THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to immediately seek your own independent advice from a person duly authorised under the Financial Services and Markets Act 2000 (or, if you are a person outside of the United Kingdom, otherwise duly qualified in your jurisdiction), who specialises in advising on the acquisition of shares and other securities.

This document is an admission document required by the rules of the AIM Market of the London Stock Exchange plc ("**AIM**") and has been drawn up in accordance with the AIM Rules for Companies. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of the UK Financial Services and Markets Act 2000 (as amended) ("**FSMA**") and is not required to be issued as a prospectus pursuant to section 85 of FSMA. This document does not comprise a prospectus for the purposes of the Prospectus Rules issued by the Financial Conduct Authority. Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH and on the Company's website www.weisskoreaopportunityfund.com from the date of this document until one month from the date of Admission except that this document will not be available to residents in, and should not be forwarded or transmitted into, any jurisdiction where doing so may constitute a violation of local securities law.

The Company and the Directors of the Company, whose names appear on page 9 of this document (the "**document**"), accept responsibility both individually and collectively for all the information contained in this document including responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (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.

Application has been made for the Ordinary Shares issued and to be issued pursuant to the Placing to be admitted to trading on AIM. **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority (the "Official List"). The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.**

It is expected that Admission will take place, and dealings in the Ordinary Shares will commence on AIM, on 14 May 2013.

Your attention is drawn in particular to the section entitled "Risk Factors" in Part I of this document.

Weiss Korea Opportunity Fund Ltd.

(a closed-ended investment scheme incorporated and registered in Guernsey with limited liability under the Companies (Guernsey) Law, 2008, as amended with registered number 56535)

Placing of up to 105,000,000 ordinary shares of no par value at £1.00 per share

Admission to trading on AIM

Financial Adviser, Nominated Adviser and Broker

Nplus1 Singer Advisory LLP

The Company is a Registered Closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (the "**Commission**"). The Commission, in granting registration, has not reviewed this document but has relied upon specific warranties provided by the Administrator, the Company's designated manager.

A registered collective investment scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

The Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Nplus1 Singer Advisory LLP ("**N+1 Singer**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as the Company's nominated adviser and broker in connection with the Placing and Admission. N+1 Singer's responsibilities as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any person in respect of his decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by N+1 Singer as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). N+1 Singer will not be offering advice and will not otherwise be responsible to anyone other than the Company for providing customer protections to recipients of this document in respect of the Placing or any acquisition of Ordinary Shares in the Company. In particular (i) the provision of this document to any person is not a personal recommendation of any investment to which this document relates; and (ii) N+1 Singer is not required to assess the suitability of any investment to which this document relates or any transaction or arrangement referred to in this document and no such person will benefit from the protection of the rules assessing suitability in relation thereto.

If you are in any doubt about the contents of this document you should consult your accountant, legal or professional adviser or financial adviser.

NOTICE TO PERSONS LOCATED OUTSIDE THE UNITED KINGDOM

The Ordinary Shares are being offered and sold outside the United States in reliance on Regulation S and, subject to certain exceptions, may not be offered, sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, within, into or in the United States unless in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

Subject to certain exceptions, this document does not constitute an offer of the Ordinary Shares to any person with a registered address, or who is resident or located, in the United States or any persons with addresses in Australia, the Republic of Ireland, the Republic of South Africa, Canada or Japan (including their territories, possessions and all areas subject to their jurisdiction) or any other country outside the United Kingdom where its distribution would require compliance by the Company with any governmental or regulatory procedure or any similar formalities including, without limitation, any obligation to prepare and file a prospectus, registration statement or similar document, to register with any regulatory authority or any obligation regarding ongoing reporting requirements. The Ordinary Shares have not been, and will not be, registered or qualified under the relevant laws of any state, province or territory of the United States, Australia, the Republic of Ireland, the Republic of South Africa, Canada or Japan and may not be offered, sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, into, in or within the United States, Australia, the Republic of Ireland, the Republic of South Africa, Canada or Japan except pursuant to an applicable exemption from, or in a transaction not subject to, the registration or qualification requirements of such jurisdiction. There will be no public offer in the United States or Canada.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE, NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE, CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

IMPORTANT INFORMATION

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this document and wishing to make an application for Ordinary Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representation in connection with the contents of 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. 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.

Without limiting the foregoing, this document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, the Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The Ordinary Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**") or under the securities laws of any state or other jurisdiction of the United States nor will a prospectus or similar document be filed under the applicable laws of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan and, subject to certain exceptions, may not be offered, sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, within, into or in the United States or in or to any national, resident or citizen of Canada,

Australia, the Republic of South Africa, the Republic of Ireland or Japan. There will be no public offer in the United States or Canada.

This document should not, subject to certain exceptions, be distributed, published, reproduced or otherwise made available in whole, or in part, or disclosed by recipients to any other person and, in particular, should not, subject to certain exceptions, be distributed to persons with addresses in Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or the United States or in any other country outside the United Kingdom where such distribution may lead to a breach of any law or regulatory requirements.

The Ordinary Shares are being offered or sold only: (a) outside the United States in offshore transactions within the meaning of, and in accordance with, the safe harbour from the registration requirements provided by Regulation S; and (b) within, into or in the United States to persons reasonably believed to be Accredited Investors solely in private placement transactions not involving any public offering in reliance on the exemption from the registration requirements of Section 5 of the US Securities Act provided by Section 4(2) under the US Securities Act or another applicable exemption thereunder. In the event of the sale of Ordinary Shares within, into or in the United States as set forth in clause (b), the Company will require a representation letter from the acquirer representing that it is an Accredited Investor. No action has been taken by the Company or by N+1 Singer that would permit a public offer of securities in the Company or possession or distribution of this document where action for that purpose is required. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. As explained below, N+1 Singer is advising the Company only in relation to the offer and sale of securities in the United Kingdom.

Neither the issue of this document, nor any part of its contents, is to be taken as any form of commitment on the part of the Company to proceed with any transaction, and the right is reserved to terminate any discussions or negotiations with any prospective investors.

This document should not be considered as the giving of investment advice by the Company, N+1 Singer, or any of their respective shareholders, directors, officers, agents, employees or advisers. Each party to whom this document is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions, and each recipient should satisfy itself in relation to such matters. It should be remembered that the price of securities and the income from them can go down as well as up.

The distribution of this document and the offering of the Ordinary Shares in certain jurisdictions may be restricted. Persons into whose possession this document comes are required by the Company to inform themselves about and to observe any such restrictions. Prospective investors in the Ordinary Shares should inform themselves as to the legal requirements applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile. N+1 Singer has no involvement or responsibility, and shall have no liability, with respect to any offer or sale of securities outside the United Kingdom.

No representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences from an investment in the Ordinary Shares. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this document as legal or tax advice. Each investor should consult his own counsel and accountant for advice concerning the various legal, tax and economic considerations relating to his investment. Each prospective investor is responsible for the fees of his own counsel, accountants and other advisers.

No person has been authorised to give any information or to make any representations, other than those which will be contained in this document, in connection with the investment in the Ordinary Shares, and, if given or made, such information or representations must not be relied on. Neither the delivery of this document nor the issue of this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof.

This document is only being sent to persons reasonably believed by the Company to be investment professionals or to persons to whom it may otherwise be lawful to distribute it.

Prospective investors should inform themselves as to: (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary 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 the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

The following statements are required to be made under applicable regulations of the U.S. Commodity Futures Trading Commission ("**CFTC**"). As the Company is a collective investment vehicle that may make transactions in commodity interests, the Company is considered to be a "commodity pool" and the Board and the Investment Manager are the commodity pool operators ("**CPOs**").

Pursuant to CFTC Rule 4.13(a)(3), the Directors and the Investment Manager are exempt from registration with the CFTC as a commodity pool operator with respect to the Company. Therefore, unlike a registered CPO, the Directors and the Investment Manager are not required to deliver a disclosure document and a certified annual report to a shareholder in the Company. The Directors and the Investment Manager qualify for such exemption based on the following criteria: (i) the interests in the Company are exempt from registration under the US Securities Act and are offered and sold without marketing to the public in the United States; (ii) the Company meets the trading limitations of either CFTC Rule 4.13(a)(3)(ii)(A) or (B); (iii) the CPOs reasonably believe, at the time each U.S. Person investor makes his investment in the Company (or at the time the CPO began to rely on Rule 4.13(a)(3)), that each U.S. Person investor in the Company is (a) an "accredited investor," as defined in Rule 501(a) of Regulation D under the US Securities Act, (b) a trust that is not an accredited investor but that was formed by an accredited investor for the benefit of a family member, (c) a "knowledgeable employee," as defined in Rule 3c-5 under the US Investment Company Act of 1940, or (d) a "qualified eligible person," as defined in CFTC Rule 4.7(a)(2)(viii)(A); and (iv) shares in the Company are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets.

FOR THE ATTENTION OF UNITED KINGDOM RESIDENTS

No approved prospectus relating to the matters in this document has been made available to the public in the UK, and, accordingly, the Ordinary Shares may not be, and will not be, offered in the United Kingdom except in circumstances which would not result in there being an offer to the public in the United Kingdom within the meaning of section 102B of FSMA.

This document has not been approved by an authorised person pursuant to section 21 of FSMA and, accordingly, is only being distributed (in accordance with the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**")) in the United Kingdom to persons who fall within Article 19 of the Order (investment professionals) or otherwise to persons to whom this document may lawfully be communicated.

This document and its contents are directed only at persons having professional experience in matters relating to investments and any investment or investment activity to which this document relates is only available to such persons. Persons of any other description, including those who do not have professional experience in matters relating to investments, should not rely on this document or act upon its content and should return it immediately to the Company.

If any person is in any doubt about the investment to which this document relates he should consult a person authorised under FSMA who specialises in advising on investments of this kind.

By accepting this document, the recipient represents and warrants that (i) it is a person to whom this document may be so delivered without contravening the financial promotion prohibition in section 21 of FSMA; (ii) it has read, agrees to and will comply with the contents of this notice; and (iii) it will conduct its own analyses or other verification of the information set out in this document and will bear the responsibility for all or any costs incurred in doing so.

N+1 Singer is advising the Company in relation to the issue of the Ordinary Shares in the United Kingdom and will not provide any advice to any other person in relation to the issue of the Ordinary Shares or any transaction or arrangement referred to in this document. Accordingly, recipients should note that N+1 Singer is neither advising nor treating as a client any other person and will not be responsible to anyone other than the Company for providing the protections afforded to clients of N+1 Singer nor for providing advice in relation to the proposals contained in this document. In particular (i) the provision of this document by N+1 Singer to any person is not a personal recommendation of any investment to which this document relates; and (ii) N+1 Singer is not required to assess the suitability of any investment to which this document relates or any transaction or arrangement referred to in this document, and no relevant person will benefit from the protection of the rules on assessing suitability in relation thereto.

FOR THE ATTENTION OF EUROPEAN ECONOMIC AREA RESIDENTS

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state) with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the "**relevant implementation date**"), an offer of the Ordinary Shares described in this document may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the Ordinary Shares 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, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time to any legal entity that is authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43 million; and (3) an annual net turnover of more than €50 million, as shown in its last annual or consolidated accounts; or in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospective Directive.

Each purchaser of the Ordinary Shares described in this document located within a relevant member state 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 any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Placing and the Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state. No purchaser of the Ordinary Shares other than N+1 Singer is authorised to make any further offer of the Ordinary Shares on behalf of any other person.

FOR THE ATTENTION OF INVESTORS IN GUERNSEY

A registered collective investment scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

NOTICE TO INVESTORS IN THE UNITED STATES

This document may be distributed in the United States by the Company only to persons that the Company reasonably believes are "Accredited Investors", as defined in Regulation D of the US Securities Act. Any person receiving this document that is not an Accredited Investor should return this document to the Company.

The Ordinary Shares, this document and any other documents distributed in relation to the Placing have not been approved or disapproved by the US Securities and Exchange Commission, any state securities

commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

The Ordinary Shares have not been, and will not be, registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, within, into or in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Company has not been, and will not be, registered under the US Investment Company Act of 1940, as amended (the "**1940 Act**"), and investors will not be entitled to the benefits of such registration. Pursuant to an exemption from registration under the 1940 Act, the Company may make a private placement of the Ordinary Shares to a limited number or category of US Persons. The Ordinary Shares are being offered or sold only: (a) outside the United States in offshore transactions within the meaning of, and in accordance with, the safe harbour from the registration requirements provided by Regulation S; and (b) within, into or in the United States to persons reasonably believed to be Accredited Investors solely in private placement transactions not involving any public offering in reliance on the exemption from the registration requirements of Section 5 of the US Securities Act provided by Section 4(2) under the US Securities Act or another applicable exemption thereunder. In the event of the sale of Ordinary Shares within, into or in the United States as set forth in clause (b), the Company will require a representation letter from the acquirer representing that it is an Accredited Investor.

Each investor of Ordinary Shares in the Placing that is offered outside the United States in reliance on Regulation S (and each subsequent investor in the Ordinary Shares) will be deemed to have represented and agreed that (i) the investor is acquiring the Ordinary Shares in an "offshore transaction" as defined in Regulation S; and (ii) the Ordinary Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

Each potential investor of Ordinary Shares in the Placing that is within the United States, prior to any such transaction, will be required to execute a US investor's letter, and deliver such letter to N+1 Singer and the Company. The US investor's letter will require such potential investor to represent and agree that, among other things, (i) it is an Accredited Investor; (ii) that the Ordinary Shares have not been offered to it by means of any "general advertising" or "general solicitation" as such terms are defined in Regulation D; (iii) that it is acquiring the Ordinary Shares as principal for its own account and not with a view to or for distributing or reselling such Ordinary Shares or any portion thereof; and (iv) it will only offer, sell, transfer, assign, pledge or otherwise dispose of the Ordinary Shares purchased in the Placing in an offshore transaction complying with the provisions of Regulation S (including, for the avoidance of doubt, a *bona fide* sale on AIM) and in compliance with applicable securities laws. Such transferor will notify any subsequent transferee or executing broker, as applicable, of the restrictions that are applicable to the Ordinary Shares being sold.

Any Ordinary Shares sold during the Placing will be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act. As such, the Ordinary Shares may not, for US securities law purposes, generally be transferred except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Company shall have the right to request an opinion of counsel from the transferor in form, and from counsel, acceptable to the Company and its counsel that such registration is not required in the case of an exempt sale.

In addition, until 40 days after the commencement of the Placing, an offer, sale or transfer of the Ordinary Shares within the US by a dealer (whether or not participating in the Placing) may violate the registration requirements of the US Securities Act.

INVESTORS' RELIANCE ON US FEDERAL TAX ADVICE IN THIS DOCUMENT

THE DISCUSSION CONTAINED IN THIS DOCUMENT AS TO US FEDERAL TAX CONSIDERATIONS IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES. SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THIS DOCUMENT. EACH TAXPAYER SHOULD SEEK US FEDERAL TAX ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements. These relate to the Company's future prospects, developments and strategies. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "might", "may", "will", "envisage", "estimate", "intend", "plan", "target", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These statements are primarily contained in Parts 1, 2, 3 and 4 of this document. The forward-looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

No undertaking, representation, warranty or other assurance, expressed or implied, is made or given by or on behalf of the Company, N+1 Singer, or any of their respective directors, officers, partners, employees, agents or advisers or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this document, and no responsibility or liability is accepted by any of them for any such information or opinions. Notwithstanding the aforesaid, nothing in this paragraph shall exclude liability for any undertaking, representation, warranty or other assurance made fraudulently.

There is no guarantee that the investment strategy described herein will meet the Company's investment objectives or be profitable.

CONTENTS

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PLACING STATISTICS

Placing Price	£1.00
Number of Ordinary Shares being issued pursuant to the Placing*	105,000,000
Initial Net Asset Value per Ordinary Share*	£0.98
Estimated expenses of the Placing payable by the Company*	£2.1 million
Estimated net proceeds of the Placing receivable by the Company*	£102.9 million
Market capitalisation at the Placing Price*	£105 million

**Assuming the Placing is subscribed in full*

EXPECTED TIMETABLE

	2013
Opening of the Placing	2 May
Publication of this document and latest time and date for receipt of commitments under the Placing	8 May
Admission to trading on AIM and commencement of dealings	14 May
CREST stock accounts credited (as applicable)	14 May
Definitive share certificates despatched (as applicable)	Week commencing 27 May

Each of the times and dates in the above timetable is subject to change. All references to times in this document are to London times unless otherwise stated.

SUMMARY

THE FOLLOWING INFORMATION IS EXTRACTED FROM, AND SHOULD BE READ AS AN INTRODUCTION TO, THE ADMISSION DOCUMENT. THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY AND SHOULD BE READ IN CONJUNCTION WITH THE MORE DETAILED INFORMATION APPEARING ELSEWHERE IN THIS DOCUMENT.

Any investment decision relating to the Placing should be based on the consideration of this document as a whole.

The Company

Weiss Korea Opportunity Fund Ltd. is a company incorporated on 12 April 2013 and registered in Guernsey with company number 56535.

Investment Objective

The Company's investment objective is to provide Shareholders with an attractive return on their investment predominantly through long-term capital appreciation. The Company intends to return to Shareholders dividends received on an annual basis.

Investment Policy

The Company will be geographically focused on South Korean companies, specifically, the Company intends to invest primarily in listed preferred shares issued by companies incorporated in South Korea, which in many cases are currently trading at a discount to the corresponding common shares of the same companies. The Investment Manager intends to assemble a portfolio of Korean preferred shares that it believes are undervalued and could appreciate based on criteria it selects. Some of the considerations that will affect the Investment Manager's choice of securities to buy and sell may include the discount at which a preferred share is trading relative to its respective common shares, its dividend yield, its liquidity and its common shares weighting (if any) in the Korea Index, among other factors. Not all of these factors will necessarily be satisfied for particular investments. The Investment Manager will not generally make decisions based on corporate fundamentals or its view of the commercial prospects of the issuer. Preferred shares will be selected by the Investment Manager at its sole discretion subject to the overall control of the Board.

The Company will invest primarily in Korean preferred shares, but it may invest some portion of its assets in other securities, including exchange-traded funds, futures contracts and other types of options, swaps and derivatives related to Korean equities, as well cash and cash equivalents. The Company will not have any concentration limits.

Once fully invested, the Company's assets are currently expected to be denominated principally in Won. It should be noted that despite this, dividends will be paid to Shareholders in sterling. The Company does not currently intend to engage in hedging activities, or to make use of leverage to fund investments, but reserves the right to do so in the future.

With the exception of any cash or cash equivalent balances, the Company generally intends to restrict its investment activities geographically to South Korean companies and other securities and instruments referencing Korean companies or indices of Korean companies. However, the Investment Manager currently envisages that the percentage weight of any Korean preferred share in the Portfolio will not exceed the weight of its corresponding common share on the Korea Index by more than 15 per cent. Thus, the Investment Manager does not currently expect that any preferred share issued by a company not in the Korea Index would exceed 15 per cent. of the Portfolio. The Company may vary the policies and guidelines regarding concentration from time to time.

Investment Manager

Weiss Asset Management LP, a Delaware limited partnership formed on 10 June 2003, has been appointed by the Company as Investment Manager and will be responsible for the management of the Company's assets pursuant to the Investment Management Agreement. The Investment Manager is registered as an investment adviser with the SEC.

The Investment Manager serves as the investment manager to two private investment funds: Brookdale International Partners, LP and Brookdale Global Opportunity Fund, which are managed as side-by-side funds with diversified investment strategies and approximately £700 million of assets under management as of 31 December 2012, including investments in more than £30 million of Korean preferred shares (which includes notional swap exposure). Dr. Andrew Weiss, who controls the Investment Manager, has been managing Brookdale International Partners, LP and its predecessors for over 20 years.

Weiss Asset Management LP was founded by Dr. Andrew M. Weiss, who received his Ph.D. in Economics from Stanford University, was elected a fellow of the Econometric Society in 1989, and is currently Professor Emeritus of Economics at Boston University.

The Investment Manager is principally owned by Dr. Weiss and certain members of the Investment Manager's senior management team. Dr. Weiss has more than 20 years of experience investing professionally. Dr. Weiss and the senior management team have significant investment management experience, particularly with securities trading at discounts to their fundamental value.

Distribution Policy

Subject to the satisfaction of the solvency test provided for in the Law and to the terms of the Articles, the Directors may from time to time, as they see fit, pay such dividends on Ordinary Shares (and, if applicable, Realisation Shares) as appear to the Directors to be justified. The Company intends to return to Shareholders dividends received on an annual basis. The Company intends to re-invest non-dividend distributions from the Portfolio as well as the proceeds from the sale of any securities held by the Company.

Investment Opportunity

The Investment Manager believes that an attractive investment opportunity exists in Korean preferred shares as a result, in part, of the following factors:

- many Korean preferred shares are currently trading at significant discounts to their respective common shares;
- as a result, the preferred shares' price-to-earnings ratios are substantially lower and the dividend yields are higher than their respective common shares; and
- at current discounts, the distribution of potential returns for preferred shares is highly asymmetric relative to common share returns.

The Investment Manager believes that investment in certain Korean preferred shares is compelling because they trade at a discount to, and are higher yielding than, their respective common shares. The Investment Manager also currently believes that the Korean market is an attractive market for investment generally.

Realisation Opportunity

Subject to the terms set out in this document, the Company will offer all Shareholders the right to elect to realise the value of their Ordinary Shares, less applicable costs and expenses, on or prior to the fourth anniversary of Admission. It is anticipated that not less than 56 days before the Realisation Date, the Company will contact Shareholders providing information concerning their right to elect for Realisation and setting out details of the Realisation. Any Realisation will be subject to all relevant laws and regulations. Shareholders may elect to realise all or part of their holdings of Ordinary Shares by electing for Realisation with effect from the fourth anniversary of Admission. Subject to the aggregate Net Asset Value of the continuing Ordinary Shares at the close of business on the last Business Day before the Realisation Date

being not less than £50 million, the Ordinary Shares held by the Shareholders who have elected for Realisation will be redesignated as Realisation Shares and the Portfolio will be split into two separate and distinct Pools namely the Continuation Pool (comprising the assets attributable to the continuing Ordinary Shares) and the Realisation Pool (comprising the assets attributable to the Realisation Shares). With effect from the Realisation Date, the assets in the Realisation Pool will be managed in accordance with an orderly realisation programme with the aim of making progressive returns of cash, as soon as practicable, to those Shareholders who have elected to receive Realisation Shares. Ordinary Shares held by Shareholders who do not submit a valid and complete election in accordance with the Articles during the Election Period will remain Ordinary Shares.

The precise mechanism for any return of cash to Shareholders who have elected to realise their Ordinary Shares will depend upon the relevant factors prevailing at the time and will be at the discretion of the Board, but may include a combination of capital distributions, share repurchases and redemptions, but the objective will be to return all net proceeds contained in the Realisation Pool.

Unless it has already been determined that the Company will be wound-up, every two years after the Realisation Date, the Directors will propose further realisation opportunities for Shareholders who have not previously elected to realise their Ordinary Shares using a similar mechanism to that described above.

If the mean Weighted Average Discount (being one minus the quotient of (Net Asset Value divided by the Look-Through Net Asset Value (being a hypothetical measure used to calculate the Weighted Average Discount; the methodology is similar to that used to calculate Net Asset Value, except that the market price per share of a corresponding Korean common share is substituted for the market price per share of each Korean preferred share)), expressed as a percentage) on the Portfolio is less than 25 per cent. over any 90 day period, then the Directors shall propose an ordinary resolution for the winding up of the Company. For these purposes the mean is a simple unweighted average.

If one or more Realisation Elections are duly made and the Net Asset Value of the continuing Ordinary Shares at the close of business on the last Business Day before the Reorganisation Date is less than £50 million, the Directors may propose an ordinary resolution for the winding up of the Company and may pursue a liquidation of the Company instead of splitting the Portfolio into the Continuation Pool and the Realisation Pool.

Share Buybacks

The Directors have general shareholder authority to purchase in the market up to 40 per cent. of the Ordinary Shares in issue from time to time following Admission. The Directors intend to seek annual renewal of this authority from Shareholders at each annual general meeting of the Company.

Pursuant to this authority, and subject to the Law and the discretion of the Directors, the Company may repurchase Ordinary Shares in the market on an ongoing basis at a discount to Net Asset Value with a view to increasing the Net Asset Value per Ordinary Share and assisting in controlling the discount to Net Asset Value per Ordinary Share in relation to the price at which such Ordinary Shares may be trading.

Purchases by the Company will be made only at prices below the estimated prevailing Net Asset Value per Ordinary Share based on the last published Net Asset Value but taking account of movements in investments, stock markets and currencies, in consultation with the Investment Manager and at prices where the Directors believe such purchases will result in an increase in the Net Asset Value per Ordinary Share of the remaining Ordinary Shares. The Directors will consider repurchasing Ordinary Shares when the price per Ordinary Share plus the pro forma cost to the Company per share repurchased is less than 95 per cent. of the Net Asset Value per Ordinary Share. The pro forma cost per share should include any brokerage commission payable and costs of realising portfolio securities to fund the purchase. The Directors may, at their discretion, also consider repurchasing Ordinary Shares at a smaller discount to Net Asset Value per Ordinary Share, provided that such purchase would be accretive to Net Asset Value per Ordinary Share for any continuing Shareholders.

Purchases of Ordinary Shares will be made in accordance with any guidelines established from time to time by the Board and the timing of any such purchases will be decided by the Board. Shares purchased by the Company may be cancelled or held in treasury.

Such purchases of Ordinary Shares may be made only in accordance with the Law and the AIM Rules at the relevant time, and will be subject to the Company satisfying the solvency test required by the Law. Shareholders should note that the exercise of the Company's powers to repurchase Ordinary Shares is entirely discretionary and Shareholders should place no expectation or reliance on the Directors exercising such discretion on one or more occasions.

Risk Factors

Potential investors should consider carefully the risk factors set out in Part I of this document, together with all the other information set out in this document, and their own circumstances, before deciding to invest in the Company.

In addition, the following risk factors should be noted:

AIFM Directive

The AIFM Directive entered into force on 21 July 2011. European member states are required to implement the AIFM Directive into local member state law by 22 July 2013. The AIFM Directive seeks to regulate managers (in this section "**AIFMs**") of alternative investment funds (in this section "**AIFs**") which are marketed or managed in the EU. AIFs, such as the Company, may, subject to satisfying certain requirements, obtain authorisation as an internally managed AIF or appoint a third party manager, such as the Investment Manager, to act as its AIFM.

In order to obtain such authorisation, and to be able to manage the AIF, the AIFM will need to comply with various obligations prescribed under the AIFM Directive. Although it is too early to be definitive as to the impact of the AIFM Directive, it seems likely that the AIFM Directive will result in additional burdens being placed on the Investment Manager and the Company which may create significant additional compliance costs for the Company.

The AIFM Directive may require the Investment Manager to seek authorisation under that directive to manage the Company and for Guernsey, as the jurisdiction of establishment of the Company, to meet certain requirements. If the Investment Manager were to fail to, or to be unable to, obtain such authorisation or if Guernsey were not to meet such requirements, the Investment Manager may be unable to continue to manage the Company or its ability to manage the Company or market the Ordinary Shares may be impaired.

Under the Investment Management Agreement the Investment Manager may terminate its appointment immediately if it determines that as a result of the AIFM Directive it would be required to comply with onerous obligations including an obligation imposing remuneration restrictions or disclosures on it. If the Company were to cause the Investment Manager to so comply (for example by marketing its shares in the EU) on such termination, the Investment Manager would be entitled to up to two years management fee.

Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that impair the ability of the Investment Manager to manage the investments of the Company, or limit the Company's ability to market future issuances of its Ordinary Shares, may materially and adversely affect the Company's ability to carry out its investment strategy and achieve its investment objective.

EU member states may impose stricter rules on the Company's AIFM in respect of the marketing of Ordinary Shares, as the Company is a non-EU AIF. However, there is no indication at the date of the publication of this document that the UK authorities intend to impose stricter rules.

AIFMs managing non-EU AIFs may need to comply with all provisions of the AIFM Directive from 21 July 2014 at the latest, including the requirement to appoint an independent depositary whose responsibility goes beyond that of the Custodian.

The AIFM Directive may also restrict the Company's ability to market its Ordinary Shares which may reduce the take-up of the Ordinary Shares.

The Board and the Company's advisers will continue to monitor the progress and likely implications of the AIFM Directive.

Termination of the Investment Management Agreement

The Investment Management Agreement may be terminated on 12 months' notice, such notice not to expire prior to the fourth anniversary of Admission and may only otherwise be terminated in limited circumstances, for example, where the other party has gone into liquidation, administration or receivership, has committed a material breach or continuing breach of the Investment Management Agreement or if the Company materially amends its investment policy or investment restrictions (save for any change requested to realise the assets of the Company) without the prior written consent of the Investment Manager. The retention of the services of the Investment Manager cannot be guaranteed and there can be no assurance that if for any reason the Investment Management Agreement was terminated the Company would be able to find a suitable replacement investment manager. Accordingly, the loss of the services of the Investment Manager may have a material adverse effect on the future of the Company's business.

PART I

RISK FACTORS

In addition to the other relevant information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a professional adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

The Directors believe the risks set out below to be the most significant for potential investors. The risks listed, however, do not necessarily comprise all those associated with an investment in the Company and are not intended to be presented in any assumed order of priority. In particular, the Company's performance may be materially adversely affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates or intends to operate as well as overall global financial conditions. In such cases, the market price of the Ordinary Shares could decline due to any of these risks and investors could lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company.

Investment suitable for financially sophisticated or professionally advised investors only

An investment in the Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to investment, and who have sufficient resources to be able to bear any losses which may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio.

The Ordinary Shares may not be a suitable investment for all people receiving this document. Before making any investment, potential investors should consult an investment adviser, authorised by the FCA who specialises in advising on the acquisition of quoted securities.

Higher risk in shares quoted on AIM than those quoted on the Official List

Following Admission, assuming it occurs, the Ordinary Shares will be admitted to AIM. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List of the UK Listing Authority. The rules of AIM are less demanding than those of the Official List. Further, the London Stock Exchange has not itself examined or approved the contents of this document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

The market price of such shares may not reflect the underlying value of the Company's net assets

The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets. The price at which investors may dispose of their Ordinary Shares will be influenced by a number of factors, some of which will be outside the Company's control. On any disposal Shareholders may realise less than the original amount invested. Stock markets have also from time to time experienced extreme price and volume fluctuations, which have affected the market prices of securities and which have been unrelated to the operating performance of the companies affected. These broad market fluctuations, as well as general economic and political conditions, could adversely affect the market price of the Ordinary Shares.

Volatility of the value of the Ordinary Shares may result in investors failing to recover their original investment and/or the value of the underlying assets

Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment. In addition, the price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. These factors could include the performance of the Company's investments, large market purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory or taxation changes and general economic and political conditions. The value of the Ordinary Shares may therefore fluctuate and may not reflect their underlying asset value.

Market risk could significantly affect the Net Asset Value

The Company is exposed to market risk. Market risk is risk associated with changes in, among other things, market prices of investments or foreign exchange or interest rates and there are certain general market conditions in which the Company's investment strategy is unlikely to be profitable. The Investment Manager has no ability to control or predict such market conditions. Multiple markets could move together against the Company's investments, which could result in significant losses for the Company, which would have a material adverse effect on the performance of the Company and returns to Shareholders.

General economic and market conditions, such as currency and interest rate fluctuations, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international conflicts or political circumstances, as well as natural circumstances, may affect the price level, volatility and liquidity of securities, which could result in significant losses for the Company, which would have a material adverse effect on the performance of the Company and returns to Shareholders.

The market value of the Ordinary Shares can fluctuate; returns are reliant upon the performance of the underlying investments in which the Company's assets are invested or exposed to

Prospective investors should regard an investment in the Ordinary Shares as long-term in nature and they may not recover the full amount initially invested or any at all.

The performance of the Ordinary Shares depends on the Investment Manager's ability to make and realise investments in accordance with the Company's investment objective. In particular, investment returns over the short term may be adversely affected in the event that the Investment Manager is unable to invest the full proceeds of the Placing or any other cash available to the Company in suitable investments and may be materially lower than the long-term investment objectives of the Company.

If the actual expenses payable by the Company exceed the estimates outlined in this document then the return to Shareholders may be adversely affected.

The market price of the Ordinary Shares could be negatively affected by the sale of substantial amounts of shares in the public markets

The Company may undertake a public or private offering of Ordinary Shares. There can be no assurance as to what effect, if any, future sales of Ordinary Shares will have on the market price of the Ordinary Shares. If the Company were to issue and sell a substantial number of Ordinary Shares in the public market, the market price of the Ordinary Shares could be adversely affected. The sale of a significant amount of Ordinary Shares in the public market, or the perception that such sales may occur, could materially affect the market price of the Ordinary Shares.

Risks associated with investing in South Korea

General South Korean risk

The majority of the Company's assets will be invested in South Korea. As a result, the Company may be adversely affected by political, economic, social, legal and regulatory risks specific to South Korea, including, but not limited to, inadequate investor protection and rules pertaining to foreign investors. The

market capitalisation and trading volume of issuers in South Korean securities markets – particularly preferred shares – are concentrated in a small number of issuers, which results in potentially fewer investment opportunities for the Company. The South Korean government has historically exercised substantial influence over many aspects of the private sector, which could adversely affect the Company. South Korea's economy differs from the economies of more developed countries in many respects, such as rate of growth, inflation, capital reinvestment, resource self-sufficiency, financial system stability, the national balance of payments position and sensitivity to changes in global trade. South Korea is highly dependent upon and may be affected by developments in the United States, the United Kingdom, Europe and other Asian economies.

