THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should consult immediately a person authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) ("FSMA") who specialises in advising on the acquisition of shares and other securities.

A copy of this document, which comprises a prospectus relating to GCP Infrastructure Investments Limited (the "Company"), prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made pursuant to section 85 of FSMA, has been delivered to the Financial Conduct Authority and has been made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

The Reorganisation Shares to which this document relates will only be issued if the Scheme becomes effective. Assuming that the Scheme becomes effective, application will be made to the UK Listing Authority for all of the Reorganisation Shares issued pursuant to the Scheme to be admitted to the Premium Listing segment of the Official List and for all such Reorganisation Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities. It is expected that such admission will become effective and that dealings in such Reorganisation Shares will commence at 8.00 a.m. on 10 February 2014 (in relation to Reorganisation Shares issued directly to Minority Subsidiary Shareholders) and at 8.00 a.m. on 11 February 2014 (in relation to Reorganisation Shares issued to New OEIC).

The Ordinary Shares are not dealt in on any other recognised investment exchanges and no applications for the Ordinary Shares to be traded on any such other exchanges have been made or are currently expected to be made.

The Directors of the Company, whose names and functions appear in the "Directors, Agents and Advisers" section of this Prospectus, the Proposed Directors and the Company itself, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors, the Proposed Directors and of the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Investment Adviser accepts responsibility for the information contained in this document pertaining to it. To the best of the knowledge of the Investment Adviser, who has taken all reasonable care to ensure that such is the case, the information contained in this document pertaining to it is in accordance with the facts and contains no omission likely to affect its import.

Although the whole text of this document should be read, the attention of persons receiving this document and of prospective investors in the Company are drawn to the section headed "Risk Factors" contained on pages 14 to 24 of this document.

GCP Infrastructure Investments Limited

(*a company incorporated in Jersey under The Companies (Jersey) Law, 1991 (as amended) with registered no. 105775*)

Admission to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities of up to 75,000,000 Ordinary Shares of £0.01 each

and

Information relating to the prior issue of 20,417,633 Ordinary Shares

Sponsor

Oriel Securities Limited

Oriel Securities Limited ("**Oriel**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and no-one else in connection with the Reorganisation and the contents of this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Oriel or for affording advice in relation to the Reorganisation and the contents of this document or any matters referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Oriel may have under FSMA or the regulatory regime established thereunder. Oriel takes no responsibility for any part of the contents of this document pursuant to sections 79(3) or 90 of FSMA and does not accept any responsibility for, or authorise, any part of the contents of this document under rule 5.5 of the Prospectus Rules of the Financial Conduct Authority.

This document does not constitute an invitation or offer to sell or exchange, or the solicitation of an invitation or offer to buy or exchange, any security or to become a member of the Company. None of the securities referred to in this document shall be sold, issued, exchanged or transferred in any jurisdiction in contravention of applicable law.

The Reorganisation Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or under the applicable state securities laws of the United States, and may not be offered or sold directly or indirectly in or into the United States, or to or for the account or benefit of any US person (within the meaning of Regulation S under the Securities Act). In addition, the Company has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended.

This unregulated exchange-listed fund is not regulated in Jersey. The Jersey Financial Services Commission has neither evaluated nor approved:

(a) the scheme or arrangement of the Company;

(b) the parties involved in the promotion, management or administration of the Company; or

(c) this Prospectus.

The Jersey Financial Services Commission has no ongoing responsibility to monitor the performance of the Company, to supervise the management of the Company or to protect the interests of investors in the Company.

The Jersey Financial Services Commission does not take any responsibility for the financial soundness of the fund or for the correctness of any statements made or expressed in this Prospectus.

This document is dated 3 February 2014.

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SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

	Section A – Introduction and warnings	
A.1		• **This summary should be read as introduction to the prospectus;** • **any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor;** • **where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and** • **civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.**
A.2	**Subsequent resale of securities or final placement of securities through financial intermediaries**	Not applicable. GCP Infrastructure Investments Limited (the "**Company**") is not engaging any financial intermediaries for any resale of securities or final placement of securities after the publication of this document.

	Section B – The Company	
B.1	**The legal and commercial name of the Company**	GCP Infrastructure Investments Limited.
B.2	**Domicile and legal form of the Company**	The Company is a closed-ended investment company incorporated in Jersey under the Companies (Jersey) Law, 1991, (as amended) (the "**Jersey Companies Law**") and has been established as an unregulated exchange-traded fund under the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008. Its registered office is situated at 12 Castle Street, St. Helier, Jersey JE2 3RT.
B.5	**Details of any group of which the Company**	As at 30 January 2014, (being the latest practicable date before publication of this document), the Company holds 80.4 per cent. of the issued share capital in GCP Infrastructure Fund Limited, an open-

<table>
<tr><td></td><td>forms part</td><td>ended investment company incorporated in Jersey currently as an expert fund (the “Subsidiary” and together with the Company, the “Group”). The Group is effecting a reorganisation whereby the Subsidiary will become a wholly-owned subsidiary of the Company if a court-sanctioned scheme of arrangement pursuant to Article 125 of the Companies (Jersey) Law, 1991 (the “Scheme”) becomes effective and Group governance, advisory and certain other arrangements will be restructured to reflect the new Group structure (the “Reorganisation”). The Company does not have any other subsidiaries.</td></tr>
<tr><td>B.6</td><td>Notifiable interests</td><td>As at 30 January 2014, (being the latest practicable date before publication of this document), the Company is aware of the following existing shareholders of the Company (“Shareholders”) who were at such time interested, directly or indirectly, in 3 per cent. or more of the Company’s issued share capital:

