C Shares; and

4.21.7.3 give appropriate instructions to the Investment Manager to manage the Company's assets so that such undertakings can be complied with by the Company.

4.21.8 In relation to any tranche of C Shares, the C Shares for the time being in issue of that tranche shall be sub-divided and converted into Shares and Deferred Shares on the relevant Conversion Date in accordance with the following provisions of this paragraph 4.21.8:

4.21.8.1 the Directors shall procure that within 10 Business Days of the relevant Calculation Date:

4.21.8.1.1 the Conversion Ratio as at the relevant Calculation Date and the numbers of Shares and Deferred Shares to which each C Shareholder of that tranche shall be entitled on Conversion of that tranche shall be calculated; and

- 4.21.8.1.2 the Auditors shall confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of H in paragraph 4.21.1 above.
- 4.21.8.2 The Directors shall procure that, as soon as practicable following such confirmation and in any event within 10 Business Days of the relevant Calculation Date, a notice is sent to each C shareholder of the relevant tranche advising such shareholder of the Conversion Date, the Conversion Ratio and the numbers of Shares and Deferred Shares to which such C shareholder of the relevant tranche will be entitled on Conversion.
- 4.21.8.3 On conversion each C Share of the relevant tranche shall automatically subdivide into 10 conversion shares of 1p each and such conversion shares of 1p each shall automatically convert into such number of Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:
- 4.21.8.3.1 the aggregate number of Shares into which the same number of conversion shares of 1p each are converted equals the number of C Shares of the relevant tranche in issue on the relevant Calculation Date multiplied by the relevant Conversion Ratio (rounded down to the nearest whole Share); and
- 4.21.8.3.2 each conversion share of 1p which does not so convert into a Share shall convert into one Deferred Share.
- 4.21.8.4 The Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C shareholders of the relevant tranche pro rata according to their respective former holdings of C Shares of the relevant tranche (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).
- 4.21.8.5 Forthwith upon Conversion, the share certificates relating to the C Shares of the relevant tranche shall be cancelled and the Company shall issue to each former C shareholder of the relevant tranche new certificates in respect of the Shares which have arisen upon Conversion to which he or she is entitled. Share certificates in respect of the Deferred Shares will not be issued.
- 4.21.8.6 The Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders.

5. CITY CODE ON TAKEOVERS AND MERGERS

5.1 *Mandatory bid*

The City Code applies to the Company. Under Rule 9 of the City Code, if:

- (i) a person acquires an interest in Shares which, when taken together with Shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (ii) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in Shares which increase the percentage of Shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding Shares at a price not less than the highest price paid for any interests in the Shares by the acquirer or its concert parties during the previous 12 months.

5.2 **Compulsory acquisition**

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises its rights, the offeror is bound to acquire those shares on the terms of the takeover offer or on such other terms as may be agreed.

6. **MATERIAL CONTRACTS OF THE COMPANY**

The following are all of the contracts, not being contracts entered into in the ordinary course of business that have been entered into by the Company since its incorporation and are, or may be, material or contain any provision under which the Company has any obligation or entitlement which is or may be material to it as at the date of this document:

6.1 **Placing and Offer Agreement**

The Placing and Offer Agreement dated 23 November 2016 between the Company, the Investment Manager, the Directors and N+1 Singer, pursuant to which, subject to certain conditions, N+1 Singer has agreed to use reasonable endeavours to procure subscribers for Shares pursuant to the Placing at the Issue Price and to use reasonable endeavours to procure subscribers under the Placing Programme for Shares and/or C Shares at the Placing Programme Price.

The Placing and Offer Agreement may be terminated by N+1 Singer in certain customary circumstances prior to Admission. The Company has appointed N+1 Singer as sole sponsor, broker and placing agent to the Company in connection with the Issue.

The obligation of the Company to issue the Shares and the obligation of N+1 Singer to use its reasonable endeavours to procure subscribers for Shares pursuant to the Placing is conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Admission occurring and becoming effective by 8.00 a.m. on or prior to 15 December 2016 (or such later time and/or date, not being later than 31 December 2016, as the Company and N+1 Singer may agree); (ii) the Placing and Offer Agreement not having been terminated in accordance with its terms; and (iii) the Minimum Net Proceeds being raised. The Directors have the discretion not to proceed with the Issue if all the above conditions (including the Minimum Net Proceeds not being raised or otherwise), any monies received under the Issue will be returned to applicants without interest.

Each allotment and issue of Shares and/or C Shares pursuant to a Subsequent Placing under the Placing Programme is condition, *inter alia*, on the Admission of those Shares and/or C Shares by 8.00 a.m. on such date as the Company and N+1 Singer may agree from time to time in relation to

that subsequent admission, a valid supplementary prospectus being published by the Company if such is required and the Placing and Offer Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to any subsequent Admission.

In consideration for its services in relation to the Issue and conditional upon completion of the Issue, N+1 Singer will be paid a commission based on the amount of the Gross Proceeds.

The Company and the Investment Manager have given warranties to N+1 Singer concerning, *inter alia*, the accuracy of the information contained in this document. The Company and the Investment Manager have also given indemnities to N+1 Singer. The warranties and indemnities given by the Company and the Investment Manager are standard for an agreement of this nature.

The Placing and Offer Agreement is governed by the laws of England and Wales.

6.2 **Investment Management Agreement**

The Investment Management Agreement dated 23 November 2016 between the Company, the Investment Manager and the AIFM under which the Investment Manager is appointed to act as investment manager of the Company with the responsibility to manage the assets of the Company and to advise the Company on a day-to-day basis in accordance with the investment policy of the Company and subject to the overall control and supervision of the Board.

Under the terms of the Investment Management Agreement and with effect from Admission, the Investment Manager has discretion to buy, sell, retain, exchange or otherwise deal in investments or other assets for the account of the Company and shall be responsible for the portfolio management of the Company's portfolio. The Investment Manager will also make arrangements, with the approval of the AIFM, for the oversight and safe keeping of the Company's assets.

The Investment Manager is entitled to receive from the Company in respect of its services provided under the Investment Management Agreement, a management fee payable monthly in arrears. Where the prevailing Net Asset Value is equal to or in excess of £75 million, the Investment Manager shall be entitled to a fee calculated at the rate of 0.875 per cent. per annum of the prevailing Net Asset Value. Where the prevailing Net Asset Value is less than £75 million, the Investment Manager shall be entitled to a fee calculated at the rate of 0.50 per cent. per annum of the Net Asset Value, together with reimbursement of reasonable expenses properly incurred by it in the performance of its duties. No performance fee will be payable by the Company to the Investment Manager. From the management fees payable to it by the Company the Investment Manager shall be entitled, at its discretion, to make payments to Placees and/or other investors in the Company.

50 per cent. of the management fee received by the Investment Manager will be reinvested into the Shares for the first three years following Admission. The Investment Manager has irrevocably agreed and undertaken to subscribe for the allotment of new Shares (to the value of 50 per cent. of the management fee). Such new Shares shall be issued by the Company to the Investment Manager on a quarterly basis and credited as fully paid at a price equal to the Net Asset Value per Share calculated at the end of the relevant quarter. In circumstances where the Shares are trading at a discount to Net Asset Value at a time when a management fee is payable, the Investment Manager is obliged, provided it is lawful to do so, to use its reasonable endeavours to purchase Shares in the market. Any such Shares allotted to the Investment Manager shall be subject to the Lock-in Deed.

The Investment Management Agreement may be terminated by the Company or the Investment Manager giving the other party at least 12 months' notice in writing, such notice not to be given prior to the third anniversary of Admission. The Investment Management Agreement may be terminated earlier by either party with immediate effect on the occurrence of certain events, including:

- (i) where the other party commits any material breach of any of the terms of the Investment Management Agreement and either such breach is incapable of remedy or the other party fails to remedy such breach within 30 days of being requested in writing by the innocent party to do so;
- (ii) where the other party goes into liquidation (apart from voluntary liquidation for the purposes of reconstruction or amalgamation on the terms previously agreed by the first party (such agreement

- not to be unreasonably withheld or delayed)) or if a receiver is appointed over the whole or any of the other party's assets or if any analogous event occurs; or
- (iii) such termination is required by any competent governmental or regulatory authority.

The Investment Management Agreement shall also terminate automatically if the AIFM Agreement is terminated for whatever reason. In such circumstances if the Investment Manager is able and authorised to act as alternative investment fund manager to the Company, the Company shall appoint the Investment Manager to carry on the portfolio management and risk management services on the terms substantially as set out in the Investment Management Agreement and the AIFM Agreement.

The Investment Management Agreement contains provisions dealing with conflicts of interest.

The Company has given certain market standard indemnities in favour of the Investment Manager in respect of the Investment Manager's potential loss in carrying on its responsibilities under the Investment Management Agreement.

The Investment Management Agreement is governed by the laws of England and Wales.

6.3 **AIFM Agreement**

The AIFM Agreement dated 23 November 2016 entered into between the Company and the AIFM pursuant to which the AIFM has been given responsibility, subject to the supervision of the Board, for the management of the Company in accordance with the Company's investment objective and policy. The Manager has delegated responsibility for the management of the Portfolio to the Investment Manager, by way of the Investment Management Agreement.

The AIFM shall be entitled to receive from the Company a fee to be calculated and accrue at a rate equivalent to 0.125 per cent. of the Company's Net Asset Value subject to an annualised minimum of £85,000 applied on a monthly basis.

The fee will be subject to annual review and as a minimum, the annualised minimum fee will be varied in accordance with the Guernsey Retail Price Index.

The AIFM will also be entitled to reimbursement of certain expenses properly and reasonably incurred.

The AIFM Agreement is terminable on either party giving the other not less than 6 month's written notice provided such notice may not be given prior to the first anniversary of Admission or on immediate notice on the occurrence of certain events. The AIFM Agreement shall also terminate automatically if the Investment Management Agreement is terminated for whatever reason. The Company has given certain market standards indemnities to the AIFM in respect of losses suffered by the AIFM in the performance of its duties. The AIFM will, in the Company's sole discretion, be entitled to payment in lieu of notice.

The AIFM Agreement is governed by the laws of England and Wales.

6.4 **Administration Agreement**

The Administration Agreement dated 23 November 2016 between the Company and the Administrator and Company Secretary whereby the Administrator and Company Secretary is appointed to act as administrator and company secretary of the Company.