Potential escalation in tensions with North Korea

South Korea may be adversely affected by political, military, economic and other factors related to North Korea, including the possibility of war. Relations between South Korea and North Korea have been tense throughout South Korea's modern history. The level of tension between the two countries has fluctuated and is currently high; the tension may increase abruptly as a result of current and future events. In recent years, there have been heightened security concerns stemming from North Korea's nuclear weapon and long-range missile programs and increased uncertainty regarding North Korea's actions and possible responses from the international community. There can be no assurance that the level of tension on the Korean peninsula will not continue to escalate in the future. Any further increase in tension, rhetoric or actual war would likely have a material adverse effect on the Korean stock market and the Company's assets.

South Korean equity market risk

As the Investment Manager does not currently intend to hedge the Company's investments, the value of the Company's assets will likely fluctuate as the Korean stock market fluctuates. South Korean equity market indices could decline, perhaps severely, over short or long time periods. Such a decline would likely adversely affect the value of the Company's assets. The laws and rules protecting investors in South Korea are not as developed as in many other markets and may not adequately protect the Company against fraud and other misdeeds by issuers.

Korean preferred share portfolio concentration

Korean preferred shares are concentrated with a small number of issuers, which could result in significant industry, company and other concentrated risks. The market capitalisation and trading volume of issuers in Korean securities markets, particularly preferred shares, are concentrated in a small number of issuers, which results in potentially fewer investment opportunities for the Company than the Korean equity market as a whole. For example, as at 29 March 2013, Samsung Electronics Co., Ltd.'s weighting in the Korea Index was 22.71 per cent. of the Korea Index. The Company's investments will likely be concentrated in a small number of issuers and may not be diversified as a result. The Company may also have a significant proportion of its assets invested in multiple preferred share classes related to the same issuer. As a result, the Company is likely to have a high degree of portfolio concentration. Investors should be aware that the risk of investing in the Company could be greater than the risk of investing in an entity that is more diversified.

Currency risks

The Company intends to purchase South Korean securities denominated in local currency: the Korean Won. Dividends will be received in Korean Won. Accordingly, fluctuations in the exchange rate between the Won and the pound sterling will affect, among other things, the pound sterling value of dividends and the pound sterling price of the Company's underlying assets in the secondary trading market. The value of the Won may increase or decrease against the value of the pound sterling. While the Company is permitted to hedge currency risks, the Investment Manager does not currently anticipate that it will do so. Additionally, South Korea may utilise formal or informal currency-exchange controls or capital controls. Currency-exchange or capital controls may impose restrictions on the Company's ability to repatriate investments or income. Any such controls may also affect the value of the Company's holdings.

Legal and regulatory risks in South Korea

The terms of Korean preferred shares are governed by the Korean Commercial Code, the issuer's articles of incorporation and other applicable laws and documents. Potential changes to existing legal or regulatory practices could adversely affect the holders of Korean preferred shares. Korean preferred shares could also be adversely affected by potential corporate reorganisations, capital structure changes and other corporate actions. There is also the possibility that issuing companies will violate the legal rights of preferred shareholders and that recourse will be difficult or impossible to achieve. The Company may incur significant legal costs in the process of defending its rights as an owner of its portfolio securities. In addition, it is possible that issuers or Korean courts may interpret the governing documents of the Company's portfolio of securities differently than the Investment Manager has interpreted them. Any of these events could have an adverse effect on the Company's assets.

Tax risk

South Korea currently levies withholding tax on distributions from Korean companies paid to foreign investors. South Korea may increase this tax rate or levy other taxes on foreign investors in the future. Furthermore, the tax regimes applying in the United Kingdom, Guernsey or Korea may change, thereby affecting the Company's tax treatment in these jurisdictions and could result in the United Kingdom, Guernsey or Korea levying taxes on the Company. These potential events could adversely affect the Company. For further information, please refer to Part V of this document.

The individual tax treatment of Shareholders will be determined by their jurisdictions and could result in varying consequences for different investors. Shareholders should take their own tax advice as to the consequences of owning Ordinary Shares in the Company as well as receiving returns from it. In particular, Shareholders should be aware that ownership of shares in the Company can be treated in different ways in different jurisdictions.

Requirement to obtain an investment registration certificate from the Korean authorities

The Company will apply for an investment registration certificate from the Korean authorities. In general, this certificate is required for all foreign investors seeking to invest directly in listed shares in South Korea. The Company expects to obtain its certificate prior to the date of Admission, but there is a risk that the Company may be delayed in obtaining its certificate or may not be able to obtain a certificate at all. In such circumstances, the Company would not be able to directly acquire any listed Korean securities.

Requirement to appoint a "standing proxy"

All foreign investors seeking to invest in listed shares in South Korea are required, in general, to appoint a "standing proxy" (i.e., a qualified institution including, among others, securities brokerage company, Korea Securities Depository, bank and foreign depository that can act as the agent of the foreign investor) to, among other things, exercise any voting rights that the foreign investor is entitled to. Any delay or failure to appoint standing proxy may negatively affect Company's ability to exercise its rights as a shareholder for the shares that it holds.

Risks associated with investing in Korean preferred shares

Potential widening of discounts in Korean preferred shares

Although preferred shares have similarities to common shares of the same issuer, many of them currently trade at a significant discount to the corresponding common shares. The Company will primarily seek to invest in preferred shares trading at a discount to their corresponding common shares. Discounts may increase and result in losses to the Company. Although some South Korean companies' articles of incorporation may provide for conversion to common shares after a certain period, most Korean preferred shares are perpetual securities, having no contractual maturity. Therefore, they may continue to trade at a discount to common shares indefinitely.

Korean preferred shares do not generally have voting rights

Korean preferred shares do not generally have voting rights, except in certain limited circumstances. Accordingly, preferred shareholders are not generally entitled to vote on the election of directors, changes to articles of incorporation or other matters, except under limited circumstances. The lack of voting rights in the Company's underlying securities could result in losses to the Company. In addition, in certain circumstances, the Company may not be able to vote or may fail to vote and this may result in losses to the Company as a result of any voting rights not being utilised.

Korean preferred shares may not have a preference right in liquidation or bankruptcy

Although the securities are known as "preferred shares", they may not have any preferential claim on the assets of the issuer in liquidation. Often, the only preference enjoyed by the holders of the shares is a right to a slightly higher dividend per share than the common shares, assuming dividends are paid on common shares.

Liquidity risk in Korean preferred shares

Korean preferred shares generally have smaller market capitalisations and lower levels of liquidity than their common share counterparts. These factors, among others, may result in more volatile price changes in the Company's assets as compared to the Korean stock market or other more liquid asset classes. This volatility could cause the price of the Net Asset Value to go up or down dramatically. In order to realise its investments, the Company will likely need to sell its holdings in the secondary market. The liquidity of the market may vary materially over time. There can be no guarantee that a liquid market for the Company's underlying assets will exist or that the Company's underlying assets can be sold at prices similar to the net asset value at the time. Illiquidity could also make it difficult or costly for the Company to purchase securities and this could result in the Company holding more cash than anticipated. Furthermore, it is possible that South Korea could impose currency-exchange or capital controls on foreign investors, making it difficult or impossible for the Company to repatriate funds.

Risk that any Korean preferred share could be de-listed

It is possible that some or all of the Company's underlying investments could be de-listed from the relevant market operated by the Korea Exchange. The risk that Korean preferred shares could be de-listed may be significantly higher than for Korean common shares. If the Korean preferred shares held by the Company were to be de-listed before the Company had an opportunity to liquidate its holding in such shares, this could result in the Company holding securities that are not listed and, as such, holding private securities.

Risk to payment of dividends in Korean preferred shares

Dividend payments in Korea are at the discretion of the issuer and may be reduced or not paid at all. If an issuer does not pay any dividends to the holders of common shares in a particular year, then in many circumstances, the preferred shares would not be entitled to any dividend either. Suspension or non-payment of dividends could have an adverse effect on the Company's assets. Moreover, if an issuer returns cash to holders of common shares by some method other than a dividend, such as by repurchasing common shares, then the preferred shares may not be entitled to any payment.

Timing of dividends on Korean preferred shares

There is often a considerable lag in timing between when Korean preferred shares begin to trade ex-dividend and when the actual amount of the dividend is known. For example, it is common for the record date of a dividend distribution to be at the end of December; however, the amount of the dividend may not be announced until January or February and may not be paid until April. Preferred share prices might fall on the ex-dividend date, but only preferred shareholders of record as of the record date would be entitled to the future dividend. In this example, preferred shareholders who had a record date position would not know the exact value of their preferred share (including accrued dividend) between the December ex-dividend date and whenever the amount of the dividend is declared in January or February. The Company's administrator will not account for or accrue dividends in the Net Asset Value of the Company until the amount of the dividends is received. The Net Asset Value published by the Company may be incorrect as a result of this phenomenon.

The Company is newly incorporated and is therefore subject to all of the business risks and uncertainties associated with a new enterprise

The Company was incorporated on 12 April 2013 and has no operating history. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that the Company will not achieve its investment objective and that the value of a Shareholder's investment in the Company could decline substantially or be reduced to nil. There can be no assurance that the Company will be able to achieve its anticipated returns.

No prior trading record for the Ordinary Shares

Since the Ordinary Shares have not previously traded, their market value is uncertain. There can be no assurance how the market will value the Ordinary Shares. Following Admission, the market price of the Ordinary Shares may be volatile and investors may therefore be unable to recover their original investment upon a sale. The Company's results and prospects from time to time may be below the expectations of market analysts.

The Company's holding of non-controlling interests may result in it having limited ability to influence decisions

The Company is expected to hold non-controlling interests in its investments and, therefore, may have a limited ability to influence or negotiate with such issuers or less ability than an investor with a controlling interest in an investment. In addition, Korean preferred shares, in general, do not have the right to vote on many issues that affect the issuing company.

During the initial investment period, the Company's portfolio may lack diversity and have larger cash balances than when it is fully invested

During the initial investment period, the Company may only have a limited number of investments. The Portfolio will not therefore be as diversified as it is expected to be when it is fully invested. The Company's performance could therefore depend on a small number of positions. In addition, the Company may have less equity market exposure and could underperform South Korean markets or other stock indices if it holds cash balances denominated in pound sterling during that period of time.

Further Tax Risks

United Kingdom

The Directors intend to conduct the affairs of the Company such that the Company will not be treated as resident in the United Kingdom for UK tax purposes, or as carrying on a trade in the UK (through a permanent establishment or otherwise). In order to achieve this it is important, in particular, that the Company takes care to ensure that its central management and control is at all times undertaken outside the UK, and that the extent of its activities, including the activities carried out by the Investment Manager, are not such as would constitute management or control or the carrying on of a trade within the UK. If the Company were to be treated as resident in the UK for UK tax purposes, or as trading in the UK (through a permanent establishment or otherwise), it would be subject to UK corporation tax. This may negatively affect the financial and operating results of the Company. The Company will also take care to ensure that it does not unintentionally become resident for tax purposes or be considered to have a permanent establishment or carry on a trade or business in any other jurisdictions. If the Company were treated as resident, or having a permanent establishment, or otherwise being engaged in a trade or business, in any country in which it invests or in which its investments are managed, all of its income or gains, or the part of such gain or income that is attributable to, or effectively connected with, such permanent establishment or trade or business, may be subject to tax in a country, which could have a material adverse effect on the Company's performance and returns to Shareholders.

It is intended that the Company will be an offshore fund which has reporting fund status for the purposes of the UK tax regime for offshore funds. A consequence of reporting fund status is that a Shareholder who is treated as holding Ordinary Shares at the end of a reporting period of the Company is potentially subject to

UK taxation on income received by the Company in that period as though it had been distributed to him/her by the Company even if such income is not so distributed to such Shareholder. Please note that there is, therefore, a risk that Shareholders may be liable to income tax in respect of income that has not been distributed by the Company.

In addition, failure of the Company to qualify as a reporting fund may lead to any disposal (including redemption) by a Shareholder of his/her shares being taxed as income rather than a capital gain. The Administrator and the Investment Manager will review the level of compliance with the requirements imposed by UK tax law which must be fulfilled by a company with reporting fund status.

United States

The Company will be subject to US federal withholding taxes (at a 30 per cent. rate) on payments of certain amounts made to the Company from US sources after 2013 ("**withholdable payments**"), unless it complies (or is deemed compliant) with extensive reporting and withholding requirements. Shareholders will be required to furnish appropriate documentation certifying as to their US or non-US tax status, together with such additional tax information as the Company may from time to time request. Failure to provide requested information may subject a Shareholder to liability for any resulting US withholding taxes, US tax information reporting and/or mandatory redemption of the Shareholder's interest in the Company.

The Company may at any time elect to be classified as a partnership, and avoid being a "publicly traded partnership" that is taxable as a corporation, for US federal tax purposes. In such event, a Shareholder that is subject to US federal income taxation will be required to take into account in computing its federal income tax liability its distributive share of the Company's income, gains, losses, deductions, credits and tax preference items for any taxable year of the Company ending with or within the taxable year of such Shareholder without regard to whether such Shareholder has received or will receive a cash distribution from the Company. Thus, such Shareholders should be aware that an investment in the Company could produce taxable income without the receipt of cash or property.

If the Company elects to be treated as a partnership for US federal income tax purposes, non-US Shareholders will be treated as being engaged in the activities carried on by the Company. The Directors intend to conduct the activities of the Company in a manner that does not cause the Company to be engaged in a US trade or business. If, notwithstanding this intention, the Company were deemed to derive income which is effectively connected with a US trade or business carried on by the Company, if treated as a partnership for US federal income tax purposes, the Company generally would be required to withhold quarterly amounts of tax from the amount of effectively connected taxable income allocable to each non-US Shareholder at the highest rate of tax applicable to US taxpayers. In such event, non-US Shareholders would be taxable on capital gains, as well as other income which is treated as effectively connected with the Company's US trade or business, and generally would be required to file US tax returns. Furthermore, a non-US corporate Shareholder would be subject to an additional branch profits tax at a rate of 30 per cent. (or lower treaty rate for eligible non-US Shareholders).

If the Company elects to be treated as a partnership for US federal income tax purposes, US tax-exempt Shareholders would be required to report their distributive shares of any "unrelated business taxable income" ("**UBTI**") derived by the Company. The Directors currently intend to conduct the activities of the Company in a manner that does not give rise to UBTI, but reserve the right to operate without regard to UBTI consequences at any time in the future.

Both taxable and tax-exempt US Shareholders may be subject to additional US tax reporting requirements by reason of their investment in the Company.

Miscellaneous itemised deductions (including investment expenses) of noncorporate US taxpayers are allowable only to the extent that they exceed 2 per cent. of the taxpayer's adjusted gross income. Accordingly, if the Company is treated as a partnership for US federal income tax purposes, the deduction by such a Shareholder of its distributive share of any investment expenses of the Company (including Management Fees) will be subject to this 2 per cent. limitation.

A US taxpayer's ability to deduct its distributive share of the losses and expenses of the Company, if treated as a partnership for US federal income tax purposes may be limited under one or more other provisions of the US Internal Revenue Code of 1986, as amended (the "**US Code**"). Accordingly, if the Company is treated as a partnership for US federal income tax purposes, there can be no assurance that the Company's losses will produce a tax benefit in the year incurred or that such losses will be available to offset a US taxpayer's share of income in subsequent years.

If treated as a corporation for US federal income tax purposes, the Company is expected to be a "passive foreign investment company" and could possibly be a "controlled foreign corporation". In such event, US taxpayers investing in the Company would be subject to special tax rules designed to prevent deferral of US taxation of their allocable shares of the Company's earnings. Furthermore, regardless of whether the Company is treated as a partnership or a corporation for US federal income tax purposes, US taxpayers could be subject to these anti-deferral regimes by reason of being indirect shareholders of "passive foreign investment companies" or "controlled foreign corporations" if the Company were to invest in non-US corporate entities that are treated as "passive foreign investment companies" or "controlled foreign corporations" for US federal income tax purposes.

Changes in the Company's tax status and changes in tax law and practice could affect the Company

Any change in the Company's tax status, or in taxation legislation or practice in any of Guernsey, the US, Korea or the United Kingdom, could affect the value of the investments held by the Company or the Company's ability to achieve its investment objective or alter the net returns to Shareholders. Statements in this document concerning the taxation of Shareholders are based upon current Guernsey, UK and US tax law and published practice, respectively, which are in principle subject to change (potentially with retrospective effect) that could adversely affect the ability of the Company to meet its investment objective.

The payment of dividends is at the discretion of the Board and there can be no guarantee that dividends will be paid or be paid at the levels estimated in this document

Shareholders should note that payment of any future dividends will be at the discretion of the Board after taking into account various factors, including the Company's operating results, financial condition and current and anticipated cash needs.

There can be no guarantee that the Company will, at all times, satisfy the solvency test required to be satisfied pursuant to section 304 of the Law enabling the Directors to effect the payment of dividends or that, at the relevant time, the Directors will consider the payment of dividends to be in the best interests of the Company.

Dividends will not be paid unless the Company passes certain solvency tests. Further, the Company's profits will generally differ from its cash flow in any given period. In addition, any change in the tax treatment of dividends or interest or other receipts received by the Company (including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Company invests) may reduce the level of dividends received by Shareholders. Moreover, any change in the accounting policies, practices or guidelines relevant to the Company and its investments may reduce or delay the dividends received by investors.

The Company is not subject to the same regulatory regimes as those of some investors and so will be subject to different and, potentially less regulated oversight

The Company does not intend to be registered with or approved by the FCA in the UK. The Company will not be registered as an investment company under the Investment Company Act of 1940 in the United States. Consequently the Company may be subject to less regulatory oversight and fewer investor protections than entities which are registered with such authorities.

Any change in the laws and regulations relating to the Company could have the effect of increasing the expense of running the Company and could have an adverse effect on the value of the Ordinary Shares. New laws or regulations may be introduced which would affect the ability of the Company to operate within its

jurisdiction. The failure to obtain any necessary approvals, licences or registrations may adversely affect the Company's operations and therefore performance.

Disclosure may differ from, and may be less detailed than, the disclosure made by similar companies in the United States

The Company's corporate disclosure may differ from the disclosure made by similar companies in the United States. Publicly available information about the issuers of securities listed on AIM differs from, and in certain respects, is less detailed than the information that is regularly published by or about listed companies in the United States. In addition, regulations governing AIM may not be as extensive in all respects as those in effect on United States markets.

IFRS Financial Statements differ from those prepared under US GAAP

Financial Statements prepared under IFRS differ from those prepared under US GAAP in a number of respects including, but not limited to, revenue recognition, accounting for business combinations and acquisitions of intellectual property and accounting for capital instruments. Potential investors are advised to consult their own professional advisers as to the significance of these differences. In making an investment decision, investors must rely upon their own examination of the Company, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between IFRS and US GAAP, and how those differences might affect the financial information of the Company.

There will be transfer restrictions for Shareholders in the United States

The Ordinary Shares have not been registered in the United States under the US Securities Act or under the other applicable securities laws and are subject to restrictions on transfer contained in such laws. There are additional restrictions on the resale of Ordinary Shares by Shareholders who are in the United States and on the resale of Ordinary Shares by any Shareholders to any person who is in the United States. These restrictions could make it more difficult to resell Ordinary Shares in many instances and this could have an adverse effect on the market value of Ordinary Shares. There can be no assurance that Shareholders in the United States will be able to locate acceptable purchasers or obtain the required certifications to effect a sale.

Limitations on ability of Shareholders located or residing outside of Guernsey to bring actions or enforce judgements against the Company

The ability of Shareholders located or residing outside Guernsey to bring an action against the Company may be limited under law. The Company is a Registered Closed-ended investment company limited by shares and incorporated in Guernsey. The rights of holders of Ordinary Shares are governed by the laws of Guernsey and by the Articles. These rights differ from the rights of shareholders in typical US corporations. A Shareholder located or residing outside Guernsey may not be able to enforce a judgment against some or all of the Directors or other executive officers of the Company.

Any borrowings of the Company together with any refinancing may create greater potential for loss

The Company is not expected to borrow initially to fund investments or for working capital purposes, although it may do so in the future. If borrowing does occur, it is likely that this would be through margin arrangements. Although borrowings may increase investment returns, they may also gear up investment losses in the Company. Borrowings may create greater potential for loss if the Company is unable to service interest repayments, meet any conditions imposed under the terms of such borrowings or refinance its borrowings if necessary on any or similar terms.

Additional Capital

Should the Company require additional funds in order to carry out its investment strategy, there can be no assurance that the Company will be able to raise additional capital which it may require on favourable terms or at all. Any additional capital raising by issuing equity shares may be dilutive to Shareholders, and any debt

financing, if available, may require the Company to be bound by financial covenants that could limit the Company's operations. If the Company is unable to obtain additional funding as needed it may be required to reduce the scope of its operations and it could conceivably default on its obligations, causing it potential losses and liability for damages.

Interest rate risk

If the Company were to enter into financing arrangements where its exposure to floating interest rates was not hedged, or should a counterparty fail, the Company may be subject to interest rate risk and changes in interest rates could have a material adverse effect on the Company's results of operations, financial condition and business prospects.

Guernsey Law and absence of pre-emption rights

The Company is a Registered Closed-ended investment company limited by shares incorporated under the Law. Guernsey law does not make a distinction between private and public companies and some of the protections and safeguards that investors may expect to find in relation to a public company under the Act are not provided for under Guernsey law.

The Company may in the future issue additional Ordinary Shares in subsequent offerings. The Company is not required under the laws of Guernsey or the AIM Rules to offer such Ordinary Shares to existing Shareholders on a pre-emptive basis. Therefore, it may not be possible for existing Shareholders to participate in any future issues of Ordinary Shares, which could dilute the existing Shareholder's interests in the Company.

There is no requirement for Guernsey Registered Closed-ended investment schemes to have their admission documents reviewed by the Commission

The Company is a Registered Closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2008 issued by the Commission. The Commission, in granting registration, has not reviewed this document but has relied upon specific warranties provided by the Administrator, the Company's designated manager. The Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Difficulty of identifying and securing suitable investments

The activity of identifying and securing appropriate investments may be competitive and involve a degree of uncertainty. There can be no assurance that the Investment Manager will be able to identify and secure investments that satisfy the Company's investment objective or that it will be able to fully invest its available capital.

Dependence on Investment Manager in making successful investments and being retained by the Company

Shareholders will be relying on the ability of the Investment Manager to identify the investments to be made by the Company. The Company is therefore dependent on the diligence, skill and network of business contacts of the Investment Manager. For more information please refer to Part III ("Directors, Management and Administration" under the section – "Investment Manager") of this document. Whilst the Company has entered into contractual arrangements with the Investment Manager, the retention of the services of the Investment Manager cannot be guaranteed and there can be no assurance that if for any reason the Investment Management Agreement was terminated the Company would be able to find a suitable replacement investment manager. Accordingly, the loss of the services of the Investment Manager may have a material adverse effect on the future of the Company's business.

The performance of the Ordinary Shares depends on the skills of the Investment Manager in analysing and managing the Company's investments. As a result, investors will be dependent on the financial and managerial experience of certain investment professionals associated with the Investment Manager, none of

whom is under any contractual obligation to the Company to continue to be associated with the Investment Manager. Although Dr. Weiss is supported by an experienced management team, if Dr. Weiss or other senior management cease to be responsible for management of the Investment Manager's portfolio and/or if there is a loss of one or more of the individuals referred to above this could have a material adverse effect on the performance of the Company.

Risks relating to the Investment Manager

The performance of the Company depends on; (i) the ability of the Investment Manager to generate positive returns; and (ii) the Investment Manager's ability to advise on investments in accordance with the investment objective of the Company and to allocate the assets of the Company in an optimal way. Achievement of the investment objective will depend, in part, on the ability of the Investment Manager to provide competent, attentive and efficient services to the Company under the terms of the Investment Management Agreement. There can be no assurance that, over time, the Investment Manager will be able to provide such services or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or avoid investment losses.

Dodd-Frank Wall Street Reform and Consumer Protection Act

With the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**") in the United States, there has been extensive rulemaking and regulatory changes that have affected and will continue to affect private fund managers, the funds that they manage and the financial industry as a whole. Under Dodd-Frank, the SEC has mandated new reporting requirements and is expected to mandate new recordkeeping requirements for investment advisers, which are expected to add costs to the legal, operations and compliance obligations of the Investment Manager and the Company and increase the amount of time that the Investment Manager spends on non-investment related activities. Until the SEC implements all of the new requirements of Dodd-Frank, it is unknown how burdensome such requirements will be. Dodd-Frank will affect a broad range of market participants with whom the Company interacts or may interact, including commercial banks, investment banks, other non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies and broker-dealers. Regulatory changes that will affect other market participants are likely to change the way in which the Investment Manager conducts business with its counterparties. It may take several years to understand the impact of Dodd-Frank on the financial industry as a whole, and therefore, such continued uncertainty may make markets more volatile, and it may be more difficult for the Investment Manager to execute the investment strategy of the Company.

The investment professionals of the Investment Manager will attend to matters unrelated to the investment activities of the Company

The Company currently has no employees or facilities and depends upon the Investment Manager for the day-to-day management and operation of its Portfolio. Additionally, there are no restrictions on the Investment Manager's ability to establish funds or other publicly traded entities that compete with the Company. The Investment Manager currently serves as the investment manager for funds and companies other than the Company.

The Investment Manager has informed the Company that the investment professionals associated with the Investment Manager are actively involved in other investment activities not concerning the Company and will not devote all of their time to the Company's business and affairs. In addition, individuals not currently associated with the Investment Manager may become associated with the Investment Manager and the performance of the investments may also depend on the financial and managerial experience of such individuals.

The Investment Manager's ability to invest the funds may be constrained

The Investment Manager's ability to invest the funds available to the Company, in appropriate investments in line with the Company's investment policy may be constrained by a lack of availability or liquidity of equities in which it would seek to invest or other market-related constraints.

While the Korean preferred securities in which the Company hopes to invest can be identified, there is no assurance that suitable investment opportunities will materialise in sufficient quantity or size to permit the Company to invest any cash raised through the Placing in a timely manner, or at all.

In the event that the Company is unable to invest some of the funds raised in accordance with its stated strategy, some of the funds raised may not be fully invested and remain in cash and as a result, returns to Shareholders may be adversely affected.

Substantial fees payable regardless of profit

The Company will be under an obligation to pay all fees and properly incurred expenses of the Investment Manager, the Administrator, the Custodian and the Registrar (to the extent required under the relevant contractual agreements entered into between the Company and the respective parties). These expenses and fees will be payable regardless of the operating results of the Company. For further information, please see paragraph 7 of Part VI of this document.

Conflicts of interest for the Investment Manager

Many of the Company's key strengths derive from the experience and skills of the principals of the Investment Manager. As well as advising the Company, the Investment Manager and its affiliates and employees and principals (including Dr. Weiss) may engage in other activities, including providing investment management and advisory services to other accounts and clients and may also make direct investments. Conflicts of interest may arise as a result of their acting for the Company and other companies operating or investing in or holding Korean preferred securities.

The Investment Manager and its affiliates are not restricted from forming other investment vehicles, from entering into other management or advisory relationships, or from engaging in other business activities or from generating profits from such activities, even though such activities may be in competition with the Company and may involve substantial time and resources of the Investment Manager or such affiliates. These relationships could create a conflict of interest in that the time and effort of the Investment Manager and its affiliates will not be devoted exclusively to the business of the Company, but will be allotted between the business of the Company and management of monies for such other investment accounts.

Pursuant to the Investment Management Agreement with the Company, the Directors have limited ability, acting on behalf of the Company, to terminate the Investment Management Agreement.

The Investment Manager also serves as the investment manager to Brookdale International Partners, L.P. and to Brookdale Global Opportunity Fund (the "**Existing Funds**"), which have a different fee structure and strategy than that of the Company. The Existing Funds currently have investments in certain Korean securities, including certain Korean preferred shares. The Company may buy or sell some of these same securities in the future, and certain conflicts could emerge as a result. The Company may buy or sell some Korean preferred shares that the Existing Funds do not have exposure to. In addition, the Company is expected to be a long only vehicle whereas the Existing Funds pursue hedged investment strategies. The investment objectives of the Company and Existing Funds may be similar or different at various points in time. As a result, it is possible that the interests of the Company could diverge from and conflict with the interests of the Existing Funds. The Investment Manager may buy, sell, cover or otherwise change the form or substance of any of the Existing Funds' Korean preferred shares at any time and is not under any obligation to notify any party of any such changes. The Investment Manager could also trade in other securities and instruments on behalf of the Existing Funds and such trading activity could be detrimental to the Company, directly or indirectly.

Other conflicts: allocation of investments, cross trades, etc.

From time to time, the Investment Manager may look to purchase the same securities on behalf of the Company and the Existing Funds at the same time. In such case, the Investment Manager will seek to allocate executed trades among the Company and the Existing Funds in a manner it believes is fair and reasonable to the Company and the Existing Funds. In addition, there may be times when the Investment Manager deems

it advisable for the Company to transact in one direction (e.g. buy) when the Existing Funds may be transacting in the other direction (e.g. sell) or *vice versa*. The Investment Manager may determine that in such cases it is advantageous for both the Company and the Existing funds to "cross trade" with each other without the use of a broker. The Investment Manager will only effect a cross trade when it determines that such cross trade is in the best interests of all parties involved. Any cross trade will be effected at an objectively determined price, such as the closing market price.

Limitation of liability and indemnification of the Investment Manager

The Investment Management Agreement provides that the Investment Manager and its respective affiliates, shall be indemnified and held harmless from and against losses and expenses suffered or sustained in connection with the Company and its investments, and the Investment Manager's duties under the Investment Management Agreement, as the case may be, so long as such losses or expenses did not result from fraud, bad faith, gross negligence or wilful misconduct. Therefore, a Shareholder may, through the Company, have a more limited right of action against the Investment Manager than a Shareholder would have had absent these provisions.

Risks of relying on third parties to provide the administrative and management functions

The Directors have all been appointed on a non-executive basis. Whilst the Directors retain overall responsibility for the Company's operations, the day-to-day administrative functions of the Company and management of the Company's assets will be undertaken by the Administrator and the Investment Manager respectively, subject to the overall supervision of the Directors. In particular, the Investment Manager, the Registrar, the Administrator 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, failure 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.

Trading counterparties will also be subject to operational risks, which can arise from inadequate or failed processes, people and systems or from external factors affecting these. The information technology and treasury systems of such counterparties, or their business processes and procedures on which the Company may depend, may not perform as expected. This includes the ability to recover from unanticipated disruptions to their business.

The failure by a service provider to carry out its obligations, the termination of the Company's relationship with any third-party service provider or counterparty, or any delay in appointing a replacement for such service provider or counterparty, could materially disrupt the business of the Company and could have a material adverse effect on the Company's business, growth prospects, revenues, results of operations, financial condition and returns to Shareholders.

Custodian risk; counterparty risk

The Company's assets may be held in one or more accounts maintained for the Company by its custodian bank or brokers, which may be located in various jurisdictions, including emerging market jurisdictions. The brokers (including those acting as sub-custodians) and custodian bank are subject to various laws and regulations in the relevant jurisdictions that are designed to protect their customers in the event of their insolvency. Accordingly, the practical effect of the laws protecting customers in the event of insolvency and their application to the Company's assets may be subject to substantial variations, limitations and uncertainties. For instance, in certain jurisdictions brokers could have title to the Company's assets or not segregate customer assets. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a broker or a clearing corporation, it is impossible further to generalise about the effect of the insolvency of any of them on the Company and its assets. The insolvency of any of local brokers, custodian banks or clearing corporations may result in the loss of all or a substantial portion of the Company's assets or in a significant delay in the Company having access to those assets.

In addition, investments made by the Company in Korea may require the appointment of Korean sub-custodians, some of which may take title to the custodied assets. In such cases, if the sub-custodian becomes insolvent, its clients may simply rank as unsecured creditors of the sub-custodian in foreign insolvency proceedings rather than having a right to reclaim the custodied assets.

Some of the markets in which the Company may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of "exchange–based" markets are subject. This exposes the Company to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem thus causing the Company to suffer a loss. In addition, the Company's exposure may include cash or securities posted to collateral accounts as required margin under swap agreements. Cash may be required to be posted to future exchanges which may cause additional risk to the Company. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Company has concentrated its transactions with a single or small group of counterparties. Counterparties in foreign markets may face increased risks, including the risk of being taken over by the government or becoming bankrupt in countries with limited, if any, rights for creditors. The Company is not restricted from concentrating any or all of its transactions with one counterparty. The Investment Manager's evaluation of the creditworthiness of counterparties may not prove sufficient. The ability of the Company to transact business with any one or number of counterparties and the lack of a sufficient evaluation of the financial capabilities of the Company's counterparties may increase the potential for losses by the Company.

Risks of relying on the third party custodian and sub-custodians

In relying on the third-party custodian, the Company is exposed to the risk that the custodian, or any sub-custodians, fail to comply with their legal and contractual obligations as a result of insolvency or otherwise. The Company is also reliant on a third-party custodian and sub-custodians having sufficient capacity and the technical ability to discharge their contractual obligations to the Company, as applicable. Any failure by the custodian or sub-custodian to comply with its legal or contractual obligations could have a material adverse effect on the Company's business, growth prospects, revenues, results of operations, financial condition and returns to Shareholders.