<table>
<tr><th>Name</th><th>Number of ordinary shares</th><th>Percentage of voting rights</th></tr>
<tr><td>HSBC Global Custody Nominee (UK)</td><td>32,498,710</td><td>11.52%</td></tr>
<tr><td>Ferlim Nominees Limited</td><td>22,103,115</td><td>7.84%</td></tr>
<tr><td>Rathbone Nominees Limited</td><td>19,056,284</td><td>6.76%</td></tr>
<tr><td>Brewin Dolphin</td><td>17,402,498</td><td>6.17%</td></tr>
<tr><td>J M Finn Nominees Limited</td><td>16,960,157</td><td>6.01%</td></tr>
<tr><td>State Street Nominees Limited</td><td>16,791,382</td><td>5.95%</td></tr>
<tr><td>Cheviot Capital (Nominees) Ltd</td><td>15,206,805</td><td>5.39%</td></tr>
<tr><td>Nortrust Nominees Limited</td><td>15,142,802</td><td>5.37%</td></tr>
<tr><td>The Bank of New York (Nominees)</td><td>13,734,722</td><td>4.87%</td></tr>
<tr><td>Vidacos Nominees Limited</td><td>13,374,905</td><td>4.74%</td></tr>
<tr><td>Roy Nominees Limited</td><td>12,944,394</td><td>4.59%</td></tr>
<tr><td>Smith & Williamson Nominees Limited</td><td>10,906,409</td><td>3.87%</td></tr>
</table>

None of the above Shareholders have different Shareholder rights to those of other Shareholders.</td></tr>
</table>

B.7	**Selected historical key financial information and significant change to the Company's financial condition and operating results**	The financial information below illustrates the net assets attributable to the ordinary shares of £0.01 each of the Company ("**Ordinary Shares**") on a consolidated basis as at the relevant dates pursuant to IFRS after accounting (as a liability) for the net assets attributable to the holders of both income shares and accumulation shares of the Subsidiary (together, "**Subsidiary Shares**") other than the Company ("**Minority Subsidiary Shareholders**").

Group	*As at 30 September 2013*	*As at 30 September 2012*	*As at 30 September 2011*
	£	*£*	*£*
Assets			
Cash and cash equivalents	25,391	9,592	9,220
Receivables and prepayments	3,127	2,392	3,561
Investments at fair value	344,142	157,070	67,174
Total assets	372,660	169,054	79,955
Liabilities			
Payables and accrued expenses	3,795	3,078	4,023
Non-controlling interests	75,249	44,203	31,834
Total liabilities	79,044	47,282	35,857
Net assets	293,616	121,772	44,098

Detailed below are the adjusted net asset values attributable to the holders of Ordinary Shares as at the relevant dates as calculated in accordance with the Company's policies as described in this document for calculating its monthly published net asset value (the "**Published NAV**"), which totals £293.6 million. The difference between the Published NAVs below attributable to the Ordinary Shares and the net assets attributable to the Ordinary Shares on a consolidated basis as illustrated above arises from a difference in the treatment of set up costs incurred between the calculation of Published NAV and net asset value calculation in accordance with IFRS.

Period/ Year end position	*As at 30 September 2013*	*As at 30 September 2012*	*As at 30 September 2011*
	£	*£*	*£*
Net assets attributable to Ordinary Shares	293,643	121,823	44,157
Net asset value per Ordinary Share	104.35	100.99	100.37