Under the terms of the Administration Agreement, an administration fee will be charged for the provision of the administration services. The administration fee will be payable monthly and shall be calculated at the rate of 0.085 per cent. of Net Asset Value per annum subject to a minimum fee of £75,000 per annum plus disbursements. A company secretarial fee will be charged for the company secretarial services which shall be calculated on a time spent basis.

The Administrator shall also be entitled to make reasonable charges based on time spent for work performed in connection with the issuance of C Shares and the administration of any C Share portfolios including the calculation of Net Asset Value per C Share.

The Administrator shall also be entitled to reimbursement of all out-of-pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company.

The above fees are stated exclusive of VAT and will be subject to VAT at applicable rates.

The Administration Agreement may be terminated by either party on 180 days' notice and may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied. The Administration Agreement contains customary indemnities from the Company in favour of the Administrator.

The Administration Agreement is governed by the laws of England and Wales.

6.5 Registrar's Agreement

The Registrar's Agreement dated 23 November 2016 between the Company and the Registrar pursuant to which the Registrar has agreed to act as registrar to the Company.

Under the agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of any VAT). The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.

The initial term of the Registrar's appointment is 36 months from Admission and thereafter the appointment will continue unless it is terminated on six months' notice by either party, and is also terminable on shorter notice in the event of a disagreement regarding a fee increase, a material breach of the agreement or insolvency.

The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liabilities under the Registrar Agreement are subject to a cap.

The Registrar's Agreement is governed by the laws of England and Wales.

6.6 Receiving Agent Agreement

The Receiving Agent Agreement dated 23 November 2016 between the Company and the Receiving Agent pursuant to which the Receiving Agent has agreed to act as receiving agent in connection with the Offer for Subscription. Under the terms of the agreement, the Receiving Agent is entitled to a fee at an hourly rate subject to a minimum charge of £2,500, plus a processing fee per application. The Receiving Agent will also be entitled to reimbursement of all out of pocket expenses reasonably incurred by it in connection with its duties.

The Company has given certain market standard indemnities in favour of the Receiving Agent in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the Receiving Agent Agreement. The Receiving Agent's liabilities under the Receiving Agent Agreement are subject to a financial cap.

The agreement is governed by the laws of England and Wales.

6.7 N+1 Singer Engagement Letter

The N+1 Singer Engagement Letter dated 23 November 2016 between the Company and N+1 Singer pursuant to which N+1 Singer will act as corporate broker to the Company.

N+1 Singer shall be entitled to a fee of £75,000 per annum except in certain limited circumstances, quarterly in advance. All fees and other expenses are exclusive of VAT, if any.

The N+1 Singer Engagement Letter may be terminated by either party on three month's notice provided that the Company shall not serve any written notice prior to the first anniversary of Admission.

The Company has agreed to provide a customary indemnity to N+1 Singer against all losses which N+1 Singer may suffer or incur by reason of or arising out of or in connection with its engagement under the N+1 Singer Engagement Letter.

The N+1 Singer Engagement Letter is governed by the laws of England and Wales.

6.8 **Valuation Agent Engagement Letter**

The Valuation Agent Engagement Letter dated 23 November 2016 from Mazars LLP to the Company pursuant to which the Valuation Agent has agreed to act as valuation agent to the Company. The Valuation Agent will value the Loans by taking the financial information on such Loans supplied by the Company and selecting an appropriate set of comparators based on the particular Loan being valued. In the main it is anticipated that the standard valuation methodology will be to use a discounted cash flow analysis and benchmarked discount/interest rates appropriate to the nature of the underlying investment and the date of valuation. However, the Valuation Agent will use alternative valuation methodologies if appropriate if the particular Loan is “non-standard”. Under the terms of the Valuation Agent Engagement Letter on each illiquid investment, the Valuation Agent is entitled to an initial fee of an amount equal to 0.08 per cent. Of the nominal value of the investment made subject to a minimum amount of £1,000 and a maximum amount of £5,000. In addition, the Valuation Agent shall receive an annual fee of 0.04 per cent. Of the aggregate nominal value of the investments held by the Company up to an aggregate nominal value of £200 million and to the extent that the aggregate nominal value of the investments held by the Company is more than £200 million an additional 0.03 per cent. of the aggregate nominal value of the investments above £200 million. The Valuation Agent’s liability under the Valuation Agent engagement letter is limited to £1 million. The Valuation Agent Engagement Letter may be terminated on 90 days’ notice.

The Valuation Agent engagement letter is governed by the laws of England and Wales.

6.9 **Lock-In Deed**

The Investment Manager and its principals have agreed with the Company and N+1 Singer that, save for certain limited circumstances, they will not dispose of, directly or indirectly, any of the Shares held by them at the date of the Lock-in Deed or acquired during the Issue Lock-in Period (as defined below) for the period commencing on Admission and ending on the third anniversary of Admission (the “**Issue Lock-in Period**”). The Investment Manager and its principals have further agreed that they will not, and will procure that their Permitted Transferees (as defined below) will not, save for certain limited circumstances, dispose of, directly or indirectly, any of the Shares issued to them pursuant to the Investment Management Agreement (the “**Investment Manager Shares**”) for the period commencing on the date of issue of any Investment Manager Shares to the first anniversary of such date of issue. The Investment Manager Shares may at any time be transferred to any of the Investment Manager’s members or employees (the “**Permitted Transferees**”).

The Investment Manager and its principals will also, where practicable, for a period of 12 months following the date of expiration of the Issue Lock-in Period, dispose of any Shares through N+1 Singer so as to create an orderly market for the Shares provided that N+1 Singer’s terms are competitive and the sale price for the Shares is equivalent to the price that could be obtained elsewhere.

7. **LITIGATION**

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

8. **WORKING CAPITAL**

- 8.1 The Company is of the opinion that, on the basis that the Minimum Net Proceeds are raised, the working capital available to it is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.
- 8.2 If the Minimum Net Proceeds are not raised, the Issue will not proceed and all application monies received under the Issue will be returned to applicants without interest at the applicant’s risk.

9. **NO SIGNIFICANT CHANGE**

There has been no significant change in the financial or trading position of the Company since the date of its incorporation.

10. CAPITALISATION AND INDEBTEDNESS

As at the date of this document, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness, and has not entered into any mortgage, charge or security interest, and the Company's issued share capital consists of 50,000 Management Shares of £1.00 each, all fully paid up and one Share of £0.01.

11. GENERAL

- 11.1 No Director has any interest in the promotion of, or in any property acquired or proposed to be acquired by, the Company.
- 11.2 The Shares being issued in connection with the Issue are being issued at £1.00 per Share of which £0.99 per Share constitutes share premium.
- 11.3 No application is being made for the Shares to be dealt with in or on any stock exchange or investment exchange other than the main market for listed securities of the London Stock Exchange.
- 11.4 N+1 Singer is acting as sponsor to the Issue. N+1 Singer has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 11.5 RM Capital Markets Limited was incorporated as a Scottish private limited company on 21 June 2010 under the Companies Act 2006 and is authorised and regulated by the FCA. The registered office of the Investment Manager is 7 Melville Crescent, Edinburgh, EH3 7JA (tel +44 (0)131 603 7060). The Investment Manager has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 11.6 International Fund Management Limited is acting as the Company's external AIFM. The AIFM has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appears.
- 11.7 Where third party information has been referenced in this document, the source of that third party information has been disclosed. All information in this document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 11.8 The auditors of the Company are Ernst & Young LLP of 25 Churchill Place, London E14 5EY and have been the only auditors of the Company since its incorporation. Ernst & Young LLP is a member of the Institute of Chartered Accountants in England and Wales.
- 11.9 The Company does not own or lease any premises.

12. AVAILABILITY OF THIS DOCUMENT

Copies of this document are available, for inspection only from the date of this document from the National Storage Mechanism (<http://www.morningstar.co.uk/uk/NSM>) and may be obtained from the date of this document until Admission from the offices of Gowling WLG (UK) LLP at 4 More London Riverside, London SE1 2AU.

13. DOCUMENTS AVAILABLE FOR INSPECTION

- 13.1 Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until Admission:
 - 13.1.1 the Memorandum and Articles of the Company; and
 - 13.1.2 this document.

Dated: 24 November 2016

PART 8

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE

Article 23 Disclosures RM Secured Direct Lending plc (the “Company”)

This document contains the information required to be made available to investors in the Company before they invest, pursuant to Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers (the “**AIFM Directive**”) and UK implementing measures (the Alternative Investment Fund Managers Regulations No.1773/2013, and consequential amendments to the FCA Handbook).

The table below sets out information required to be disclosed pursuant to the AIFM Directive and related national implementing measures.

This document contains solely that information that International Fund Management Limited (as the Alternative Investment Fund Manager of the Company) (the “**AIFM**”) is required to make available to investors pursuant to the AIFM Directive and should not be relied upon as the basis for any investment decision.

DISCLOSURE REQUIREMENT	DISCLOSURE OR LOCATION OF RELEVANT DISCLOSURE
(a) a description of the investment strategy and objectives of the Company;	Information on the investment strategy and objectives of the Company are outlined in paragraphs 2 and 6 of Part 1 of this document.
(b) if the Company is a feeder fund, information on where the master fund is established;	N/a
(c) if the Company is a fund of funds, information on where the underlying funds are established;	N/a
(d) a description of the types of assets in which the Company may invest;	The type of assets in which the Company may invest are outlined in paragraph 6 of Part 1 under the heading “Investment Strategy” and Part 1 of this document.
(e) the investment techniques that the Company, or the AIFM on behalf of the Company, may employ and all associated risks;	The investment techniques to be used by the Company are described in Part 1 of this document. The section entitled “Risk Factors” (pages 16 to 28 inclusive) of this document provide an overview of the risks involved in investing in the Company.
(f) any applicable investment restrictions;	The investment restrictions applicable to the Company are set out in paragraph 2 of Part 1 of this document under the heading “Investment Restrictions”.
(g) the circumstances in which the Company may use leverage;	The circumstances in which the Company may use leverage and the restrictions on the use of leverage are described in paragraph 2 of Part 1 under the heading “Borrowing and gearing” and paragraph 4.9 of Part 7 of this document.
(h) the types and sources of leverage permitted and the associated risks;	The Company may make use of a limited amount of hedging as described in paragraph 2 of Part 1 of this document under the heading “Hedging and derivatives”.