The service providers to the Company are dependent on information technology systems and back office functions

The Company is dependent on the Investment Manager for investment management services, the Administrator for administrative services as well as back office functions and the Custodian for settlement and custody functions. The Investment Manager depends on information technology systems in order to assess investment opportunities, strategies and markets and to monitor and control risks for the Company. Disruptions to the information technology systems could materially limit the Investment Manager's ability to adequately assess and adjust the investments of the Company, formulate strategies and provide adequate risk control, any of which could harm the performance of the Company, which could have a material adverse effect on returns to Shareholders. Further, failure of the back office functions of the Investment Manager, and/or Administrator to process trades by the Company, as well as the failure of the Custodian and sub-custodians to settle such trades, in a timely fashion could prejudice the investment performance of the Company which could also have a material adverse effect on returns to Shareholders. Whilst the Directors would take action where they become aware of inadequacies in information technology systems or back-office functions, there can be no assurance they will become aware of any such inadequacies or be able to take remedial action so as to avoid any material adverse effect on returns to Shareholders.

Force Majeure

The performance of the Company and the investments which the Company may make may be affected by reason of events such as war, riot or armed conflict (in particular, given current tension in North Korea), radioactive, chemical or biological contamination, pressure waves, environmental occurrences and acts of

terrorism (see below for further information in relation to risks associated with terrorism) which are outside the Company's control.

The Company and its investments may be exposed to the risk of terrorism

There is a risk that the Company, the Company's investments, the Investment Manager or other service providers and counterparties may be directly or indirectly affected by terrorist attacks. More widely, terrorist attacks and ongoing military actions could have significant adverse effects on the world economy and the business of the Company and, in turn, the value of the Ordinary Shares.

Economic recessions and downturns and adverse market conditions may impair the profitability of the Company and the value of its investments, the income available for distribution to investors and may prevent the Company from increasing its investment base

The Company and its portfolio of investments are materially affected by conditions in the global financial markets and economic conditions throughout the world, including interest rates, unemployment, inflation, business and consumer confidence, availability of credit, currency exchange rates and controls, changes in laws, trade flows, terrorism and political uncertainty. These factors are outside the Company's control and may affect the level and volatility of prices, the amount of distributions received from its investments and the liquidity and the value of investments. The Company may be unable to or may choose not to manage its exposure to these conditions and any efforts to manage its exposure may or may not be effective.

Global financial markets have in the past experienced considerable declines in the valuations of securities, an acute contraction in the availability of credit and the failure of a number of leading financial institutions, leading to a significantly diminished availability of credit and an increase in the cost of financing. The Company expects that the lack of credit and declines in valuations of equity and debt securities, should they persist, may place additional negative pressure on the Company's Net Asset Value. If conditions further deteriorate, the Company's business may continue to be negatively affected. The Company is unable to predict when the economic and market conditions may become more favourable. Even if such conditions do improve broadly and significantly over the long-term, adverse conditions in particular sectors may cause the Company's performance to suffer further or limit the Company's opportunities to realise value from its investments or result in decreased revenues, financial losses, credit rating downgrades, difficulty in obtaining access to financing and increased funding costs.

Furthermore, during periods of adverse economic conditions, the Company may have difficulty accessing financial markets, which could make it more difficult or impossible for the Company to obtain funding for additional investments and harm its profitability, Net Asset Value and/or Share price.

Shareholders have no right to have their Ordinary Shares redeemed by the Company (other than on a Reorganisation Date)

The Company has been established as a listed closed-ended vehicle. Accordingly, it is subject to decisions by the Directors to make share repurchases. Shareholders will have no right to have their Ordinary Shares redeemed or repurchased by the Company at any time (other than on a Reorganisation Date). Shareholders wishing to realise their investment in the Ordinary Shares will therefore be required to dispose of their Ordinary Shares through the London Stock Exchange or negotiated transactions with potential purchasers. Accordingly, Shareholders' ability to realise their investment at NAV or at all is in part dependent on the continued existence of a market for the Ordinary Shares.

NAV announcements

The time lag between Korean preferred shares beginning to trade ex-dividend and when the actual dividend is known is likely to result in the NAV being published by the Company being incorrect from time to time. In addition, the announcement of the NAV may be delayed, may contain errors, or the NAV may not be published at all. Any of the aforementioned circumstances could negatively impact on the value of the Ordinary Shares and the future prospects of the Company.

Commodity Pool Operator – "De Minimis Exemption"

While the Company may trade commodity interests (commodity futures contracts, commodity options contracts and/or swaps), including security futures products, the Board and the Investment Manager are exempt from registration with the CFTC as CPOs pursuant to CFTC Rule 4.13(a)(3). Therefore, unlike a registered CPO, the Directors and the Investment Manager are not required to deliver a CFTC disclosure document to prospective investors, nor is the Company required to provide investors with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs.

The potential consequence of this exemption, the so-called "de minimis exemption", includes a limitation on a Company's exposure to the commodity markets. CFTC Rule 4.13(a)(3) requires that a pool for which such exemption is filed must meet one or the other of the following tests with respect to its commodity interest positions, including positions in security futures products, whether entered into for *bona fide* hedging purposes or otherwise: (a) the aggregate initial margin, premiums, and required minimum security deposit for retail foreign exchange transactions, will not exceed five per cent. of the liquidation value of the pool's portfolio, after taking into account unrealised profits and unrealised losses on any such positions it has entered into; or (b) the aggregate net notional value of such positions does not exceed 100 per cent. of the liquidation value of the pool's portfolio, after taking into account unrealised profits and unrealised losses on any such positions it has entered into.

AIFM Directive

The AIFM Directive entered into force on 21 July 2011. European member states are required to implement the AIFM Directive into local member state law by 22 July 2013. The AIFM Directive seeks to regulate managers (in this section "**AIFMs**") of alternative investment funds (in this section "**AIFs**") which are marketed or managed in the EU. AIFs, such as the Company, may, subject to satisfying certain requirements, obtain authorisation as an internally managed AIF or appoint a third party manager, such as the Investment Manager, to act as its AIFM.

In order to obtain such authorisation, and to be able to manage the AIF, the AIFM will need to comply with various obligations prescribed under the AIFM Directive. Although it is too early to be definitive as to the impact of the AIFM Directive, it seems likely that the AIFM Directive will result in additional burdens being placed on the Investment Manager and the Company which may create significant additional compliance costs for the Company.

The AIFM Directive may require the Investment Manager to seek authorisation under that directive to manage the Company and for Guernsey, as the jurisdiction of establishment of the Company, to meet certain requirements. If the Investment Manager were to fail to, or to be unable to, obtain such authorisation or if Guernsey were not to meet such requirements, the Investment Manager may be unable to continue to manage the Company or its ability to manage the Company or market the Ordinary Shares may be impaired. Under the Investment Management Agreement the Investment Manager may terminate its appointment immediately if it determines that as a result of the AIFM Directive it would be required to comply with onerous obligations including an obligation imposing remuneration restrictions or disclosures on it. If the Company were to cause the Investment Manager to so comply (for example by marketing its shares in the EU) on such termination, the Investment Manager would be entitled to up to two years management fees.

Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that impair the ability of the Investment Manager to manage the investments of the Company, or limit the Company's ability to market future issuances of its Ordinary Shares, may materially and adversely affect the Company's ability to carry out its investment strategy and achieve its investment objective.

EU member states may impose stricter rules on the Company's AIFM in respect of the marketing of Ordinary Shares, as the Company is a non-EU AIF. However, there is no indication at the date of the publication of this document that the UK authorities intend to impose stricter rules.

AIFMs managing non-EU AIFs may need to comply with all provisions of the AIFM Directive from 21 July 2014 at the latest, including the requirement to appoint an independent depositary whose responsibility goes beyond that of the Custodian.

The AIFM Directive may also restrict the Company's ability to market its Ordinary Shares which may reduce the take-up of the Ordinary Shares.

The Board and the Company's advisers will continue to monitor the progress and likely implications of the AIFM Directive.

PART II

INVESTMENT OVERVIEW

Investment Objective

The Company's investment objective is to provide Shareholders with an attractive return on their investment predominantly through long-term capital appreciation. The Company intends to return to Shareholders dividends received on an annual basis.

Investment Policy

The Company will be geographically focused on South Korean companies. Specifically, the Company intends to invest primarily in listed preferred shares issued by companies incorporated in South Korea, which in many cases are currently trading at a discount to the corresponding common shares of the same companies. The Investment Manager intends to assemble a portfolio of Korean preferred shares that it believes are undervalued and could appreciate based on criteria it selects. Some of the considerations that will affect the Investment Manager's choice of securities to buy and sell may include the discount at which a preferred share is trading relative to its respective common shares, its dividend yield, its liquidity and its common shares weighting (if any) in the Korea Index, among other factors. Not all of these factors will necessarily be satisfied for particular investments. The Investment Manager will not generally make decisions based on corporate fundamentals or its view of the commercial prospects of the issuer. Preferred shares will be selected by the Investment Manager at its sole discretion subject to the overall control of the Board.

The Company will invest primarily in Korean preferred shares, but it may invest some portion of its assets in other securities, including exchange-traded funds, futures contracts and other types of options, swaps and derivatives related to Korean equities, as well cash and cash equivalents. The Company will not have any concentration limits.

The Company may potentially invest, either directly or indirectly, more than 20 per cent. of its gross assets following the Placing in preferred shares issued by (i) Samsung Electronics Co., Ltd., a company incorporated in South Korea whose registered head office address is (Maetan-dong) 129 Samsung-ro, Youngtong-gu, Suwon-si, Gyeonggi-do, Republic of Korea, a producer of consumer and industrial electronic equipment and products whose securities are admitted to the Korea Exchange; and (ii) Hyundai Motor Company, a company incorporated in South Korea whose registered head business address is 231 Yangjae-dong, Seocho-gu, Seoul, Korea, 137-130 Korea, Republic of (South), an automobile and auto parts manufacturer whose securities are admitted to the Korea Exchange.

Once fully invested, the Company's assets are currently expected to be denominated principally in Won. It should be noted that despite this, dividends will be paid to Shareholders in sterling. The Company does not currently intend to engage in hedging activities, or to make use of leverage to fund investments, but reserves the right to do so in the future.

The Company has not commenced operations. Following Admission, the Company intends to adhere to the investment policy.

In the event that Board considers it appropriate to amend materially the investment objective or policy of the Company, Shareholder approval to any such amendment will be sought.

Investment Process

The Investment Manager has already identified a universe of Korean preferred shares, and the Company's investments will be selected primarily from that universe. The Investment Manager has already performed certain legal, statistical and fundamental analyses on certain Korean preferred shares, and these analyses will continue.

The investment process involves multiple members of the Investment Manager, including an investment committee. The research is typically performed by investment analysts and reviewed by a member of the investment committee. The Investment Manager has built a model that it will use to aid in selecting individual investment decisions for the Company and to monitor the Portfolio. Members of the investment committee meet frequently with investment analysts to review the portfolio and direct parameters for investment selection. Investment analysts are then responsible for selecting securities and implementing trades within these investment guidelines. Once guidelines have been set, investment analysts are also responsible for monitoring the portfolio on a day-to-day basis and reporting back to members of the investment committee with any interim updates.

It is anticipated that the Company will hold approximately 40 to 70 investments at any one time. None of these investments will involve the Company taking a controlling stake in any single entity. It is possible that the Company may invest more than 25 per cent. of the proceeds of the Placing in a single investment. The Investment Manager currently envisages that the percentage weight of any Korean preferred share in the Portfolio will not exceed the weight of its corresponding common share on the Korea Index by more than 15 per cent. Thus, the Investment Manager does not currently expect that any preferred share issued by a company not in the Korea Index would exceed 15 per cent. of the Portfolio.

Investment Manager

Weiss Asset Management LP, a Delaware limited partnership formed on 10 June 2003, has been appointed by the Company as Investment Manager and will be responsible for the management of the Company's assets pursuant to the Investment Management Agreement. The Investment Manager is registered as an investment adviser with the SEC.

The registered address of the Investment Manager is 222 Berkeley Street, 16th Floor, Boston, Massachusetts 02116 and the telephone number is +1 (617) 778 7780. The Investment Manager serves as the investment manager to two private investment funds: Brookdale International Partners, LP and Brookdale Global Opportunity Fund, which are managed as side-by-side funds with diversified investment strategies and approximately £700 million of assets under management as of 31 December 2012, including investments in more than £30 million of Korean preferred shares (which includes notional swap exposure). Dr. Andrew Weiss, who controls the Investment Manager, has been managing Brookdale International Partners, LP and its predecessors for over 20 years.

Weiss Asset Management LP was founded by Dr. Andrew M. Weiss, who received his Ph.D. in Economics from Stanford University, was elected a fellow of the Econometric Society in 1989, and is currently Professor Emeritus of Economics at Boston University.

The Investment Manager is principally owned by Dr. Weiss and certain members of the Investment Manager's senior management team. Dr. Weiss has more than 20 years of experience investing professionally. Dr. Weiss and the senior management team have significant investment management experience, particularly with securities trading at discounts to their fundamental value.

As of 31 March 2013, the Investment Manager had 35 employees, including 15 investment professionals. The Investment Manager's employees provide research, trading, legal, operational and administrative support.

The Investment Manager's management team has more than ten years of experience investing in Korea and the Investment Manager has developed operational expertise that it believes will be beneficial for the implementation of the Company's strategy.

South Korean Market

Over the past four decades, South Korea has developed into a high-tech industrialised economy. Korean companies such as Samsung Electronics Co., Ltd. and Hyundai Motor Company, to name only two, have developed global brands with significant positions in industries such as consumer electronics and transportation.

In spite of that, the Korean stock market trades at some of the lowest valuation multiples in Asia; as shown in the table below.

	Stock Market			*Country*			
	P/E Ratio	*Price/Book Ratio*	*Dividend Yield*	*Real GDP Growth (YoY)*	*2012 Debt/ GDP Radio*	*Sovereign Rating (S&P)*	*5-Year Credit Default Swaps*
China – Shanghai composite	11.7x	1.51x	2.6%	7.8%	16%	AA-	71 bps
India – Nifty Index	13.5x	2.60x	1.5%	5.2%	70%	BBB-	N/A
Japan – Nikkei 225	20.6x	1.63x	1.5%	2.1%	233%	AA-	65 bps
Korea – KOSPI 200	**10.5x**	**1.21x**	**1.2%**	**2.0%**	**27%**	**A+**	**72 bps**
Singapore – Straits Times	15.1x	1.51x	2.9%	1.3%	91%	AAA	N/A
Taiwan - TAIEX Index	15.1x	1.76x	3.3%	1.3%	41%	AA-	N/A

Source: Bloomberg data as of 30 April 2013

Investing directly in South Korea can be challenging for some overseas investors because foreign investors are required to register with the Financial Supervisory Board and obtain an Investment Registration Certificate. Full English financial statements are not always available, and Korean securities have relatively high transaction costs compared to other markets.

Nevertheless, the Investment Manager believes that the Korean market is undervalued relative to other stock markets in Asia because of its comparatively low price-to-earnings and price-to-book ratios. In addition, many analysts believe that Korea has the potential for continued economic growth over time.

The Company's focus, however, will be to invest in Korean preferred shares that trade at a discount to their respective common shares. As a result, the Company's investments are expected to have higher dividend yields and their implied price-to-earnings and price-to-book ratios will be lower than the metrics highlighted for the Korean market in the table above.

Korean Preferred Shares

The Investment Manager understands that the first Korean preferred shares were issued in the mid-1980s by companies interested in issuing equity capital without diluting voting control. Currently, that market has expanded so that there are approximately 145 different Korean preferred shares with a total market capitalisation of more than £17 billion.

The terms of Korean preferred shares can vary from security to security. This is therefore a general explanation and cannot accurately describe all Korean preferred shares. Unlike preferred shares in many other countries, Korean preferred shares do not necessarily have any priority in a liquidation of the issuer, nor do they necessarily have fixed dividend payments, fixed principal amounts or maturity dates. The Korean preferred shares that the Investment Manager expects to be focused on are typically not cumulative, convertible or redeemable. They typically do not have seniority in respect of a liquidation of the issuer. Korean preferred shares are generally perpetual securities that have a right to dividends that are at least as high as the dividends paid on common shares of the same issuer. Korean preferred shares generally lack voting rights, except in specific instances, and are generally less liquid than their common share counterparts and will result in the Company being a passive investor. The Investment Manager may seek to encourage the issuers of Korean preferred shares to tender or buyback preferred shares, though it is recognised that such action will be at the discretion of the issuer of such Korean preferred shares. The Investment Manager therefore believes that the Korean preferred shares in which the Company intends to invest are similar to non-voting common shares.

Although Korean preferred shares are typically entitled to dividends that are slightly larger than their respective common shares, many preferred shares are currently trading at significant discounts to the corresponding common shares.

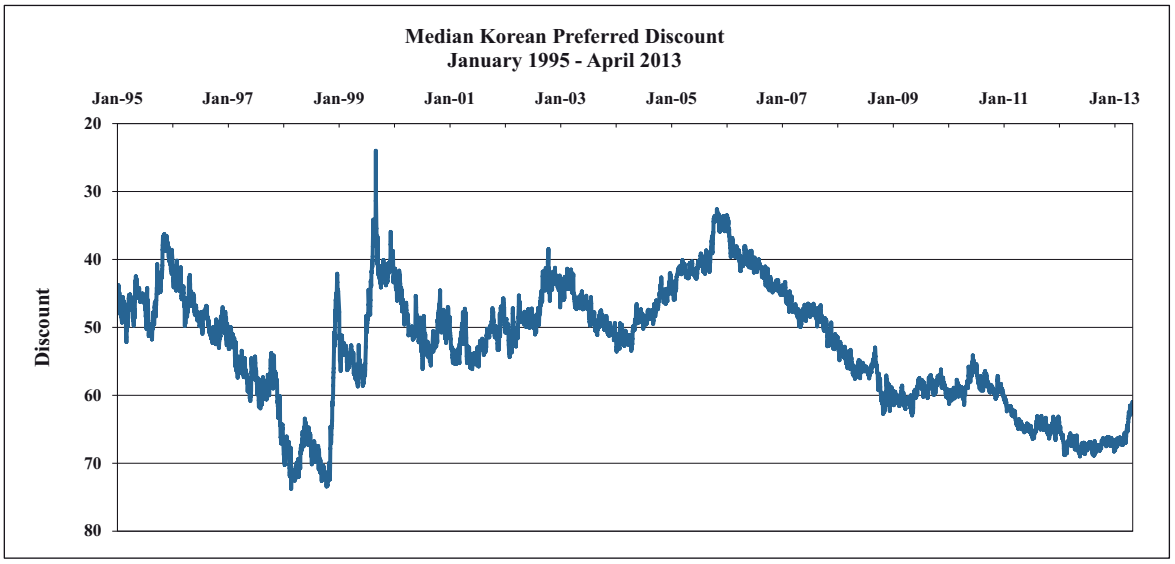
For example, Hyundai Motor Company is the second largest constituent in the KOSPI 200 Index with a market capitalisation of approximately £26 billion as of 30 April 2013. Hyundai Motor Company has three classes of preferred shares that were trading at 58 to 65 per cent. discounts to the common shares as of 30 April 2013; as shown below:

Security	*Price/Share (KRW)*	*Pfd Price as % of Common*	*2013 Est.P/E*	*'12 Dividend/ Share (KRW)*	*Dividend Yield*	*Security Size (£m)*
Hyundai Motor – Common	₩199,500	–	5.5x	₩1,750	0.9%	£25,691
Hyundai Motor – Pfd 1	₩78,300	39%	2.1x	₩1,800	2.3%	£1,149
Hyundai Motor – Pfd 2	₩83,000	42%	2.3x	₩1,850	2.2%	£1,825
Hyundai Motor – Pfd 3	₩69,400	35%	1.9x	₩1,800	2.6%	£101

Note: Data from Bloomberg as of 30 April 2013. Forward earnings estimates are based on data from Bloomberg or other third party sources deemed reasonable by the Investment Manager but no representations or warranties are made regarding such estimates. Dividend per share is based on dividends that were declared in 2012. Dividends can fluctuate and payment of dividends is not guaranteed.

As of 30 April 2013, many Korean preferred shares were trading at large discounts to their respective common shares. The median discount for a sample of 41 Korean preferred shares selected by the Investment Manager using a minimum 60-day average volume constraint as of 28 December 2012 was approximately 62 per cent. as of 30 April 2013. In other words, the median preferred share in that sample was trading at approximately 38 per cent. of the price of its respective common share. The largest median discount known to the Investment Manager for the same 41 Korean preferred share sample was 74 per cent., which was reached during the Asian Financial Crisis in 1998.

The median discount for the 41 Korean preferred share sample selected above is shown below for information purposes only.



Median discounts computed using Bloomberg data for a basket of 41 Korean preferred shares selected by the Investment Manager. The median is displayed for informational purposes only. Investors cannot invest in the median discount. The Company's Portfolio will likely have a weighted average discount that is different from the median shown above, and that difference may be material. Past performance is not indicative of future results.

Investment Opportunity

The Investment Manager believes that an attractive investment opportunity exists in Korean preferred shares as a result, in part, of the following factors:

- many Korean preferred shares are currently trading at significant discounts to their respective common shares;
- as a result, the preferred shares' price-to-earnings ratios are substantially lower and the dividend yields are higher than their respective common shares; and

- at current discounts, the distribution of potential returns for preferred shares is highly asymmetric relative to common share returns.

The Investment Manager believes that investment in certain Korean preferred shares is compelling because they trade at a discount to, and are higher yielding than, their respective common shares. The Investment Manager also currently believes that the Korean market is an attractive market for investment generally.

Distribution Policy

Subject to the satisfaction of the solvency test provided for in the Law and to the terms of the Articles, the Directors may from time to time, as they see fit, pay such cash dividends on Ordinary Shares (and, if applicable, Realisation Shares) as appear to the Directors to be justified. The Company intends to return to Shareholders cash dividends received on an annual basis. The Company intends to re-invest non-dividend distributions from the Portfolio as well as the proceeds from the sale of any securities held by the Company.

Hedging Transactions and Currency Risk Management

Once fully invested, the Company's assets are currently expected to be denominated principally in Won. The Company may, however, make investments denominated in currencies other than the Won. For example, cash balances may be held in Won or sterling. The Company does not currently plan to hedge its currency risk but may do so at a future date. It should be noted that, despite investments of the Company being made in Won, dividends will be paid to Shareholders in sterling. It should also be noted that the accounts of the Company will be prepared in sterling.

Investment Period

Nearly all of the net proceeds of the Placing are currently expected to be invested within the first six months from the date of Admission. Until invested, it is anticipated that up to 90 per cent. of the gross assets of the Placing will be invested in iShares MSCI South Korea Capped Index Fund (being an exchange traded fund organised in the United States whose registered business address is c/o Blackrock Investments, LLC, 525 Washington Boulevard, Suite 1405, Jersey City, NJ 07310, whose securities are admitted to the New York Stock Exchange Arca.) with a sum of cash being retained for working capital purposes. The Investment Manager will have the right to continually reinvest proceeds at its discretion as it pursues the Company's investment objective and may, over time, invest in iShares MSCI South Korea Capped Index Fund.

Investment Restrictions

With the exception of any cash or cash equivalent balances, the Company generally intends to restrict its investment activities geographically to South Korean companies and other securities and instruments referencing Korean companies or indices of Korean companies. However, the Investment Manager currently envisages that the percentage weight of any Korean preferred share in the Portfolio will not exceed the weight of its corresponding common share on the Korea Index by more than 15 per cent. Thus, the Investment Manager does not currently expect that any preferred share issued by a company not in the Korea Index would exceed 15 per cent. of the Portfolio. The Company may vary the policies and guidelines regarding concentration from time to time.

In the event of any material breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Investment Manager through a Regulatory Information Service.

Discount Management

Realisation Opportunity

Subject to the terms set out in this document, the Company will offer all Shareholders the right to elect to realise the value of their Ordinary Shares, less applicable costs and expenses, on or prior to the fourth anniversary of Admission. It is anticipated that not less than 56 days before the Realisation Date, the Company will contact Shareholders providing information concerning their right to elect for Realisation and

setting out details of the Realisation. Any Realisation will be subject to all relevant laws and regulations. Shareholders may elect to realise all or part of their holdings of Ordinary Shares by electing for Realisation with effect from the fourth anniversary of Admission. Subject to the aggregate Net Asset Value of the continuing Ordinary Shares at the close of business on the last Business Day before the Realisation Date being not less than £50 million, the Ordinary Shares held by the Shareholders who have elected for Realisation will be redesignated as Realisation Shares and the Portfolio will be split into two separate and distinct Pools namely the Continuation Pool (comprising the assets attributable to the continuing Ordinary Shares) and the Realisation Pool (comprising the assets attributable to the Realisation Shares). With effect from the Realisation Date, the assets in the Realisation Pool will be managed in accordance with an orderly realisation programme with the aim of making progressive returns of cash, as soon as practicable, to those Shareholders who have elected to receive Realisation Shares. Ordinary Shares held by Shareholders who do not submit a valid and complete election in accordance with the Articles during the Election Period will remain Ordinary Shares.

It is anticipated that the Portfolio will be divided pursuant to the Realisation, as at the close of business on the Realisation Date between the Continuation Pool and the Realisation Pool with assets comprised in the Portfolio being apportioned to the Realisation Pool *pro rata* to the number of Ordinary Shares in respect of which elections for Realisation have been validly received and the remainder of the assets being apportioned to the Continuation Pool. The liabilities of the Company will be similarly apportioned as between the Pools with liabilities being apportioned to the Realisation Pool *pro rata* to the number of Ordinary Shares in respect of which elections have been validly received and the remainder of the liabilities being apportioned to the Continuation Pool save that the costs and expenses of the realisation of the assets comprising the Realisation Pool will be attributed to the Realisation Pool and the costs and expenses of the Realisation will be apportioned between the Pools as the Board, in its discretion, deems fair and reasonable.

The precise mechanism for any return of cash to Shareholders who have elected to realise their Ordinary Shares will depend upon the relevant factors prevailing at the time and will be at the discretion of the Board, but may include a combination of capital distributions, share repurchases and redemptions, but the objective will be to return all net proceeds contained in the Realisation Pool.

Unless it has already been determined that the Company will be wound-up, every two years after the Realisation Date, the Directors will propose further realisation opportunities for Shareholders who have not previously elected to realise their Ordinary Shares using a similar mechanism to that described above.

If the mean Weighted Average Discount on the Portfolio is less than 25 per cent. over any 90 day period, then the Directors shall propose an ordinary resolution for the winding up of the Company. For these purposes the mean is a simple unweighted average.

If one or more Realisation Elections are duly made and the Net Asset Value of the continuing Ordinary Shares at the close of business on the last Business Day before the Reorganisation Date is less than £50 million, the Directors may propose an ordinary resolution for the winding up of the Company and may pursue a liquidation of the Company instead of splitting the Portfolio into the Continuation Pool and the Realisation Pool.

If Directors elect to liquidate the Company and the aforementioned ordinary resolution is passed, the investment objective and investment policy of the Company will be amended such that the investment objective and investment policy will be to realise the Company's assets on a timely basis with the aim of making progressive returns of cash to Shareholders as soon as practicable. The Directors will seek to liquidate the Company's assets as efficiently and at as great a value as is possible.

Share Buybacks

The Directors have general shareholder authority to purchase in the market up to 40 per cent. of the Ordinary Shares in issue from time to time following Admission. The Directors intend to seek annual renewal of this authority from Shareholders at each annual general meeting of the Company.

Pursuant to this authority, and subject to the Law and the discretion of the Directors, the Company may repurchase Ordinary Shares in the market on an ongoing basis at a discount to Net Asset Value with a view

to increasing the Net Asset Value per Ordinary Share and assisting in controlling the discount to Net Asset Value per Ordinary Share in relation to the price at which such Ordinary Shares may be trading.

Purchases by the Company will be made only at prices below the estimated prevailing Net Asset Value per Ordinary Share based on the last published Net Asset Value but taking account of movements in investments, stock markets and currencies, in consultation with the Investment Manager and at prices where the Directors believe such purchases will result in an increase in the Net Asset Value per Ordinary Share of the remaining Ordinary Shares. The Directors will consider repurchasing Ordinary Shares when the price per Ordinary Share plus the pro forma cost to the Company per share repurchased is less than 95 per cent. of the Net Asset Value per Ordinary Share. The pro forma cost per share should include any brokerage commission payable and costs of realising portfolio securities to fund the purchase. The Directors may, at their discretion, also consider repurchasing Ordinary Shares at a smaller discount to Net Asset Value per Ordinary Share, provided that such purchase would be accretive to Net Asset Value per Ordinary Share for any continuing Shareholders.

Purchases of Ordinary Shares will be made in accordance with any guidelines established from time to time by the Board and the timing of any such purchases will be decided by the Board. Shares purchased by the Company may be cancelled or held in treasury.

Such purchases of Ordinary Shares may be made only in accordance with the Law and the AIM Rules at the relevant time, and will be subject to the Company satisfying the solvency test required by the Law. Shareholders should note that the exercise of the Company's powers to repurchase Ordinary Shares is entirely discretionary and Shareholders should place no expectation or reliance on the Directors exercising such discretion on one or more occasions.

PART III

DIRECTORS, MANAGEMENT AND ADMINISTRATION

Introduction

Weiss Korea Opportunity Fund Ltd. is a company incorporated on 12 April 2013 and registered in Guernsey with company number 56535. The Company has appointed Weiss Asset Management LP as its investment manager. The Company has been registered by the GFSC as a Registered Closed-ended investment scheme.

The Directors, all of whom are non-executive and all of whom are independent of the Investment Manager, are responsible for the determination of the investment policy of the Company and the supervision and implementation of such policy.

Board of Directors

The Board consists of three non-executive directors, as follows:

Norman Crighton (aged 46) *(Non-executive Chairman)*

Norman Crighton is a non-executive director of Trading Emissions plc, Private Equity Investor plc and Global Fixed Income Realisation Limited. Norman 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.

Stephen Charles Coe (aged 47) *(Non-executive Director)*

Stephen Coe qualified as a Chartered Accountant with PriceWaterhouseCoopers in 1990. From 1997 to 2006 he was a director of the Bachmann Trust Company Limited and managing director of Bachmann Fund Administration Limited. Between 2003 and 2006, Stephen was managing director of Investec Administration Services Limited and of Investec Trust (Guernsey) Limited prior to becoming self-employed in 2006 providing director services to financial services clients.

Currently, Stephen sits on the board of a number of listed companies including Kolar Gold Limited, an AIM listed gold exploration and development company incorporated in Guernsey, Black Sea Property Fund, a real estate investment fund focused on Bulgaria, and European Real Estate Investment Trust Limited, a European focused closed ended property investment company. Stephen is also a non-executive director of Raven Russia Limited, a main market listed property investment specialist focused on Russia, Trinity Capital Limited, an AIM listed Indian real estate investment company and South Africa Property Opportunities plc, an AIM listed close ended investment fund focused on South African real estate assets.

Robert Paul King (aged 49) *(Non-executive Director)*

Robert King is a non-executive director for a number of open and closed-ended investment funds and companies. He was a director of Cannon Asset Management Limited and their associated companies, from 2007 to 2011. Prior to this, he was a director of Northern Trust International Fund Administration Services (Guernsey) Limited (formerly Guernsey International Fund Managers Limited) where he had worked from 1990 to 2007. He has been in the offshore finance industry since 1986 specialising in administration and structuring offshore open and closed-ended investment funds. Robert is British and resident in Guernsey.

Lock-in and orderly market arrangements

Pursuant to Rule 7 of the AIM Rules the Directors and the Investment Manager and certain of its employees have, under the terms of the lock-in arrangements, agreed with N+1 Singer not to dispose of, or agree to dispose of, and procure that their connected persons shall not dispose of or agree to dispose of any Ordinary

Shares at any time prior to the first anniversary of the date of Admission, save in certain circumstances including the event of the acceptance of an offer for the entire issued share capital of the Company or an intervening court order.

Corporate Governance

As a Guernsey registered company, the Company is not required to comply with the UK Corporate Governance Code. However, the Directors recognise the importance of sound corporate governance and intend that the Company will comply with the main provisions of the Corporate Governance Code insofar as is practicable to do so for a company of the Company's size and stage of development.

The Commission has issued a Corporate Governance Code (the "**Guernsey Code**") which came into effect on 1 January 2012. Companies which report against the UK Corporate Governance Code are deemed to meet the requirements of the Guernsey Code.

Following Admission, the Directors intend to hold Board meetings at least quarterly and at such other times as they deem necessary. The Board will create an audit committee and a management and engagement committee with effect from Admission.

The audit committee which will have formally delegated duties and responsibilities will initially consist of Stephen Charles Coe as chairman and Norman Crighton and Robert King. It will meet at least twice each year and will be responsible for ensuring that the financial performance of the Company is properly monitored and reported on including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies and for meeting with the auditors and reviewing findings of the audit with the external auditor.

The management and engagement committee which will have formally delegated duties and responsibilities will initially consist of Robert King as committee chairman and Norman Crighton and Stephen Coe (being at least two offshore members of the Board). The management and engagement committee will meet at least once each year. The role of the committee will be, *inter alia*, to monitor and review with the Board the performance of the Investment Manager and the terms of the Investment Management Agreement in addition to reviewing the performance of the key service providers.