B.7		During the period from incorporation on 21 May 2010 to 30

		September 2011, the Company successfully raised £40 million from an initial public offering in July 2010. A further £4.1 million was raised through a tap issue. The Company invested substantially all the capital raised in the Subsidiary. The Subsidiary made five investments during the period totalling £34.3 million. During the year ended 30 September 2012, the Company carried out a placing and offer for subscription of C Shares which raised gross proceeds of £67.4 million. A further £11.3 million was raised through a tap issue. The Company invested substantially all the capital raised in the Subsidiary. The Subsidiary made eleven investments during the year totalling £86.8 million. During the year ended 30 September 2013, the Company carried out a placing and offer for subscription of C Shares which raised gross proceeds of £144.4 million. A further £22.0 million was raised through a tap issue. The Company invested substantially all the capital raised in the Subsidiary. The Subsidiary made sixteen investments during the year totalling £168.6 million. Save to the extent disclosed below, there has been no significant change in the financial condition or operating results of the Group since 30 September 2013, being the end of the period covered by the historical financial information: • on 25 November 2013 GCP RHI Boiler 1 Limited repaid the £26 million loan advance to it by the Subsidiary in full, on account of lower than anticipated demand for biomass boilers installed on commercial premises; • on 29 November 2013 the Subsidiary subscribed for £21.2 million of loan notes with a yield of 9.8 per cent. per annum, issued by GCP Onshore Wind 3 Limited. The proceeds were used to make a senior loan secured against a single five-turbine 15MW wind farm to be developed in Northern Ireland; • on 10 December 2013 the Subsidiary subscribed for £14.5 million of loan notes with a yield of 9.1 per cent. per annum, issued by GCP Biomass 2 Limited. The proceeds were used to make a senior loan secured against a wood-fuelled power station to be developed in Birmingham; • on 10 December 2013 the Subsidiary completed a series of transactions subscribing for an aggregate of £6.5 million of loan notes with a yield of 9.8 per cent. per annum, issued by GCP Onshore Wind 2 Limited. The proceeds are to be used to make senior loans secured; • on 27 January 2014 GCP RHI Boiler 2 Limited repaid £5 million of the loan advanced to it by the Subsidiary, on account of lower than anticipated demand for biomass boilers installed on commercial premises; and • on 27 January 2014 the Subsidiary subscribed for £4.99 million of loan notes with a yield of 9.3 per cent. per annum, issued by GCP Rooftop Solar 4 Limited. The proceeds were used to make a senior loan secured against rooftop solar installations.
B.8	**Selected key pro forma financial information**	The selected pro forma financial information below illustrates the effect on the Company's statement of net assets as if the Reorganisation had occurred on 30 September 2013 and the effect on its statement of comprehensive income as if the Reorganisation had occurred on 1 October 2012, being the periods for which the last audited consolidated accounts of the Company were prepared and

		reported on. The unaudited pro forma information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not reflect the actual financial position or results of the Company.

Summary statement of comprehensive income

	Consolidated income for the year ended 30 September 2013	*Adjustments for acquisition of Subsidiary Shares*	*Pro forma adjusted*
	£'000	£'000	£'000
Total income	29,201	-	29,201
Total expenses	(7,154)	-	(7,301)
Total operating profit before finance costs	22,047	-	22,047
Total finance costs	(2,525)	2,504	(21)
Profit for the year	19,522	2,504	22,026
Total comprehensive income	19,522	2,504	22,026

Summary statement of net assets

	Consolidated net assets for the year ended 30 September 2013	*Adjustments for acquisition of Subsidiary Shares*	*Pro forma adjusted*
	£'000	£'000	£'000
Total assets	372,660	(603)	372,057
Total liabilities	(79,044)	74,998	(4,046)
Net assets	293,616	74,395	368,011
Total capital and reserves	293,616	74,395	368,011

B.9	**Profit forecast or estimate**	Not applicable. No profit forecast or estimate is made in this document.
B.10	**Qualifications in the audit report**	Not applicable.
B.11	**Insufficiency of working capital**	Not applicable.
B. 34	**Description of investment objective, policy and investment restrictions**	The Company's investment objectives are to provide its Shareholders with regular, sustained, long-term distributions and to preserve the capital value of its investment assets over the long term by generating exposure to subordinated PFI debt and related and/or similar assets.

		To achieve its investment objectives, the Company invests substantially all of its capital in the Subsidiary. The Subsidiary (which currently operates as a master fund but which, following the Reorganisation, will become a wholly-owned subsidiary of the Company) focuses on taking debt exposure to infrastructure projects which have pre-determined, very long term, public sector-backed revenues; no construction or property risks; and contracts which are "availability" based (i.e. the payments under the contracts do not depend on the level of use of the project assets). It is intended that such investments will make up a minimum of 75 per cent. of the Company's total assets. It is also intended that not more than 10 per cent. in value of the Company's total assets from time to time consist of securities or loans relating to any one individual infrastructure asset. The Company (through the Subsidiary) may also consider, in respect of up to an absolute maximum of 25 per cent. of its total assets (at the time the relevant investment is made), taking exposure to projects that are not within its primary focus. The Company's investment objectives and the investment restrictions that apply to the Group will not change as a result of the Reorganisation. The Company is not subject to any other investment restrictions, save that it is required to manage and invest its assets in accordance with its investment objectives and policy as stated above.
B.35	**Borrowing and/or leverage limits**	Structural gearing is permitted at Company level, up to a maximum of 20 per cent. of the Company's net asset value immediately following draw down of the relevant debt. The Company does not currently have any debt facilities in place and does not currently intend to introduce gearing. The Subsidiary may borrow for the purpose of investment and for short-term purposes as may be necessary for the settlement of transactions or to meet ongoing expenses. The Subsidiary's borrowings shall not in any event exceed 20 per cent. of the Subsidiary's net asset value at the time any such borrowings are drawn down. The Subsidiary does not currently have any debt facilities in place and does not currently intend to introduce gearing.
B.36	**Regulatory status of the Group**	The principal legislation under which the Company and the Subsidiary operate is the Jersey Companies Law. The Company is currently an unregulated exchange traded fund pursuant to the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008. If the Scheme becomes effective the Company will apply to the Jersey Financial Services Commission ("**JFSC**") to be regulated as a certified fund in Jersey pursuant to the Collective Investment Funds (Jersey) Law 1988, as amended ("**CIF Law**") and the Jersey Listed Fund Guide published by the JFSC. A resolution approving the Company becoming regulated as a certified fund pursuant to the CIF Law and the Jersey Fund Guide has been proposed at the extraordinary general meeting of the Company to be held on 7 February 2014 (the "**EGM**"). The Subsidiary is currently an expert fund, established under the Expert Fund Guide of the JFSC and the CIF Law. If the Scheme becomes effective, the Subsidiary will be deregulated and its constitutional documents will be amended to reflect its