(i) the maximum level of leverage which the AIFM is entitled to employ on behalf of the Company;

The Company's borrowings shall not exceed 20 per cent. of the Company's Net Asset Value calculated at the time of drawdown.

Certain risks associated with the Company's use of leverage are described in the "Risk Factors" section of this document under the heading *"The Company's investment policy may involve the use of leverage, which exposes the Company to risks associated with borrowings"*.

(j) any collateral and asset reuse arrangements;

The Company may be required to deliver collateral from time to time to its trading counterparties and/or brokers under the terms of the relevant trading agreements (including, but not limited to, ISDA master agreement, related credit support documentation and/or securities lending, repurchase, master forward, foreign exchange and/or futures clearing agreements), by posting initial margin and/or variation margin and on a daily mark-to-market basis. The Company may deliver such collateral by way of title transfer or by way of security interest (and, in certain circumstances, may grant a right of re-use in respect of any such collateral that is the subject of a security interest arrangement) to a trading counterparty or broker. The treatment of such collateral varies according to the type of transaction and where it is traded.

(2) a description of the procedures by which the Company may change its investment strategy or investment policy, or both;

No material change will be made to the investment policy and investment restrictions without the approval of Shareholders by ordinary resolution. Any change to the investment policy or investment restrictions which does not amount to a material change to the investment policy may be made by the Company without the approval of Shareholders.

(3) a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, the applicable law and the existence or absence of any legal instruments providing for the recognition and enforcement of judgments in the territory where the Company is established;

The Company is a company limited by shares, incorporated in England and Wales. While investors acquire an interest in the Company on subscribing for or purchasing shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the shares held by them.

Shareholders' rights in respect of their investment in the Company are governed by the Company's articles of association and the Companies Act 2006 (the "**Companies Act**"). Under English law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of association; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims; and derivative actions. In the event that a shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult its own legal advisers.

Jurisdiction and applicable law

As noted above, Shareholders' rights are governed principally by the articles of association and the Companies Act. By subscribing for shares, investors agree to be bound by the articles of association which is governed by, and construed in accordance with, the laws of England and Wales.

Recognition and enforcement of foreign judgments

Regulation (EC) 593/2008 ("**Rome I**") must be applied in all member states of the European Union (other than Denmark). Accordingly, where a matter comes before the courts of a relevant member state, the choice of a governing law in any given agreement is subject to the provisions of Rome I. Under Rome I, the member state's court may apply any rule of that member state's own law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that member state. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement.

Shareholders should note that there are a number of legal instruments providing for the recognition and enforcement of foreign judgments in England. Depending on the nature and jurisdiction of the original judgment, Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims, the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters done at Lugano on 30 October 2007, the Administration of Justice Act 1920 and the Foreign Judgment (Reciprocal Enforcement) Act 1933 may apply. There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments listed above, although such judgments might be enforceable at common law.

(4) the identity of the AIFM, the Company's depositary, the auditor and any other service providers and a description of their duties and the investors' rights;

AIFM

Pursuant to the AIFM Agreement, the Company has appointed International Fund Management Limited to act as the Company's external non-EEA AIFM. The AIFM will maintain responsibility for implementing appropriate risk measurement and management standards and procedures for the Company and will also carry out the on-going oversight functions and ensure compliance with the applicable requirements of the AIFM Rules. Further details of the AIFM Agreement are set out in Part 7 of this document.

Auditor

Ernst & Young LLP will provide audit services to the Company. The annual report and accounts will be prepared according to accounting standards laid out under IFRS.

Investment Manager

Under the terms of the Investment Management Agreement, RM Capital Markets Limited has been appointed investment manager (the "**Investment Manager**").

The AIFM will delegate portfolio management functions to the Investment Manager under the terms of the Investment Management Agreement but will remain responsible for general oversight and management of the Investment Manager's activities and for risk management. Further details of the Investment Management Agreement are set out in Part 7 of this document.

Details of other advisers and professionals are set out in sections 3 of Part 3 of this document.

Investors' Rights

The Company is reliant on the performance of third party service providers, including the AIFM, the Investment Manager, the Administrator, the Company secretary, the Auditors, the Registrar and the Receiving agent.

Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.

In the event that a Shareholder considers that it may have a claim against a third party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.

The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of the Financial Services and Markets Act 2000 (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of the Financial Services and Markets Act 2000, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.

Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolutions Complaints" rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints against the Investment Manager to the Financial Ombudsman Service ("FOS") (further details of which are available at www.financial-ombudsman.org.uk). Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme ("FSCS") if they have claims against an FCA authorised service provider (including the Investment Manager) which is in default. There are limits on the amount of compensation available. Further information about the FSCS is at www.fscs.org.uk. To determine eligibility in relation to either the FOS or the FSCS, Shareholders should consult the respective websites above and speak to their legal advisers.

(5) a description of how the AIFM complies with the requirements of Article 9(7) of the AIFM Directive;

As a non-EEA AIFM, Investors should note that the AIFM is not required to cover potential professional liability risks in accordance with AIFM Directive.

(6) a description of: (a) any management function delegated by the AIFM;	The AIFM will delegate portfolio management functions to the Investment Manager under the terms of the Investment Management Agreement but will remain responsible for the general oversight and management of the Investment Manager's activities and for risk management. Delegation of these responsibilities does not relieve the AIFM of any of its duties or liabilities under the AIFM Agreement.
(b) any safe-keeping function delegated by the depositary;	N/a
(c) any conflicts of interest that may arise from such delegations;	N/a
(7) a description of the Company's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing any hard-to-value assets, in accordance with Article 19 of the AIFM Directive;	The Administrator will calculate the Net Asset Value and the Net Asset Value per Share as at the end of each month. The Company's Loans will be measured at fair value and the Company's Valuation Agent is responsible for carrying out the fair valuation of the Loans on a monthly basis in accordance with IFRS. The Net Asset Value will be announced on a Regulatory Information Service, by publication on the Company's website, https://rm-funds.co.uk/rm-secured-direct-lending-fund/ and on www.londonstockexchange.com. The valuation task is functionally independent from portfolio management. The Board may determine that the Company shall temporarily suspend the publication of the Net Asset Value per Share when the prices of any investment owned by the Company cannot be promptly or accurately ascertained. More information on the valuation procedure to be used by the Company is set out in Part 1 of this document.
(8) a description of the Company's liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors;	The Company is a closed-end listed investment company and, as such, Shareholders in the Company have no right to redeem their shares. Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations (primarily, debt) of the Company as they fall due. In managing the Company's assets therefore the AIFM seeks to ensure that the Company holds at all times a sufficient portfolio of assets listed on recognised investment exchanges to enable it to discharge its payment obligations.
(9) a description of all fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors;	The costs and expenses (including irrecoverable VAT) of, and incidental to, the Placing and the Offer for Subscription payable by the Company are expected to be 2 per cent. of the Gross Proceeds. The fees and expenses payable to the AIFM are described in paragraph 4 of Part 3; and the fees and expenses payable to the Investment Manager are described in paragraph 4 of Part 3 of this document.

	Other than in respect of expenses of, or incidental to, the Placing and Offer for Subscription and Admission which the Company intends to pay out of the proceeds of the Placing and Offer for Subscription, there are no commissions, fees or expenses to be charged to investors by the Company under the Placing and Offer for Subscription.
	Fees, charges and expenses following Admission are outlined in section 4 of Part 3 of this document.
(10) a description of how the Company ensures a fair treatment of investors;	As a company listed on the premium listing segment of the UK Listing Authority's Official List, the Company is required under the Premium Listing Principles to treat all Shareholders of a given class equally.
(11) whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of:	
(a) that preferential treatment;	From the management fees payable to the Investment Manager it shall, at its discretion, be entitled to make payments to Placees and/or other investors in the Company.
(b) the type of investors who obtain such preferential treatment; and	See above
(c) where relevant, their legal or economic links with the Company;	See above
(12) the procedure and conditions for the issue and sale of units or shares;	The terms and conditions under which investors can subscribe for Shares under the Placing are set out in Part 10 of this document. The terms and conditions and application form to subscribe for Shares under the Offer for Subscription are set out in Part 10 and Appendix 1 of this document.
(13) the latest net asset value of the Company or the latest market price of the unit or share of the Company, in accordance with Article 19 of the AIFM Directive;	The Company has not yet published a Net Asset Value in accordance with Article 19 of the AIFM Directive. When published, Net Asset Value announcements can be found on the Company's website: https://rm-funds.co.uk/rm-secured-direct-lending-fund/
(14) the latest annual report, in line with Article 22 of the AIFM Directive;	The Company has not yet published an annual report in line with Article 22 of the AIFM Directive. When published, annual reports can be found on the Company's website: https://rm-funds.co.uk/rm-secured-direct-lending-fund/
(15) where available, the historical performance of the Company;	The Company has not yet published any annual or interim financial statements. When published, annual and interim financial statements can be found on the Company's website: https://rm-funds.co.uk/rm-secured-direct-lending-fund/
(16)	N/a
(a) the identity of the prime brokerage firm;	

(b) a description of any material arrangements of the Company with its prime brokerage firm and the way any conflicts of interest are managed;	N/a
(c) the provision in the contract with the depositary on the possibility of transfer and reuse of Company assets; and	N/a
(d) information about any transfer of liability to the prime brokerage firm that may exist; and	N/a
(17) a description of how and when the information required under paragraphs 4 and 5 of Article 23 of the AIFM Directive will be disclosed.	In order to meet the requirements of paragraphs 4 and 5 of Article 23 of the AIFM Directive, the Company intends to disclose annually in the Company's annual report (or in such manner as the AIFM and the Board consider appropriate): (1) the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature if applicable; (2) any new arrangements for managing the liquidity of the Company; and (3) the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks. Information will also be provided to investors regarding any changes to: (a) the maximum level of leverage that the AIFM may employ on behalf of the Company; (b) any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and (c) the total amount of leverage employed by the Company.