It has been determined that no remuneration/nomination committee will be established as such a committee would not be appropriate given the nature of the Company's operations. The Board intends to review the remuneration of the Directors annually. The fees payable to the Chairman have initially been set at £26,000 per annum and fees payable to other directors at £20,000 per annum. The chairman of the audit committee will be entitled to an additional £2,000 per annum.

The Company has adopted a share dealing code (based on the AIM Rules) and the Company will take all proper and reasonable steps to ensure compliance by the Directors.

The Board is also responsible for ensuring the Company's compliance with all applicable anti-corruption legislation, including, but not limited to, the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977. The UK Bribery Act 2010 came into force on 1 July 2011 and consolidates the UK's existing anti-corruption laws. The Company complies and always has complied with all applicable anti-corruption laws. The Company has adopted a "zero tolerance" approach to corruption and is committed to ethical business practices.

The City Code on Takeovers and Mergers (the "Code")

The Code is issued and administered by the Takeover Panel. The Code applies to offers for all AIM-quoted companies considered by the Takeover Panel to be resident in the UK, the Channel Islands or the Isle of Man. The Takeover Panel will normally consider a company to be resident if its place of central management is in one of those jurisdictions. A consultation process is currently on-going whereby it is proposed that this residency test be removed so that the application of the Code to the Company will no longer depend on whether the Company is considered by the Takeover Panel to have its place of central management and control in the UK, the Channel Islands or the Isle of Man. Nonetheless, it is expected that the Code will apply

to the Company at Admission and Shareholders will be entitled to the protections afforded by the Code. Under Rule 9 of the Code, where (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the Code, or (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent., but holds shares in the aggregate which carry not more than 50 per cent. of the voting rights of such a company, and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, he, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert parties.

Save where the Takeover Panel permits otherwise, an offer under Rule 9 of the Code must be in cash and at not less than the highest price paid within the 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable. The Takeover Panel should be consulted in advance in such cases.

In the event that the Code should cease to apply, the Company will notify Shareholders accordingly upon becoming so aware of this occurring.

Net Asset Value publication

It is the current intention of the Company that the unaudited Net Asset Value per Ordinary Share will be calculated in sterling by the Administrator on a weekly basis in addition to a month end Net Asset Value, as described below. It is intended that such calculations will be notified weekly and at month end through a Regulatory Information Service (with at least a one day delay) and will be available through the Company's website www.weisskoreaopportunityfund.com.

The Net Asset Value will be the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) determined in accordance with IFRS. Publicly traded securities will be valued by reference to their bid price on the relevant exchange or, where that price is not available, the closing price. Where trading in the securities of an investee company is suspended, the investment is valued at the Board's estimate of its net realisable value. In making its valuations, the Board takes into account, where appropriate, latest dealing prices, valuations from reliable sources, asset values and other relevant factors.

If the Directors consider that any of the above bases of valuation are inappropriate in any particular case, or generally, they may with the approval of the auditors of the Company adopt such other valuation procedures as they consider reasonable in the circumstances.

The Directors may temporarily suspend the calculation, and publication, of the Net Asset Value during a period when, in the opinion of the Directors:

- the principal markets or stock exchanges on which a substantial part of the investments are quoted is closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended;
- there are political, economic, military or momentary events or any circumstances outside the control, responsibility or power of the Board, and disposal or valuation of a substantial part of investments of the Company is not reasonably practicable without this being seriously detrimental to the interests of Shareholders or if, in the opinion of the Board, the Net Asset Value cannot be fairly calculated;
- there is a breakdown of the means of communication normally employed in determining the value of the investments or when for any reason the current prices on any market of a substantial part of the investments cannot be promptly and accurately ascertained; or
- there is a proposal to put forward a resolution to wind up the Company.

Any suspension in the calculation of the Net Asset Value, to the extent required under the Articles will be notified through a regulatory information service as soon as practicable after any such suspension occurs.

Risk Factors

Investing in Ordinary Shares involves a high degree of risk. Investors should carefully consider all the information in this document including the risk factors in Part I of this document, before investing in the Ordinary Shares.

Investment Manager

Weiss Asset Management LP, a Delaware limited partnership, was engaged by the Company on 8 May 2013 to act as investment manager to the Company pursuant to the Investment Management Agreement (details of which are set out in paragraph 7.1 in Part VI of this document).

The Investment Manager is principally owned by Dr. Andrew Weiss and certain members of the Investment Manager's senior management team.

Dr. Andrew M. Weiss received his Ph.D. in Economics from Stanford University, was elected a fellow of the Econometric Society in 1989, and is currently Emeritus Professor of Economics at Boston University. Starting in 1991, Dr. Weiss began managing the portfolio for a predecessor fund to the Existing Funds. He has lectured at numerous major universities and international organisations and is the author of over 45 articles published in professional journals. He has been featured in articles in Forbes, Time (International Edition), and Outstanding Investor Digest as well as newspaper articles in the US. He is a member of the Council on Foreign Relations and the Advisory Board for the Center for Effective Global Action at the University of California, Berkeley and a visiting committee member for the Center for Development Economics at Williams College. Dr. Weiss is also the co-founder of Child Relief International.

Dr. Weiss is assisted by a senior management team with significant investment management experience. The Investment Manager has additional employees who provide research, trading, operational and administrative support. As of 31 March 2013, the Investment Manager had 35 employees, including 15 investment professionals. The Investment Manager has been researching and investing in Korean preferred shares for more than two years. The Investment Manager (and its predecessor entities) has more than twenty years of experience investing professionally and more than ten years of experience investing in Korea. The Investment Manager intends to operate out of its offices in Boston, Massachusetts in the United States. The Investment Manager is registered with the SEC as an investment adviser.

Fees and Expenses

Management fee

In consideration of the Investment Manager performing portfolio management services, the Investment Manager will receive an annual management fee of 1.5 per cent. per annum of the Net Asset Value of the Company (before any deduction of accruals for unpaid fees), payable monthly in arrears (the "**Management Fee**"). The Management Fee is subject to a minimum annual amount of £1 (one) million per annum for the first 48 months following Admission. The rationale for this minimum fee is to ensure that the Investment Manager is not disincentivised to support share buyback proposals by the Company. The minimum fee shall be payable only in the event that on the last business day of each annual period for which the Management Fee is payable the "Total Value Condition" is satisfied. For these purposes, the Total Value Condition shall be satisfied if the prevailing Net Asset Value per Ordinary Share (with dividends per share added back) is equal to or greater than the benchmark. For these purposes the benchmark will be the prevailing amount of the Net Asset Value per Ordinary Share immediately following Admission increased or decreased by the percentage increase or decrease (as appropriate) of the Korea Index.

Expenses

The Company will bear all of its own expenses involved in the execution of its investment strategy and operations, including commissions, legal, administrative, custodian, accounting, Board, insurance, and other fees.

Conflicts Management

Many of the Company's key strengths derive from the experience and skills of the principals of the Investment Manager. As well as advising the Company, the Investment Manager and its affiliates, employees and principals (including Dr. Weiss) are engaged in other activities, including providing investment management and advisory services to other accounts and may also make direct investments. Conflicts of interest may arise as a result of their acting for the Company and other companies operating or investing in or holding Korean preferred securities.

The Investment Manager and its affiliates are not restricted from forming other investment vehicles, from entering into other management or advisory relationships, or from engaging in other business activities or from generating profits from such activities, even though such activities may be in competition with the Company and may involve substantial time and resources of the Investment Manager or such affiliates. These relationships could create a conflict of interest in that the time and effort of the Investment Manager and its affiliates will not be devoted exclusively to the business of the Company, but will be allotted between the business of the Company and management of monies for such other investment accounts.

Pursuant to the Investment Management Agreement with the Company, the Directors have very limited ability, acting on behalf of the Company, to terminate the Investment Management Agreement.

The Investment Manager also serves as the investment manager to the Existing Funds, which have a different fee structure and strategy than that of the Company. The Existing Funds currently have investments in certain Korean securities, including certain Korean preferred shares. The Company may buy or sell some of these same securities in the future, and certain conflicts could emerge as a result. The Company may buy or sell some Korean preferred shares that the Existing Funds do not have exposure to. In addition, the Company is expected to be a long only vehicle whereas the Existing Funds pursue hedged investment strategies. The investment objectives of the Company and Existing Funds may be similar or different at various points in time. As a result, it is possible that the interests of the Company could diverge from and conflict with the interests of the Existing Funds. The Investment Manager may buy, sell, cover or otherwise change the form or substance of any of the Existing Funds' Korean preferred shares at any time and is not under any obligation to notify any party of any such changes. The Investment Manager could also trade in other securities and instruments on behalf of the Existing Funds and such trading activity could be detrimental to the Company, directly or indirectly.

From time to time, the Investment Manager may look to purchase the same securities on behalf of the Company and the Existing Funds at the same time. In such case, the Investment Manager will seek to allocate executed trades among the Company and the Existing Funds in a manner it believes is fair and reasonable to the Company and the Existing Funds. In addition, there may be times when the Investment Manager deems it advisable for the Company to transact in one direction (e.g. buy) when the Existing Funds may be transacting in the other direction (e.g. sell); or *vice versa*. The Investment Manager may determine that in such cases it is advantageous for both the Company and the Existing Funds to "cross trade" with each other without the use of a broker. The Investment Manager will only effect a cross trade when it determines that such cross trade is in the best interests of all parties involved. Any cross trade will be effected at an objectively determined price, such as the closing market price.

In general, under applicable laws and rules, the Investment Manager is obliged to treat all of its clients independently and fairly, and the Investment Manager will seek to do so, consistent with its obligations to each of its clients, including the Company. While the Investment Manager is not allowed to favour the interests of one of its clients over the interests of another client, often choices are subject to interpretation and the Investment Manager will have broad discretion to address conflicts of interest as it believes is appropriate under the circumstances.

The Directors must comply with the conflict of interest provisions in the Rules.

Administrator

The Administrator is a company incorporated in Guernsey with limited liability on 29 May 1986. The Administrator has been appointed to provide administration and secretarial services to the Company as set out in the Administration Agreement. Further details of the agreement between the Company and the Administrator are set out in paragraph 7.2 of Part VI of this document.

Custodian

The Custodian is a company incorporated and registered in Guernsey on 19 September 1972, with limited liability under the Law with registered number 2651. The registered address of the Custodian is PO Box 71, Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3DA and the telephone number is +44 (0) 1481 745000. The Custodian is a bank licensed by the Commission under the provisions of the Banking Supervision (Bailiwick of Guernsey) Law, 1994 and is also licensed to engage in certain investment activities, including acting as custodian of investments, in relation to collective investment schemes and general securities. The principal activities of the Custodian include the provision of banking, safe-custody and trustee services to private and corporate clients. The ultimate holding company of the Custodian is Northern Trust Corporation, a company incorporated in the United States of America, which is a leading provider of investment management, asset and fund administration, fiduciary and banking solutions for corporations, institutions and individuals worldwide. Northern Trust Corporation is quoted on the NASDAQ.

Details of the agreement between the Company and the Custodian are set out in paragraph 7.4 of Part VI of this document.

Registrar

The Company has appointed Capita Registrars (Guernsey) Limited to provide registrar services in respect of the Company. Details of the agreement between the Company and the Registrar are set out in paragraph 7.3 of Part VI of this document.

Formation and initial costs

The costs, commissions, fees and expenses incidental to the formation of the Company and the Placing will be borne by the Company and are expected to be approximately £2.1 million. It is anticipated that these costs will be paid on or around Admission.

Other on-going operating costs

The Company will bear its on-going operational expenses. These expenses include, but are not limited to:

- direct costs of investing and realising the assets of the Company, including dealing costs, any stamp duty (or similar taxes) and registration fees;
- professionals' costs associated with investing and realising the assets of the Company, including the fees and expenses of financial advisers, the Company's nominated adviser, consultants, tax advisers including the cost of preparing any tax filings or reports for specific jurisdictions, brokers, lawyers and accountants;
- the management fee payable to the Investment Manager under the Investment Management Agreement;
- legal and professional expenses which the Investment Manager incurs whether in litigation on behalf of the Company or in connection with the ongoing administration of the Company or otherwise;
- Custodian, Administrator and Registrars' costs;

- the cost of any borrowings incurred for the Company (including up front arrangement fees payable to lenders in return for providing loan facilities and interest payable in respect of the borrowings);
- Directors' fees and expenses;
- audit fees and expenses;
- taxes and duties imposed by any fiscal authority and any other governmental fees and fees for the preparation of any submissions;
- costs of valuing and pricing assets and of publishing share prices and other notices in the financial press;
- expenses of publishing reports, notices and proxy materials to Shareholders;
- expenses of convening and holding meetings of Shareholders;
- expenses of preparing, printing and/or filing all reports and other documents relating to the Company including placement memoranda, explanatory memoranda, marketing documents, annual, semi-annual and extraordinary reports required to be lodged with all authorities having jurisdiction over the Company;
- expenses of making any capital distributions; and
- insurance premiums (including insurance for members of the Board).

PART IV

INFORMATION RELATING TO THE COMPANY, PLACING, ADMISSION AND RELATED MATTERS

Share Capital

The share capital of the Company is denominated in sterling and consists of one class of shares being Ordinary Shares which will be created and issued under the Law and for which application has been made for admission to trading on AIM.

Duration

The Company does not have a fixed life, however, it should be noted that if Shareholders elect to realise their Ordinary Shares on any Reorganisation Date and/or if the Net Asset Value falls below £50 million on or before any Reorganisation Date the Directors may pursue a liquidation of the Company instead of permitting those electing Shareholders to exit. In addition, if the mean Weighted Average Discount on the Portfolio is less than 25 per cent. over any 90 day period, then the Directors shall propose an ordinary resolution for the winding up of the Company. For these purposes the mean is a simple unweighted average. Also, if no investments are made within four months of Admission then the Directors shall propose an ordinary resolution for the winding up of the Company.

Exit Opportunity

The Company's structure includes an opportunity for investors to elect to realise all or part of their shareholding in the Company after an initial four year period running from Admission. It is anticipated that realisation will be satisfied by the assets underlying the relevant Ordinary Shares being managed on a realisation basis, which is intended to generate cash for distribution as soon as practicable and may ultimately generate cash which is less than the published net asset value per Realisation Share.

In the event that the Realisation takes place, it is anticipated that the ability of the Company to use its share repurchase and redemption authorities to enable realisations and/or returns of cash to the holders of Realisation Shares will depend not only upon the ability of the Investment Manager to realise the Portfolio, but also upon the availability of distribution profits, share capital or share premium, all of which can be used to fund share repurchases and redemptions under the Articles. The return of cash to Shareholders is also at the discretion of the Board and subject to the provisions of the Law.

The Company may be required to issue a circular and to comply with all relevant laws and regulations in the event that the Realisation takes place. This will incur a cost which it is anticipated will be apportioned to the Pools *pro rata* to the number of Ordinary Shares and Realisation Shares.

Dividend policy

Subject to the satisfaction of the solvency test provided for in the Law and to the terms of the Articles, the Directors may from time to time, as they see fit, pay such cash dividends on Ordinary Shares (and, if applicable, Realisation Shares) as appear to the Directors to be justified.

No dividend or other monies payable by the Company on or in respect of any Ordinary Share (and, if applicable, any Realisation Share) shall bear interest as against the Company. The Directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared. The Company has paid no dividend to Shareholders as at the date of this document. Dividends will be calculated and paid in sterling. The Directors may consider alternative means for making distributions to Shareholders.

The Company intends to return to Shareholders cash dividends received on an annual basis. The Company intends to re-invest non-dividend distributions from the Portfolio as well as the proceeds from the sale of any securities held by the Company.

There can be no guarantee that the Company will, at all times, satisfy the solvency test required to be satisfied pursuant to section 304 of the Law enabling the Directors to effect the payment of dividends or that, at the relevant time, the Directors will consider the payment of dividends to be in the best interests of the Company.

Further Share Issues

The Articles do not impose pre-emption rights on the issue of new shares. The Directors have absolute authority to issue the Ordinary Shares under the Articles and the Directors may issue an unlimited number of Ordinary Shares. Following Admission, it is not anticipated that the Company would issue Ordinary Shares without providing existing Shareholders with the opportunity to participate. It is currently anticipated that application will be made for the admission to trading on AIM of any new Ordinary Shares to be issued under this authority. New Ordinary Shares will not be issued at a price less than the prevailing Net Asset Value per Ordinary Share without the approval of Shareholders.

Valuation Policy

The Company intends to publish its Net Asset Value weekly and at month end. For weekly and monthly announcements of Net Asset Value, the Net Asset Value will be based on valuations as at (i) close of business in Korea on each Tuesday/month end for Korean assets; (ii) close of business in the US (Eastern Time) on the same Tuesday/month end for FX rates; and (iii) close of business in the US (Eastern time) on the same day for US assets. The Board may determine a different basis for determining periodic announcements of Net Asset Value. The Net Asset Value of the Ordinary Shares will be determined and calculated by the Administrator, and will be published on a Regulatory Information Service with at least a one day delay. As noted on page 21 under "Timing of dividends on Korean preferred shares", for many of the Company's underlying investments, there may be a time lag between the ex-dividend date and the date on which the quantum of that dividend is announced. The share price in the market may or may not change after the ex-dividend date based on the public's expectation of the dividend amount. However, the Administrator will not account for or accrue dividends in the Net Asset Value of the Company until the amount of the dividend is actually received by the Company. The Net Asset Value published by the Company may be incorrect from time to time as a result of this phenomenon. No person shall be under any liability by reason of the fact that a valuation believed to be the appropriate valuation for any investment may be found subsequently not to be such.

Borrowing powers

The Company may, from time to time, use borrowing for short-term liquidity purposes, which could be achieved through a loan facility or other types of collateralised borrowing instruments including repurchase transactions or stock lending. The Company will not have any borrowing and/or leverage limits. The Company is permitted to provide security to lenders in order to borrow money, which may be by way of mortgages, charges or other security interests. At the date of this document, the Company has not incurred any borrowings and has not granted any mortgages, charges or security over or in relation to any of its assets.

Financial Information and Reports

The first accounting period of the Company will run until 31 December 2013. Thereafter, accounting periods will end on 31 December in each year. It is expected that, save for the first audited annual accounts which will be sent to Shareholders within four months of the year end, the audited annual accounts will be sent to Shareholders within six months of the year end to which they relate. Unaudited half-yearly reports, made up to 30 June each year, will be sent to Shareholders within three months thereof. The Company has requested and received a derogation from the AIM Rules and will be publishing its first financial report for the period from incorporation to 31 December 2013.

The audited annual accounts and half-yearly reports will also be available at the registered office of the Administrator and the Company and on the Company's website.

The Company intends to adopt International Financial Reporting Standards.

Regulatory Status

The Company is not regulated by the FCA or by any financial services or other regulator but, in common with other AIM companies, is subject to the AIM Rules and is bound to comply with applicable laws including the Law and FSMA. The Company is regulated by the GFSC and has been registered as a Registered Closed-ended investment scheme.

The Placing

Pursuant to the Placing Agreement, N+1 Singer has conditionally agreed with the Company, on and subject to the terms set out therein, to use its reasonable endeavours to place with investors up to 105,000,000 Ordinary Shares, as agent for the Company, at the Placing Price. N+1 Singer shall take receipt of commitments made pursuant to the Placing and will receive all payments for Ordinary Shares.

The Company, the Directors and the Investment Manager have under the Placing Agreement, given certain warranties in favour of N+1 Singer. In addition, the Company has given N+1 Singer an indemnity which applies in certain circumstances. Further details of the Placing Agreement are set out at paragraph 7.5 of Part VI of this document.

The Placing Price and the basis of allocation have been determined by the Company and N+1 Singer having taken into account various matters, including the level and the nature of the demand for Ordinary Shares and the desire for an orderly after-market.

Application has been made for Admission of the Ordinary Shares to trading on AIM. The Placing, which is not being underwritten, is conditional upon the admission of the Ordinary Shares to trading on AIM by 14 May 2013, or such later time as N+1 Singer and the Company may agree, but in any event not later than 30 June 2013.

The Placing of the Ordinary Shares on behalf of the Company is intended to raise approximately £105 million before expenses. The expenses of Admission and the Placing payable by the Company (which include the fees, commissions and expenses of N+1 Singer, the Administrator, the Custodian, the Registrar, legal fees of the Company and N+1 Singer and accounting fees, promotion, printing, advertising and distribution costs) will be two per cent. of the aggregate gross proceeds of the Placing and will be payable from the proceeds of the Placing on or around Admission. The net proceeds of the Placing will be used for making investments in line with the Company's investment policy.

Based on current market conditions and in the absence of unforeseen circumstances, the Investment Manager anticipates that the Company should be fully invested within six months of Admission, although there can be no guarantee of this. Pending investment, the net proceeds may be held on deposit or invested in money market funds or near cash investments.

Should the Placing be aborted or fail for any reason, any monies received will be returned without interest at the risk of the placee.

N+1 Singer is entitled to pay part of the commission received by it to certain investors in its absolute discretion (by reference to the number of Placing Shares subscribed by that investor).

CREST and Settlement

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the Uncertificated Securities Regulations 2001. The Articles of the Company permit the holding of Ordinary Shares under the CREST system. All the Ordinary Shares will be in registered form and no temporary documents of title will

be issued. All documents or remittances sent by or to a placee, or as they may direct, will be sent through the post at their risk.

The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. It is expected that Admission will become effective and dealings in Ordinary Shares will commence on 14 May 2013. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

CREST accounts will be credited on the date of Admission and it is anticipated that certificates in respect of Ordinary Shares will be despatched within 10 business days of such date. Pending receipt by Shareholders of definitive share certificates, the Company's registrars will certify any instruments of transfer against the register.

The Ordinary Shares have not been, and will not be, registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, within, into or in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Ordinary Shares are being offered or sold only: (a) outside the United States in offshore transactions within the meaning of, and in accordance with, the safe harbour from the registration requirements provided by Regulation S; and (b) within, into or in the United States to persons reasonably believed to be Accredited Investors solely in private placement transactions not involving any public offering in reliance on the exemption from the registration requirements of Section 5 of the US Securities Act provided by Section 4(2) under the US Securities Act or another applicable exemption thereunder. In the event of the sale of Ordinary Shares within, into or in the United States as set forth in clause (b), the Company will require a representation letter from the acquirer representing that it is an Accredited Investor and may request a legal opinion.

Risk Factors

Investing in Ordinary Shares involves a high degree of risk. Investors should carefully consider all the information in this document including the risk factors in Part I of this document, before investing in the Ordinary Shares.

Taxation

Information regarding United Kingdom, Guernsey and the United States taxation with regard to potential Shareholders is set out in Part V of this document. If you are in any doubt as to your tax position, you should consult your professional adviser immediately.

Profile of Typical investor

The typical investors for whom the Ordinary Shares are intended are professionally advised private investors and institutional investors who are principally seeking long-term capital appreciation from the Portfolio.

Further Information

Your attention is drawn to the additional information set out in Part VI of this document.

PART V

TAXATION

UK Taxation

The following information, which is intended as a general guide only and not as a substitute for detailed tax advice, relates only to UK taxation and is based on the law and practice currently in force in the United Kingdom. It is applicable to the Company and to persons who are resident (and, in the case of individuals, domiciled) in the United Kingdom and who beneficially own Shares as investments. This information is not exhaustive. Investors should note that tax law and interpretation can change (possibly with retrospective effect) and that, in particular, the levels and bases of and reliefs from, taxation may change and that changes may alter the benefits of investment in the Company.

This information is not addressed to potential investors who (i) intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent. of the shares in the Company or of any one class of shares in the Company, (ii) are members of a special class of taxpayer, such as charities and UK insurance companies, or (iii) intend to acquire Shares as part of tax avoidance arrangements. Such potential investors, and any other potential investors who are in any doubt as to their taxation position, should consult their professional adviser without delay.

The Company

It is the intention of the Directors to conduct the affairs of the Company so that the central management and control of the Company is not exercised in the United Kingdom and so that the Company does not carry out any trade in the United Kingdom (whether or not through a permanent establishment situated there). The Company is not intending to invest in any UK real property. On this basis, the Company should not be liable for UK taxation on its income and gains, other than on certain types of income deriving from UK sources.

Shareholders

Offshore Fund Status

Each class of Shares will be regarded as a separate "offshore fund" for the purposes of UK taxation. The tax treatment applicable to Shares (as discussed below) will depend on whether or not the relevant class of Shares has been accepted by HMRC as a "Reporting Fund".

The Company intends to obtain from HMRC acceptance of each class of shares as a Reporting Fund.

Following acceptance of any class of shares as a Reporting Fund, the Company intends to meet the obligations of a Reporting Fund in respect of all future accounting periods for that class of shares. However, no guarantee is given in this regard.

If, for any reason, any class of shares is not, or ceases to be, accepted as a Reporting Fund, Shareholders should immediately seek independent tax advice as to any elections that may be made to optimise the resultant tax consequences. The following statements presume that the Company will at all material times be a Reporting Fund.

Bond Funds

If at any time in an accounting period more than 60 per cent. of the assets associated with any class of Shares are "qualifying investments", that class of Shares may fall to be treated as a "Bond Fund" for the whole of that accounting period. In simple terms, "qualifying investments" are investments that give an interest return or a return that has the nature of interest. It is not the intention that the pattern of investment of the Company should result in any class of Shares being treated as a Bond Fund.

Reported Income

In respect of any accounting period for which any class of Shares is accepted by HMRC as a Reporting Fund, to the extent that any reported income exceeds dividends paid in relation to those Shares, the excess will be taxed as if a dividend had been paid equal to such excess (see below for comments on the tax treatment of dividends). Therefore, UK taxpayers may, depending on their circumstances, be subject to tax in respect of income that they have not actually received.

Dividends

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

Provided that the relevant class of Shares is not a Bond Fund:

Shareholders who are individuals will be liable to UK income tax in respect of dividends or other income distributions of the Company. Such Shareholders will generally be entitled to a notional tax credit in respect of any dividend received, currently at the rate of one ninth of the cash dividend paid (or 10 per cent. of the aggregate of the net dividend and the related tax credit). For these purposes, dividends are treated as the top slice of an individual's income. No repayment of the dividend tax credit in respect of dividends paid by the Company can be claimed by Shareholders (including pension funds and charities); and

Shareholders who are subject to corporation tax should be able to claim exemption from corporation tax in respect of any dividend received, but should not be entitled to claim relief in respect of any underlying tax imposed.

If the relevant class of Shares is a Bond Fund:

For Shareholders who are individuals, the dividend will be taxable as yearly interest and no tax credit will be available; and

For Shareholders who are subject to corporation tax, the dividend will be taxable as yearly interest.

Tax on Chargeable Gains

A disposal or deemed disposal of shares (which includes redemption) by a Shareholder may give rise to a chargeable gain or an allowable loss for the purposes of the UK taxation of chargeable gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

A Shareholder who is an individual and who becomes temporarily non-UK resident for tax purposes in the United Kingdom, and who disposes of the Shares during that period of non-residence, may also be liable to UK taxation on the disposal (subject to any available exemption or relief) in such Shareholder's year of return to the United Kingdom. Such Shareholders should consult their professional adviser.

Shareholders that are subject to UK corporation tax will generally be subject to UK corporation tax on a chargeable gain arising from a disposal, subject to any available reliefs (such as any indexation allowance in respect of the period of ownership of their Shares).

Stamp Duty and Stamp Duty Reserve Tax

The following comments are intended as a guide to the general UK Stamp Duty and Stamp Duty Reserve Tax ("**SDRT**") position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services to whom special rules apply. No UK Stamp Duty or SDRT will be payable on the issue of the Shares. UK Stamp Duty (at the rate of 0.5 per cent., rounded up where necessary to the next £5, of the amount of the value of the consideration for the transfer) is payable on any instrument of transfer of Shares executed within, or in certain cases brought into, the UK. Provided that Shares are not registered in any register of the Company kept in the UK, any agreement to transfer Shares should not be subject to SDRT.

Any person who is in any doubt as to his/her tax position or requires more detailed information than the general outline above should consult his/her professional advisers.

Guernsey Taxation

Introduction

The following information is general in nature and relates only to Guernsey taxation applicable to the Company and the anticipated tax treatment in Guernsey that applies to persons holding Ordinary Shares in the Company as an investment. The summary does not constitute legal or tax advice and is based on taxation law and practice at the date of this document. Investors and prospective investors should be aware that the level and bases of taxation may change from those described and should consult their own professional advisors on the implications of acquiring, holding, disposing of, transferring or redeeming Ordinary Shares in the Company under the laws of the countries in which they are liable to taxation.

The Company

The Company is eligible to be granted tax exempt status by the Director of Income Tax in Guernsey pursuant to the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. The Company will need to reapply annually for exempt status, an application that currently incurs a fee of £600 per annum. It is expected that the Company will continue to apply for exempt status.

Once exempt status has been granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes and will be exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey. It is not anticipated that any income other than bank deposit interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax. In the absence of exemption, the Company would be treated as resident in Guernsey and subject to a zero rate of income tax.

In response to the review carried out by the European Union Code of Conduct Group ("**EUCCG**"), the States of Guernsey has abolished exempt status for the majority of companies and introduced a zero rate of tax for companies carrying on all but a few specified types of regulated business. The States of Guernsey has also agreed that, as collective investment schemes were not one of the regimes in Guernsey that were classified by the EUCCG as being harmful, such schemes such as the Company would continue to be able to apply for exempt status for Guernsey tax purposes.

A review of Guernsey's corporate regime was announced by the States of Guernsey in October 2009, again in response to further comments from the EUCCG. A consultation document was issued on 21 June 2010. The EUCCG reviewed Guernsey following similar reviews of other crown dependencies in 2011, and then reported that Guernsey's deemed distribution regime was not compliant with the EU Code of Conduct ("**EU Code**"). The States of Guernsey responded by agreeing to abolish deemed distributions to subsequently allow Guernsey to become EU Code compliant and for the States of Guernsey review of its company tax regime to be concluded. The EUCCG confirmed in September 2012 that Guernsey's tax regime would then conform to the EU Code and this was ratified by the EU Economic and Financial Affairs Council ("**ECOFIN**") in December 2012. The States of Guernsey abolished deemed distributions with effect from 1 January 2013. Again, collective investment schemes have not been affected and can continue to apply for exempt tax status.

The Policy Council of the States of Guernsey has stated that it may consider further revenue raising measures in the future, including the possible introduction of a goods and services tax, depending on the state of Guernsey's public finances at the time.

EU Savings Tax Directive

Guernsey has introduced measures that are equivalent to the EU Savings Tax Directive. The Company will not, under the existing regime, be regarded as an undertaking for collective investment established in Guernsey that is equivalent to a UCITS authorised in accordance with EC Directive 85/611/EEC of the Council for the purposes of the application in Guernsey of the bilateral agreements on the taxation of savings income entered into by Guernsey with EU member states. Consequently, in accordance with current States of Guernsey guidance on the application of the bilateral agreements, where the Company's paying agent (as defined for these purposes) is located in Guernsey, the paying agent would not be required to exchange

information regarding distributions made by the Company and/or the proceeds of the sale, refund, or redemption of shares in the Company.

The operation of the EU Savings Tax Directive is currently under review by the European Commission and a number of changes have been outlined which, if agreed, will significantly widen its scope. These changes could lead to the Company having to comply with the provisions of the EU Savings Tax Directive in the future.

Shareholders

Non-Guernsey resident Shareholders will not be subject to any income tax in Guernsey in respect of or in connection with the acquisition, holding or disposal of any Ordinary Shares owned by them. Such Shareholders will receive dividends without deduction of Guernsey income tax.

Any Shareholders who are resident in Guernsey will be subject to Guernsey income tax on any dividends paid to such persons but will not suffer any deduction of tax by the Company from any such dividends payable where the Company is granted tax exempt status. The Company is however required to provide details of distributions made to Shareholders resident in Guernsey to the Director of Income Tax in Guernsey.

At present Guernsey does not levy taxes upon capital gains, capital transfer, wealth, inheritance, gifts, sales or turnover, nor are there any duties save for an *ad valorem* fee for the grant of probate or letters of administration. No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of Ordinary Shares in the Company.

Inter-Governmental Agreements

The States of Guernsey are in discussion with, *inter alia*, the UK and the US with regard to entering into Inter-Governmental Agreements ("**IGAs**") for the reporting of information as required under the provisions of the US legislation, the Foreign Accounts Tax Compliance Act, or its equivalent in other jurisdictions. At the time of writing, it is expected that the States of Guernsey will conclude these IGAs within the next three months. No additional withholding taxes should apply to the Company as a result of Guernsey entering into the IGAs, such that the returns to Shareholders should remain unaffected. However, certain US and UK Shareholders should be aware that, in certain circumstances, information regarding their interests in the Company may be provided to the respective US and UK governments in accordance with the IGAs.

US Taxation

United States Federal Income Tax Considerations

Investors' Reliance on US Federal Tax Advice in this document

The discussion contained in this document as to US federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek US federal tax advice based on the taxpayer's particular circumstances from an independent tax advisor.

This section contains a summary of US federal income tax considerations for investors in the Company. The statements on taxation below are based on the law and practice in force at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely. Other tax consequences for each investor of acquiring, holding, withdrawing from, redeeming or disposing of Ordinary Shares are summarised below.