		deregulated status.
B.37	**Profile of typical investors**	Typical investors in the Company are expected to be institutional and sophisticated investors and private clients.
B.38	**Investment in excess of 20 per cent. of the Company's gross assets in another collective investment undertaking**	Not applicable.
B.39	**Investment in excess of 40 per cent. of the Company's gross assets in another collective investment undertaking**	The Company invests substantially all of its capital in the Subsidiary, which currently operates as a master fund. If the Scheme becomes effective, the Subsidiary will become wholly-owned by the Company and will cease to be a collective investment undertaking.
B.40	**The Investment Adviser and the Company's other service providers**	Gravis Capital Partners LLP (the "**Investment Adviser**") is currently the investment adviser of the Company and of the Subsidiary. The Investment Adviser currently provides investment advice to the Company and the Subsidiary in accordance with the terms of an investment advisory agreement with the Company (the "**Existing Company Investment Advisory Agreement**") and an investment advisory agreement with the Subsidiary (the "**Subsidiary Investment Advisory Agreement**"), respectively. If the Scheme becomes effective, the Subsidiary Investment Advisory Agreement will be terminated and the Existing Company Investment Advisory Agreement will be amended (the "**Amended Company Investment Advisory Agreement**"), both with effect from the date on which the Scheme becomes effective. The Amended Company Investment Advisory Agreement will be on substantially similar terms to the terms of the Subsidiary Investment Advisory Agreement. Under the terms of the Amended Company Investment Advisory Agreement, the Investment Adviser will receive an investment advisory fee from the Company equal to 0.9 per cent. per annum of the net asset value of the Company (net of cash holdings). The Investment Adviser will also be entitled to an acquisition fee of up to 1 per cent. of the cost of each asset acquired by the Group. Capita Financial Administrators (Jersey) Limited (the "**Administrator**") has been appointed by the Company and the Subsidiary to provide administrative and secretarial services to the Company and the Subsidiary in accordance with the terms of an administration agreement with the Company ("**Existing Company Administration Agreement**") and an administration agreement with the Subsidiary ("**Existing Subsidiary Administration Agreement**"). If the Scheme becomes effective, the Existing Company Administration Agreement and the Existing Subsidiary Administration Agreement will be amended, both with effect from the Effective Date. Under the terms of the amended Company administration agreement, the Administrator will receive an annual fee based on a percentage (on a sliding scale) of the net asset value of the Company, which will be payable monthly in arrears. The administration fee will be subject to a minimum annual fee of £160,000. In addition, the Administrator will charge a fee of £35,000 for each issue of C Shares. The annual fee for the provision of a

		Jersey Compliance Officer, Money Laundering Compliance Officer and Money Laundering Reporting Officer shall be £10,000 per annum payable monthly in arrears. Under the terms of the amended Subsidiary administration agreement, the Administrator will receive an annual fee of £15,000. Capita Registrars (Jersey) Limited (the "**Registrar**") is the registrar of the Company and is party to a share registration services agreement with the Company ("**Company Share Registration Services Agreement**"). Under the Company Share Registration Services Agreement, the Registrar is entitled to receive a minimum agreed fee of £16,500 per annum in respect of basic registration. Together with any additional registrar activity not included in such basic registration services, it is currently expected the fees payable to the Registrar will be approximately £56,500 per annum. Capita Registrars Limited (the "**Receiving Agent**") is the receiving agent of the Company. The Receiving Agent is paid fees including: (a) professional advisory fees of £200 per hour, subject to a minimum fee of £2,000; (b) processing fees per item processed, subject to a minimum aggregate processing fee of £5,000; and (c) various other fees in relation to certain matters including with regard to opening of premises on non-business days (£5,000 per day). Capita Trust Company (Jersey) Limited (the "**Custodian**") is the custodian of the Subsidiary and is party to a custodian agreement with the Company ("**Subsidiary Custodian Agreement**"). Under the Subsidiary Custodian Agreement, Custodian is entitled to receive 0.03 per cent. per annum of the net asset value of the Subsidiary subject to a minimum annual fee of £10,000. If the Scheme becomes effective, the Custodian will be appointed as the custodian of the Company, pursuant to a custodian agreement with the Company ("**New Company Custodian Agreement**"). Under the New Company Custodian Agreement, the Custodian will be entitled to receive a fee of 0.03 per cent. per annum of the net asset value of the Company subject to a minimum annual fee of £40,000.
B.41	**Identity and regulatory status of the Investment Adviser**	The investment adviser to the Company is Gravis Capital Partners LLP. The Investment Adviser is authorised and regulated by the UK Financial Conduct Authority ("**FCA**"). The Investment Adviser understands that the Company is an alternative investment fund (within the meaning of the Alternative Investment Fund Managers Directive 2011/61/EU as implemented in the UK ("**AIFMD**")). The Investment Adviser acts as the alternative investment fund manager (within the meaning of AIFMD) of the Company. It currently performs this role pursuant to transitional provisions and is seeking FCA permission to continue to act in such capacity.
B.42	**Valuation and publication of the Company's net asset value**	Mazars LLP (the "**Valuation Agent**") is responsible for carrying out a fair market valuation of the Group's investments on a monthly basis. The net asset value of the Company and of the Ordinary Shares is calculated monthly by the Administrator. The monthly net asset value of the Ordinary Shares is announced through a regulated information service and published on the Investment Adviser's website.
B.43	**Cross liability**	Not applicable.
B.44	**Statement confirming no financial statements**	Not applicable.