PART 9

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

Administration Agreement	the administration services and company secretarial services agreement between the Company and the Administrator, a summary of which is set out in paragraph 6.4 of Part 7 of this document
Administrator	PraxisIFM Fund Services (UK) Limited
Admission	admission of the Shares to the premium listing segment of the Official List of the UKLA and admission of the Shares to trading on the main market for listed securities of the London Stock Exchange
AIC	the Association of Investment Companies
AIC Code	the AIC Code of Corporate Governance published by the AIC from time-to-time
AIF	an alternative investment fund
AIFM	an alternative investment fund manager within the meaning of the AIFM Directive
AIFM Agreement	the AIFM agreement between the Company and the AIFM, a summary of which is set out in paragraph 6.3 of Part 7 of this document
AIFM Directive	the Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers
AIFM Rules	the AIFM Directive and all applicable rules and regulations implementing the AIFM Directive in the UK, including without limitation the AIFM Regulations and all relevant provisions of the FCA handbook expressed to be binding on the AIFM
AIFM Regulations	the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom (SI 2013/1773)
Application Form	the application form attached to this document for use in connection with the Offer for Subscription
Articles	the articles of association of the Company
Audit and Management Engagement Committee	the audit and management engagement committee of the Board
Business Day	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the City of London
Capital gains tax or CGT	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
certificated or in certificated form	not in uncertificated form
City Code	the City Code on Takeovers and Mergers

Companies Act or Act	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
Company	RM Secured Direct Lending plc
Company Secretary	PraxisIFM Fund Services (UK) Limited
Conversion	the conversion of C Shares into new Shares as described in paragraph 4.21 of Part 7 of this document
CREST	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
C Shares	C shares of £0.10 each in the capital of the Company
CTA 2009	Corporation Tax Act 2009 and any statutory modification or re-enactment thereof for the time being in force
CTA 2010	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
Directors or Board	the board of directors of the Company
Disclosure and Transparency Rules	the disclosure and transparency rules made by the Financial Conduct Authority under section 73A of FSMA
EEA	the states which comprise the European Economic Area
ERISA	U.S. Employee Retirement Income Security Act of 1976, as amended
EU	the European Union
Euro	the lawful currency of the EU
Euroclear	Euroclear UK & Ireland Limited, being the operator of CREST
FATCA	the U.S. Foreign Account Tax Compliance Act of 2010, as amended
FCA	the Financial Conduct Authority or any successor authority
FCA Handbook	the FCA handbook of rules and guidance as amended from time to time
FSMA	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
Gross Assets	the aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time-to-time
Gross Proceeds	the gross proceeds of the Issue
HMRC	Her Majesty's Revenue and Customs
IFRS	international financial reporting standards
Intermediaries	financial intermediaries that are appointed by N+1 Singer and/or the Company to offer Shares to retail investors after the date of this document and reference to "Intermediary" shall be construed accordingly

Investment Management Agreement	the Investment Management Agreement between the Company, the AIFM and the Investment Manager, a summary of which is set out in paragraph 6.2 of Part 7 of this document
Investment Manager	RM Capital Markets Limited
IRR	internal rate of return
ISA	UK individual savings account
Issue	together the Placing and the Offer for Subscription
Issue Price	100 pence per Share
ITA	the Income Tax Act 2007 and any statutory modification or re-enactment thereof for the time being in force
LIBOR	London Interbank Offered Rate
Listing Rules	the listing rules made by the FCA under section 73A of FSMA
Loans	loans or advances in the nature of loans made by the Company or an associated or affiliated entity of the Company and structured as loans, notes, bonds, convertible bonds or analogous or other instruments evidencing indebtedness to include, without limitation, invoice receivables and asset finance arrangements
Lock-In Deed	the lock-in deed entered into between the Investment Manager (1), the principals of the Investment Manager (2), the Company (3) and N+1 Singer (4) as described in paragraph 6.9 of Part 7 of this document
London Stock Exchange	London Stock Exchange plc
Management Shares	redeemable management shares of £1.00 each in the capital of the Company
Market Abuse Regulation or MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse
Market Sectors	designated parts of the economy in which business share the same related product or service and as determined by the Directors from time to time
Member Account ID	the identification code or number attached to any member account in CREST
Minimum Net Proceeds	the minimum net proceeds of the Issue, being £39.2 million
Net Asset Value	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time
Net Asset Value per C Share	at any time the Net Asset Value attributable to the C Shares divided by the number of C Shares in issue (other than Shares held in treasury) at the date of calculation
Net Asset Value per Share	at any time the Net Asset Value attributable to the Shares divided by the number of Shares in issue (other than Shares held in treasury) at the date of calculation

Net Proceeds	the net proceeds of the Issue after payment of all costs and expenses
N+1 Singer	Nplus1 Singer Advisory LLP
N+1 Singer Engagement Letter	the N+1 Singer Engagement Letter between the Company and N+1 Singer, a summary of which is set out in paragraph 6.7 of Part 7 of this document
Offer or Offer for Subscription	the offer for subscription of Shares at the Issue Price on the terms set out in this document
Official List	the official list maintained by the UKLA pursuant to Part VI of FSMA
Overseas Persons	a potential investor who is not resident in, or who is not a citizen of, the UK
Pipeline	additional opportunities for investments identified by the Investment Manager for the Company (which does not form part of the Seed Portfolio) which the Investment Manager believes it can deploy funds into following the end of the Seed Portfolio Deployment Period
Placees	any person who agrees to subscribe for the Placing Shares pursuant to the Placing
Placing	the conditional placing of Shares by N+1 Singer at the Issue Price as described in this document
Placing and Offer Agreement	the conditional placing, offer and placing programme agreement between the Company, the Investment Manager the Directors and N+1 Singer, a summary of which is set out in paragraph 6.1 of Part 7 of this document
Placing Letter	the placing letter sent or to be sent to certain prospective Placees by N+1 Singer
Placing Programme	the proposed programme of Subsequent Placings of Shares and/or C Shares as described in this document, in particular in Part 5 of this document
Placing Programme Price	the price at which Shares and/or C Shares will be issued pursuant to a Subsequent Placing under the Placing Programme to placees, as set out on Part 5 of this document
Portfolio	the Company's investments from time to time
Prospectus Directive	the EU Prospectus Directive 2003/71/EC
Prospectus Rules	the prospectus rules made by the FCA under section 73A of FSMA
Registrar	Capita Registrars Limited
Receiving Agent	Capita Asset Services, a trading name of Capita Registrars Limited, in its capacity as the Company's receiving agent
Receiving Agent Agreement	the receiving agent agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 6.6 of Part 7 of this document
Register	the register of members of the Company

Registrar's Agreement	the registrar's agreement between the Company and the Registrar, a summary of which is set out in paragraph 6.5 of Part 7 of this document
Regulation S	Regulation S promulgated under the U.S. Securities Act
Regulatory Information Service	a service authorised by the UKLA to release regulatory announcements to the London Stock Exchange
Relevant Member State	a member state of the European Economic Area which has implemented the Prospectus Directive
Seed Portfolio	opportunities for investment identified by the Investment Manager for the Company which the Investment Manager believes it can deploy the Net Proceeds into within nine months' from the date of Admission (" Seed Portfolio Deployment Period ")
Shareholder	a holder of Shares
Shares	ordinary shares of one penny each in the capital of the Company
SIPP	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK
SSAS	a small self-administered scheme as defined in Regulation 2 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 of the UK
Sterling or £	the lawful currency of the United Kingdom
Subsequent Placing	any placing of Shares and/or C Shares pursuant to the Placing Programme described in this document
Tax Residency Self-Certification Form	the tax residency self-certification form required to be completed by all new investors in the Company for FATCA reporting purposes
Terms and Conditions of Application	the terms and conditions to which subscriptions under the Offer for Subscription are subject as set out in Part 10 of this document
UK Corporate Governance Code	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
UKLA or UK Listing Authority	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
UK Money Laundering Regulations	the UK Money Laundering Regulations 2007, as amended
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
UK SMEs	small and medium-sized companies with their principal operations within the UK
United States of America, United States or U.S.	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. Code	U.S. Internal Revenue Code, as amended

U.S. Companies	for the purposes of this document, means companies with businesses which have a material portion of their value derived from the U.S., such companies may be domiciled inside or outside the U.S. and listed on a U.S. or non-U.S. stock exchange
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Person	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
U.S.\$ or \$	the lawful currency of the United States of America
Valuation Agent	Mazars LLP
Valuation Agent Engagement Letter	the Valuation Agent Engagement Letter between the Company and the Valuation Agent, a summary of which is set out in paragraph 6.8 of Part 7 of this document
VAT	value added tax

PART 10

TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

1. INTRODUCTION

Shares are available under the Offer at a price of 100 pence per Share.

Applications must be made on the Application Form attached at the end of this document or otherwise published by the Company.

In addition to completing and returning the Application Form to Capita Asset Services, you will also need to complete and return a Tax Residency Self Certification Form. The forms can be found at Appendix 2 of this document and further copies of the forms can be requested from Capita Asset Services on 0371 664 0321*.

*Calls are charged at the standard geographic rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

It is a condition of any Application under the Offer for Subscription that (where applicable) a completed version of the relevant form is provided with the Application Form before any application under the Offer for Subscription can be accepted. Application Forms that are returned without the completed Tax Residency Self-Certification Form will be referred to the Company after the Offer for Subscription closes at 11.00 a.m. on 9 December 2016. It will then be the Company's decision if these Application Forms can be accepted under the Offer for Subscription.

2. EFFECT OF APPLICATION

Applications under the Offer must be for Shares with a minimum subscription amount of £1,000 and thereafter in multiples of £100. Multiple applications will be accepted.