As used herein, the term "US Holder" includes a US citizen or resident alien of the United States (as defined for US federal income tax purposes); any entity treated as a partnership or corporation for US tax purposes that is created or organised in, or under the laws of, the United States or any state thereof (including the District of Columbia); any other partnership that may be treated as a US Holder under future US Treasury Department regulations; any estate, the income of which is subject to US income taxation regardless of source; and any trust over whose administration a court within the United States has primary supervision and

all substantial decisions of which are under the control of one or more US fiduciaries. Persons who have lost their US citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as US Holders. Persons who are aliens as to the United States but who have spent 183 days or more in the United States in any of the last two years should check with their tax advisors as to whether they may be considered residents of the United States. Persons who are not US Holders are referred to herein as "non-US Holders".

The following discussion is based upon the US Code and upon judicial decisions, Treasury regulations, Internal Revenue Service ("**IRS**") rulings and other administrative materials interpreting the US Code, all of which are subject to change that may or may not be retroactive.

The discussion below is general and does not purport to deal with all of the US federal income tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules.

The following discussion assumes that the Company will not hold any interests (other than as a creditor) in any "United States real property holding corporations" as defined in the US Code. Investors should consult their own tax advisors regarding the tax consequences to them of an investment in the Company under applicable US federal, state, local and non-US income tax laws as well as with respect to any special gift, estate and inheritance tax issues in light of their particular circumstances.

PROSPECTIVE INVESTORS ARE URGED TO CONSULT, AND MUST DEPEND UPON, THEIR OWN TAX ADVISORS WITH SPECIFIC REFERENCE TO THEIR OWN TAX SITUATIONS AND POTENTIAL CHANGES IN APPLICABLE LAW, INCLUDING THE APPLICATION OF STATE AND LOCAL, NON-US AND OTHER TAX CONSIDERATIONS.

Taxation of the Company

US Tax Status – In general, the federal income tax consequences of an investment in the Company will depend on whether the Company is treated for federal income tax purposes as a partnership rather than as an association taxable as a corporation. No application will be made to the IRS for a ruling on the classification of the Company for tax purposes.

If the Company is classified as a "partnership" for federal income tax purposes and is not a "publicly traded partnership" as discussed below, it will not be subject to any federal tax. Instead Shareholders will be subject to tax on their distributive shares of Company income and gain and, subject to certain limitations described below, will be entitled to claim their distributive shares of Company losses. On the other hand, if the Company were to be classified as an association taxable as a corporation or as a "publicly traded partnership" taxable as a corporation, Shareholders would be treated as shareholders of a corporation. Consequently, (a) items of income, gain, loss and deduction would not flow through to the Shareholders to be accounted for on their individual federal income tax returns; (b) cash distributions would be treated as corporate distributions to the Shareholders, some or all of which might be taxable as dividends; and (c) the Company would likely be classified as a "passive foreign investment company" and possibly also considered a "controlled foreign corporation" (as those terms are defined in the US Code) for US federal tax purposes. Such classification would subject any direct or indirect US Holder Shareholders to special rules designed to prevent deferral of US taxation and conversion of ordinary income into capital gains through investment in non-US investment companies.

Section 301.7701-1 through 301.7701-3 of the Treasury regulations provides a largely elective regime for determining when a business entity may be classified as a partnership rather than as a corporation. Under this regime, certain business entities are treated as per se corporations for federal tax purposes. All other business entities generally may choose their classification. A non-US entity that is eligible to choose its classification generally is treated as a corporation by default if, under the laws of the jurisdiction in which the entity is organised, no member of the entity is personally liable for the debts of or claims against the entity. On this basis, in the absence of a contrary election, the Company is expected to be treated as a corporation for US federal taxation purposes. The Directors may at any time, however, cause the Company to elect to be classified as a partnership for US federal taxation purposes.

An organisation that is classified as a partnership under the rules of Treas. Reg. § 301.7701-1 through 301.7701-3 nevertheless may be treated as a corporation for US federal income tax purposes. Under Section 7704 of the US Code, certain "publicly traded partnerships" are taxable as corporations. A publicly traded partnership for these purposes is a partnership whose interests are traded on an established securities market or are readily tradable on a secondary market or its economic equivalent.

Under an exception in Section 7704(c) of the US Code, a publicly traded partnership generally is not treated as a corporation for US federal tax purposes if 90 per cent. or more of its annual gross income consists of "qualifying income". For this purpose, qualifying income includes, among other items, interest, dividends and gains from the sale or disposition of a capital asset held to produce such income. With respect to a partnership, a principal activity of which is the buying and selling of commodities (other than stock in trade or other inventory-type property held for sale to customers in the ordinary course of business) or options, futures or forwards with respect to commodities, qualifying income also includes income and gains from such commodities or options, futures or forwards with respect to commodities. In addition, qualifying income includes income from a notional principal contract if the property, income or cash flow that measures the amounts to which the partnership is entitled under the contract would give rise to qualifying income if held or received directly by the partnership. Income derived from a financing business, however, would not be considered qualifying income.

Based on the Treasury regulations, the anticipated operations of the Company, and the expectation that the Company will satisfy the annual 90 per cent. qualifying income test, the Directors expect that, for any period in which the Company has in place an effective election to be classified as a partnership for US federal taxation purposes, the Company should not be treated as a corporation under the publicly traded partnership rules.

Foreign Account Tax Compliance Act ("FATCA") Considerations – The Company will be subject to US federal withholding taxes (at a 30 per cent. rate) on payments of certain amounts made to the Company after 2013 ("**withholdable payments**"), unless it complies or is deemed compliant with extensive reporting and withholding requirements. Withholdable payments generally will include interest (including original issue discount), dividends, rents, annuities, and other fixed or determinable annual or periodical gains, profits or income, if such payments are derived from US sources, as well as gross proceeds from dispositions of securities that could produce US source interest or dividends. Income which is effectively connected with the conduct of a US trade or business is not, however, included in this definition. To avoid the withholding tax, unless deemed compliant (or unless and to the extent that an IGA is entered into as referred to above), the Company will be required to enter into an agreement with the United States to identify and disclose identifying and financial information about each US Holder (or foreign entity with substantial US ownership) which invests in the Company, and to withhold tax (at a 30 per cent. rate) on withholdable payments and related payments made to any Shareholder which fails to furnish information requested by the Company to satisfy its obligations under the agreement. Certain categories of investors, generally including, but not limited to, tax-exempt investors, publicly traded corporations, banks, regulated investment companies, real estate investment trusts, common trust funds, brokers, dealers and middlemen, and state and federal governmental entities, will be exempt from such reporting. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime, including its application to exchange traded entities, is continuing to develop. There can be no assurance as to the impact of such future guidance on Company operations.

Shareholders will be required to furnish appropriate documentation certifying as to their US or non-US tax status, together with such additional tax information as the Company may from time to time request. Failure to provide requested information may subject a Shareholder to liability for any resulting US withholding taxes, US tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in Ordinary Shares of the Company.

US Federal Income Taxation of the Company – Generally – The US federal income tax treatment of the Company will depend on whether the Company is treated as a partnership or a corporation for US federal taxation purposes. As the Directors may at any time cause the Company to elect to be treated as a partnership, the following discussion addresses both options.

US Federal Income Taxation of the Company – Partnership Treatment – If treated as a partnership for US federal taxation purposes, the Company will not be subject to any regular US federal income taxation. Instead Shareholders will be treated as being engaged in the activities carried on by the Company and, to the extent subject to US federal income taxation, will be taxable on their distributive share of the Company's income and gain, as discussed more fully below.

If, for any taxable year in which the Company is treated as a partnership for US federal taxation purposes, the Company derives any income from US sources and has any Shareholders that are US Holders (or pass-through type entities that are owned, directly or indirectly through one or more other pass-through entities, by a US Holder), it will be required to file annually an information return on IRS Form 1065 and, with respect to each US Holder Shareholder (or pass-through type entity that is owned, directly or indirectly through one or more other pass-through entities, by a US Holder), a Schedule K-1 indicating such Shareholder's allocable share of the Company's income, gain, losses, deductions, credits and items of tax preference. If for any taxable year the Company were to derive income that is effectively connected with a US trade or business, it will be required to submit a Schedule K-1 with respect to each Shareholder. Each Shareholder, however, is responsible for keeping its own records for determining such Shareholder's tax basis in its Ordinary Shares and calculating and reporting any gain or loss resulting from a Company distribution or disposition of its Ordinary Shares.

US Federal Income Taxation of the Company – Corporation Treatment – The Directors generally intend to structure the investments of the Company so that it will not be deemed to be engaged in a trade or business in the United States and, therefore, none of its income will be treated as "effectively connected" with a US trade or business carried on by the Company. If none of the Company's income is treated as effectively connected with a US trade or business carried on by the Company, for any period in which the Company is treated as a corporation for US federal taxation purposes, certain categories of income (including dividends (and certain substitute dividends and other dividend equivalent payments) and certain types of interest income), if any, derived by the Company from US sources will be subject to a US tax of 30 per cent., which tax is generally withheld from such income. Certain other categories of income, generally including capital gains (including those derived from options transactions) and interest on certain portfolio debt obligations (which may include US government securities), original issue discount obligations having an original maturity of 183 days or less, and certificates of deposit, will not be subject to this 30 per cent. tax.

If, on the other hand, the Company were to derive income which is effectively connected with a US trade or business carried on by the Company for any period in which the Company is treated as a corporation for US federal taxation purposes, this 30 per cent. tax would not apply to such effectively connected income, but such income would be subject to US federal income tax at the graduated rates applicable to US domestic corporations, and the Company would also be subject to a branch profits tax on earnings removed, or deemed removed, from the United States.

Taxation of Non-US Holder Shareholders

US Federal Income Tax Considerations If Company Is Treated as a Partnership – The Directors generally intend to structure the investments of the Company so that it will not be deemed to be engaged in a trade or business in the United States and, therefore, none of its income will be treated as "effectively connected" with a US trade or business carried on by the Company. If none of the Company's income is treated as effectively connected with a US trade or business carried on by the Company, for any period in which the Company is treated as a partnership for US federal taxation purposes, certain categories of income (including dividends (and certain substitute dividends and other dividend equivalent payments) and certain types of interest income), if any, derived by the Company from US sources and allocable to the Company's non-US Holder Shareholders will be subject to a US tax of 30 per cent. (or lower treaty rate for eligible non-US investors), which tax is generally withheld from such income. The amount of such income and withheld tax will be reported on an IRS Form 1042-S with respect to each non-US Holder Shareholder. Certain other categories of income, generally including capital gains (including those derived from options transactions) and interest on certain portfolio debt obligations (which may include US government securities), original issue discount obligations having an original maturity of 183 days or less, and certificates of deposit, will not be subject to this 30 per cent. tax.

If, on the other hand, the Company were to derive income which is effectively connected with a US trade or business carried on by the Company for any period in which the Company is treated as a partnership for US federal taxation purposes, this 30 per cent. tax would not apply to such effectively connected income, but the Company would be required to withhold quarterly amounts of tax from the amount of effectively connected taxable income allocable to each non-US Holder Shareholder at the highest rate of tax applicable to taxable US Holders. Thus, non-US Holders would be taxable on capital gains, as well as other income, which is treated as effectively connected with the non-US Holder's US trade or business, and would be required to file US tax returns. Furthermore, a non-US corporation investing in the Company would be subject to an additional 30 per cent. branch profits tax on effectively connected earnings deemed removed from the United States, unless the non-US corporation were eligible to claim a reduced treaty rate.

US Federal Income Tax Considerations If Company Is Treated as a Corporation – The US tax consequences to a non-US Holder Shareholder of distributions from the Company and of dispositions of Shares for any period in which the Company is treated as a corporation for US tax purposes generally will depend on the Shareholder's particular circumstances, including whether the Shareholder conducts a trade or business or is present within the United States or is otherwise taxable as a US Holder. In the absence of such circumstances, if the Company is treated as a corporation for US federal taxation purposes, a non-US Holder Shareholder generally should not become subject to US federal income taxation solely by reason of investing in Ordinary Shares.

US Federal Income Tax Considerations – In General – A non-US Holder Shareholder (other than an individual) will be subject to US federal withholding taxes (at a 30 per cent. rate) on payments of certain amounts made to it after 2013 ("**withholdable payments**"), unless the non-US Holder Shareholder complies (or is deemed compliant) with applicable reporting and withholding requirements. Withholdable payments generally will include interest (including original issue discount), dividends, rents, annuities, and other fixed or determinable annual or periodical gains, profits or income, if such payments are derived from US sources, as well as gross proceeds from dispositions of securities that could produce US source interest or dividends. Income which is effectively connected with the conduct of a US trade or business is not, however, included in this definition. To avoid the withholding tax, unless deemed compliant, the non-US Holder Shareholder will be required to identify and disclose certain identifying and financial information about certain US account holders or investors, and in certain circumstances may be required to withhold tax (at a 30 per cent. rate) on withholdable payments and related payments made to any account holder or investor which fails to furnish the requested information.

All Shareholders will be required to furnish appropriate documentation certifying as to their US or non-US tax status, together with such additional tax information as the Directors may from time to time request. Failure to furnish requested information may subject a Shareholder to liability for any resulting withholding taxes, US tax information reporting, and/or mandatory redemption, transfer or other termination of such Shareholders interest in Ordinary Shares in the Company.

Taxation of US Holder Shareholders

US Federal Income Tax Considerations If Company Is Treated as a Partnership – The following discussion of US federal income tax considerations for US Holder Shareholders applies if the Company is treated as a partnership for US federal taxation purposes.

Each Shareholder will be required to take into account in computing its federal income tax liability its distributive share of the Company's income, gains, losses, deductions, credits and tax preference items for any taxable year of the Company ending with or within the taxable year of such Shareholder without regard to whether it has received or will receive a cash (or in kind) distribution from the Company. If the Company were not to make distributions, Shareholders should be aware that an investment in the Company could produce taxable income without the receipt of cash or property. In addition, if a Shareholder purchases its Ordinary Shares at a net asset value which includes unrealised gains and those gains are later realised, its share of the taxable gain may include gain attributable to the time period prior to its purchase.

The Company will use the accrual method of accounting to determine its net profits or net losses for US federal income tax purposes. The Company will adopt a calendar year as its taxable year for accounting

and income tax purposes. In the event, however, that one or more Shareholders having an aggregate interest in Company profits and capital of more than 50 per cent., or all Shareholders having a 5 per cent. or greater interest in Company profits or capital, have a taxable year other than the calendar year (disregarding for this purpose certain Shareholders that are not subject to US federal income tax), the Company may be required to adopt or change to a taxable year other than the calendar year.

Allocation of Company Income, Gains and Losses – A Shareholder's distributive share of Company income, gain, deduction, loss or credit realised for federal income tax purposes generally is determined in accordance with the Company's organisational documents. Under US Code Section 704, however, the allocation of such items pursuant to such documents must have "substantial economic effect" to be recognised for US federal income tax purposes. Pursuant to Treasury regulations, the allocation provisions of the Company's organisational documents should have "substantial economic effect" because, under such provisions (1) the Shareholders' capital accounts will be maintained in accordance with the regulations, (2) liquidating distributions will be made in accordance with capital accounts and (3) although no Shareholder will have an obligation to restore its negative capital account upon liquidation of the Company, the Company's organisational documents contain a provision intended to operate as a "qualified income offset" provision.

In the event that a Shareholder withdraws partially or completely from the Company (including by reason of death), the Directors may, in their sole discretion, specially allocate items of Company gain or loss to that Shareholder for US federal income tax purposes to reduce the amount, if any, by which the amount distributable to the Shareholder upon the withdrawal differs from that Shareholder's tax basis for his or her Ordinary Shares, or otherwise reduce any discrepancy between amounts previously allocated to the Shareholder's capital account and amounts previously allocated to that Shareholder for US federal income tax purposes.

Distributions and Adjusted Basis – The receipt of a cash distribution from the Company by a Shareholder, not in liquidation of its Ordinary Shares, generally will not result in the recognition of gain or loss for federal income tax purposes. However, cash distributions in excess of a Shareholder's adjusted basis for its Ordinary Shares will result in the recognition by such Shareholder of gain in the amount of such excess. A Shareholder generally will recognise no gain or loss on a distribution of property of the Company other than cash which is not in liquidation of its Ordinary Shares. However, for the purposes of determining a Shareholder's gain or loss on a later sale of such property, the Shareholder's basis in the distributed property will generally be equal to the Company's adjusted tax basis in the property, or, if less, the Shareholder's basis in its Ordinary Shares before the distribution.

A Shareholder's adjusted basis in its Ordinary Shares will initially equal the amount of cash it has contributed for its Ordinary Shares, and will be increased by its distributive share of the Company's income and decreased (but not below zero) by the amount of cash distributions and the basis to the Shareholder of any property distributed from the Company and its distributive share of the Company's losses. Certain other adjustments may also be required by law.

In general, no gain will be recognised by a Shareholder with respect to distributions made in liquidation of its Ordinary Shares unless either (a) the amount of cash distributed exceeds its adjusted basis for its Ordinary Shares immediately before the distribution (including adjustments reflecting operations in the year of liquidation); or (b) there is a disproportionate distribution in kind to the Shareholder of "unrealised receivables" and certain "inventory items" (these items may include, among other items, market discount or income on certain short term obligations). No loss may be recognised by a Shareholder with respect to liquidating distributions unless the property distributed consists solely of cash, unrealised receivables and inventory items, and then only to the extent that the sum of the cash, plus the Shareholder's basis for the receivables and inventory items, is less than the Shareholder's adjusted basis for his or her Ordinary Shares. The basis of any property received by a Shareholder in liquidation of its Ordinary Shares will be equal to the adjusted basis of its Ordinary Shares, less the amount of any cash received in the liquidation.

Limitations on Losses and Deductions – For purposes of computing federal income tax, a Shareholder will take into account its distributive share of the Company's tax items. However, a Shareholder's ability to deduct its distributive share of a Company's losses and expenses may be limited under one or more provisions of the US Code.

A Shareholder cannot deduct losses from the Company for a given year in an amount greater than its adjusted tax basis in its Ordinary Shares as of the end of the Company's tax year. Any excess losses may be deductible by a Shareholder in subsequent tax years to the extent that the Shareholder's adjusted tax basis for its Ordinary Shares exceeds zero.

There can be no assurance that Company losses will produce a tax benefit in the year incurred or that such losses will be available to offset a Shareholder's share of income in subsequent years.

In addition to the above limitation imposed upon the deductibility of losses from the Company, the US Code further limits the deductibility of losses by certain taxpayers (such as individuals and certain closely held corporations) from a given activity to the amount which the taxpayer is "at risk" in the activity. Losses which cannot be deducted by a Shareholder because of the "at risk" rules may be carried over to subsequent years until such time as they are allowable. The amount which a Shareholder generally will be considered to have "at risk" with respect to the Company will be the amount of money contributed to the Company, plus the Shareholder's share of the Company's taxable income minus the Shareholder's share of tax losses and distributions. As mentioned above, there can be no assurance that the Company's losses will be available to offset a Shareholder's income in subsequent years.

Capital losses of an individual taxpayer (including those that are part of a Shareholder's distributive share of the Company's tax items) generally are deductible to the extent of the Shareholder's capital gains and any excess capital losses are deductible up to US$3,000 per year (US$1,500 for a married individual filing a separate return). An individual's capital losses which otherwise are deductible in a given year, but exceed these limits, can be carried forward indefinitely for possible deduction in later taxable years. Capital losses of a corporation generally are deductible to the extent of its capital gains. Capital losses of a corporation which otherwise are deductible, but which exceed its capital gains for the taxable year, generally are subject to a three year carryback and five year carryover period.

Losses attributable to "passive activities" are limited under US Code Section 469. Passive losses that non-corporate Shareholders may have from other activities generally are not expected to be available to offset income from the Company (all or a significant portion of which generally will be treated as portfolio income).

US Code Section 163(d) imposes limitations on the deductibility of "investment interest" by non-corporate taxpayers. "Investment interest" generally is defined as interest paid or accrued on indebtedness allocable to property held for investment. Investment interest is deductible only to the extent of net investment income. Investment interest which cannot be deducted for any year because of the foregoing limitation may be carried forward and allowed as a deduction in a subsequent year to the extent the taxpayer has net investment income in such year. The Company will report to Shareholders for each year their share of the Company's investment interest expense, the Shareholder's deduction of which will be subject to the investment interest limitation. Any investment interest expense disallowed under the investment interest rules generally can be deducted in a later year if the Shareholder has sufficient net investment income.

Miscellaneous itemised deductions (including investment expenses) of non-corporate taxpayers are allowable only to the extent that they exceed 2 per cent. of the taxpayer's adjusted gross income. Accordingly, if for any taxable year the Company's activities fail to rise to the level of a "trade or business" for federal income tax purposes, the deduction by such a Shareholder of its distributive share of the Company's Management Fee and other investment expenses will be subject to this 2 per cent. limitation. In addition, a Shareholder's deductible portion of miscellaneous itemised deductions may be further limited by other US Code provisions.

A Shareholder will not be allowed to deduct currently such Shareholder's share of any expenses incurred in connection with the organisation of the Company. Any such expenses must be amortised or capitalised. In addition, a Shareholder will not be allowed to deduct currently or amortise such Shareholder's share of any expenses incurred in connection with the offering of interests in the Company. Any such expenses must be capitalised.

The foregoing discussion is intended to summarise some of the US Code provisions that may limit a Shareholder's tax deductions for losses and expenses with respect to the Company and does not purport to be a comprehensive analysis or a complete list of all such US Code provisions. Each prospective Shareholder should consult its tax advisor to determine the extent to which the deduction of its distributive share of the Company's losses and expenses may be limited.

Alternative Minimum Tax – Both individual and corporate taxpayers could be subject to an alternative minimum tax ("**AMT**") if the AMT exceeds the income tax otherwise payable by the taxpayer for the year. Due to the complexity of the AMT calculations, Shareholders should consult with their tax advisors as to whether the investment in the Company might create or increase AMT liability.

Capital Gains – For taxable years beginning after 2012, an individual or other non-corporate taxpayer generally is subject to a maximum 20 per cent. rate of tax on net capital gains from the disposition of certain capital assets held more than one year. Capital gains from dispositions of property held for one year or less are generally taxed at the same rate as ordinary income (excluding certain qualified dividend income, which is taxed at a maximum rate of 20 per cent., rather than the ordinary income rate). Furthermore, for taxable years beginning after 2012, an additional 3.8 per cent. Medicare tax will be imposed on certain net investment income (including interest, dividends, annuities, royalties, rents and net capital gains) of US individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds a threshold amount. Net capital gains of corporations are taxed the same as ordinary income, with a maximum tax rate of 35 per cent.

Termination of the Company for Federal Income Tax Purposes – If within a 12 month period there is a sale or exchange of 50 per cent. or more of the interests in Company capital and profits, a termination of the Company will occur for US federal income tax purposes, and the taxable year of the Company will close. If such a termination occurs, (i) the property of the Company will be deemed contributed to a new partnership in exchange for interests in that partnership which are then deemed distributed to the purchasing Shareholder and the continuing Shareholders. Such a termination could result in the bunching of income by accelerating Company income for that year to Shareholders whose fiscal years differ from that of the Company.

Audit of Tax Returns – If the information returns filed by the Company are audited, any adjustments in tax liability with respect to Company items will be made at the Company level in unified proceedings before the IRS and the courts, rather than in separate proceedings involving each Shareholder. The Directors shall designate a member to serve as the "tax matters partner" (the "**TMP**"). The TMP has authority to negotiate or to contest proposed adjustments, unless under certain permitted circumstances an individual Shareholder affirmatively acts to contest such proposed adjustments on its own behalf. Audit at the Company level may require the extension of the three year statute of limitations on assessments of deficiencies with respect to Company items included in Shareholders' returns. While the Directors believe the tax treatment to be afforded the Company will be correct and proper, there can be no assurance that the Company will not be audited and that adjustments will not be made.

Tax Elections – The Company may make various elections for federal income tax purposes which could result in certain items of income, gain, loss, deduction and credit being treated differently for tax and accounting purposes.

The US Code generally permits a partnership to elect to adjust the basis of its property on the sale or exchange of a partnership interest, the death of a partner and on the distribution of property to a partner (a "**754 election**"), except in certain circumstances in which such adjustments are mandatory. Such adjustments generally are mandatory in the case of a transfer of a partnership interest with respect to which there is substantial built-in loss, or a distribution of partnership property which results in a substantial basis reduction. A substantial built-in loss exists if a partnership's adjusted basis in its assets exceeds the fair market value of such assets by more than US$250,000. A substantial basis reduction results if a downward adjustment of more than US$250,000 would be made to the basis of partnership assets if a 754 election were in effect. The general effect of such an election or mandatory adjustment is that transferees of partnership interests are treated as though they had acquired a direct interest in partnership assets. Any such election, once made, may not be revoked without the IRS's consent. Although the Company's organisational

documents authorise the Directors, at their option, to cause the Company to make this election (or any other elections permitted under the US Code), because of the tax accounting complexities inherent in making this election to adjust the basis of Company property, the Directors may decide not to do so in circumstances in which such adjustments are not required. The absence of this election and of the power to compel the making of such election may, in some circumstances, result in a reduction in value of Ordinary Shares to a potential transferee.

Taxation of Hedging Transactions – The Company may purchase and sell (write) listed and over the counter put and call options on individual debt and equity securities and indices (both narrow and broad based), and national securities exchange trade put and call options on currencies. Generally, the taxation of equity options (including options on narrow based stock indices) and over the counter options on debt securities is governed by US Code Section 1234. Pursuant to US Code Section 1234, the premium received by the Company for selling a put or call option is not included in income at the time of receipt. If the option expires, the premium is short term capital gain to the Company. If the Company enters into a closing transaction, the difference between the amount paid to close out its position and the premium received is short term capital gain or loss. If a call option written by the Company is exercised, thereby requiring the Company to sell the underlying security, the premium will increase the amount realised upon the sale of such security and any resulting gain or loss will be long-term or short term depending upon the holding period of the security. With respect to a put or call option that is purchased by the Company, if the option is sold, any resulting gain or loss will be a capital gain or loss, and will be short term or long term, depending upon the holding period of the option. If the option expires, the resulting loss is a capital loss and is short term or long-term, depending upon the holding period of the option. If the option is exercised, the cost of the option, in the case of a call option, is added to the basis of the purchased security and, in the case of a put option, reduces the amount realised on the underlying security in determining gain or loss.

In the case of Company transactions, if any, involving certain futures and forward foreign currency contracts and listed options on debt securities, currencies and certain futures contracts and broad-based stock indices, US Code Section 1256 generally will require any gain or loss arising from the lapse, closing out or exercise of such positions to be treated as 60 per cent. long term and 40 per cent. short-term capital gain or loss, although foreign currency gains and losses arising from certain of these positions may be treated as ordinary income and loss. In addition, the Company generally will be required to mark to market (i.e., treat as sold for fair market value) each such position which it holds at the close of each taxable year.

Generally, the hedging transactions undertaken by the Company may result in "straddles" for US federal income tax purposes. The straddle rules may affect the character of gains (or losses) realised by the Company. In addition, losses realised by the Company on positions that are part of a straddle may be deferred under the straddle rules, rather than being taken into account in calculating the taxable income for the taxable year in which the losses are realised. Also, Shareholders holding positions in personal property which offset positions held by the Company may be treated as holding straddles. Because only a few regulations implementing the straddle rules have been promulgated, the tax consequences to the Company and its Shareholders of engaging in hedging transactions are not entirely clear.

The Company may make one or more of the elections available under the US Code which are applicable to straddles. If the Company makes any of the elections, the amount, character and timing of the recognition of gains or losses from the affected straddle positions will be determined under the rules that vary according to the election(s) made. The rules applicable under certain of the elections may operate to accelerate the recognition of gains or losses from the affected straddle positions.

Notwithstanding any of the foregoing, the Company may recognise gains (but not losses) from a constructive sale of certain "appreciated financial positions" if the Company, enters into a short sale, offsetting notional principal contract, futures or forward contract transaction with respect to the appreciated position or substantially identical property. Appreciated financial positions subject to this constructive sale treatment are interests (including options, futures and forward contracts and short sales) in stock, partnership interests, certain actively traded trust instruments and certain debt instruments. Constructive sale treatment does not apply to certain transactions closed before the end of the 30th day after the close of the taxable year, if certain conditions are met.

Investment by Qualified Retirement Plans and Other Tax Exempt Shareholders – Qualified pension and profit sharing plans (including Keogh or HR 10 Plans), individual retirement accounts ("**IRAs**"), educational institutions and other Shareholders exempt from taxation under US Code Section 501 are generally exempt from federal income tax except to the extent that they have unrelated business taxable income ("**UBTI**"). UBTI is income from an unrelated trade or business regularly carried on, excluding various types of permissive investment income such as dividends, interest, and capital gains (so long as not derived from debt financed property).

To the extent that the Company holds property that constitutes debt financed property, property primarily for sale to customers ("dealer" property), or an investment in a partnership or other pass through entity that holds debt-financed property or otherwise generates unrelated business taxable income, income attributable to such property or activity that is allocated to an exempt organisation which has acquired an equity interest in the Company will constitute UBTI. Debt-financed property generally includes securities purchased with borrowed funds, such as securities purchased on margin.

The foregoing discussion is intended to apply primarily to qualified plans; the UBTI of certain other exempt organisations may be computed in accordance with special rules. For example, under current law, the receipt of any amount of UBTI in a year by a charitable remainder trust will subject the trust to a 100 per cent. excise tax on all of its UBTI for that year.

The Directors currently intend to conduct the activities of the Company in a manner that does not give rise to UBTI, but reserve the right to operate without regard to UBTI consequences at any time in the future. UBTI in excess of US$1,000 in any year is taxable and may result in an alternative minimum tax liability.

In view of the special issues potentially presented by UBTI, a tax exempt investor should consult its tax advisor before purchasing Ordinary Shares. It will be the responsibility of any tax-exempt Shareholder investing in the Company to keep its own records with respect to UBTI and file its own IRS Form 990 T with respect thereto.

Passive Foreign Investment Company Rules – If the Company were to invest directly or indirectly in non-US entities that generate largely passive investment type income, or which hold a significant percentage of assets which generate such income (referred to as "passive foreign investment companies" or "PFICs"), such investments would be subject to special tax rules designed to prevent deferral of US taxation of the Company's and, in turn, each Shareholder's share of the PFIC's earnings. In the absence of certain elections to report these earnings on a current basis, regardless of whether the Company were to actually receive any distributions from the PFIC, the Shareholders would be required to report certain "excess distributions" from, and any gain from the disposition of stock of, the PFIC as ordinary income. This ordinary income would be allocated rateably to the Company's holding period for the stock. Any amounts allocated to prior taxable years would be taxable at the highest rate of tax applicable in that year, increased by an interest charge determined as though the amounts were underpayments of tax.

Currency Transactions – Under the US Code, gains or losses attributable to fluctuations in exchange rates which occur between the time the Company accrues receivables or liabilities denominated in a non-US currency and the time the Company, actually collects such receivables or liabilities generally are treated as ordinary income or loss. Similarly, on disposition of debt securities denominated in a foreign currency and on disposition of certain options, futures and foreign currency contracts, gains or losses attributable to fluctuations in the value of foreign currency between the date of acquisition of the security or contract and the date of disposition also are treated as ordinary gain or loss.

Withholding Taxes and Foreign Tax Credit – Income, if any, received by the Company from sources within foreign countries may be subject to withholding and other taxes imposed by such countries. Each Shareholder may be entitled either to deduct (as an itemised deduction) his or her proportionate share of the foreign taxes of the Company in computing his or her taxable income or to use the amount as a foreign tax credit against his or her US federal income tax liability, subject to limitations. Generally, a credit for foreign taxes is subject to the limitation that it may not exceed the taxpayer's US tax attributable to his or her foreign source taxable income. With respect to Shareholders who are US Holders, certain currency fluctuation gains, including fluctuation gains from non US dollar denominated debt securities, receivables and payables, will

be treated as ordinary income derived from US sources; Company gains from the sale of securities also will be treated as derived from US sources. The limitation on the foreign tax credit is applied separately to foreign source passive income (as defined for purposes of the foreign tax credit), including the foreign source passive income realised by the Company. The foreign tax credit limitation rules do not apply to certain electing individual taxpayers who have limited creditable foreign taxes and no foreign source income other than passive investment type income. The foreign tax credit generally is eliminated with respect to foreign taxes withheld on income and gain if the Company fails to satisfy minimum holding period requirements with respect to the property giving rise to the income and gain.

US Federal Income Tax Considerations if Company is Treated as a Corporation – The following discussion of US federal income tax considerations for US Holder Shareholders applies if the Company is treated as a corporation for US federal taxation purposes.

Dividend Distributions – Any distributions made by the Company to its US Holder Shareholders with respect to the Ordinary Shares will be taxable to those Shareholders as ordinary income for US federal income taxation purposes to the extent of the Company's current and accumulated earnings and profits, subject to the "passive foreign investment company" ("**PFIC**") rules discussed below. Dividends received by corporate US Holder Shareholders will not be eligible for the dividends-received deduction.

Sale of Ordinary Shares – Upon the sale or other disposition of Ordinary Shares, and subject to the PFIC rules discussed below, a US Holder which holds Ordinary Shares as a capital asset generally will realize a capital gain or loss which generally will be long-term or short-term, depending upon the Shareholder's holding period for the Ordinary Shares.