	are in existence	
B.45	**Description of the Group's portfolio**	The Subsidiary is exposed to a portfolio of 32 infrastructure loans (the "**Loans**") with an unaudited valuation of approximately £355.5 million. The Loans have all been made against the performance of a number of availability-based UK PFI projects and against cash flow receivables under a receivables purchase agreement, the Feed-in Tariff ("**FIT**") scheme, the Renewables Obligation Certificate ("**ROC**") scheme and the Renewable Heat Incentive ("**RHI**") scheme (the "**Projects**"). 40 per cent. of the Loans are exposed to PFI projects, 23 per cent. to rooftop solar installations, 11 per cent. to onshore wind farms, 10 per cent. to biomass plants, 9 per cent. to anaerobic digestion plants, 5 per cent. to a commercial solar farm and 2 per cent. to a school asset finance project.
B.46	**Net asset value per Ordinary Share**	As at 31 December 2013, the net asset value per Ordinary Share was 102.64 pence.

	Section C – Securities	
C.1	**Type and class of securities being admitted to trading and identification number**	Under the terms of the Scheme, up to 75,000,000 new Ordinary Shares of £0.01 each in the capital of the Company may be issued to the Minority Subsidiary Shareholders and to GCP Infrastructure OEIC Limited, a public company incorporated in Jersey ("**New OEIC**") in consideration for Subsidiary Shares ("**Reorganisation Shares**"). Application will be made for the Reorganisation Shares to be admitted to the Premium Listing segment of the Official List and to trading on the Main Market of the London Stock Exchange. The ISIN for the Reorganisation Shares will be JE00B6173J15.
C.2	**Currency denomination of Reorganisation Shares**	The Reorganisation Shares are denominated in Sterling.
C.3	**Details of share capital**	The Company has an authorised share capital of: • 400,000,000 Ordinary Shares; • 150,000,000 C Shares; and • 100,000,000 deferred shares of £0.01 each ("**Deferred Shares**"). A resolution to increase the Company's authorised share capital by the creation of a further 300,000,000 Ordinary Shares and 50,000,000 Deferred Shares will be proposed at the EGM. As at 30 January 2014 (being the latest practicable date prior to the date of this document), there were 282,035,706.00 Ordinary Shares and no C Shares or deferred shares in issue.
C.4	**Rights attaching to the Reorganisation Shares**	The holders of the Reorganisation Shares shall only be entitled to receive, and to participate in, any dividends declared in relation to Ordinary Shares. On a winding-up or a return of capital by the Company, if there are C Shares in issue, the net assets of the Company attributable to the C Shares shall be divided *pro rata* among the holders of the C Shares.

		For so long as C Shares are in issue, and without prejudice to the Company's obligations under the Companies Law, the assets attributable to the C Shares shall, at all times, be separately identified and shall have allocated to them such proportion of the expenses or liabilities of the Company as the directors of the Company (the "**Directors**") fairly consider to be attributable to the C Shares. The holders of Ordinary Shares (including the holders of Reorganisation Shares) shall be entitled to all of the Company's remaining net assets after taking into account any net assets attributable to the C Shares. The Ordinary Shares (including the Reorganisation Shares) shall carry the right to receive notice of, attend and vote at general meetings of the Company. The consent of the holders of Ordinary Shares (including the holders of Reorganisation Shares) will be required for the variation of any rights attached to the relevant class of shares.
C.5	**Restrictions on the transferability of Reorganisation Shares**	Not applicable.
C.6	**Application for admission to trading on a regulated market**	Application will be made for the Reorganisation Shares to be admitted to the Premium Listing segment of the Official List and to trading on the Main Market of the London Stock Exchange ("**Admission**").
C.7	**Dividend policy**	Under its dividend policy as at the date of this document, the Company does, as far as reasonably practicable and taking into account the costs of the Company and its working capital requirements, distribute by way of dividend payments all income that it receives up to a target of 8 per cent. per annum per Ordinary Share (by reference to the price of £1.00 per Ordinary Share at which Ordinary Shares were issued pursuant to the Company's flotation). If the Scheme becomes effective, the Company will, from the Effective Date, continue to distribute by way of dividend payments all income that it receives up to a target of 8 per cent. per annum per Ordinary Share (by reference to the price of £1.00 per Ordinary Share at which Ordinary Shares were issued pursuant to the Company's flotation). In the event that the Company is able to pay a dividend in excess of 8 per cent. per annum per Ordinary Share, the Company may pay out such sum or may retain the excess, either for re-investment or to ensure that the Company is able to pay future dividends at the level of 8 per cent. per annum per Ordinary Share. The Company has previously offered a scrip dividend alternative to Shareholders and anticipates that it will continue to do so. Further, if the Directors deem it appropriate, the Company may also make distributions by way of capital distributions. The Company has to date made distributions by way of semi-annual dividends and has declared those dividends within two months of the Company's half year-ends. A final dividend for the six months ended 30 September 2013 was paid on 30 December 2013. On 10 July 2013 the Company announced that, following payment of the final dividend for the financial year ended 30 September 2013, the Company will pay dividends on a quarterly basis, with dividends