3. OFFER TO ACQUIRE SHARES

By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

- 3.1 offer to subscribe for such number of Shares at 100 pence per Share as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum of 1,000 Shares); or such smaller number for which such application is accepted, on the terms, and subject to the conditions, set out in this document, including these Terms and Conditions of Application and the Articles;
- 3.2 agree that, in consideration of the Company agreeing that it will not, prior to the date of Admission, offer for subscription any Shares to any person other than by means of the procedures referred to in this document, your application may not be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplementary prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by, the Receiving Agent of your Application Form;
- 3.3 undertake to pay the subscription amount specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Shares applied for in certificated form or be entitled to commence dealing in Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent, the Company and N+1 Singer against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured

on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque in your favour at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);

- 3.4 agree, that where on your Application Form a request is made for Shares to be deposited into a CREST account (a “**CREST Account**”), (i) the Receiving Agent may in its absolute discretion amend the Application Form so that such Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds) and (ii) the Receiving Agent, the Company or N+1 Singer may authorise your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST Account in respect of the number of Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;
- 3.5 agree, in respect of applications for Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 3.4 above to issue Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 3.4 above (and any monies returnable to you) may be retained by the Receiving Agent:
- (i) pending clearance of your remittance;
 - (ii) pending investigation of any suspected breach of the warranties contained in paragraphs 3.6, 3.7, 3.11, 3.13, 3.14 or 3.16 below or any other suspected breach of these Terms and Conditions of Application; or
 - (iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the UK Money Laundering Regulations and any other regulations applicable thereto,
- and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- 3.6 agree, on the request of the Receiving Agent to disclose promptly in writing to them such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- 3.7 agree that if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request therefor, the Receiving Agent or the Company may terminate the agreement with you to allot Shares and, in such case, the Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;
- 3.8 agree that you are not applying on behalf of a person engaged in money laundering;
- 3.9 undertake to ensure that, in the case of an application signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- 3.10 undertake to pay interest at the rate described in paragraph 4 below if the remittance accompanying your Application Form is not honoured on first presentation;
- 3.11 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Shares for which your application is accepted or if you have completed section 2B on your Application Form, but subject to paragraph 3.4 above, to deliver the number of Shares for which your application is accepted into CREST, and/or to return any monies returnable by a cheque drawn on a branch of a UK clearing house to the bank account name from which such monies were received without interest and at your risk;
- 3.12 confirm that you have read and complied with paragraph 9 below;

- 3.13 agree that all subscription cheques and payments will be processed through a bank account (the “**Acceptance Account**”) in the name of Capita Registrars Limited RE: RM Secured Direct Lending plc – Offer for Subscription A/C opened by the Receiving Agent;
- 3.14 agree that your Application Form is addressed to the Company and the Receiving Agent; and
- 3.15 agree that your application must be for a whole number of Shares and the number of Shares issued to you will be rounded down to the nearest whole number;
- 3.16 acknowledge that the offer to the public of Shares is being made only in the United Kingdom and represent that you are a United Kingdom resident (unless you are able to provide such evidence as the Company may, in its absolute discretion, require that you are entitled to apply for Shares); and
- 3.17 agree that any application may be rejected in whole or in part at the sole discretion of the Company.

4. ACCEPTANCE OF YOUR OFFER

The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by notifying the UK Listing Authority through a Regulatory Information Service of the basis of allocation (in which case the acceptance will be on that basis).

The basis of allocation will be determined by N+1 Singer in consultation with the Company and the Receiving Agent. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application.

The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payments.

The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Receiving Agent plus 4 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

Payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual Applicant where they have sole or joint title to the funds, should be made payable to Capita Registrars Limited RE: RM Secured Direct Lending plc – Offer for Subscription A/C. Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping/endorsing the cheque or banker's draft to that effect. The account name should be the same as that shown on the Application Form.

5. CONDITIONS

The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:

- (a) Admission occurring by 8.00 a.m. (London time) on 15 December 2016 (or such later time or date, not being later than 8.00 a.m. on 31 December 2016, as the Company and N+1 Singer may agree);
- (b) the Placing and Offer Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission; and

- (c) the Minimum Net Proceeds being raised.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

6. RETURN OF APPLICATION MONIES

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, without interest. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

7. WARRANTIES

By completing an Application Form, you:

- 7.1 undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- 7.2 warrant, if the laws of any territory or jurisdiction outside the UK are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, N+1 Singer or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer for Subscription in respect of your application;
- 7.3 confirm that (save for advice received from your financial adviser (if any)) in making an application you are not relying on any information or representations in relation to the Company other than those contained in this document (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such other information or representation;
- 7.4 agree that, having had the opportunity to read this document in its entirety, you shall be deemed to have had notice of all information and representations contained in this document;
- 7.5 acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the AIFM, the Investment Manager, N+1 Singer or the Receiving Agent;
- 7.6 warrant that you are not under the age of 18 on the date of your application;
- 7.7 agree that all documents and monies sent by post to, by, from or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first named holder) as set out in your Application Form;
- 7.8 confirm that you have reviewed the restrictions contained in paragraph 9 below and warrant that you (and any person on whose behalf you apply) comply with the provisions therein;
- 7.9 agree that, in respect of those Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the Register;
- 7.10 agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit

the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

- 7.11 irrevocably authorise the Company, N+1 Singer or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or N+1 Singer and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;
- 7.12 agree to provide the Company with any information which it, N+1 Singer or the Receiving Agent may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time-to-time) including without limitation satisfactory evidence of identity to ensure compliance with the UK Money Laundering Regulations;
- 7.13 warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, the AIFM, the Investment Manager, N+1 Singer or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application;
- 7.14 represent and warrant to the Company that (i) you are not a U.S. Person, are not located within the United States and are not acquiring the Shares for the account or benefit of a U.S. Person; (ii) you are acquiring the Shares in an offshore transaction meeting the requirements of Regulation S; (iii) you understand and acknowledge that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. Persons; and (iv) you understand and acknowledge that the Company has not registered and will not register as an investment company under the U.S. Investment Company Act;
- 7.15 represent and warrant to the Company that if in the future you decide to offer, sell, transfer, assign or otherwise dispose of the Shares, you will do so only (i) in an offshore transaction complying with the provisions of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person, by pre-arrangement or otherwise, or (ii) to the Company or a subsidiary thereof. You understand and acknowledge that any sale, transfer, assignment, pledge or other disposal made other than in compliance with the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- 7.16 agree that N+1 Singer and the Receiving Agent are acting for the Company in connection with the Offer for Subscription and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Shares or concerning the suitability of the Shares for you or be responsible to you for the protections afforded to their customers;
- 7.17 warrant that you are not subscribing for the Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the Shares;
- 7.18 warrant that the information contained in the Application Form is true and accurate; and
- 7.19 agree that if you request that Shares are issued to you on a date other than Admission and such Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Shares on a different date.

8. MONEY LAUNDERING

You agree that, in order to ensure compliance with the UK Money Laundering Regulations, the Proceeds of Crime Act 2002 and any other applicable regulations, the Receiving Agent may at its absolute discretion require verification of identity of you (the “**holder(s)**”) as the applicant lodging an Application Form and further may request from you and you will assist in providing identification of:

- 8.1 the owner(s) and/or controller(s) (the “**payor**”) of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker’s draft or cheque; or

8.2 where it appears to the Receiving Agent that a holder or the payor is acting on behalf of some other person or persons.

Failure to provide the necessary evidence of identity may result in your application being rejected or delays in the despatch of documents.

Without prejudice to the generality of this paragraph 8.2, verification of the identity of holders and payors will be required if the value of the Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (or the Sterling equivalent). If, in such circumstances, you use a building society cheque or banker's draft you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker's draft and adds its stamp. If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and the payor an original or a copy of that person's passport or driving licence certified by a solicitor and an original or certified copy of the following no more than 3 months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressees' risk) together with a signed declaration as to the relationship between the payor and you the holder.

For the purpose of the UK Money Laundering Regulations a person making an application for Shares will not be considered as forming a business relationship with the Company or the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent.

The person(s) submitting an application for Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

If the amount being subscribed exceeds €15,000 (or the Sterling equivalent) you should endeavour to have the declaration contained in section 5 of the Application Form signed by an appropriate firm as described in that section. If you cannot have that declaration signed and the amount being subscribed exceeds €15,000 (or the Sterling equivalent) then you must provide with the Application Form the identity documentation detailed in section 6 of the Application Form for each underlying beneficial owner.

9. NON-UNITED KINGDOM INVESTORS

The Offer for Subscription is only being made in the United Kingdom. If you receive a copy of this document or an Application Form in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the UK and wish to make an application for Shares under the Offer for Subscription, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

None of the Shares have been or will be registered under the laws of any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia, the Republic of South Africa or under the U.S. Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia or the Republic of South Africa. If you subscribe for Shares you will, unless the Company and the Receiving Agent agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a U.S. Person or a resident of any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of any member state of the EEA (other than the United Kingdom), the U.S. or Canada (or any political subdivision of either) or Japan or Australia or the Republic of South Africa and that you are not subscribing for such Shares for the account of any U.S. Person or resident of any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in or into any member state of the EEA (other than the United Kingdom), the United States, Canada, Japan, Australia or the Republic of South Africa or to any U.S. Person or person resident in Canada, any member state of the EEA (other than the United

Kingdom), Japan, Australia or the Republic of South Africa. No application will be accepted if it shows the applicant, payor or a holder having an address other than in the United Kingdom.

10. THE DATA PROTECTION ACT 1998

Pursuant to The Data Protection Act 1998 (the “**DP Act**”) the Company and/or the Registrar, may hold personal data (as defined in the DP Act) relating to past and present Shareholders.

Such personal data held is used by the Registrar to maintain the Register and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and other distributions to Shareholders and (b) filing returns of Shareholders and their respective transactions in Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

By becoming registered as a holder of Shares a person becomes a data subject (as defined in the DP Act) and is deemed to have consented to the processing by the Company or its Registrar of any personal data relating to them in the manner described above.

11. MISCELLANEOUS

To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Shares and the Offer for Subscription.

The rights and remedies of the Company, the AIFM, the Investment Manager, N+1 Singer and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

The Company reserves the right to extend the closing time and/or date of the Offer for Subscription from 11.00 a.m. on 9 December 2016. In that event, the new closing time and/or date will be notified to applicants.

The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest.

You agree that N+1 Singer and the Receiving Agent are acting for the Company in connection with the Issue and for no-one else, and that neither N+1 Singer nor the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of the Shares or concerning the suitability of the Shares for you or otherwise in relation to the Issue or for providing the protections afforded to their customers.

Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as where used in the document.

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Applications should be returned so as to be received no later than 11.00 a.m. (London time) on 9 December 2016.

HELP DESK: If you have a query concerning completion of this Application Form please call Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

1. APPLICATION

Fill in (in figures) in Box 1 the amount of money being subscribed for Shares. The amount being subscribed must be a minimum of £1,000 and thereafter in multiples of £100. Financial intermediaries who are investing on behalf of clients should make separate applications for each client.

2A. HOLDER DETAILS

Fill in (in block capitals) the full name and address of each holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference and the address given for the first named will be entered as the registered address for the holding on the share register and used for all future correspondence. A maximum of four joint holders is permitted. All holders named must sign the Application Form at section 3.