Medicare Tax – For taxable years beginning after December 31, 2012, an additional 3.8 per cent. Medicare tax will be imposed on certain net investment income (including interest, dividends, annuities, royalties, rents and net capital gains) of US individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds a threshold amount.

PFIC Rules – In General – The Company is expected to be a PFIC within the meaning of US Code Section 1297(a) of the Code. US investors are urged to consult their own tax advisors with respect to the application of the PFIC rules and the making of a "qualified electing fund" ("**QEF**") election" or "mark to market" election, summarised below.

PFIC Consequences – No QEF or Mark to Market Election – A US Holder which holds Ordinary Shares generally will be subject to special rules with respect to any "excess distribution" by the Company to that Shareholder and any gain from the disposition of the Ordinary Shares. For this purpose, an "excess distribution" generally refers to the excess of the amount of distributions received by the Shareholder during the taxable year in respect of the Ordinary Shares over 125 per cent. of the average amount received by the Shareholder in respect of those Ordinary Shares during the three preceding taxable years (or shorter period that the Shareholder held the Ordinary Shares). The tax payable by a US Holder Shareholder with respect to an excess distribution or disposition of Ordinary Shares will be determined by allocating the excess distribution or gain from the disposition ratably to each day in the Shareholder's holding period for the Ordinary Shares. The distribution or gain so allocated to any taxable year of the Shareholder, other than the taxable year of the excess distribution or disposition, will be taxed to the Shareholder at the highest ordinary income rate in effect for that year, and the tax will be further increased by an interest charge to reflect the value of the tax deferral deemed to have resulted from the ownership of the Ordinary Shares. Any amount of distribution or gain allocated to the taxable year of the distribution or disposition will be included as ordinary income. Similar rules would apply to any PFIC shares held indirectly through the Company, in the event that the Company were to hold a direct or indirect equity investment in a non-US entity that were determined to be a PFIC.

PFIC Consequences – QEF Election – A US Holder Shareholder in certain circumstances may be able to make a QEF election, in lieu of being taxable in the manner described above, to include annually as income and gain that Shareholder's *pro rata* share of the ordinary earnings and net capital gain of the Company, regardless of whether the Shareholder actually received any distributions from the Company. Losses,

however, would not flow through to an electing Shareholder. For the QEF election to be effective, the Company would need to provide the electing Shareholder with certain annual financial information based on US tax accounting principles. The Company intends to provide requesting US Holders with the information necessary to make a QEF election with respect to their Ordinary Shares. There can be no assurance, however, that such an election would be available with respect to any PFIC shares held indirectly through the Company in the event that the Company were to hold a direct or indirect equity investment in a non-US entity that were determined to be a PFIC.

PFIC Consequences – Mark to Market Election – A mark to market election is not expected to be available for US Holders holding Ordinary Shares. If such an election were available, in lieu of being taxable in the manner described above, an electing Shareholder would include in income at the end of each taxable year the excess, if any, of the fair market value of its Ordinary Shares over its adjusted basis for the Ordinary Shares. The Shareholder also would be permitted to deduct the excess, if any, of its adjusted basis for the Ordinary Shares over their fair market value, but only to the extent of any net mark-to-market gain included in income in prior years. Any mark-to-market gain and any gain from an actual disposition of Ordinary Shares would be included as ordinary income. Ordinary loss treatment would apply to any deductible mark-to-market loss, as well as any loss from an actual disposition to the extent of previously included net mark-to-market gains. An electing Shareholder's adjusted basis in its Ordinary Shares would be adjusted to reflect any mark-to-market inclusions or deductions.

PFIC Consequences – Tax-Exempt Organisations – UBTI – Certain entities (including qualified pension plans, individual retirement accounts, 401(k) plans and Keogh plans) generally are exempt from US federal income taxation except to the extent that they have UBTI. UBTI, as discussed above, is income from a trade or business regularly carried on by a tax-exempt organisation that is unrelated to the organisation's exempt activities. Various types of income, including dividends, interest and gains from the sale of property other than inventory and property held primarily for sale to customers, are excluded from UBTI, so long as the income is not derived from debt-financed property.

Under current law, a tax-exempt organisation generally should not derive UBTI from an investment in Ordinary Shares unless the Ordinary Shares are debt-financed property in the hands of the tax-exempt organisation. Furthermore, the PFIC rules apply to a tax-exempt organisation that holds Ordinary Shares only if a dividend from the Company would be subject to US federal income taxation in the hands of the Shareholder (for example, if the Ordinary Shares are debt-financed property in the hands of the tax-exempt organisation). It should be noted, however, that proposed regulations, which are expected to apply retroactively, may treat individual retirement accounts and other tax-exempt trusts (but not qualified plans) differently than other tax-exempt organisations by treating the beneficiaries of such trusts as PFIC shareholders and thereby subjecting such persons to the PFIC rules.

Controlled Foreign Corporation Rules. The foregoing discussion assumes that no US Holder owns directly or indirectly, or is considered as owning by application of certain tax law rules of constructive ownership, 10 per cent. or more of the total combined voting power of all voting shares of the Company. In the event that the US ownership of voting shares of the Company were so concentrated, other US tax law rules which are designed to prevent deferral of US income taxation (or conversion of ordinary income into capital gain) through investment in non-US corporations could apply to an investment in the Company.

More specifically, if more than 50 per cent. of the combined voting power or total value of ownership interests in the Company is owned, directly or indirectly or through application of certain constructive ownership rules, by US Holders who each own, directly or indirectly or constructively, 10 per cent. or more of the combined voting power of all ownership interests in the Company ("Ten Per Cent. US Owners"), the Company will be a "controlled foreign corporation" for US federal income tax purposes. In such event, each Ten Per Cent. US Owner will be required to include in income that amount of the Company's earnings to which such Ten Per Cent. US Owner would have been entitled had the Company currently distributed all of its earnings. (Under current law, such income inclusions generally would not be expected to be treated as UBTI, so long as not deemed to be attributable to insurance income earned by the Company). Also, all or any part of any gain resulting from the sale or exchange of ownership interests in the Company could be treated as a dividend. In addition, Ten Per Cent. US Owners would be subject to additional U.S. tax

information reporting requirements. Similar rules could apply with respect to shares of any non-U.S. corporations that are held by a Shareholder indirectly through the Company.

US Federal Income Tax Considerations – In General – The following discussion of US federal income tax considerations for US Holder Shareholders applies regardless of whether the Company is treated as a partnership or a corporation for US federal taxation purposes.

Reporting Obligations – US Holder Shareholders will subject to additional US tax information reporting obligations as a result of investing in the Company. Each US Holder which is deemed to be a direct or indirect PFIC shareholder also will be required to report annually such information as the US Department of the Treasury shall require, regardless of whether such person has received any PFIC income or distributions in a given taxable year. For taxable years beginning after March 2010, individuals holding foreign financial assets having an aggregate value of more than US$50,000 generally will be required to disclose such holdings with such individual's US tax returns. Significant penalties will apply to failures to disclose and to certain underpayments of tax attributable to undisclosed reportable foreign financial assets. US Holders should consult their own US tax advisors regarding any reporting responsibilities, including any potential obligation to file Form TD F 90-22.1 with the US Department of the Treasury.

Tax Shelter Reporting – Persons who participate in or act as material advisors with respect to certain "reportable transactions" must disclose required information concerning the transaction to the IRS. In addition, material advisors must maintain lists that identify such reportable transactions and their participants. Significant penalties apply to taxpayers who fail to disclose a reportable transaction. Although the Company is not intended to be a vehicle to shelter US federal income tax, and the new regulations provide a number of relevant exceptions, there can be no assurance that the Company and its Shareholders and material advisors will not be subject to these disclosure and list maintenance requirements.

State and Local Tax Considerations

In addition to the federal income tax consequences described above, prospective investors should consider potential state and local tax consequences of an investment in the Company. State and local laws often differ from federal income tax laws with respect to the treatment of specific items of income, gain loss, deduction and credit. Income derived by a Shareholder from its investment in Ordinary Shares of the Company generally will be required to be included in determining the Shareholder's reportable income for state and local tax purposes in the jurisdiction in which the Shareholder resides or otherwise has a taxable presence.

Korean Taxation

The following information is general in nature and relates only to material Korean taxation applicable to the Company. The following summary does not constitute legal or tax advice and is based on taxation law and practice at the date of this document.

South Korea currently levies withholding tax on distributions from Korean companies paid to foreign investors at the effective rate (including surtax) of 22 per cent. unless there is applicable tax treaty that provides otherwise. In addition, for trading of shares of Korean companies, the trading is subject to securities transaction tax ranging currently from 0.3 per cent. to 0.5 per cent. (including surtax) of the purchase price depending on whether the shares are listed, which market of the Korea Exchange they are listed at and whether the trading takes place outside the Korea Exchange.

For capital gains arising from trading of listed shares, in the event (i) foreign investor does not have a place of business in Korea, (ii) foreign investor and its specially related parties as defined in applicable Korean law have owned less than 25 per cent. of total issued shares of a listed company over the past five years, and (iii) the investors transfer the shares through the Korea Exchange, capital gains will not be considered Korea-sourced income, and thus, will not be taxable in Korea.

Neither the Company nor N+1 Singer is providing any tax advice regarding Korean national or local tax considerations pertinent to an investment in the Ordinary Shares and nothing contained in this document should be construed to be tax advice as to such matters. None of the information contained herein is intended or written to be used, and cannot be used, for the purposes of avoiding Korea tax related penalties. Any

prospective investor that is resident in Korea for tax purposes should fully consider both the present and future Korean national and local tax consequences of any investment in the Ordinary Shares. The Korean tax consequences of an investment in the Ordinary Shares are potentially complex and will not necessarily be the same for all investors. Accordingly, each prospective Korean investor is urged to consult with his or her own tax advisors as to the particular Korean tax consequences to him or her of the purchase, ownership, conversion and disposition of the Ordinary Shares. The Korean tax consequences of an investment in the Ordinary Shares are potentially complex and will not necessarily be the same for all investors. Accordingly, each prospective Korean investor is urged to consult his or her own tax advisors as to the particular Korean tax consequences to him or her of the purchase, ownership, conversion and disposition of the Ordinary Shares, including the applicability of any Korean national and local tax laws, and any changes (or proposed changes) in applicable tax laws or interpretation thereof. There is no assurance that the Korean tax consequences of investing in the Ordinary Shares will not be significantly modified by future legislation or administrative or court decisions.

PART VI

ADDITIONAL INFORMATION

1 Directors' Responsibility

The Directors, whose names are set out on page 9 of this document, and the Company accept responsibility, both individually and collectively, for all the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (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.

2 The Company

2.1 The Company was incorporated on 12 April 2013 with limited liability in Guernsey under the Law with registered number 56535. The Company operates under the Law as a limited liability company.

2.2 The Company's registered office and its principal place of business are in Guernsey and are located at PO Box 255, Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL, (Tel No. +44 (0)1481 745001).

2.3 The Company is governed by its Articles.

2.4 Save for its entry into the material contracts summarised in paragraph 7 of this Part VI and certain non-¬material contracts, since its incorporation, the Company has not carried on business, incurred any borrowings or granted any charges, mortgages or security interests.

2.5 The Company is a Registered Closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2008 (the "**Rules**") issued by the Commission. Registered schemes are supervised by the Commission insofar as they are required to comply with the requirements of the Rules, including requirements to notify the Commission of certain events and the disclosure requirements of the Commission's Prospectus Rules 2008. The Commission, in granting registration, has not reviewed this document but has relied upon specific warranties provided by the Administrator, the Company's designated manager.

A registered collective investment scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

2.6 The ISIN number of the Ordinary Shares is GG00B933LL68.

2.7 The Company's accounting reference date is 31 December.

3 Share Capital

3.1 At incorporation the authorised share capital of the Company was an unlimited number of Ordinary Shares of no par value of which one was issued as a subscriber share to the subscriber to the Memorandum and Articles being Mr Stephen Charles Coe. The Articles do not impose pre-emption rights on the issue of new shares. The Directors have absolute authority to allot the Ordinary Shares under the Articles and are expected to resolve to do so shortly prior to Admission in respect of the Ordinary Shares to be issued pursuant to the Placing.

At the date of this document the issued fully paid share capital of the Company is one Ordinary Share. Since the date of incorporation and until Admission, there have been and there will be no changes to the issued share capital of the Company.

3.2 The Company has an unlimited share capital and the maximum issued share capital of the Company (all of which will be fully paid-up) immediately following the Placing will be as follows:

	Authorised		*Issued**	
	Number of Ordinary Shares	*(£) Nominal*	*Number of Ordinary Shares*	*(£) Nominal*
Ordinary Shares	Unlimited	zero	105,000,000	zero

** Assuming the Placing is fully subscribed.*

3.3 By an ordinary resolution dated 8 May 2013 the Company took authority, in accordance with section 315 of the Law, to make market acquisitions (within the meaning of section 316(1) of the Law) of fully paid Ordinary Shares, provided that the maximum number of Ordinary Shares authorised to be purchased shall be 40 per cent. of the ordinary share capital of the Company in issue following the conclusion of the Placing. If the Company repurchases any Ordinary Shares, the maximum price which may be paid for an Ordinary Share must not be higher than £10.00 and the minimum price payable per Ordinary Share is £0.01. The Company is permitted to fund the payments for purchases of Ordinary Shares in any manner permitted by the Law (subject to satisfaction of the solvency test contained in the Law). Such authority shall expire at the annual general meeting of the Company in 2014 unless such authority is varied, revoked or renewed prior to such date by an ordinary resolution of the Company in general meeting.

3.4 In accordance with the power granted to the Directors by the Articles, it is expected that the Ordinary Shares to be issued under the Placing will be allotted (conditional upon Admission) pursuant to a resolution of the Board to be passed shortly before Admission. There are no provisions of Guernsey law equivalent to sections 561 to 576 of the Act which confer pre-emption rights on existing Shareholders in connection with the allotment of equity securities for cash.

3.5 The liability of Shareholders is limited to the amount payable in respect of Ordinary Shares held.

3.6 The Ordinary Shares carry the right to vote at general meetings and the entitlement to receive any dividends and surplus assets of the Company on a winding-up.

3.7 Save pursuant to the Placing and for the subscription of the one Ordinary Share referred to above, since the date of incorporation, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, for cash or any other consideration and no commission, discounts, brokerages or other special terms have been granted by the Company in connection with the issue of any such capital.

3.8 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option and there are no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company.

3.9 As of the date of this document, the Company has no listed or unlisted securities not representing share capital.

3.10 Subject to the exceptions set out in paragraphs 5 and 6 below and the transfer restrictions pursuant to US securities laws (see '*There will be transfer restrictions for Shareholders in the United States*' in Part I (Risk Factors)), the Ordinary Shares are freely transferable.

3.11 The Ordinary Shares are capable of being held in certificated and uncertificated form. Application has been made to Euroclear for the Ordinary Shares to be enabled for dealing through CREST as a participating security. No temporary documents of title will be issued.

3.12 There are no shares in the capital of the Company currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

4 Directors' and Other Interests

4.1 The maximum amount of remuneration payable to the Directors permitted under the Articles is £200,000 in aggregate in any financial year.

4.2 It is estimated that the aggregate emoluments (including benefits in kind and pension contributions (of which none is to be made)) of the Directors for the period ending 31 December 2013 will amount to no more than £50,000.

4.3 Stephen Coe and Norman Crighton were appointed as non-executive directors at incorporation. Robert King was appointed as a non-executive director on 29 April 2013. On 29 April 2013 the Directors signed letters that state that their appointment and any subsequent termination or retirement (which include provisions relating to retirement by rotation) shall be subject to the Articles. Save as described above, there are no existing or proposed service contracts between any of the Directors and the Company.

4.4 There are no contracts entered into by the Company in which any of the Directors has a material interest.

4.5 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.

4.6 No Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Company and which have been effected by the Company since incorporation or have been effected by the Company since incorporation and remain in any way outstanding or unperformed.

4.7 No Director has any potential conflicts of interest between his duties to the Company and his private interests and/or other duties he may also have.

4.8 No Director, or any member of a Director's family, nor any person connected with him (within the meaning of sections 252 to 254 of the Act), has had a related financial product (as defined in the AIM Rules) referenced to Ordinary Shares.

4.9 Based on the intentions of the Directors (and persons connected with the Directors) to subscribe under the Placing, the Directors (and persons connected with the Directors) are expected to hold, following Admission, the number of Ordinary Shares set out below:

	*Ordinary Shares**	
Name	*Number*	*%*
Norman Crighton	20,000	0.02
Stephen Coe	10,000	0.01
Robert King	15,000	0.01

** Assuming the Placing is fully subscribed.*

In accordance with the lock-in arrangements contained in the AIM Rules, the Directors have agreed not to dispose of their securities for a period of one year from the date of Admission, save in certain limited circumstances.

Save as set out in this sub-paragraph, no Director nor any member of his immediate family or person connected with him (within the meaning of section 252 to 254 of the Act) holds or is interested, whether beneficially or non-beneficially, directly or indirectly, in any shares, options over shares, voting rights in respect of shares or securities convertible into shares of the Company.

4.10 The Company is not aware of any person or persons who directly or indirectly, jointly or severally, exercise or could exercise control of the Company.

4.11 Save as set out below, the Company is not aware of any person who is directly or indirectly interested (within the meaning of Part VI of FSMA and DTR 5) in 3 per cent. or more of the Company's issued

share capital or any person who will hold, directly or indirectly, more than 3 per cent. of the Company's issued share capital after Admission*.

	*Ordinary Shares**	
Name	*Number*	*%*
Ruffer LLP	11,000,000	10.5
Morgan Stanley Wealth Management	8,895,883	8.5
Merrill Lynch & Co	8,735,307	8.3
Mount Capital Limited	8,000,000	7.6
Chalkstream Investment Fund, L.P.	7,700,000	7.3
Advance Emerging Capital	7,000,000	6.7
Merrill Lynch, Pierce, Fenner & Smith Incorporated	7,000,000	6.7
Miton Asset Management	7,000,000	6.7
Henderson Global Investors	6,630,000	6.3
City of London Investment Management Company Limited	6,500,000	6.2
Lepercq Lynx Investment Advisory LLC	4,817,265	4.6
MIO Partners Inc	3,147,280	3.0

** Assuming the Placing is fully subscribed.*

No such person has, or will have, different voting rights in relation to their shareholdings in the Company.

4.12 Immediately following Admission, employees and senior management of the Investment Manager, their respective immediate family members or entities controlled by them or their immediate family members will be interested in 8,895,883 Ordinary Shares representing 8.5 per cent. of the issued share capital of the Company. Of those Ordinary Shares, Dr. Andrew Weiss and his immediate family members will be interested in 6,427,550 Ordinary Shares representing 6.1 per cent. of the issued share capital of the Company.

4.13 The Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

4.14 The Company will purchase directors' and officers' liability insurance for the benefit of the Directors.

4.15 No Director has any unspent convictions relating to indictable offences, has been made bankrupt or has made, or been the subject of, any form of individual voluntary arrangement.

4.16 None of the Directors has been a director of any company at the time of or within twelve months preceding the date of its receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors. None of the Directors has been a partner of any partnership at the time of or within twelve months preceding the date of its compulsory liquidation, administration or partnership voluntary arrangement or the receivership of any assets of such partnership nor have any of their assets been the subject of receivership.

4.17 None of the Directors has been publicly criticised by any statutory or regulatory authority (including recognised professional bodies) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

4.18 The full names, ages and dates of appointment of the Directors are as follows:

Name	*Age*	*Date of Appointment as Director*
Norman Crighton	46	12 April 2013
Stephen Charles Coe	47	12 April 2013
Robert Paul King	49	29 April 2013

4.19 The directorships held by each of the Directors over the five years preceding the date of this document and the partnerships in which they have been partners in the five years preceding the date of this document are as follows:

	Current	*Past*
Norman Crighton	Trading Emissions PLC Global Fixed Income Realisation Limited Private Equity Investor plc Universal Umvelt Limited Seven Fields Farm World Firsts Organization Weiss Korea Opportunity Fund Limited	None
Stephen Coe	Callidus Holdings PTE Care Home Properties Limited George Street Holdings Pty Limited Greenfield Holdings Limited Hamilton Corporate Finance (Guernsey) Limited HCF Guernsey Limited HCHP Limited Healthcare Alpha Limited Healthcare Beta Limited Healthcare Delta Limited Healthcare Finance Limited Healthcare Holdings Limited Healthcare Property Holdings Limited Healthcare Property Investments Limited Health Care Real Estate Investors Limited Healthcare Real Estate Holdings Limited HHL Properties Limited HH Properties Limited HHLC Limited HIC Limited HICS Limited HIHP Limited IHP Limited Specialised Care Properties Limited St Andrews Healthcare PTY Supported Living Limited Matrix European Real Estate Investment Trust Limited Matrix EPH Sarl Matrix EPH 2 Sarl Matrix EPH Delta Sarl Matrix German Portfolio No 1 Frankfurt Sarl Matrix German Portfolio No 1 Celle Sarl Matrix German Portfolio No 1 Dusseldorf Sarl Matrix German Portfolio No 1 Kaiserslautern Sarl La Gaude SA	Matrix Juno (Guernsey) Limited Matrix Abaco Limited Syndicate Asset Management (CI) Limited Syndicate Nominees (CI) Limited Sidra Fund Limited Leopard Astley Limited ACP Mezzanine Limited ACP Mezzanine Holdings UK Limited Leasecom SA Viola leasing Limited Trikona Trinity Capital Mauritius Limited ACP Capital Limited ACP Capital (Cyprus) Limited Mosaic Property CEE Limited Leopard Guernsey SBB Limited Leopard Guernsey Gatwick Limited Leopard Guernsey Azambuja Limited Leopard Guernsey Carterton Limited Leopard Guernsey Doncaster Limited Leopard Guernsey Halesowen Limited Leopard Guernsey Germany 1 Limited Leopard Guernsey Garstang Limited Leopard Guernsey Germany 2 Limited Leopard Holding Company S.à r.l Leopard Holding Germany 1 S.à r.l LG Master Holding Company sarl Leopard Guernsey Greenwich 2 Limited Jockgrim Limited Zenprop 888 Guernsey Management Limited Leopard Guernsey Greenwich GP Limited Leopard Guernsey Greenwich Holding Limited Leopard Guernsey Greenwich Limited Leopard Guernsey DC Limited Leopard Guernsey Holding GP1 Limited Leopard Guernsey Mile End Limited Leopard Guernsey MS Limited

	Current	*Past*
Stephen Coe *continued*	La Gaude Investments La Gaude Property Sarl Capitalpost Luxembourg Sarl St Etienne Holdco Sarl St Etienne Propco Sarl Polonius Limited Polonius 2 Limited Data Debt PCC Limited Building Block Ins PCC Ltd Totemic Insurance Limited Raven Russia Limited Trikona Trinity Capital Plc Victoria Capital PCC Limited Kolar Gold Limited Leopard Holding Guernsey Limited Leopard Holding Company S.à r.l Leopard Germany Master Holding Company S.àr.l. LG Master Holding Company sarl South African Properties Opportunity plc Black Sea Property Fund Limited Belasko Administration Limited Belasko Corporate Limted Belasko Corporate 2 Limited Belasko Shareholdings Limited Weiss Korea Opportunity Fund Limited	Leopard Guernsey Old Street Holding Limited Leopard Guernsey Old Street Limited Leopard Guernsey Portfolio 1 Limited Leopard Guernsey SBB Limited Old Street GP (Guernsey) Limited Matrix Leiden BV Matrix German Portfolio No 1 Munster Sarl Matrix St Laurent de Mure SARL MEPV Finance Company Sarl Matrix Austria Holdings One Sarl Strategic Equity Income Limited Isis Property Trust Limited Isis Property Holdings Limited
Robert Paul King	Thames River Alternative Strategies Limited Thames River Hillside Apex Fund SPC Hillside Apex Fund Limited F&C Directional Opportunities Fund Limited Thames River Distressed Focus Fund Limited Thames River Sentinel Fund Limited F&C Warrior Fund Limited Absolute Return Trust Limited Thames River Property (Securities) SARL Thames River Guernsey Direct Property Holdings Limited F&C Warrior II Fund Limited Golden Prospect Precious Metals Limited F&C Property Growth & Income Fund Limited F&C Longstone Fund Limited Thames River Hillside Apex Fund II Limited	Thames River Tybourne Fund Limited Thames River Edo Fund Limited Thames River Hedge Ventures Limited Thames River Capital (CI) Limited FCM Japan Kachi Fund Limited FCM Japan Kachi Master Fund Limited BeechHolt Fund Limited Thames River Kingsway Plus Fund Limited FCM European Opportunities Fund Limited FCM European Opportunities Master Fund Limited Thames River Argentum Fund Limited Thames River ZeCo Fund Limited Thames River 2X Currency Alpha Fund Limited Thames River 1X Currency Alpha Fund Limited FCM Global Opportunities Fund Limited FCM Global Opportunities Master Fund Limited

	Current	*Past*
Robert Paul King *continued*	Sienna Investment Company 2 Limited Sienna Investment Company 3 Limited Sienna Investment Company 4 Limited Sienna Investment Company Limited Thames River Africa Focus Fund Limited Clarion ICC Limited Clarion 1 IC Limited Clarion 4 IC Limited Clarion 5 IC Limited Jubilee Absolute Return Fund Limited Jubilee Absolute Return Master Fund Limited Renaissance Russia Infrastructure Equities Limited KIC Global Strategy Fund Pera Capital Partners Advisory Limited Praetorian Resources Limited Pembroke Heritage Fund Limited Praetorian Resources (GP) Limited West End London Property Investment Company Limited WHC Limited Weiss Korea Opportunity Fund Limited	Advaita Indian Energy Ventures (Mauritius) Limited Thames River Origin Fund Limited Advaita Energy Ventures Limited Albanactus Holdings Limited Ambridge Limited Arnold House Holdings Limited Azurie OS Limited Bewcastle Holdings Limited Blackpine Properties Limited Cape Diving Limited Cascades Limited Deloitte CIS Holdings Limited Deloitte CIS Nominee Limited Deloitte CIS Shareholders Limited Factory Electric Holdings Limited Hilson Park Limited Holborn Properties Limited Iris Holdings Limited Littlegate Properties Limited Micro Investments Limited Nebraska Holdings Limited Newgate Property Holdings Limited Orchid Developments Limited Pharmed Consultants Limited Process Marine Engineering Services Ltd Redwood Developments Limited Rowan Developments Limited Sarnia Construction Limited Seahaze Limited The Cromwell Corporation Limited Thomas Ventures Limited Viki International Limited Waldemar Developments Limited Walden Way Limited Wintergreen Limited Woodford Limited FCM Asia-Pacific Fund Limited FCM Asia-Pacific Master Fund Limited Therium Holdings Limited Cannon Capital Advisors Limited Thames River Capital Holdings Limited FCM European Frontier Fund Limited FCM European Frontier Master Fund Limited Cannon Asset Management Limited Cannon Corporate Services Limited Cannon Nominess Limited Cannon Secretaries Limited Cannon Investments Limited

	Current	*Past*
Robert Paul King *continued*		Cannon Corporate Directors Limited Cannon International Limited Euro Finance Limited Anice Limited Montreux Advisers Limited Thames River Equity Focus Fund Limited Advaita Energy Ventures Limited Advaita Energy Finance Limited Lions of Africa SPC (formerly) South African Hedge Funds SPC Visio Trading Limited Metsi Trading Limited Takura Trading Limited Computershare Investor Services (Guernsey) Limited Thames River Kingsway Fund Limited Kingsway Fund Limited Dominion DMG International Limited Dominion Marketing Limited Nevsky Capital Holdings Limited Thames River Legion Fund Limited Sentinel Redemption Limited Warrior Redemption Limited Warrior II Redemption Limited Distressed Focus Redemption Limited Thames River Mainstay Fund Limited Carrousel Fund II Limited (The) Thames River Magi Macro Fund Limited Guernsey Photography Festival LBG Rhodium Stone PCC Limited Astrum Holdings Limited Legend Holdings Limited Centrix IX Fund Limited Clarion Test Trade IC Limited Clarion 2 IC Limited Clarion 3 IC Limited

5 Memorandum and Articles of Incorporation of the Company

5.1 ***Memorandum and Articles of Incorporation***

In accordance with the Law and the Memorandum of Incorporation of the Company, the Company has unlimited capacity to carry on or undertake any business or activity, to do, or to be subject to, any act or to enter into any transaction.

The articles of incorporation of the Company (which are available for inspection at the addresses set out in paragraph 14 below) contain provisions, *inter alia*, to the following effect:

5.2 ***Share capital***

The Company may issue an unlimited number of shares in any currency including, without limitation, Ordinary Shares, Realisation Shares or such other classes of shares as the Board may from time to time determine.

5.3 ***Shares***

The rights attaching to the Ordinary Shares shall be as follows:

(a) As to income – subject to paragraph 5.20(a)(i), the holders of Ordinary Shares shall be entitled to receive, and participate in, any dividends or other distributions out of the profits of the Company attributable to the Ordinary Shares and available for dividend or distribution and resolved to be distributed in respect of any accounting period or any other income or right to participate therein in accordance with paragraph 5.7.

(b) As to capital – subject to paragraph 5.20(a)(ii), the holders of Ordinary Shares shall be entitled on a winding up, to participate in the distribution of capital in the manner described in paragraph 5.6.

(c) As to voting – subject to the provisions of the Articles (including but not limited to paragraphs 5.20(a)(iii) and 5.20(a)(iv) and to any special rights or restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares and the Realisation Shares, the holders of the Ordinary Shares shall be entitled to receive notice of and to attend, speak and vote at general meetings of the Company, save that any holders of the Ordinary Shares shall not be entitled to vote on any resolution proposed at any general meeting of the Company to give effect to paragraphs 5.20(b) to 5.20(d).

5.4 ***Issue of Shares***

Subject to the authority to issue shares referred to in paragraph 5.2 or any extension thereof, the unissued shares shall be at the disposal of the Board which may allot, grant options, warrants or other rights over or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines but so that no Ordinary Share shall be issued at a discount to the Net Asset Value per Ordinary Share without the approval of Shareholders and except in accordance with the Law and so that the amount payable on application on each share shall be fixed by the Board.

5.5 ***Variation of class rights***

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.

5.6 ***Winding up***

(a) Subject to the provisions of paragraphs 5.19(j), 5.19(k) and paragraph 5.6(d), the Company shall have an indefinite life.

(b) If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may with the sanction of a special resolution, and after considering legal and other considerations, divide among the Shareholders *in specie* any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Shareholders as the liquidator with the like sanction shall think fit.

(c) In case any of the securities or other assets to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such division to any of the said assets may within 14 clear days after the passing of the special resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall if practicable act accordingly.

(d) Subject to the provisions of paragraphs 5.19(j), 5.19(k) and 5.19(l), if after four months following the date of Admission, no investments have been made, the Directors have an absolute discretion to convene an extraordinary general meeting of the Company (an **EGM**) in order to propose an ordinary resolution that the Company continue its business as a closed-ended investment scheme (the **Continuation Resolution**).

(e) If any Continuation Resolution is not passed, the Directors may put proposals for the reconstruction, reorganisation or winding up of the Company to the Shareholders for their approval.

5.7 ***Dividends***

(a) Subject to compliance with section 304 of the Law, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company and subject to any Shareholder's rights attaching to their shares and the amount of such dividends or distributions paid in respect of one class may be different from that of another class. The Board may also declare and pay any fixed dividend which is payable on any shares of the Company quarter-yearly or otherwise on fixed dates whenever the position in the opinion of the Board so justifies.

(b) The method of payment of dividends shall be at the discretion of the Board and dividend payments shall be non-cumulative.

(c) No dividend shall be paid in excess of the amounts permitted by the Law or approved by the Board.

(d) Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid *pro rata* according to the number of shares held by each Shareholder. For the avoidance of doubt, where there is more than one class of share in issue, dividends declared in respect of any class of share shall be declared and paid *pro rata* according to the number of shares of the relevant class held by each Shareholder.

(e) The Board may deduct from any dividend payable to any Shareholder on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

(f) The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.

(g) The Board may retain dividends payable upon shares in respect of which any person is entitled to become a Shareholder until such person has become a shareholder.

(h) The Board may agree with any Shareholder that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

(i) With the sanction of the Company in general meeting, any dividend may be paid wholly or in part by the distribution of specific assets and, in particular, of paid-up shares of the Company. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular may issue fractional shares and fix the value for distribution of such specific assets and may determine that cash payments shall be made to any Shareholders upon the footing of the value so fixed in order to adjust the rights of Shareholders and may vest any such specific assets in trustees for the Shareholders entitled as may seem expedient to the Board.

(j) Any dividend interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint holders, to the registered address of that joint holders who is first named on the Company's register. Any one of two or more joint holders may give effectual receipts for any dividends interest bonuses or other monies payable in respect of their joint holdings. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means (including, in relation to any dividend or other sum payable in respect of shares held in uncertificated form, by means of a Relevant System (as defined in the Uncertificated Securities Regulations 2001 of the United Kingdom and/or the Uncertificated Securities (Enabling Provisions) (Guernsey) Law, 2005) in any manner permitted by the rules of the Relevant System concerned) and to or through such person as the holder or joint holders (as the case may be) may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends interest bonuses or other monies payable in respect of their joint holdings.

(k) No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.