		payable for the financial periods ending 31 December, 31 March, 30 June and 30 September in each year being paid in February, May, August and November, respectively. On 15 January 2014, the Company declared a dividend of 1.9p for the period from 1 October 2013 to 31 December 2013. The Company has progressively increased its dividend towards its target net yield of 8 per cent. per annum and has paid half year dividends on its Ordinary Shares of 2.15p in December 2010, 2.30p in June 2011, 3.00p in December 2011, 3.70p in June 2012, 3.80p in December 2012, 3.80p in June 2013 and 3.80p in December 2013.

	Section D – Risks	
D.2	**Key information on the key risks that are specific to the Company**	The key risk factors relating to the Company are: • the Group will invest exclusively in infrastructure investments and will therefore bear the risk of investing in only one asset class, meaning that there will be no income from another class of assets to off-set any adverse change in the returns from infrastructure investments; • a counterparty in an infrastructure project in which the Group has invested or to which the Group has exposure may default, resulting in significant difficulties in finding an alternative or replacement counterparty on the same or better terms; and • borrowers in respect of an infrastructure project in which the Group has invested may default on their obligations to the Group and such a default may adversely affect the income received by the Company and the value of the Company's assets.
D.3	**Key information on the key risks that are specific to the Reorganisation Shares**	The key risk factors relating to the Reorganisation Shares are: • the market price of Ordinary Shares may fluctuate significantly and investors may not be able to sell their Ordinary Shares at or above the price at which they purchased them, meaning that they could lose all or part of their investment; • an active and liquid trading market in Ordinary Shares may not be maintained; • there can be no assurance as to the level and/or payment of any dividends by the Company in relation to Ordinary Shares; and • Ordinary Shares may trade at a discount to their net asset value per share and there can be no guarantee that attempts by the Company to mitigate such a discount (if any such attempts are capable of being and in fact are made) will be successful.

	Section E – Offer	
E.1	**Proceeds and expenses**	The total costs and expenses of, or incidental to, the Reorganisation and Admission (exclusive of any amounts in respect of VAT) payable by the Company are estimated to amount to approximately £405,000.
E.2a	**Reasons for the Reorganisation, use of proceeds and estimated**	Since the launch of the Subsidiary in 2009 as a master fund and the launch of the Company in 2010 as a feeder fund to the Subsidiary, the Company has grown significantly relative to the size of the

	net amount of proceeds	Subsidiary. Both the board of directors of the Company (the "**Board**") and the directors of the Subsidiary who are not currently members of the Board (but who will be joining the Board with effect from completion of the Reorganisation) (the "**Proposed Directors**") have formed the view that, given the relative sizes of the Company and the Subsidiary and the nature of the Group as a whole, the feeder / master fund structure is no longer appropriate for the Group. Therefore, the Board and the Proposed Directors consider it appropriate to reorganise the Group so that: • the Subsidiary will become a wholly-owned subsidiary of the Company; and • Group governance, advisory and certain other arrangements are restructured to reflect the new Group structure. Not applicable in respect of 'use of proceeds' Element.
E.3	**Terms and conditions of the Scheme**	At a meeting of the Subsidiary shareholders convened by order of the Royal Court of Jersey (the "**Court**") pursuant to Article 125 of the Jersey Companies Law on 22 January 2014, the Scheme was approved by Subsidiary shareholders by the requisite percentage of voting rights. At an extraordinary general meeting of the Subsidiary, which was also held on 22 January 2014, all resolutions necessary for the Subsidiary to implement the Scheme and to effect various other aspects of the Reorganisation were duly passed. A Court hearing to sanction the Scheme and confirm the proposed reduction of capital in the Subsidiary which forms part of the scheme (the "**Capital Reduction**") is scheduled to take place on 6 February 2014. If the Court sanctions the Scheme and confirms the Capital Reduction, the Scheme will become effective and the Capital Reduction will occur, in each case on the Effective Date. Under the terms of the Scheme, in consideration for their Subsidiary Shares, Minority Subsidiary Shareholders may elect to receive: • Reorganisation Shares; • shares in a new open-ended investment vehicle that will invest in the Company; or • a cash payment. The value attributed to the Subsidiary Shares and the Ordinary Shares for the purpose of the Scheme is the respective net asset value of each of the Subsidiary Shares and Ordinary Shares at 31 January 2014. Upon the Scheme becoming effective, the Subsidiary will become a wholly-owned subsidiary of the Company.
E.4	**Material interests**	Not applicable.
E.5	**Selling securities holders and lock-up agreements**	Not applicable.
E.6	**Dilution**	The percentage of Ordinary Shares held by each existing holder of Ordinary Shares will be reduced by the issue of Reorganisation Shares pursuant to the Scheme. However, if the Scheme becomes

		effective, the Company will, from the Effective Date, own 100 per cent. of the Subsidiary and, under the terms of the Scheme, the issue of Reorganisation Shares will be net asset value neutral to existing holders of Ordinary Shares.
E.7	**Estimated expenses charged to investors by the Company**	Not applicable.