2B. CREST

If you wish your Shares to be deposited in a CREST Account in the name of the holders given in section 2A enter in section 2B the details of that CREST Account. Where it is requested that Shares be deposited into a CREST Account please note that payment for such Shares must be made at the same time the completed signed Application Form is provided to the Receiving Agent. It is not possible for an applicant to request that Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

3. SIGNATURE

All holders named in section 2A must sign section 3 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

4. CHEQUE/BANKER'S DRAFT, PAYMENT

Payments must be made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds, should be made payable to Capita Registrars Limited RE: RM Secured Direct Lending plc – Offer for Subscription A/C. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque/banker's draft to such effect.

The account name should be the same as that shown on the application.

5. RELIABLE INTRODUCER DECLARATION

Applications will be subject to the UK's verification of identity requirements. This will involve you providing the verification of identity documents listed in section 6 of the Application Form UNLESS you can have the declaration provided at section 5 of the Application Form given and signed by a firm acceptable to the Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in section 5 of the Application Form completed and signed by a suitable firm.

6. IDENTITY INFORMATION

Applicants need only consider section 6 of the Application Form if the declaration in section 5 cannot be completed. Notwithstanding that the declaration in section 5 has been completed and signed the Receiving Agent reserves the right to request of you the identity documents listed in section 6 and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are provided such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

7. CONTACT DETAILS

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in section 5, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS – Completed Application Forms should be returned, by post to Capita Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal business hours), to Capita Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 11.00 a.m. (London time) on 9 December 2016, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.

APPENDIX 1 – APPLICATION FORM

Please send this completed form by post to Capita Asset Services at Corporate Actions at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal business hours) to Capita Asset Services at Corporate Actions at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 11.00 a.m. (London time) on 9 December 2016.

Box 1 (minimum of
£1,000 and in multiples
of £100 thereafter)

£

The Directors may, with the prior approval of N+1 Singer, alter such date and thereby shorten or lengthen the offer period. In the event that the offer period is altered, the Company will notify investors of such change.

Important: Before completing this form, you should read the Prospectus dated 24 November 2016 (the “**Prospectus**”) and the Terms and Conditions of the Offer for Subscription set out in this document and accompanying notes to this form.

To: RM Secured Direct Lending plc and the Receiving Agent

1. APPLICATION

I/We the person(s) detailed in section 2A below offer to subscribe the amount shown in Box 1 for Shares subject to the Terms and Conditions of the Offer for Subscription set out in the Prospectus and subject to the articles of association of the Company in force from time-to-time.

2A. DETAILS OF HOLDER(S) IN WHOSE NAME(S) SHARES WILL BE ISSUED

(BLOCK CAPITALS)

1:

Mr, Mrs, Ms or Title:

Forenames (in full):

Surname/Company name:

Address (in full):

Postcode:

Designation (if any):

2:

Mr, Mrs, Ms or Title:

Forenames (in full):

Surname/Company name:

Address (in full):

Postcode:

Designation (if any):

3:	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:

Address (in full):

	Postcode:
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Designation (if any):

4:	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:

Address (in full):

	Postcode:
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Designation (if any):

2B. CREST ACCOUNT DETAILS INTO WHICH SHARES ARE TO BE DEPOSITED (IF APPLICABLE)

Only complete this section if Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in Section 2A.

(BLOCK CAPITALS)

CREST Participant ID:					
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CREST Member Account ID:							
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3. SIGNATURE(S): ALL HOLDERS MUCH SIGN

By completing the signature/execution boxes below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part 10 of the Prospectus (Terms and Conditions of Application under the Offer for Subscription) and to have given the warranties, representations and undertakings set out therein.

Signature by an individual (or joint individual applicants)

First Applicant Signature:	Date:
Second Applicant Signature:	Date:
Third Applicant Signature:	Date:
Fourth Applicant Signature:	Date:

Execution by a company

Executed by (Name of company):		Date:
Name of Director:		Date:
Signature:		
Name of Director/Secretary:		Date:
Signature:		
If you are affixing a company seal, please mark a cross		Affix Company Seal here:

4. CHEQUES/BANKER'S DRAFT DETAILS

Pin or staple to this form your cheque or banker's draft for the exact amount shown in Box 1 made payable to Capita Registrars Limited RE: RM Secured Direct Lending plc – Offer for Subscription A/C. Cheques and banker's payments must be drawn in Sterling on an account at a bank branch in the United Kingdom and must bear a United Kingdom bank sort code number in the top right hand corner. If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp.

5. RELIABLE INTRODUCER DECLARATION

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 6 of this form.

The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the "**firm**") which is itself subject in its own country to operation of 'know your customer' and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom.

DECLARATION:**CONFIRMATION OF VERIFICATION OF IDENTITY****PRIVATE INDIVIDUAL*****INTRODUCTION BY AN FCA-REGULATED FIRM*****1. DETAILS OF INDIVIDUAL (see explanatory notes below)**

Full name of Customer		
Current Address		Previous address if individual has changed address in the last three months
Date of Birth		

2. CONFIRMATION**I/we confirm that:**

- (a) the information in section 1 above was obtained by me/us in relation to the customer;
- (b) the evidence I/we have obtained to verify the identity of the customer: *[tick only one]*

meets the standard evidence set out within the guidance for the UK Financial Sector issued by JMLSG; or	
exceeds the standard evidence (written details of the further verification evidence taken are attached to this confirmation).	

Signed:	
Name:	
Position:	
Date:	

3. DETAILS OF INTRODUCING FIRM (OR SOLE TRADER)

Full Name of Regulated Firm (or sole Trader):	
FCA Reference Number:	

Explanatory notes

1. A separate confirmation must be completed for each customer (e.g. joint holders, trustee cases and joint life cases). Where a third party is involved, e.g. a payer of contributions who is different from the customer, the identity of that person must also be verified, and a confirmation provided.
2. This form cannot be used to verify the identity of any customer that falls into one of the following categories:
 - those who are exempt from verification as being an existing client of the introducing firm prior to the introduction of the requirement for such verification;
 - those who have been subject to Simplified Due Diligence under the Money Laundering Regulations; or
 - those whose identity has been verified using the source of funds as evidence.

CONFIRMATION OF VERIFICATION OF IDENTITY
CORPORATE AND OTHER NON-PERSONAL ENTITY
INTRODUCTION BY AN FCA-REGULATED FIRM

1. DETAILS OF CUSTOMER (see explanatory notes below)

Full name of customer	
Type of entity (corporate, trust, etc)	
Location of business (full operating address)	
Registered office in country of incorporation	
Registered number, if any (or appropriate)	
Relevant company registry or regulated market listing authority	
Names* of directors (or equivalent)	
Names* of principal beneficial owners (over 25%)	

*And dates of birth, if known

2. CONFIRMATION

I/we confirm that:

- (a) the information in section 1 above was obtained by me/us in relation to the customer;
(b) the evidence I/we have obtained to verify the identity of the customer: *[tick only one]*

meets the guidance for standard evidence set out within the guidance for the UK Financial Sector issued by JMLSG; or	
exceeds the standard evidence (written details of the further verification evidence taken are attached to this confirmation).	

Signed:	
Name:	
Position:	
Date:	

3. DETAILS OF INTRODUCING FIRM (OR SOLE TRADER)

Full Name of Regulated Firm (or sole Trader):	
FCA Reference Number:	

Explanatory notes

1. "Relevant company registry" includes other registers, such as those maintained by charity commissions (or equivalent) or chambers of commerce.
2. This form cannot be used to verify the identity of any customer that falls into one of the following categories:
 - those who are exempt from verification as being an existing client of the introducing firm prior to the introduction of the requirement for such verification;
 - those who have been subject to Simplified Due Diligence under the Money Laundering Regulations; or
 - those whose identity has been verified using the source of funds as evidence.

6. IDENTITY INFORMATION

If the declaration in section 5 cannot be signed and the value of your application is greater than €15,000 (or the Sterling equivalent), please enclose with that Application Form the documents mentioned below, as appropriate. Please also tick the relevant box to indicate which documents you have enclosed, all of which will be returned by the Receiving Agent to the first named Applicant.

In accordance with internationally recognised standards for the prevention of money laundering, the documents and information set out below must be provided:

Holders				Payor

Tick here for documents provided

A. For each holder being an individual enclose:

- (1) an original or a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and
- (2) an original or certified copies of at least two of the following documents no more than 3 months old which purport to confirm that the address given in section 2A is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill – a recent bank statement – a council rates bill – or similar document issued by a recognised authority; and
- (3) if none of the above documents show their date and place of birth, enclose a note of such information; and
- (4) details of the name and address of their personal bankers from which the Receiving Agent may request a reference, if necessary.

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B. For each holder being a company (a “holder company”) enclose:

- (1) a certified copy of the certificate of incorporation of the holder company; and
- (2) the name and address of the holder company's principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (3) a statement as to the nature of the holder company's business, signed by a director; and
- (4) a list of the names and residential addresses of each director of the holder company; and
- (5) for each director provide documents and information similar to that mentioned in A above; and
- (6) a copy of the authorised signatory list for the holder company; and

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C. If the payor is not a holder and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:

- | | | | | | | |
|---|--|--|--|--|--|--|
| (1) if the payor is a person, for that person the documents mentioned in A(1) to (4); or | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td></tr></table> | | | | | |
| | | | | | | |
| (2) if the payor is a company, for that company the documents mentioned in B(1) to (7); and | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td></tr></table> | | | | | |
| | | | | | | |
| (3) an explanation of the relationship between the payor and the holder(s). | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td></tr></table> | | | | | |
| | | | | | | |

The Receiving Agent reserves the right to ask for additional documents and information.

7. CONTACT DETAILS

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in section 5, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:	E-mail address:
Contact address:	
	Postcode:
Telephone No:	Fax No:

Tax Residency Self-Certification Form (Individuals)**Instructions for completion**

The law requires RM Secured Direct Lending plc ("the Company") to collect, retain and report certain information about their shareholders, including their tax residence.

Please complete the form above and provide any additional information requested.

If your declared country/countries of residence for tax purposes is not the same as that of the Financial Institution and is either the US or is on the OECD list of countries which have agreed to exchange information (<http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>), the Financial Institution will be obliged to share this information with its local tax authority who may then share it with other relevant local tax authorities.