(l) If, (a) at least two consecutive payments for a dividend or other sum payable in respect of a share sent by the Company to the person entitled to it in accordance with the Articles is left uncashed or is returned to the Company and, after reasonable enquiries, the Company is unable to establish any new address or, with respect to a payment to be made by a funds transfer system, a new account, for that person and (b) such payments are left uncashed or returned to the Company on both consecutive occasions, the Company shall not be obliged to send any dividends or other sums payable in respect of that share to that person until he notifies the Company of an address or, where the payment is to be made by a funds transfer system, details of the account, to be used for the purpose.

(m) All unclaimed dividends may be invested or otherwise made use of 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 six years after having been declared shall be forfeited and shall revert to the Company.

5.8 ***Transfer of shares***

(a) The Articles provide that the Directors may implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of CREST. Where they do so, paragraphs 5.8(b) and 5.8(c) shall commence to have effect immediately prior to the time at which Euroclear admits the class to settlement by means of CREST.

(b) In relation to any class of shares which, for the time being Euroclear has admitted to settlement by means of CREST, and for so long as such class remains so admitted, no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

(i) the holding of shares of that class in uncertificated form;

(ii) the transfer of title to shares of that class by means of CREST; or

(iii) the CREST Guernsey Requirements.

(c) Without prejudice to the generality of paragraph 5.8(b) and notwithstanding anything contained in the Articles, where any class of shares is, for the time being, admitted to settlement by means of CREST:

(i) such securities may be issued in uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements;

(ii) unless the Directors otherwise determine, such securities held by the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings;

(iii) such securities may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the CREST Guernsey Requirements;

(iv) title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of CREST and as provided in the CREST Guernsey Requirements, and accordingly (and in particular) no provision of the Articles shall apply in respect of such shares to the extent that those Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a certificate for the security to be transferred;

(v) the Company shall comply in all respects with the CREST Guernsey Requirements including, without limitation, CREST Rule 8;

(vi) no provision of the Articles shall apply so as to require the Company to issue a certificate to any person holding such shares in uncertificated form;

(vii) the permitted number of joint holders of a share shall be four; and

(viii) every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary, however and whenever arising and however expressed. Accordingly, each CREST member who is for the time being registered as the holder of any shares in the capital of the Company shall hold such shares upon trust for himself and for those persons (if any) whose CREST accounts are duly credited with any such shares or in favour of whom shares are to be withdrawn from CREST pursuant to a settled stock withdrawal instruction; and the CREST member and all such persons, to the extent respectively of the shares duly credited to their respective CREST accounts or the subject of a settled stock withdrawal instruction, shall accordingly have beneficial interests therein.

(d) Subject to such of the restrictions of the Articles as are described in this paragraph 5.8:

(i) without any prejudice to any arrangements made in accordance with paragraph 5.8(a), any Shareholder may transfer all or any of his uncertificated shares by means of a Relevant System authorised by the Board in such manner provided for, and subject as provided, in any regulations issued for this purpose under the Law or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any relevant system and accordingly no provision of the Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred;

(ii) any Shareholder may transfer all or any of their certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve; and

(iii) an instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a certificated share need not be under seal.

(e) The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share in certificated form or uncertificated form which is not fully paid up or on which the Company has a lien, provided, in the case of a listed or publicly traded share that this would not prevent dealings in the share from taking place on an open and proper basis. In

addition, the Directors may also refuse to register a transfer of shares unless such transfer is in respect of only one class of shares, is in favour of a single transferee or no more than four joint transferees and, in relation to a share in certificated form, it is delivered for registration to the Company's registered office or such other place as the Board may decide and is accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so. The Directors may also refuse to register a transfer of shares unless the transfer is in favour of any Non-Qualified Holder.

(f) Subject to the provisions of the CREST Guernsey Requirements, the registration of transfers may be suspended at such times and for such periods as the Board may decide and either generally or in respect of any class of share. Any such suspension shall be communicated to Shareholders, giving reasonable notice of such suspension by means of a Regulatory Information Service, provided that such suspension shall not be for more than 30 days in any year.

(g) If it shall come to the notice of the Board that any shares are owned directly, indirectly, or beneficially by a Non-Qualified Holder, the Board may give notice to such person requiring him either (i) to provide the Board within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder; or (ii) to sell or transfer his shares to a person who is not a Non-Qualified Holder within 30 days and within such 30 days to provide the Board with satisfactory evidence of such sale or transfer. Pending such sale or transfer the Board may suspend the exercise of any voting or consent rights and rights to receive notice of, or attend, meetings of the Company and any rights to receive dividends or other distributions with respect to such shares. If any person upon whom such a notice is served pursuant to this paragraph 5.8(g) does not within 30 days after such notice either (i) transfer his shares to a person who is not a Non-Qualified Holder or (ii) establish to the satisfaction of the Board (whose judgment shall be final and binding) that he is not a Non-Qualified Holder; (a) such person shall be deemed upon the expiration of such 30 days to have forfeited his shares and the Board shall be empowered at their discretion to follow the procedure pursuant described in the Articles or, (b) if the Board in its absolute discretion so determines, the Board may 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 held by a Non-Qualified Holder, in which event the Company may take any action whatsoever that the Board considers necessary in order to effect the transfer of such share by the holder of such share (including where necessary the signing of transfer forms), and the Company shall pay the net proceeds of sale to the former holder upon its receipt of the sale proceeds and the surrender by him of the relevant share certificate or, if no certificate has been issued, such evidence as the Board may reasonably require to satisfy themselves as to his former entitlement to the share and to such net proceeds of sale.

5.9 ***Alteration of capital and purchase of shares***

(a) The Company may by ordinary resolution: consolidate and divide all or any of its share capital into shares of larger or smaller amounts than its existing shares; subdivide all or any of its shares into shares of a smaller amount subject to paragraph 5.9(b); cancel shares which, at the date of the passing of the resolution, have not been taken up or agreed to be taken up by any person, and diminish the amount of its share capital by the amount of shares so cancelled; convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than 3 significant figures) current on the date of the resolution or on such other day as may be specified therein; or where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise.

(b) In any subdivision under paragraph 5.9(a) above, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as that proportion in the case of the share from which the reduced share was derived.

(c) The Company may reduce its share capital, any capital account or any share premium account in any manner and with and subject to any authorisation or consent required by the Law.

(d) The Company may, at the discretion of the Board, purchase any of its own shares, whether or not they are redeemable, and may pay the purchase price in respect of such purchase to the fullest extent permitted by the Law.

5.10 ***Notices***

(a) A notice or other communication may be given by the Company to any Shareholder either personally or by sending it by prepaid post addressed to such Shareholder at his registered address (or, subject to paragraph 5.10(g) in electronic form) or if he desires that notices shall be sent to some other address or person to the address or person nominated for such purpose.

(b) Any notice or other document, if served by post (including registered post, recorded delivery service or ordinary letter post), shall be deemed to have been served on the third day after the day on which the same was posted from Guernsey to an address in the United Kingdom, the Channel Islands or the Isle of Man and, in any other case, on the seventh day following that on which the same was posted.

(c) Service of a document sent by post shall be proved by showing the date of posting, the address thereon and the fact of pre-payment.

(d) Any notice or other document, if transmitted by electronic communication, facsimile transmission or other similar means which produce or enable the production of a document containing the text of the communication, shall be regarded as served when it is received.

(e) A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Company's register in respect of the share.

(f) Any notice or other communication sent to the address of any Shareholder shall, notwithstanding the death, disability or insolvency of such Shareholder and whether the Company has notice thereof, be deemed to have been duly served in respect of any share registered in the name of such Shareholder as sole or joint holder and such service shall, for all purposes, be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such share.

(g) All Shareholders shall be deemed to have agreed to accept communication from the Company by electronic means in accordance with sections 524 and 526 and schedule 3 of the Law unless a Shareholder notifies the Company otherwise. Such notification must be in writing and signed by the Shareholder and delivered to the Company's registered office or such other place as the Board directs.

5.11 ***Notice of general meetings***

(a) A general meeting (including an annual general meeting) of the Company (other than an adjourned meeting) must be called by notice of at least 14 clear days.

(b) A general meeting may be called by shorter notice than otherwise required if all the Shareholders entitled to attend, speak and vote so agree.

(c) Notices and other documents may be sent in electronic form or published on a website in accordance with section 208 of the Law.

(d) Notice of a general meeting of the Company must be sent to every Shareholder entitled to attend and vote thereat, every Director and every alternate Director registered as such.

(e) In paragraph 5.11(d) above, the reference to Shareholders includes only persons registered as a Shareholder.

(f) Notice of a general meeting of the Company must state the time and date of the meeting, state the place of the meeting, specify any special business to be put to the meeting (as defined in the Articles), contain the information required under section 178(6)(a) of the Law in respect of a resolution which is to be proposed as a special resolution at the meeting, contain the information required under section 179(6)(a) of the Law in respect of a resolution which is to be proposed as a waiver resolution at the meeting, and contain the information required under section 180(3)(a) of the Law in respect of a resolution which is to be proposed as a unanimous resolution at the meeting.

(g) Notice of a general meeting must state the general nature of the business to be dealt with at the meeting.

(h) The accidental omission to give notice of any meeting to or the non-receipt of such notice by any Shareholder shall not invalidate any resolution or any proposed resolution otherwise duly approved.

(i) General meetings may be held in Guernsey or elsewhere at the discretion of the Directors.

5.12 ***Conflicts of interest***

(a) A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with section 162 of the Law:

(i) if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest; or

(ii) if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest.

(b) The obligation referred to in paragraph 5.12(a) does not apply if:

(i) the transaction or proposed transaction is between the Director and the Company; and

(ii) the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.

(c) A general disclosure to the Board to the effect that a Director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.

(d) Nothing in paragraphs 5.12(a), 5.12(b) or 5.12(c) applies in relation to:

(i) remuneration or other benefit given to a Director;

(ii) insurance purchased or maintained for a Director in accordance with section 158 of the Law; or

(iii) qualifying third party indemnity provision provided for a Director in accordance with section 159 of the Law.

(e) Subject to paragraph 5.12(f), a Director is interested in a transaction to which the Company is a party if the Director:

(i) is a party to, or may derive a material benefit from, the transaction;

(ii) has a material financial interest in another party to the transaction;

(iii) is a director, officer, employee or member of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;

(iv) is the parent, child or spouse of another party who may derive a material financial benefit from the transaction; or

(v) is otherwise directly or indirectly materially interested in the transaction.

(f) A Director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.

(g) Save as provided in the Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise through the Company. A Director may be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(h) A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters namely:

(i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof; or

(iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent. or more of the issued shares of such company (or of any third company through which his interest is derived) or of the voting rights available to shareholders of the relevant company (any such interest being deemed for these purposes to be a material interest in all circumstances).

(i) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested the Directors may be counted in the quorum for the consideration of such proposals and such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under the provisions referred to in paragraph 5.12(g) above) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(j) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting

and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

(k) The Company may by ordinary resolution suspend or relax the provisions referred to in paragraphs 5.12(g) and 5.12(h) to any extent or ratify any transaction not duly authorised by reason of a contravention of any of paragraphs 5.12(g) and 5.12(h).

(l) Subject to the provisions referred to in paragraph 5.12(g) the Directors may exercise the voting power conferred by the share in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them director, managing director, managers or other officer of such company or voting or providing for the payment or remuneration to the directors, managing director, manager or other officer of such company).

(m) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.

(n) Subject to due disclosure in accordance with the provisions referred to in this paragraph 5.12, no Director or intending Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested render the Director liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(o) Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

(p) Any Director may continue to be or become a director, managing director, manager or other officer or member of any company in which the Company may be interested and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a Director, managing director, manager or other officer or member of any such other company.

5.13 ***Remuneration and appointment of Directors***

(a) The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other sub-paragraph below) shall not exceed in aggregate £200,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine.

(b) The Directors shall also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company. 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.

(c) The Board may at any time appoint one or more of their body (other than a director resident in the United Kingdom) to be the holder of any executive office including the office of managing director on such terms and for such periods as they determine.

(d) The Board shall have power at any time to appoint any person eligible in accordance with section 137 of the Law to be a Director either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number, if any, fixed pursuant to the Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election. Without prejudice to the powers of the Board, the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

5.14 ***Disqualification and retirement of Directors***

(a) No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless, not less than 14 clear days before the date appointed for the meeting there shall have been left at the Company's registered office notice in writing signed by a Shareholder duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected.

(b) A Director shall cease to hold office: (1) if the Director resigns his office by written notice signed by him sent to or deposited at the registered office of the Company, (2) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of twelve months and the Board resolves that their office shall be vacated, (3) if he dies or becomes of unsound mind or incapable, (4) if he becomes insolvent, suspends payment or compounds with his creditors, (5) if he is requested to resign by written notice signed by all the other Directors, (6) if the Company in general meeting shall declare that he shall cease to be a Director, (7) if he becomes resident in the United Kingdom and, as a result thereof, a majority of the Directors are resident in the United Kingdom, or (8) if he becomes ineligible to be a Director in accordance with section 137 of the Law.

(c) If the Company in general meeting removes any Director before the expiration of his period of office, it or the Board may appoint another person to be a Director in his stead who shall retain his office so long only as the Director in whose stead he is appointed would have held the same if he had not been removed. Such removal shall be without prejudice to any claims such Director may have for damages for breach of any contract of service between him and the Company.

(d) At each annual general meeting, one-third of the Directors who are subject to retirement by rotation, or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office; but, if there is only one Director who is subject to retirement by rotation, he shall retire. Nothing in this provision shall prevent more than one-third of the Directors from retiring at any annual general meeting and standing to be reappointed.

(e) The Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

(f) If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost.

5.15 ***Indemnity***

The Directors, secretary and officers (excluding, for the avoidance of doubt, the auditors) for the time being of the Company and their respective heirs and executors shall, to the extent permitted by section 157 of the Law, be fully indemnified out of the assets and profits of the Company from and against

all actions expenses and liabilities which they or their respective heirs or executors may incur by reason of any contract entered into or any act in or about the execution of their respective offices or trusts except such (if any) as they shall incur by or through their own negligence, default, breach of duty or breach of trust respectively and none of them shall be answerable for the acts receipts neglects or defaults of the others of them or for joining in any receipt for the sake of conformity or for any bankers or other person with whom any moneys or assets of the Company may be lodged or deposited for safe custody or for any bankers or other persons into whose hands any money or assets of the Company may come or for any defects of title of the Company to any property purchased or for insufficiency or deficiency of or defect in title of the Company to any security upon which any moneys of the Company shall be placed out or invested or for any loss misfortune or damage resulting from any such cause as aforesaid or which may happen in or about the execution of their respective offices or trusts except the same shall happen by or through their own negligence, default, breach of duty or breach of trust.

5.16 ***Proceedings of the Board***

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman at the meeting shall have a second or casting vote. All meetings of Directors shall take place outside the United Kingdom and any decision reached, or resolution passed by the Directors, at any meeting held outside Guernsey or such other place as may be determined by the Board from time to time shall be invalid and of no effect. A Director in communication with one or more other Directors so that each Director participating in the communication can hear or read what is said or communicated by each of the others, is deemed to be present at a meeting with the other Directors so participating and, where a quorum is present, such meeting shall be treated as a validly held meeting of the Board and shall be deemed to have been held in the place where the chairman is present, provided that no Directors physically present in the United Kingdom at the time of any such meeting may participate in a meeting by means of video link, telephone conference call or other electronic or telephonic means of communication. The Board may elect a chairman of their meetings and determine the period for which he is to hold office. If no such chairman be elected, or if at any meeting the chairman be not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting. The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed, shall be two provided that if a majority of Directors present are resident in the United Kingdom, the Directors present, irrespective of number, shall not constitute a quorum. The Board may delegate any of its powers to committees consisting of one or more directors. Such committees shall meet only outside the United Kingdom.

5.17 ***Borrowing powers***

The Board may exercise all the powers of the Company to borrow money and to mortgage, hypothecate, pledge or charge all or part of its undertaking property and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company or of any third party. The Board may exercise all the powers of the Company to engage in currency or interest rate hedging in the interests of efficient portfolio management.

5.18 ***Audit***

(a) Subject to Section 256 of the Law, the Shareholders may resolve to exempt the Company from the requirement to appoint auditors. Whilst the Company continues as an unaudited company the provisions of the Law in so far as they relate to the appointment of auditors, the duties of auditors and the report of auditors shall be suspended and cease to have effect.

(b) Subject to paragraph 5.18(a) above, auditors shall be engaged in accordance with Part XVI of the Law.

5.19 ***Realisation***

(a) Shareholders shall be entitled to serve a written notice (a **Realisation Election**), in the form prescribed by the Board from time to time, which may in the case of uncertificated Ordinary Shares mean an instruction sent during the Election Period by means of a Relevant System or by delivering it in writing to the Company at its registered office (or to such other address or such other person as the Board may designate for the purpose), requesting that all or a part, provided such part be rounded up to the nearest whole Ordinary Share, of the Ordinary Shares held by them be redesignated to Realisation Shares with effect from the Reorganisation Date together with, in the case of certificated shares, the certificates (if any) of such Ordinary Shares to be redesignated and any other evidence that the Board may reasonably require to prove the title of the holder and the due execution by him of the Realisation Election or, if the Realisation Election is executed by some other person on his behalf, the authority of that other person to do so and in the case of uncertificated shares in accordance with, and otherwise in compliance with, the procedures prescribed by the Board. A Realisation Election, once given, is irrevocable, unless the Board agrees otherwise.

(b) The Company will not less than 56 days prior to the Realisation Date remind Shareholders of their right to elect for Realisation. The reminder will specify the date of the Realisation, the address designated for the purposes of delivery of Realisation Elections in respect of Ordinary Shares held in certificated form and the procedures for requesting the redesignation of Ordinary Shares in certificated form and uncertificated form as Realisation Shares, prescribed by the Board.

(c) Shareholders who do not submit a valid and complete Realisation Election during the Election Period in respect of their Ordinary Shares will be deemed not to have made a Realisation Election in respect of such Ordinary Shares.

(d) Subject to paragraphs 5.19(e), 5.19(j) and 5.19(k), Ordinary Shares in respect of which the holders have made Realisation Elections will be redesignated as Realisation Shares.

(e) No Realisation may be conducted, if as a result the Company would have no shareholders.

(f) The Board shall manage the assets of the Company following a Realisation in the following manner with effect from the opening of business on the Realisation Date.

(g) The Portfolio will be divided as follows:

(i) Subject to paragraphs 5.19(g)(ii) to 5.19(g)(iii), the Portfolio will be divided between the Continuation Pool and the Realisation Pool, to be accounted for as two separate sub-portfolios, with assets and the liabilities comprised in the Portfolio being apportioned to the Realisation Pool *pro rata* to the number of Ordinary Shares in respect of which Realisation Elections have been validly received and the remainder of the assets and liabilities being apportioned to the Continuation Pool;

(ii) Costs and expenses of the realisation of the assets comprising the Realisation Pool will be attributed to the Realisation Pool;

(iii) The costs and expenses of the Realisation may be apportioned as between the Continuation Pool and the Realisation Pool in the proportion that the Board in its sole discretion deems fair and reasonable;

(iv) Assets that are not divisible *pro rata*, due to their nature, will be apportioned between the Pools as the Board in its discretion deems fair and reasonable;

(v) The Directors, in their absolute discretion, may increase the proportion of cash to be so allocated if they consider that it would be in the best interest of both the holders of Realisation Shares and the holders of the Ordinary Shares to do so, or if the Directors, in their absolute discretion, determine it is necessary or desirable to retain cash for the

Company's working capital purposes, they may decrease the proportion of cash to be so allocated;

(vi) The Directors may, in their absolute discretion, choose an alternative allocation, or subsequently rebalance the Pools, in respect of non-cash assets if they consider a *pro rata* allocation to be impracticable or that to do so would be in the best interest of both holders of Realisation Shares and the holders of the Ordinary Shares; and

(vii) The assets comprising the Realisation Pool will be managed as follows, with effect from the Realisation Date:

(aa) assets comprised in the Realisation Pool will be managed in accordance with an orderly realisation programme with the aim of making progressive returns of cash to holders of Realisation Shares as soon as practicable; and

(bb) the Board may authorise the sale of assets to the Continuation Pool from the Realisation Pool in order to return cash to holders of Realisation Shares pursuant to paragraph 5.20(b)(v).

(h) Following the Realisation a certificate for new Realisation Shares will be sent within two months of the Realisation Date to each holder without charge, with a new certificate for any balance of Ordinary Shares comprised in the surrendered certificate. To the extent that the Realisation Shares are redeemed on Realisation, the Board need not issue or despatch any certificate in respect therefor.

(i) Unless it has been resolved by the Shareholders that the Company will be wound up in accordance paragraphs 5.19(j) or 5.19(k), every two years after the Realisation Date which falls on the fourth anniversary of Admission, the Directors will propose further realisation opportunities in accordance with this paragraph 5.19 for the holders of Ordinary Shares who have not previously elected to realise their Ordinary Shares.

(j) Unless it has been resolved by the Shareholders that the Company will be wound up in accordance with paragraph 5.19(k), if the mean Weighted Average Discount on the Portfolio is less than 25 per cent. over any 90 day period, then the Directors shall propose an ordinary resolution for the winding up of the Company. For these purposes the mean is a simple unweighted average.

(k) In the event that one or more Realisation Elections are duly made and the Net Asset Value of the continuing Ordinary Shares at the close of business on the last Business Day before the relevant Reorganisation Date is less than £50 million, the Realisation will not take place, no Ordinary Shares will be redesignated as Realisation Shares, the assets of the Company will not be managed in accordance with this paragraph 5.19 and the Directors have the right at their discretion to propose an ordinary resolution to wind up the Company. With effect from the relevant Reorganisation Date and subject to the passing of the aforementioned ordinary resolution, unless the Directors have previously been released from this obligation by a special resolution, the investment objective and investment policy of the Company will be to realise the Company's assets on a timely basis with the aim of making progressive returns of cash to Shareholders as soon as practicable. The Directors will seek to liquidate the Company's assets as efficiently and at as much value as is possible.

(l) For the avoidance of doubt, paragraph 5.19(k), shall apply to Realisation opportunities occurring every two years after the Realisation Date which falls on the fourth anniversary of Admission.

(m) The provisions of paragraphs 5.19 and 5.20 shall override all other provisions of the Articles that may be inconsistent with paragraphs 5.19 and 5.20.

5.20 ***Rights of shares following the Realisation***

(a) The Ordinary Shares shall have the following rights in the event that the Realisation takes place:

(i) all profits of the Company, available for distribution by way of dividend and/or distribution from time to time and forming part of or derived from the Continuation Pool (including accumulated revenue reserves forming part of the Continuation Pool) and resolved to be distributed shall be distributed to the holders of the Ordinary Shares by way of dividends (in accordance with paragraph 5.7) and/or distributions;

(ii) subject to paragraph 5.6, on a return of assets on a winding up of the Company, the Ordinary Shares carry a right to a return of the nominal amount paid up in respect of such Ordinary Shares and a right to share, *pari passu* and in proportion to the number of Ordinary Shares held, in the surplus assets of the Company remaining in the Continuation Pool after payment of the nominal amount paid up on the Ordinary Shares and after payment of all liabilities attaching to the Continuation Pool and any excess of those liabilities over the amount of the assets in the Continuation Pool will be paid out of the assets of the Realisation Pool;

(iii) subject to any terms as to voting upon which any new Ordinary Shares may be issued, or may for the time being be held, and to the provisions of the Articles, each holder of an Ordinary Share shall be entitled to receive notice of, attend and vote at general meetings and shall have one vote for each Ordinary Share held save that the holders of Ordinary Shares shall not be entitled to vote on any resolution proposed at any general meeting of the Company to give effect to paragraphs 5.20(b) and 5.20(d); and

(iv) other than as provided in paragraphs 5.19(j), 5.19(k) and 5.20(b) to 5.20(d), or in the case of any proposals drawn up by the Board pursuant to paragraph 5.6, separate approval of the holders of Ordinary Shares as a class must be obtained in respect of any proposals which would modify, alter or abrogate the rights attaching to the Ordinary Shares including for these purposes any resolution to wind up the Company, or to approve a reconstruction or takeover of the Company, in which circumstances the prior approval of the holders of Ordinary Shares as a class is required by the passing of a resolution at a separate class meeting.

(b) The Realisation Shares shall have the following rights in the event that the Realisation takes place:

(i) all profits of the Company available for distribution by way of dividend and/or distribution from time to time and forming part of or derived from the Realisation Pool (including accumulated revenue reserves forming part of the Realisation Pool), and resolved to be distributed shall be distributed to the holders of Realisation Shares by way of dividend (in accordance with paragraph 5.7) and/or distribution and for the avoidance of doubt, Ordinary Shares which are redesignated as Realisation Shares will not rank for any dividend or other distribution declared, paid or made on the Ordinary Shares after their redesignation;

(ii) subject to paragraph 5.6, on a return of assets in a winding up of the Company, the Realisation Shares carry a right to a return of the nominal amount paid up in respect of such Realisation Shares and a right to share, *pari passu* and in proportion to the number of Realisation Shares held, in the surplus assets of the Company remaining in the Realisation Pool after payment of the nominal amount paid up on the Realisation Shares and after payment of all liabilities attaching to the assets in the Realisation Pool and any excess of those liabilities over the amount of the assets in the Realisation Pool will be paid out of the assets in the Continuation Pool;

(iii) the holders of Realisation Shares will, subject to any terms on which any new Realisation Shares may for the time being be held, and to the provision of the Articles, receive notice of, attend and vote at general meetings and shall have one vote for each Realisation Share held, provided that they may not vote on any proposed resolutions other than any resolution proposed at any general meeting of the Company to give effect to paragraphs 5.20(b) to 5.20(d) and any matter prescribed by the AIM Rules as requiring approval of the Shareholders of the Company;

(iv) other than with respect to the Realisation or in the case of any proposals drawn up by the Board pursuant to paragraph 5.6, or if the Company is to be wound up pursuant to paragraphs 5.19(j) and 5.19(k), separate approval of the holders of Realisation Shares as a class must be obtained in respect of any proposals which would modify, alter or abrogate the rights attaching to the Realisation Shares including for these purposes (a) any resolution to wind up the Company, or to approve a takeover of the Company or any material change to the investment policy applicable to the Continuation Pool or the Realisation Pool and (b) any proposal to issue or create Realisation Shares other than pursuant to Realisation Elections, in which circumstances the prior approval of the holders of Realisation Shares as a class is required by the passing of a resolution at a separate class meeting; and

(v) the cash received by the Company as a result of the realisation of assets comprised in the Realisation Pool will be returned to holders of Realisation Shares as soon as practicable through any of the following means or a combination thereof, at the discretion of the Directors: capital distributions, share repurchases, redemptions and/or any other methods which the Directors may think fit.

(c) Any return of cash received to Shareholders as a result of the realisation of the assets attributable to the Realisation Pool and the terms and procedure relating thereto will be notified to Shareholders by way of a Regulatory Information Service announcement.

(d) Subject to the provisions of the Articles, the Board is authorised, for the purpose of giving effect to paragraph 5.20(b)(v), to cause the Company to repurchase, redeem, convert or otherwise acquire and hold all or any Realisation Shares in such manner and on such terms as the Board may determine, and to redeem any such Realisation Shares *inter alia* for any reason or no reason at the Board's absolute discretion, provided that the price paid per Realisation Share is equal to or greater than the Net Asset Value per Realisation Share calculated as at the close of business on the first Business Day following the date of the relevant Board decision less any fiscal charges, fees and expenses incurred by the Company as a result of such purchase, redemption, conversion and/or acquisition. The price of shares purchased and/or redeemed by the Company may be paid out of share capital, share premium or retained earnings or any other reserve forming part of the Realisation Pool to the fullest extent permitted under the Law.

5.21 ***Disclosure of beneficial interests***

(a) The Board shall have power by notice in writing to require any Shareholder to disclose to the Company the identity of any person other than the Shareholder (an "**Interested Party**") who has, or has had at any time during the three years immediately preceding the date on which the notice is issued, any interest (whether direct or indirect) in the shares held by the Shareholder and the nature of such interest. For these purposes, a person shall be treated as having an interest in shares if they have any interest in them whatsoever, including but not limited to any interest acquired by any person as a result of:

(a) entering into a contract to acquire them;

(b) entering into a contract for a cash settled contract for difference;

(c) not being the registered holder, being entitled to exercise, or control the exercise of, any right conferred by the holding of the shares;

(d) having the right to call for delivery of the shares; or

(e) having the right to acquire an interest in shares or having the obligation to acquire such an interest.

(b) Any notice under paragraph 5.21(a), 5.21(i) or 5.21(j) shall require any information in response to such notice to be given in writing within the prescribed deadline as determined in accordance with paragraph 5.21(p)(b).

(c) The Company shall maintain a register of Interested Parties and whenever in pursuance of a requirement imposed on a Shareholder as aforesaid the Company is informed of an Interested Party the identity of the Interested Party and the nature of the interest may be promptly inscribed therein together with the date of the request. At no time shall the Company permit the register of Interested Parties to be kept or maintained in the United Kingdom, or to be inspected by anyone other than a Director.

(d) The Board shall be required to exercise its powers under paragraph 5.21(a) above if requisitioned to do so in accordance with paragraph 5.21(e) by Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the total voting rights attaching to the Ordinary Shares at the relevant time.

(e) A requisition under paragraph 5.21(d) must:

(a) state that the requisitionists are requiring the Company to exercise its powers under this paragraph;

(b) specify the manner in which they require those powers to be exercised;

(c) give reasonable grounds for requiring the Company to exercise those powers in the manner specified; and

(d) be signed by the requisitionists and deposited at the Office.

(f) A requisition may consist of several documents in like form each signed by one or more requisitionists.

(g) On the deposit of a requisition complying with this paragraph 5.21 it is the Board's duty to exercise their powers under paragraph 5.21(a) in the manner specified in the requisition.

(h) If any Shareholder has been duly served with a notice given by the Board in accordance with paragraph 5.21(a) and is in default after the prescribed deadline (as determined by the Board in accordance with paragraph 5.21(b)) in supplying to the Company the information thereby required, then the Board may in its absolute discretion at any time thereafter serve a notice (a "**direction notice**") upon such Shareholder.

(i) A direction notice may direct that, in respect of:

(a) any shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "**Default Shares**"); and

(b) any other shares held by the Shareholder,

the Shareholder shall not be entitled to vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company.

(j) Where the Default Shares represent at least 0.25 per cent. of the number of shares in issue of the class of shares concerned, the direction notice may additionally direct that in respect of the Default Shares:

(a) any dividend or the proceeds of any repurchase, redemption or repayment on the Default Shares or part thereof which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the Shareholder; and

(b) no transfer other than an approved transfer (as set out in paragraph 5.21(p)(c)) of the Default Shares held by such Shareholder shall be registered unless:

(i) the Shareholder is not himself in default as regards supplying the information requested; and

(ii) when presented for registration the transfer is accompanied by a certificate by the Shareholder in a form satisfactory to the Board to the effect that after due and careful enquiry the Shareholder is satisfied that no person who is in default as regards supplying such information is interested in any of the shares the subject of the transfer.

(k) The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but failure or omission by the Company to do so shall not invalidate such notice.

(l) If shares are issued to a Shareholder as a result of that Shareholder holding other shares in the Company and if the shares in respect of which the new shares are issued are Default Shares in respect of which the Shareholder is for the time being subject to particular restrictions, the new shares shall on issue become subject to the same restrictions whilst held by that Shareholder as such Default Shares. For this purpose, shares which the Company procures to be offered to Shareholders *pro rata* (or *pro rata* ignoring fractional entitlements and shares not offered to certain Shareholders by reason of legal or practical problems associated with offering shares outside the United Kingdom or Guernsey) shall be treated as shares issued as a result of a Shareholder holding other shares in the Company.

(m) Any direction notice shall have effect in accordance with its terms for as long as the default, in respect of which the direction notice was issued, continues but shall cease to have effect:

(a) if the information requested in the notice is delivered to the Company within the prescribed deadline; or

(b) in relation to any shares which are transferred by such Shareholder by means of an approved transfer as set out in paragraph 5.21(p)(c).

(n) As soon as practicable after the direction notice has ceased to have effect (and in any event within five Business Days thereafter) the Board shall procure that the restrictions imposed by paragraphs 5.21(i) and 5.21(j) shall be removed and that dividends withheld pursuant to paragraph 5.21(j)(a) are paid to the relevant Shareholder.

(o) For the purpose of enforcing the restrictions referred to in paragraph 5.21(j)(b) and to the extent permissible under the CREST Guernsey Requirements the Board may give notice to the relevant Shareholder requiring the Shareholder to change any Default Shares held in uncertificated form to certificated form by the time stated in the notice. The notice may also state that the Shareholder may not change any of the Default Shares held in certificated form to uncertificated form. If the Shareholder does not comply with the notice, the Board may authorise any person to instruct the operator of the uncertificated system to change the Default Shares held in uncertificated form to certificated form.

(p) For the purpose of this paragraph:

(a) a person shall be treated as appearing to be interested in any shares if the Shareholder holding such shares has given to the Company a notification which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in

the shares and (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares; and

(b) the prescribed deadline in respect of any particular Shareholder is 28 days from the date of service of a notice sent in accordance with paragraphs 5.21(a) or 5.21(i) or 14 days from the date of service of the notice in accordance with paragraph 5.21(j);

(c) subject to paragraph 5.8(c), a transfer of shares is an "**approved transfer**" if but only if:

(i) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a public offer made to acquire all the issued shares in the capital of the Company not already owned by the offeror or connected person of the offeror in respect of the Company; or

(ii) the Board is satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares which are the subject of the transfer to a party unconnected with the Shareholder and with other persons appearing to be interested in such shares; or

(iii) the transfer results from a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000, as amended) or any stock exchange outside the United Kingdom on which the Company's shares are listed or normally traded.