RISK FACTORS

An investment in the Company involves significant risks and is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) which may result from such an investment. Accordingly, prospective investors should review carefully and evaluate the risks and the other information contained in this document before making a decision to invest in the Company. If in any doubt, prospective investors should immediately seek their own personal financial advice from their independent professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities or other advisers such as legal advisers and accountants.

If any of the following risks actually occur, the business, financial condition, capital resources, results and/or future operations of the Company could be materially and adversely affected. In such circumstances, the trading price of the Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not currently known may also have an adverse effect on the Company.

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

A. Risks relating to the Company

The Directors, the Investment Adviser and the Administrator may have conflicts of interest in the course of their duties

The Directors, the Investment Adviser and the Administrator may, from time to time, provide services to, or be otherwise involved with, other investment programs established by parties other than the Company and which may have similar objectives to those of the Company. It is therefore possible that any of these investment programs may, in the course of business, have potential conflicts of interest with the Company, which may be to the detriment of the Company. The Directors are, however, subject to the provisions of Jersey law, which impose a range of duties upon directors, including in relation to avoiding conflicts of interest in certain circumstances. In addition, the Investment Adviser has undertaken to the Company, among other things, to seek to ensure that conflicts of interest that it may be faced with are resolved fairly.

Changes in laws or regulations may adversely affect the Group's business, investments and the results of its operations

The Group and the Investment Adviser are subject to laws and regulations enacted by national, regional and local governments and institutions. These laws and regulations and their respective interpretation and application may change from time to time and those changes could have a material adverse effect on the Group's investments and the results of its operations.

The AIFMD may impair the ability of the investment team to manage investments of the Company, which may materially adversely affect the Company's ability to implement its investment policy and achieve its investment objective

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

Based on the provisions of AIFMD and the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) (the "**AIFM Regulations**"), the Board considers that the Company is an AIF within the scope of AIFMD and the AIFM Regulations. The Company intends to operate as an externally managed AIF, with the

Investment Adviser being the Company's AIFM. This will require the Investment Adviser to be authorised by the FCA to manage AIFs (in addition to its current scope of permissions).

The Investment Adviser is currently operating pursuant to the transitional provisions contained in Regulation 72 of the AIFM Regulations (since it was managing an AIF immediately prior to 22 July 2013), such that the Investment Adviser will be required to apply for authorisation by the FCA before 22 July 2014. There is a risk that the FCA may determine that the transitional provisions are no longer available to the Investment Adviser. In such circumstances the Investment Adviser would not be able to act as AIFM of the Company until it is authorised by the FCA as an AIFM. This may disrupt or prevent the operation of the Company or the marketing of its shares until such time as the Investment Adviser is appropriately authorised by the FCA as an AIFM, or an alternative manager with the required authorisation is appointed by the Company.

In order to obtain such authorisation (and once it is authorised), the Investment Adviser will need to comply with various organisational, operational and transparency obligations. In complying with these obligations, the Company may be required to provide additional or different information to or update information given to shareholders and appoint or replace external service providers that the Company intends to use, including those referred to in this document. In addition, in requiring AIFMs to comply with these organisational, operational and transparency obligations, the AIFMD is likely to increase management and operating costs, in particular regulatory and compliance costs, of the Company and the Investment Adviser. Furthermore, to the extent the Company is marketed into the UK (or any other EEA jurisdiction) after its authorisation as an AIFM, the Investment Adviser will be required to ensure that the Custodian's appointment meets the requirements for acting as a depositary to a non-EU AIF.

If the Investment Adviser does not or cannot obtain authorisation under the AIFMD, the operation of the Company or the marketing of shares to investors in the EU may be prohibited or the ability to market shares in the Company may be otherwise impaired. This may adversely impact on the Company's ability to raise further capital and manage and/or add to the Company's investment portfolio in the future. It may also require the Company to appoint an alternative manager with the required authorisation to replace the Investment Adviser.

Further, there is a risk that the FCA may determine that the Company is not an externally managed AIF and that it is the Company that is the AIFM. If the FCA determines that the Company is an internally managed AIF, the Company may become subject to equivalent legislation and rules in Jersey and in respect of any marketing of its shares into the EU.

Availability of appropriate assets

The Directors and the Investment Adviser believe that there remains substantial demand for investments of the type typically made and intended to be made by the Group through acquiring debt instruments issued by infrastructure Project Companies backed by long dated, secure, public sector backed contracts. However, there is no guarantee that such demand will continue to result in sufficient investments being made in a timely manner, or at all, to allow the Company to deliver the targeted returns for Shareholders. When the availability of appropriate assets is lower than expected, it is likely that the Company will take longer than expected to identify and make investments in appropriate assets and therefore a greater proportion of the Group's assets will be held in cash which will generate a much lower return than currently envisaged for Shareholders.

B. Risks relating to the Reorganisation Shares and Shareholders

An active and liquid trading market in Ordinary Shares may not be maintained

An active and liquid trading market in Ordinary Shares may not be maintained.