Failure to validly complete and return this form will result in you being reported onwards to the relevant local tax authority. Additionally, if this form has been issued in conjunction with an application for a new holding, then your application may be adversely impacted.

Definitions of terms used in this form can be found below.

If your address (or name) has changed from that shown on the form, then you must advise us separately. Any details you enter in the "Tax Residence Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Company with a new, updated, self-certification form within 30 days of such change in circumstances.

JOINT HOLDERS (IF RELEVANT)

All joint holders are treated as separate holders for these tax purposes and every joint holder is required to give an Individual Tax Residency Self-Certification. If any one or more is reportable, the value of the whole shareholding will be reported for all joint shareholder(s).

If we do not receive the self-certification from each joint shareholder, then the whole holding will be treated as undocumented and all holders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.

Tax Residency Self-Certification Form (Individuals)

Name of Company in which shares are held:	RM Secured Direct Lending plc		
Part 1 – Identification of Individual Shareholder <i>A separate form is required for each holder</i>			
Name of Holder:			
Address of Holder:			
A. Please provide your Tax Residence Address – If different from above			
Address: <i>Include your Postal or ZIP Code & Country:</i>			
B. Date of Birth * <i>(DD/MM/YYYY)</i>			
Part 2 – Country/Countries of Residence for Tax Purposes			
Country of residence for tax purposes	Tax Identification Number <i>In the UK this would be your NI number</i>		
1 *	1 *		
2	2		
3	3		
4	4		
Part 2b – US Person Please mark the box ONLY if you are a US Person (see Definitions) ☐			
Part 3 – Declarations and Signature			
I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information. I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances. I certify that I am the shareholder (or am authorised to sign for the shareholder). If this relates to a joint holding: I also acknowledge that as a joint holder I may be reported to the relevant tax authority if all the other holders do not provide a Tax Residency Self-Certification. I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.			
Signature: *			
Print Name: *			
Date: *			
Daytime telephone number/email address			

*If signing under a power of attorney, please also attach a certified copy of the power of attorney.
We will only contact you if there is a question around the completion of the self-certification form.*

** Mandatory field*

DEFINITIONS

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("The Common Reporting Standard") <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/> contains definitions for the terms used within it. However, the following definitions are for general guidance only to help you in completing this form.

"Account Holder"

The Account Holder is either the person(s) whose name(s) appears on the share register of a Financial Institution. Or where Capita holds the shares on your behalf, the person whose name appears on the register of entitlement that Capita maintains.

"Country/Countries of residence for tax purposes"

You are required to list the country or countries in which you are resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a **tax identification number (TIN)**. Special circumstances (such as studying abroad, working overseas, or extended travel) may cause you to be resident elsewhere or resident in more than one country at the same time (dual residency). The country/countries in which you might be obliged to submit a tax return are likely to be your country/countries of tax residence. If you are a US citizen or hold a US passport or green card, you will also be considered tax resident in the US even if you live outside the US.

"Tax Identification Number or TIN"

The number used to identify the shareholder in the country of residence for tax purposes.

Different countries (or jurisdictions) have different terminology for this and could include such as a National Insurance number, social security number or resident registration number. Some jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents.

"US Person"

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.
- You are a 'tax resident' of the United States. You can become a tax resident under two rules: 1) The 'substantial presence test'. This is a 'day count test' and based on the number of days you are in the US over a three year period and 2) The 'green card' test. A person who has obtained a 'green card' has been granted the right to lawful permanent residence in the United States.

If you have any questions about these definitions or require further details about how to complete this form then please contact your tax adviser.

NOTHING IN THIS DOCUMENT CAN BE CONSIDERED TO BE TAX ADVICE.

QUESTIONS & ANSWERS

Why are you writing to me and asking for a "Tax Residency Self Certification"?

The governments of more than 70 countries around the world have agreed to exchange tax related information. These governments have passed similar sets of laws to enable the Automatic Exchange of Information ("AEOI"). The full list of countries involved can be seen at: www.oecd.org/tax/transparency/AEOI-commitments.pdf

Additionally, the United States has over 100 similar agreements with many countries referred to as the 'Foreign Account Tax Compliance Act'.

The legislation can vary slightly from jurisdiction to jurisdiction, but at a high level, it requires Financial Institutions to:

- Identify existing Holders that may be resident (for tax purposes) in other participating jurisdictions. Then contact any such Holders and request that they complete a “Tax Residency Self Certification” form.
- Obtain a “Tax Residency Self Certification” form for all new Holders.
- Identify holders who move from one jurisdiction to another and request that they complete a “Tax Residency Self Certification” form.
- Identify Holders who have payments sent to a different jurisdiction.
- Submit a return to the Financial Institution’s “local” tax authority on an annual basis. As an example for a company incorporated in the UK, then the local tax authority would be HM Revenue & Customs (HMRC).

The “local” tax authority will pass information onto the tax authority in the relevant jurisdiction. As an example the tax authority in the US is the Inland Revenue Service (“IRS”), so HMRC will exchange information with IRS.

Where can I find out more information about the legislation?

The legislation is quite complex and you may wish to speak to your tax adviser.

The web site of your local tax authority will contain more information e.g. HMRC for the UK; the IRS for the US; Jersey Income Tax Department for Jersey, etc.

Additionally, the web site of The Organisation for Economic Co-operation and Development (OECD) gives further information.

What happens if I do not complete the form?

In the annual report that the Financial Institution sends to their local tax authority you will be shown as ‘Undocumented’.

The local tax authority will collate the responses from all of its financial institutions and pass that information onto the relevant local tax authority for the jurisdictions identified.

Capita is not able to comment on what action the tax authority for the jurisdiction will take.

What if I am a Tax Resident in 2 or more countries?

The self-certification form allows for up to 4 tax residencies to be recorded.

I do not pay tax or I do not know which country I am tax resident in

Please refer to your local tax authority or tax adviser.

I do not have a tax identification number

Please refer to your local tax authority or tax adviser.

Note that different countries call their tax identification numbers using alternative terminology. As an example in the UK it would be a National Insurance number.

I have already completed a W8 or W9 form. Do I still need to complete a “Tax Residency Self Certification”?

Yes. The US legislation governing W8/W9 forms overlaps with US FATCA legislation.

What is classed as my Tax Residence Address?

Please refer to your local tax authority or tax adviser.

In addition, you may wish to consider: Where you are a citizen with a passport; Your residential home address in a country and unrestricted right of entry back into that country once you depart.

Joint Holders

When there are multiple holders on an account, then every joint holder must complete a Tax Residency Self Certification and every joint holder will receive a letter in their own right. The letter will be sent to the registered address recorded for the holding.

Joint holders are treated as separate holders for these tax purposes. If any one of the joint holders is reportable, the value of the whole shareholding will be reported for all of the joint shareholder(s).

If we do not receive a validly completed self-certification for each joint shareholder, the whole shareholding will be treated as “undocumented” and all shareholders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

Can I use the Self Certification Form to change the registered address?

No. If your address has changed, then you must advise Capita Asset Services separately.

A change of address form can be downloaded from: <http://www.capitaassetservices.com/services/uk-shareholder-information>. Any details you enter in the “Tax Residence Address” will be used for tax purposes only and will not be used to update your registered details.

Can I use the Self Certification Form to advise of a Change of Name?

No. You must advise Capita Asset Services separately.

For more information, see <http://www.capitaassetservices.com/services/uk-shareholder-information>

Can I use the Self Certification Form to advise of the death of a holder, or registration of a power of Attorney?

No. You must advise Capita Asset Services separately.

How do I contact Capita Asset Services, to advise of a change of address or any other changes to my account?

Share Holder Portal: www.capitashareportal.com

Telephone: +44 (0) 371 664 0300

Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

Address: The Registry
34 Beckenham Road
Beckenham, Kent, BR3 4TU

I would like future dividends paid into a different bank account

Contact Capita Asset Services.

I have given a different address for tax purposes; will the registered address of my shareholding be altered?

No. The details on the Self Certification form are for tax purposes only. If you want to alter any of the registered details relating to your investment then you need to inform Capita Asset Services.

I have recently sold all of the shares, do I still need to complete a Self-Certification form?

Yes. Your account will be reportable in the current year, but will cease to be reportable in subsequent years.

Forgotten Username

Your username is shown in the letter accompanying these FAQs. If you cannot find your username, contact us at: crs-fatca@capita.co.uk

Please state which company you hold shares in and your investor reference (IVC).

Forgotten Password

Password re-set is available on the web site. If you are experiencing difficulties, please contact us at: crs-fatca@capita.co.uk

Where do I send the completed Self-Certification form?

Once completed, you can either email a scanned copy to: crs-fatca@capita.co.uk

Or post the form to:

CRS-FATCA TEAM
RE: Project Rolo
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU
United Kingdom

Tax Residency Self-Certification (Corporates)**Instructions for completion**

The law requires RM Secured Direct Lending plc ("the Company") to collect, retain and report certain information about their shareholders, including their tax residence. For this purpose, the shareholder (hereafter called the organisation) is the organisation whose name appears on the share register and may not necessarily be the same as the underlying person or organisation who is entitled to dividends or the sale proceeds of the shares, for example where shares are held by a nominee. For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders:

<https://www.gov.uk/government/publications/exchange-of-information-account-holders>

- To enable the Company to comply with its obligation to report to the local tax authority, which may then share it with other tax authorities, your organisation is required to provide complete and accurate information on this form. It must provide details of any natural person(s) who is the controlling person(s) of the organisation.
- Please validly complete the sections below as directed and provide any additional information requested.
- If you do not have all the information about the controlling person(s) then please complete as much information as possible (including at least a current mailing address) and we may contact the controlling person(s) direct.

Failure to complete this form will result in your organisation or controlling persons being reported to the relevant tax authority as undocumented.

- Definitions of terms used in this form can be found in the Notes.
- **If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.**

Please note:

If your address (or name) has changed from that shown on the form, then you must advise us separately. Any details you enter in the "Tax Residency Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Company with a new, updated, self-certification form within 30 days of such change in circumstances.