(q) For the purposes of this paragraph 5.21(q) any person referred to in paragraph 5.21(u) in relation to Directors shall, *mutatis mutandis*, be included amongst the persons who are connected with the Shareholder or any person appearing to be interested in such shares.

(r) Any Shareholder who has been given notice of an Interested Party in accordance with paragraph 5.21(a) who subsequently ceases to have any party interested in his shares or has any other person interested in his shares shall notify the Company in writing of the cessation or change in such interest and, where such a register is maintained, the Board shall promptly amend the register of interested parties accordingly.

(s) Notwithstanding any other provision of this paragraph but subject always to the provisions of Chapter 5 of the Disclosure and Transparency Rules Source Book (as amended and varied from time to time) of the FCA Handbook, any Shareholder who acquires an interest in the Company equal to or exceeding three per cent of the number of shares in issue of the class of shares concerned (a "**Notifiable Interest**") shall forthwith notify the Company of such interest and having acquired a Notifiable Interest, a Shareholder shall forthwith notify the Company if he ceases to hold a Notifiable Interest and where a Shareholder has a Notifiable Interest he shall notify the Company of any increase or decrease to the nearest whole percentage number in his Notifiable Interest.

(t) Where any Shareholder fails to notify the Company of its Notifiable Interest forthwith the Directors may, in their absolute discretion, serve a notice on such Shareholder and in the event that such Shareholder fails to comply with such notice by the end of the prescribed period the Directors may in their absolute discretion at any time thereafter serve a direction notice upon such Shareholder.

(u) For the purposes of this paragraph a person shall be treated as being connected with a Director if that person is;

(a) a spouse, child (under the age of eighteen) or step child (under the age of eighteen) of the Director; or

(b) an associated body corporate which is a company in which the Director alone, or with connected persons, is directly or indirectly beneficially interested in 20 per cent. or more

of the nominal value of the equity share capital or is entitled (alone or with connected persons) to exercise or control the exercise of more than 20 per cent. of the voting power at general meetings; or

(c) a trustee (acting in that capacity) of any trust, the beneficiaries of which include the Director or persons falling within paragraphs 5.21(u)(a) or 5.21(u)(b) above excluding trustees of an employees' share scheme or pension scheme; or

(d) a partner (acting in that capacity) of the Director or persons described in paragraphs 5.21(u)(a) to 5.21(u)(b) above.

(v) From the date of Admission and for as long as the Company has any of its share capital admitted to trading on AIM, or any successor market or any other market operated by the London Stock Exchange, any member shall comply with the notification and disclosure requirements set out in Chapter 5 of the Disclosure and Transparency Rules Sourcebook (as amended and varied from time to time) of the FCA Handbook as if the Company were classified as an "issuer" whose "Home State" is the "United Kingdom", and for the avoidance of doubt, not a "non-UK issuer" (as such terms are defined in the FCA Handbook)."

5.22 ***Untraced Shareholders***

(a) The Company shall be entitled to sell (at a price which the Company shall use its reasonable endeavours to ensure is the best obtainable) the shares of a Shareholder or the shares to which a person is entitled by virtue of transmission on death or insolvency or otherwise by operation of law if and provided that:

(i) during the period of not less than 12 years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least three dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed; and

(ii) the Company shall following the expiry of such period of 12 years have inserted advertisements in a national newspaper and/or in a newspaper circulating in the area in which the last known address of the Shareholder or the address at which service of notices may be effected under the Articles is located giving notice of its intention to sell the said shares; and

(iii) during the period of 3 months following the publication of such advertisements (or, if published on different dates, the last thereof) the Company shall have received indication neither of the whereabouts nor of the existence of such Shareholder or person; and

(iv) notice shall have been given to the stock exchanges on which the Company is listed, if any.

(b) The foregoing provisions are subject to any restrictions applicable under any regulations relating to the holding and/or transferring of securities in any paperless system as may be introduced from time to time in respect of the shares of the Company or any class thereof.

5.23 ***US Tax Matters***

(a) Upon the issuance of Ordinary Shares to a United States person (as that expression is defined for US federal income tax purposes) and provided that the Company has more than one Shareholder, the Company may elect, pursuant to section 301.7701-3 of the US Treasury regulations, to be classified as a partnership for US federal income tax purposes and not as an association taxable as a corporation. As a consequence of such election, all Shareholders will be treated as partners for US federal income tax purposes and the following article shall apply.

(b) Notwithstanding anything to the contrary in the Articles, with respect to each accounting year (or portion thereof) in which the Company is classified as a partnership for US federal income

tax purposes, (i) a capital account will be maintained by the Company for each Shareholder with respect to the each class of Ordinary Shares and all items of income, deduction, gain, loss or credit will be allocated to such capital accounts pursuant to the terms of each class, in a manner consistent with section 704 of the US Code and the US Treasury regulations promulgated thereunder, (ii) without limiting the foregoing, upon liquidation of the Company or at such time as each Shareholder ceases to hold any Ordinary Shares, liquidating distributions will be made in accordance with the capital account balances of the Shareholder (as determined after taking into account all required capital account adjustments for the accounting year during which such liquidation occurs) by the later of the end of the fiscal year or, the date which is 90 days after the date of such liquidation, (iii) the Board shall designate a Shareholder to be the Tax Matters Partner for the Company and, in its sole discretion, the Board may cause the Company to make or revoke any tax elections, including an election, pursuant to section 754 of the US Code, to adjust the basis of property in the case of a distribution of property or a transfer of Ordinary Shares, and (iv) in addition the paragraphs set forth below shall apply.

(c) For each accounting year, items of income, gain, deduction, loss or credit shall be allocated to the Shareholders for US federal income tax purposes in accordance with the allocations of the corresponding items for capital account purposes, except that items with respect to which there is a difference between tax and book bases will be allocated in accordance with section 704(c) of the US Code, the US Treasury regulations promulgated thereunder and section 1.704-1(b)(4)(i) of the US Treasury regulations.

(d) Notwithstanding the foregoing, in the event that a Shareholder's Ordinary Shares are redeemed in part or in full (including by reason of death), the Board may, in its sole discretion, specially allocate items of gain or loss to that Shareholder for tax purposes to reduce the amount, if any, by which the amount distributable to that Shareholder by reason of such Shareholder's redemption differs from that Shareholder's tax basis in such Shareholder's redeemed Ordinary Shares, or otherwise reduce any discrepancy between the amounts previously allocated to the Shareholder's capital account and the amounts previously allocated to that Shareholder for US federal income tax purposes.

(e) Notwithstanding anything herein to the contrary, in the event that any Shareholder unexpectedly receives any adjustments, allocations or distributions described in US Treasury regulations section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of income (including gross income) and gain received by the Company shall be specially allocated to such Shareholder in an amount and manner sufficient to eliminate the deficit balance in such Shareholder's capital account (in excess of such Shareholder's share of the Minimum Gain (as defined in US Treasury regulations section 1.704-2)) created by such adjustments, allocations or distributions as quickly as possible. Any such special allocations of income and gain shall be taken into account in computing subsequent allocation of income and gain pursuant to the Articles, so that the net amount of any items so allocated to each such Shareholder pursuant to the Articles shall, to the extent possible, equal the net amount that would have been allocated to each such Shareholder if such special allocations had not been made. This paragraph is intended to comply with the qualified income offset requirement in the US Treasury regulations and shall be construed consistently therewith.

(f) Each Shareholder agrees to furnish to the Company such information as may be required for the Company to comply with any tax accounting, withholding and reporting obligations, including any obligation to make mandatory basis adjustments to Company property pursuant to section 754 of the US Code.

(g) In the event that the Company were to be divided into separate sub-funds, each of which were treated as a separate entity for US tax purposes, the foregoing shall be applied and interpreted in a manner consistent with such treatment.

6 Overseas Investors

No action has been taken to permit the distribution of this document in any jurisdiction outside the United Kingdom where such action is required to be taken. This document may not therefore be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, no person receiving a copy of this document in any territory other than the United Kingdom, may treat the same as constituting an offer or invitation to him to acquire, subscribe for or purchase Ordinary Shares nor should he in any event acquire, subscribe for or purchase Ordinary Shares unless such an invitation, acquisition, subscription or purchase complies with any registration or other legal requirements in the relevant territory. Any person outside the United Kingdom wishing to acquire, subscribe for or purchase Ordinary Shares should satisfy himself that, in doing so, he complies with the laws of any relevant territory, and that he obtains any requisite governmental or other consents and observes any other applicable formalities.

The Company is not registered with the US Securities and Exchange Commission under the US Investment Company Act of 1940, as amended (the "1940 Act"). In addition, the Ordinary Shares are not registered under the US Securities Act. Therefore, the Ordinary Shares may not be publicly offered or sold in the US or directly or indirectly to or for the benefit of a "US Person" as defined herein. A "US Person" for purposes of this document is a person who is in either of the following two categories: (a) a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the US Securities Act; or (b) a person excluded from the definition of a "Non-United States person" as used in CFTC Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of U.S. Person only if he or it does not satisfy any of the definitions of "U.S. person" in Rule 902 *and* qualifies as a "Non-United States person" under CFTC Rule 4.7.

The Company's Articles contain provisions designed to restrict the holding of Ordinary Shares by persons, including US Persons, where in the opinion of the Directors such a holding could cause or be likely to cause the Company some legal, regulatory, pecuniary, tax or material administrative disadvantage. No Benefit Plan Investor (as defined in US Department of Labor Regulation 29 C.F.R. § 2510.3.101 and Section 3(42) of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA")) may acquire Ordinary Shares without the Company's prior written consent. Ordinary Shares held by Benefit Plan Investors are subject to provisions requiring a compulsory transfer as set out in the Articles.

7 Material Contracts

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

7.1 The Investment Management Agreement dated 8 May 2013 between the Company and the Investment Manager pursuant to which the Investment Manager has agreed to provide investment management services to the Company in relation to the assets held by it from time to time.

In consideration for its services thereunder, the Investment Manager is entitled to a management fee payable monthly in arrears calculated at the rate of 1.5 per cent. per annum of the Net Asset Value before deduction of accruals for unpaid management fees for the current month (the "**Management Fee**"). The Management Fee is subject to a minimum annual amount of £1 (one) million per annum for the first 48 months following Admission. The rationale for the Minimum Fee is to ensure that the Investment Manager is not disincentivised to support share buyback proposals by the Company.

The minimum fee shall be payable only in the event that on the last Business Day of each annual period for which the Management Fee is payable the "Total Value Condition" is satisfied. For these purposes, the Total Value Condition shall be satisfied if the prevailing Net Asset Value per Ordinary Share (with dividends per share added back) is equal to or greater than the Benchmark. For these purposes the Benchmark will be the prevailing amount of the Net Asset Value per Ordinary Share

immediately following Admission increased or decreased by the percentage increase or decrease (as appropriate) of the Korea Index.

The Investment Manager has the benefit of an indemnity from the Company in relation to liabilities incurred by the Investment Manager in the discharge of its duties other than those arising by reason of any fraud, wilful default or gross negligence on the part of the Investment Manager.

The Investment Manager's appointment as investment manager is terminable by the Investment Manager or the Company on not less than 12 months' notice, such notice not to expire at any time before the fourth anniversary of Admission. The Investment Management Agreement may also be terminated by either the Investment Manager or the Company at any time if the other party has gone into liquidation, administration or receivership, has committed a material or continuing breach of the Investment Management Agreement (a "**Material Breach Termination**") or, by the Investment Manager, if the Company materially amends its investment policy or the investment restrictions (save for any change required to realise the assets of the Company) without the prior written consent of the Investment Manager (an "**Investment Policy Termination**").

In addition, the Investment Manager may terminate the Investment Management Agreement at any time if (a) by virtue of the Company doing or failing to do something (a "**Company AIFMD Termination**") or (b) for any reason whatsoever (a "**Manager AIFMD Termination**") the Investment Manager becomes subject to registration or material regulatory oversight by a regulatory body of an EEA state or is required to make public disclosure of highly sensitive information in each case as a result of the requirements of the AIFMD Directive.

The Investment Management Agreement contains provisions whereby the Investment Manager shall be entitled to a termination fee on termination of the agreement as follows:

(a) if the Company terminates the agreement due to the Investment Manager's liquidation or material breach or if the Investment Manager terminates pursuant to a Manager AIFMD Termination then the termination fee shall be zero;

(b) if the Company terminates the agreement otherwise than pursuant to (a) above, either (i) in the first year following Admission or (ii) between the beginning of the second year following Admission and the end of the fourth year following Admission and, on the date of termination, the Total Value Condition is satisfied, the amount of the termination fee shall be equal to the greater of (x) 1.5 per cent. of Net Asset Value and (y) £1 (one) million, multiplied in each case by the number of days from the date of termination until the fourth anniversary of Admission divided by 365;

(c) if the Company terminates the agreement in the circumstances described in (b) (ii) above and the Total Value Condition is not satisfied at that point, the amount of the Termination Fee shall be equal to 1.5 per cent. of Net Asset Value on that date; and

(d) if the Investment Manager terminates the agreement pursuant to a Material Breach Termination or an Investment Policy Termination or a Company AIFMD Termination the amount of the termination fee shall be equal to the greater of (x) 1.5 per cent. of the Net Asset Value on that date and (y) £1 (one) million, multiplied in each case from the date of termination until the fourth anniversary of Admission divided by 365 save that in the case of a Company AIFMD Termination the number of days shall never exceed 730.

7.2 The Administration Agreement dated 8 May 2013 between the Company and the Administrator whereby the Company has appointed the Administrator to provide administrative services to the Company. Under the Administration Agreement the Company has also appointed the Administrator as secretary to the Company. Under the Administration Agreement, the Administrator has the authority to delegate the discharge of any of its functions thereunder provided that the Administrator remains fully responsible for the acts and omissions and costs of any delegate it shall appoint for such purposes.

The agreement is terminable on 90 days' notice in writing or immediately in the event of breach of contract or insolvency.

The Administrator will be paid an initial annual fee of 6 basis points per annum on the first £100 million of Net Asset Value plus 4 basis points per annum on any amounts between £100 million and £200 million of Net Asset Value plus 2.5 basis points per annum on any amounts over £200 million of Net Asset Value (subject to a minimum of £60,000 per annum). The Company will reimburse the Administrator in respect of reasonable out of pocket expenses properly incurred in the performance of its duties. The Administrator is also entitled to a fee of £12,500 per annum in relation to the provision of secretarial services and £12,500 per annum in relation to AIM and corporate governance costs. In addition, the Administrator will receive a one off fee of £7,500 for services in relation to the Company's launch.

The Administrator has the benefit of an indemnity from the Company under the terms of the Administration Agreement in relation to liabilities incurred in the discharge of its duties other than those arising by reason of fraud, wilful default or negligence.

7.3 A Registrar Agreement dated 8 May 2013 between the Company and Capita Registrars (Guernsey) Limited (the "**Registrar**") whereby the Registrar is appointed to act as registrar of the Company. The Registrar shall be entitled to receive a fee from the Company at the rate of £2.00 per shareholder account per annum, subject to an annual minimum charge of £6,500, payable quarterly in arrears. Additional fees payable by the Company include, *inter alia*, fees for inter-CREST and non-CREST transfers of shares and for the provision of online services. The Registrar shall also be entitled to reimbursement of all reasonable out of pocket expenses properly incurred on behalf of the Company.

The Registrar Agreement contains an indemnity in favour of the Registrar against losses resulting from the Company's breach of the agreement and against claims by third parties except to the extent that the losses or claims are due to the fraud, gross negligence or wilful default of the Registrar, its affiliates or their agents, directors, officers or employees. The Registrar Agreement is terminable by either party giving to the other not less than 12 months' written notice, such notice to expire at any time on or after the first anniversary of Admission or immediately in the event of a material and continuing breach of contract or insolvency.

7.4 A Custody Agreement dated 30 April 2013 between the Company and the Custodian under which the Custodian has agreed to act as custodian of such of the Company's assets as are deposited with it. The Custodian has the benefit of an indemnity from the Company against liabilities arising in the absence of the Custodian's negligence, fraud or wilful default. As remuneration for its services the Custodian shall receive from the Company a fee of 4 basis points per annum of the Net Asset Value (subject to a minimum fee of £18,000 per annum). The Custodian Agreement is terminable on 90 days' written notice or immediately in the event of material and continuing breach of contract or insolvency.

7.5 A Placing Agreement dated 8 May 2013 between the Company, the Directors, N+1 Singer and the Investment Manager under which N+1 Singer has agreed to use its reasonable endeavours as agent for the Company to procure placees at the Placing Price for up to 105,000,000 Placing Shares. In consideration for its services N+1 Singer will be paid by the Company a broking commission equal to two per cent. of the aggregate value of the Placing Shares at the Placing Price less all reasonable expenses paid or payable by the Company in connection with Admission.

The obligations of the parties to the Placing Agreement are subject to certain conditions that are typical for an agreement of this nature. These conditions include, amongst others, the accuracy of the representations and warranties under the Placing Agreement.

The Placing Agreement contains certain market standard warranties given by the Company, the Directors and the Investment Manager (which are of a customary nature) in favour of N+1 Singer and, in the case of the Company, indemnities concerning, *inter alia*, the accuracy of the information contained in this document. The Placing Agreement may be terminated in certain circumstances prior to Admission including by reason of *force majeure*.

The Directors and the Investment Manager have undertaken that they will not dispose of any Ordinary Shares, other than as permitted under the AIM Rules and with the consent of N+1 Singer, until the date falling 12 months after the date of Admission.

7.6 A lock-in and orderly market deed dated 8 May 2013 between the Company, the Directors and N+1 Singer, under which the Directors agree not to dispose of their Ordinary Shares for an initial period of 12 months from Admission, save in certain limited circumstances. After such period, sales of relevant shares must be effected through N+1 Singer during a further 12 month period, save in certain circumstances.

7.7 A lock-in and orderly market deed dated 8 May 2013 between the Company, certain related parties of the Company (the "**Weiss Parties**") and N+1 Singer, under which the Weiss Parties agree not to dispose of their Ordinary Shares for an initial period of 12 months from Admission, save in certain limited circumstances. After such period, sales of relevant shares must be effected through N+1 Singer during a further 12 month period, save in certain circumstances. Pursuant to the deed, the Weiss Parties also agree not to vote on any resolution to continue the Company to be proposed at any general meeting of the Company.

8 Working Capital

In the Directors' opinion, having made due and careful enquiry and taking into account the proceeds of the Placing, the working capital available to the Company will be sufficient for its present requirements (that is, for at least twelve months from Admission).

9 Related Party Transactions

The Company has not entered into any related party transactions of the type as set out in the AIM Rules.

10 Financial Information

The Company was incorporated on 12 April 2013 and save for the material contracts described in paragraph 7 above has not yet commenced operations or traded and has no material assets or liabilities. As at the date of this document no financial statements have been prepared. The balance sheet below has been prepared by the Company and is unaudited.

Balance sheet as at 8 May 2013	*£*
Current assets	
Debtors	1
Capital and reserves	
Called up share capital	1
Share capital	
Authorised:	
Unlimited number of ordinary shares of no par value	
Issued:	
1 ordinary share of no par value	–

11 Miscellaneous

11.1 The Company has applied to Euroclear for the Ordinary Shares to be admitted to CREST as participating securities. It is expected that the admission of the Ordinary Shares to CREST as participating securities will be effective from or soon after Admission. Shareholders who are direct or sponsored members of Euroclear will be able to dematerialise the Ordinary Shares in accordance with the rules and practices instituted by Euroclear.

11.2 The Company has not been and is not currently engaged in any governmental, legal or arbitration proceedings nor, so far as the Company is aware, are there any such governmental, legal or arbitration proceedings pending or threatened by or against the Company which may have or have had, since the Company's incorporation, a significant effect on the Company's financial position or profitability.

11.3 None of the Ordinary Shares available under the Placing is being underwritten.

11.4 The Company has no subsidiaries.

11.5 The Directors confirm that the Company was incorporated and registered on the date referred to in paragraph 2.1 above and that, save for its entry into the material contracts described in paragraph 7 above, the Company has not traded, no accounts have been made up and no dividends have been declared.

11.6 There has been no significant change in the financial or trading position of the Company since the date of its incorporation. The Company does not have nor has it had since incorporation any employees and it neither owns nor leases any premises.

11.7 Save as disclosed in this document, no member of the administrative, management or supervisory bodies has an interest in the Company's capital or voting rights, either directly or indirectly, which is notifiable under the Law.

11.8 Assuming the Placing is fully subscribed, the total costs/charges and expenses payable by the Company in connection with the Placing and Admission (including professional fees, the costs of printing and the other fees payable, including sales commission) are estimated to be approximately two per cent. of the gross amount raised.

11.9 The Company is not dependent on any patents or other intellectual property rights or licences.

11.10 Major Shareholders will not have any different voting rights from other Shareholders.

11.11 The Directors are not aware of any environmental issues that may affect the Company's activities or performance.

11.12 The Company currently has no significant investments in progress.

11.13 Save as disclosed in this document, no person has received, directly or indirectly, from the Company since 12 April 2013 (the date of incorporation of the Company) or entered into contractual arrangements to receive, directly or indirectly from the Company on or after Admission, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more, calculated by reference to the Placing Price, or any other benefit with a value of £10,000 or more at the date of Admission.

11.14 Save as disclosed in this document, none of the Investment Manager, the Administrator, the Custodian, the Registrar nor any Director is provided with any benefits upon termination of their contract or letter of appointment.

11.15 The accounting reference date of the Company is 31 December.

11.16 N+1 Singer is registered as a limited liability partnership in England and Wales under registered number OC364131 and its registered office is at One Bartholomew Lane, London EC2N 2AX. N+1 Singer is regulated by the FCA and is acting in the capacity as nominated adviser and broker to the Company.

11.17 The Directors believe that the Company is not dependent on licences, industrial, commercial or financial contracts which are material to the Company's business or profitability.

11.18 N+1 Singer and the Investment Manager have given and not withdrawn their respective written consents to the inclusion in this document of references to their names in the form and context in which they appear.

11.19 The maximum amounts of fees which are payable by the Company under the Custody Agreement, which are or may be material, are four basis points per annum of the Net Asset Value (subject to a minimum fee of £18,000 per annum).

11.20 The ISIN number of the Ordinary Shares is GG00B933LL68. The SEDOL code of the Ordinary Shares is B933LL6.

11.21 The Company will not make any material change to the investment objective and policy of the Company without the approval of Shareholders by ordinary resolution.

11.22 Other than as provided in the City Code on Takeovers and Mergers there are no rules or provisions relating to mandatory takeover bids in relation to the Ordinary Shares and there are no mandatory takeover bids in existence. Other than Part XVIII of the Law, there are no rules or provisions relating to squeeze-out and/or sell-out rules relating to the Ordinary Shares.

11.23 If no investments are made within four months, a resolution will be put to Shareholders to wind up the Company.

11.24 KPMG Channel Islands Limited of 20 New Street, St. Peter Port, Guernsey GY1 4AN has been the only auditors of the Company since its incorporation. KPMG Channel Islands Limited is a member of the Institute of Chartered Accountants of England and Wales.

11.25 The Directors are unaware of exceptional factors which have influenced the Company's activities.

11.26 Save as disclosed in this document, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.

12 Conflicts of Interest

The Investment Manager, any of its respective partners, 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, an Interested Party may provide services similar to those provided to the Company to other entities and will not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may also invest.

13 Third party information

Where information has been sourced from a third party, the information has been accurately reproduced and, as far as the Company and the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Reference materials include various historical and recent publications. A comprehensive list of reports and information used in the preparation of this document is available if required.

14 Documents available for inspection

Copies of the following documents will be available for inspection at the registered office of the Company and at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH during business hours on any weekday from the date of this document (Saturdays, Sundays and public holidays excepted) until one month from the date of Admission:

14.1 the Memorandum and Articles of Incorporation of the Company;

14.2 the material contracts referred to in paragraph 7 of this Part VI;

14.3 the Law;

14.4 the consent letters referred to in paragraph 11.18 of this Part VI; and

14.5 this document.

Dated: 8 May 2013

PART VII

DEFINITIONS

"Accredited Investor"	as defined in Rule 501 of Regulation D
"Act"	the Companies Act 2006 (as amended and in force from time to time)
"Administration Agreement"	the administration agreement dated 8 May 2013 between the Company and the Administrator relating to the administration services to be provided given to the Company, details of which are set out in paragraph 7.2 of Part VI of this document
"Administrator"	Northern Trust International Fund Administration Services (Guernsey) Limited who is also the designated manager and company secretary of the Company
"Admission"	the admission of the Ordinary Shares, issued and to be issued pursuant to the Placing, to trading on AIM becoming effective in accordance with the AIM Rules
"AIFM Directive"	the Directive on Alternative Investment Fund Managers, 2011/61/EU
"AIM"	the AIM Market of the London Stock Exchange
"AIM Rules"	the rules of AIM comprising together the AIM Rules for Companies and the AIM Rules for Nominated Advisers
"Articles"	the articles of incorporation of the Company from time to time
"Associates"	has the meaning given to it in the definition of "related party" set out in the glossary to the AIM Rules
"Board" or "Directors"	the board of directors of the Company including a duly constituted committee thereof
"Business Day"	any day on which banks are open for business in Guernsey and London (excluding Saturdays and Sundays)
"certificated" or "in certificated form"	the description of a share or security which is in certificated form (that is, not in CREST)
"CFTC"	the US Commodity Futures Trading Commission
"Commission" or "GFSC"	the Guernsey Financial Services Commission
"Continuation Pool"	the pool of assets to be established under the Realisation attributable to Continuing Shareholders
"Continuing Shareholder(s)"	holder(s) of Ordinary Shares who remain in the Continuation Pool following the implementation of the Realisation
"Corporate Governance Code"	the UK Corporate Governance Code issued by the Financial Reporting Council
"the Company"	Weiss Korea Opportunity Fund Ltd.
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the

	CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form
"CREST Guernsey Requirements"	means Rule 8 and such other rules and requirements of Euroclear UK & Ireland as may be applicable to issuers as from time to time specified in the CREST Manual
"CREST Regulations"	the Uncertificated Securities Regulations 2001 of the United Kingdom (as amended) and the CREST Guernsey Requirements including any modification or re-enactment thereof for the time being in force
"Custodian"	Northern Trust (Guernsey) Limited
"Custody Agreement"	the custody agreement dated 30 April 2013 between the Company and the Custodian relating to the custody services to be given to the Company, details of which are set out in paragraph 7.4 of Part VI of this document
"Election Period"	the period beginning 28 days before the Reorganisation Date and ending 7 days before the Reorganisation Date (or, if that date is not a Business Day, on the next subsequent Business Day)
"EU" or "European Union"	the European Union first established by the treaty made at Maastricht on 7 February 1992
"EU Code"	has the meaning set out on page 54
"Euroclear"	Euroclear UK & Ireland Limited
"Existing Funds"	Brookdale International Partners, LP and Brookdale Global Opportunity Fund
"FATCA"	the US Foreign Account Tax Compliance Act
"FCA"	Financial Conduct Authority
"FSMA"	Financial Services and Markets Act 2000 (as amended)
"Group"	the Company and any subsidiary undertakings of the Company from time to time
"IFRS"	International Financial Reporting Standards
"Investment Management Agreement"	the investment management agreement dated 8 May 2013 between the Company and the Investment Manager, as described in paragraph 7.1 of Part VI of this document
"Investment Manager"	Weiss Asset Management LP
"Korea" or "Korean"	unless preceded by the word "North", means South Korea or of or relating to South Korea (i.e. the Republic of Korea)
"Korea Exchange"	Korea Exchange, Inc.
"Korea Index"	the MSCI Korea 25-50 Net Total Return Index, denominated in British pounds sterling. The index is developed and maintained by Morgan Stanley Capital International Inc. ("MSCI"). The index is a free float weighted, capped index designed to measure the total performance of the large and mid-cap segments of the Korean market. As of March 29, 2013, the index has 104 constituents and

	covers approximately 85 per cent. of the free float adjusted market capitalization in Korea. No single issuer exceeds 25 per cent. of the index weight, and the sum of all issuers with weights above 5 per cent. does not exceed 50 per cent. of the index weight. The index reinvests its constituents' cash distributions into the index after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The withholding tax rate MSCI applies to its Korea net total return indices is currently 22 per cent.
"KOSPI 200 Index"	the Korea Composite Stock Price Index 200. The index is a market capitalisation weighted index of 200 Korean stocks chosen on factors such as liquidity and how well they represent their respective markets and industries
"Law"	The Companies (Guernsey) Law, 2008, as amended and subordinate legislation made thereunder and every modification or re-enactment thereof for the time being in force
"London Stock Exchange"	London Stock Exchange plc
"Look-Through Net Asset Value"	a hypothetical measure used to calculate the Weighted Average Discount; the methodology is similar to that used to calculate Net Asset Value, except that the market price per share of a corresponding Korean common share is substituted for the market price per share of each Korean preferred share
"Net Asset Value" and "Net Asset Value per Ordinary Share"	respectively the net asset value of the Company and the net asset value of an Ordinary Share
"N+1 Singer"	Nplus1 Singer Advisory LLP, the Company's nominated adviser for the purposes of the AIM Rules, and broker
"Official List"	the Official List of the UK Listing Authority
"Ordinary Shares"	redeemable ordinary shares of no par value for which application has been made to trading on AIM, in the capital of the Company
"Placing"	the placing by N+1 Singer of the Placing Shares at the Placing Price pursuant to the Placing Agreement and as described in this document
"Placing Agreement"	the conditional agreement dated 8 May 2013 between the Company, the Directors, the Investment Manager and N+1 Singer relating to the Placing, as described in paragraph 7.5 of Part VI of this document
"Placing Price"	£1.00 per Ordinary Share
"Placing Shares"	up to 105,000,000 Ordinary Shares placed or to be placed by N+1 Singer pursuant to the Placing Agreement
"Pool(s)"	the Continuation Pool and the Realisation Pool
"Portfolio"	the portfolio of investments made by the Company from time to time
"Prospectus Rules"	the prospectus rules made by the UKLA under section 73A of FSMA

"Realisation"	the reorganisation of the Portfolio into two separate pools of assets in accordance with Realisation Elections, as described in paragraph headed "Realisation Opportunity" of Part II of this document
"Realisation Date"	the fourth anniversary of Admission or if that is not a Business Day, the next following Business Day
"Realisation Elections"	an instruction sent by a Shareholder during the Election Period in accordance with the Articles requesting that all or part of the Ordinary Shares held by such Shareholder be redesignated as Realisation Shares with effect from the Reorganisation Date
"Realisation Pool"	the pool of assets to be established under the Realisation attributable to Shareholders who have elected for the Realisation Shares
"Realisation Shares"	ordinary redeemable realisation shares of no par value each in the capital of the Company
"Registrar"	Capita Registrars (Guernsey) Limited
"Registrar Agreement"	the registrar agreement dated 8 May 2013 between the Company and the Registrar relating to the service given to the Company, details of which are set out in paragraph 7.5 of Part VI of this document
"Regulation D"	Regulation D under the US Securities Act
"Regulation S"	Regulation S under the US Securities Act
"Regulatory Information Service"	a service provided by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained at the London Stock Exchange's website
"Reorganisation Date"	being the Realisation Date or, if later, the date on which the Ordinary Shares are to be redeemed
"Rules"	the Registered Collective Investment Scheme Rules 2008 issued by the Commission
"SEC"	the United States Securities and Exchange Commission
"Shareholders"	holders of Ordinary Shares
"South Korea"	the Republic of Korea
"UK" or "United Kingdom"	United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority" or "UKLA"	The Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part 6 of the Financial Services and Markets Act 2000
"uncertificated" or "in uncertificated form"	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"US" or "United States"	United States of America, its territories and possessions, any state of the United States and the District of Columbia
"US Code"	has the meaning set out on page 24

"US Person"	a "US Person" for the purposes of this document is a person who is in either of the following two categories: (i) a person included in the definition of "US person" under Rule 902 of Regulation S under the US Securities Act; or (ii) a person excluded from the definition of a "Non-United States person" as used in CFTC Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of US Person only if he or it does not satisfy any of the definitions of "US person" in Rule 902 and qualifies as a "Non-United States person" under CFTC Rule 4.7
"US Securities Act"	the United States Securities Act of 1933, as amended
"US Taxpayer"	"US Taxpayer" includes (i) a US citizen or resident alien of the United States (as defined for US federal income tax purposes); (ii) any entity treated as a partnership or corporation for US federal tax purposes that is created or organised in, or under the laws of, the United States or any state thereof (including the District of Columbia); (iii) any other partnership that is treated as a US Taxpayer under US Treasury Department regulations; (iv) any estate, the income of which is subject to US income taxation regardless of source; and (v) any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more US fiduciaries. Persons who have lost their US citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as US Taxpayers.
"VAT"	value added tax
"Weighted Average Discount"	one minus the quotient of (Net Asset Value divided by Look-Through Net Asset Value), expressed as a percentage
"Won"	the currency of South Korea

In this document the symbols "$" or "US$" refer to US dollars, "£" refer to the UK pounds sterling and ₩ refers to South Korean Won.