Tax Residency Self-Certification Form (Corporates)

Name of Company in which shares are held:	RM Secured Direct Lending plc
Full Name of Holder (and Designation if any):	
Address of Holder:	

Part 1 – Identification of Organisation

1A. Please provide the Registered Office address (if different from above)	
House Name/Number:	
Street/Road:	
Town/City Name:	
County:	
Country:	
Postal or ZIP Code:	

1B. Tax Residence	
Please specify the jurisdiction(s) in which your Organisation is resident for tax purposes and give the Tax Identification Number.	
Country of residence for tax purposes	Tax Identification Number (see Definition)
1	1
2	2
3	3
4	4
Please note that if your organisation is a branch you should consider and complete this for the branch and not the legal entity.	

Part 2 – Entity Type

Please provide the organisation's status by ticking ONE box from (a) to (g) below:	
(a) Financial Institution – Investment entity	
(i) An investment entity located in a Non-Participating Jurisdiction and managed by another Financial Institution; (if ticking this box, then please also complete Part 3 below)	☐
(ii) Other investment entity (this includes non-reporting Financial Entities)	☐
(b) Financial Institution – Other Depository Institution, Custodial Institution or Specified Insurance Company	☐
(c) Active NFE – corporation that is publicly traded or a related entity of a publicly traded corporation	☐
(d) Active NFE – an International Organisation	☐
(e) Active NFE – Governmental entity including Central Bank	☐
(f) Active NFE – Other than (c)-(e)	☐
(g) Passive NFE (Note: if ticking this box please complete Part 3 below)	☐

Part 3 – Controlling Persons of Organisation

If you have ticked boxes 2(a)(i) or 2(g) above, also complete the following table for each Controlling Person. If there are no natural person(s) who exercise control of the organisation then the Controlling Person will be the natural person(s) who hold the position of senior managing official (see the definition of Controlling Person in the Notes).		
Name:		
Residential Address:		
Date of birth: (dd/mm/yyyy)		
Country(ies) of tax residence	TIN (Please complete for each jurisdiction of tax residence)	Please mark the box ONLY if you are a US Person (see definition)
1	1	☐
2	2	☐
3	3	☐
4	4	☐

Name:		
Residential Address:		
Date of birth: (dd/mm/yyyy)		
Country(ies) of tax residence	TIN (Please complete for each jurisdiction of tax residence)	Please mark the box ONLY if you are a US Person (see definition)
1	1	☐
2	2	☐
3	3	☐
4	4	☐

Name:		
Residential Address:		
Date of birth: (dd/mm/yyyy)		
Country(ies) of tax residence	TIN (Please complete for each jurisdiction of tax residence)	Please mark the box ONLY if you are a US Person (see definition)
1	1	☐
2	2	☐
3	3	☐
4	4	☐

Name:		
Residential Address:		
Date of birth: (dd/mm/yyyy)		
Country(ies) of tax residence	TIN (Please complete for each jurisdiction of tax residence)	Please mark the box ONLY if you are a US Person (see definition)
1	1	☐
2	2	☐
3	3	☐
4	4	☐

Part 3A – Controlling person types

You must select one number from the table below for each Controlling Person to indicate the type of Controlling Person.

CP Type	✓	Description of Controlling Person
801		CP of legal person – ownership
802		CP of legal person – other means
803		CP of legal person – senior managing official
804		CP of legal arrangement – trust – settlor
805		CP of legal arrangement – trust – trustee
806		CP of legal arrangement – trust – protector
807		CP of legal arrangement – trust – beneficiary
808		CP of legal arrangement – trust – other
809		CP of legal arrangement – other – settlor-equivalent
810		CP of legal arrangement – other – trustee-equivalent
811		CP of legal arrangement – other – protector-equivalent
812		CP of legal arrangement – other – beneficiary-equivalent
813		CP of legal arrangement – other – other-equivalent

Part 4 – Declarations and Signature

I acknowledge that the information contained in this form and information regarding the Organisation and its shareholding may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which the Organisation may be tax resident where those countries have entered into Agreements to exchange financial account information.

I undertake to provide the Company with a suitably updated self-certification within 30 days of any change in circumstances, including changes to the circumstances of any Controlling Person, which causes the information contained herein to become incorrect.

I confirm that I have completed the attached details of Controlling Persons section which forms an integral part of this Declaration and have let the relevant people know that The Company may be writing directly to them in the near future seeking further information which they are obliged to provide.

I certify that I am authorised to sign for the shareholder to which this form relates.

I declare that all statements made in this self-certification (including the details of Controlling Persons section) are, to the best of my knowledge and belief, correct and complete.

Print Name:			
Signature:			
Capacity in which signing:			
Date:		*Daytime telephone number	

* We will only make contact with you by phone if there is a question around the completion of the self-certification form.

Once completed, you can either email a scanned copy to: crs-fatca@capita.co.uk. Or post the form to:

CRS-FATCA TEAM
RE: Project Rolo
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Notes – Definitions

These definitions are from the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“The Common Reporting Standard” or “CRS”) <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/>

If you have any questions about these definitions or require further detail then please contact your tax adviser. NOTHING IN THIS DOCUMENT CAN BE CONSIDERED TO BE TAX ADVICE.

“Active NFE”

Any one or more of the following:

- a) less than 50% of the NFE's gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50% of the assets held by the NFE during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income;
- b) the stock of the NFE is regularly traded on an established securities market or the NFE is a Related Entity of an Entity the stock of which is regularly traded on an established securities market;
- c) the NFE is a Governmental Entity, an International Organisation, a Central Bank, or an Entity wholly owned by one or more of the foregoing;
- d) substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an Entity does not qualify for this status if the Entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
- e) the NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFE does not qualify for this exception after the date that is 24 months after the date of the initial organisation of the NFE;
- f) the NFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of a Financial Institution;
- g) the NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution; or
- h) the NFE meets all of the following requirements:
 - i. it is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;
 - ii. it is exempt from income tax in its jurisdiction of residence;
 - iii. it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
 - iv. the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a

private person or non-charitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and

- v. the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisation, or escheat to the government of the NFE's jurisdiction of residence or any political subdivision

“Controlling Persons”

The term “controlling person” means a natural person who exercises control over an entity. This definition shall be interpreted in a manner consistent with the Financial Action Task Force Recommendations (as adopted in February 2012). In the case of a company, this includes such a person owning, directly or indirectly, 25% or more of the shares of the company. Where those natural persons meet the definition of a controlling person, including ownership through one or more intermediate companies, they should be included in the list of controlling persons provided. If the company official completing the controlling person's details cannot provide complete and accurate details they should attempt to obtain them, or state that fact and subsequently the [insert FI's name] or its agent will write requesting them.

In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other person exercising ultimate effective control over the trust. In the case of a legal arrangement other than a trust, such term means person in equivalent or similar positions.

“Control”

“Control” over an Entity is generally exercised by the natural person(s) who ultimately has a controlling ownership interest in the Entity. Where no natural person(s) exercises control through ownership interests, the Controlling Person(s) of the Entity will be the natural person(s) who exercises control of the Entity through other means.

Where no natural person(s) is identified as exercising control of the Entity, the Controlling Person(s) of the Entity will be the natural person(s) who holds the position of senior managing official.

In the case of a trust, the Controlling Person means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, or any other natural person(s) exercising ultimate effective control over the trust (including through a chain of control or ownership). The settlor(s), the trustee(s), the protector(s) (if any), and the beneficiary(ies) or class(es) of beneficiaries, must always be treated as Controlling Persons of a trust, regardless of whether or not any of them exercises control over the activities of the trust. In the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions.

“Country/Countries of residence for tax purposes”

The organisation is required to list the country or countries in which it is resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a tax identification number (TIN).

“Custodial Institution”

The term “Custodial Institution” means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others. An Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity's gross income attributable to the holding of Financial Assets and related financial services equals or exceeds 20% of the Entity's gross income during the shorter of: (i) the three-year period that ends on 31 December

(or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or (ii) the period during which the Entity has been in existence.

“Depository Institution”

The term “Depository Institution” means any Entity that accepts deposits in the ordinary course of a banking or similar business.

“Entity”

The term “Entity” means a legal person or a legal arrangement, such as a corporation organisation, partnership, trust or foundation.

“Financial Institution”

The term “Financial Institution” means a “Custodial Institution”, a “Depository Institution”, an “Investment Entity”, or a “Specified Insurance Company”.

“Investment Entity”

- a) The term “Investment Entity” means any Entity: That primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:
- i. Trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;
 - ii. Individual and collective portfolio management; or
 - iii. Otherwise investing, administering, or managing Financial Assets or money on behalf of other persons; or
- b) If the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described above the gross income of the Entity is primarily attributable to investing, reinvesting, or trading in Financial Assets.

An Entity is treated as primarily conducting as a business one or more of the activities described above, or an Entity’s gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the Entity’s gross income attributable to the relevant activities equals or exceeds 50% of the Entity’s gross income during the shorter of: (i) the three-year period ending on 31 December of the year preceding the year in which the determination is made; or (ii) the period during which the Entity has been in existence. The term “Investment Entity” does not include an Entity that is an Active NFE because it meets any of the criteria in subparagraphs (d) through (g) of the definition of Active NFE. This paragraph shall be interpreted in a manner consistent with similar language set forth in the definition of “financial institution” in the Financial Action Task Force Recommendations.

“NFE”

Means any Entity that is not a Financial Institution

“Participating CRS jurisdiction”

For a list of Participating CRS jurisdictions, visit the OECD’s dedicated website for the CRS at: <http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>

“Passive NFE”

A “Passive NFE” means any NFE that is not an Active NFE.

“Related Entity”

An entity is a Related Entity of another entity if either entity controls the other entity, or two entities are under common control. For this purpose control includes direct or indirect ownership of more than 50 per cent of the vote and value in an entity.

“Reportable Jurisdiction”

A Reportable Jurisdiction is a jurisdiction with which an obligation to provide financial account information is in place.

“Specified Insurance Company”

The term “Specified Insurance Company” means any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a cash value insurance contract or an annuity contract.

“Tax Identification Number”

The number used to identify the shareholder in the country of residence for tax purposes. This could be the unique taxpayer reference number or company registration number or code. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents. Depending on the country or jurisdiction these can include functional equivalent references such as a national insurance number, social security number or resident registration number. Some jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions.

“US PERSON”

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.
- You are a ‘tax resident’ of the United States. You can become a tax resident under two rules: 1) The ‘substantial presence test’. This is a ‘day count test and based on the number of days you are in the US over a three year period and 2) The ‘green card’ test.
- A person who has obtained a ‘green card’ has been granted the right to lawful permanent residence in the United States.