The Company cannot predict the effects on the price of Ordinary Shares if a liquid and active trading market for the Ordinary Shares is not maintained. In addition, if such a market is not maintained, relatively small sales of Ordinary Shares may have a significant negative impact on the price of Ordinary Shares, whilst sales of a significant number of Ordinary Shares may be difficult to execute at a stable price close to or at the prevailing market price at that time.

The price of Ordinary Shares may fluctuate significantly and potential investors could lose all or part of their investment

The market price of Ordinary Shares may fluctuate significantly and potential investors may not be able to sell their Ordinary Shares at or above the price at which they purchased them. Factors that may cause the price of Ordinary Shares to vary include but are not limited to:

- changes in the Company's financial performance and prospects or in the financial performance and prospects of companies engaged in businesses that are similar to the Company's business;
- changes in the underlying values of the investments of the Company;
- the termination of the Existing Company Investment Advisory Agreement and, from the Effective Date (if the Scheme becomes effective), the Amended Company Investment Advisory Agreement, and the departure of some or all of the Investment Adviser's investment professionals;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations that are applicable to the Company;
- a rise in interest rates or rates of inflation, or an increase in the market's expectation of such rises;
- sales of Ordinary Shares by Shareholders;
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events;
- speculation in the press or investment community regarding the business or investments of the Company or factors or events that may directly or indirectly affect their respective investments;
- a reduction in the ability of the Company to access leverage or further equity finance; and
- further issues of C Shares or Ordinary Shares.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. Any broad market fluctuations may adversely affect the trading price of Ordinary Shares.

Ordinary Shares may trade at a discount to Net Asset Value

Ordinary Shares may trade at a discount to their respective Net Asset Value per share for a variety of reasons, including due to market conditions, liquidity concerns or the actual or expected performance of the Company. There can be no guarantee that attempts by the Company to mitigate such a discount will be successful or that the use of discount control mechanisms will be possible or advisable.

Dividends

There can be no assurance as to the level and/or payment of future dividends by the Company in relation to Ordinary Shares. The declaration, payment and amount of any future dividends by the Company are subject to the discretion of the Directors and will depend upon, among other things, the performance of the Company, the ability of the Company to make further investments, dividends declared and paid by the Company and the size of any such dividends, the Company's earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws or generally accepted accounting principles from time to time.

Local laws or regulations may mean that the status of the Company or the Ordinary Shares is uncertain or subject to change, which could adversely affect investors' ability to hold Ordinary Shares

For regulatory, tax and other purposes, the Company and/or the Ordinary Shares may be treated differently in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, Ordinary Shares may be

treated as units in a collective investment scheme. Furthermore, in certain jurisdictions, the status of the Company and/or the Ordinary Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or as a result of disclosures made by the Company. Changes in the status or treatment of the Company and/or the Ordinary Shares may have unforeseen effects on the ability of investors to hold Ordinary Shares or the consequences to investors of doing so.

C. Risks relating to the Company's investments

A valuation is an estimate of value and not a precise measure of realisable value

All investments made by the Group will be valued in accordance with the valuation methodology set out in paragraph 10 of Part 1 of this document. The resulting valuations will be used, among other things, for determining the basis on which various transactions in the shares of the Company take place, including issues of shares. Valuations of the investments of the Group reflect the Valuation Agent's view of expected cash flows, which are uncertain. Moreover, a valuation is only an estimate of value and is not a precise measure of realisable value. Therefore, transactions in the Company's shares may take place by reference to valuations of investments which do not reflect the realisable value of underlying assets.

Lack of diversification

Other than some holdings in cash, or cash equivalents, and hedging instruments, the Group invests exclusively in infrastructure investments and therefore bears the risk of investing in only one asset class. If returns from infrastructure investments are adversely affected by prevailing market conditions, the lack of diversification in the investment portfolio means that there will be no income from another class of assets to off-set any shortfall, which may have an adverse effect on the income received by the Company and the value of the Company's assets.

In addition, the Group has made a limited number of infrastructure investments. While the proportion of the total portfolio of the Group's investments represented by each of these assets varies, some assets represent a material part of the Group's portfolio of investments and therefore, should the value of any of those investments fall, this could materially impact upon the overall value of the Group's investment portfolio and, as a consequence, the NAV of the Company.

Failure by the Investment Adviser or other third-party service providers of the Company to carry out its or their obligations could materially disrupt the business of the Company

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company must therefore rely on the performance of third-party service providers to perform its executive functions. In particular, the Investment Adviser and the Administrator will perform services that are integral to the operations and financial performance of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, or to perform its obligations to the Company at all, could have a materially adverse effect on the Company's performance and returns to Shareholders.

D. Risks relating to the Investment Adviser

The Investment Adviser is dependent upon the expertise of key personnel in providing investment advisory services to the Company

The ability of the Company to achieve its investment objective is significantly dependent upon the expertise of the Investment Adviser's partners and employees and the ability of the Investment Adviser to attract and retain suitable staff. The impact of the departure, for any reason, of a key individual (or individuals) on the ability of the Investment Adviser to achieve the investment objective of the Company cannot be determined and may depend on, amongst other things, the ability of the Investment Adviser to recruit other individuals of similar experience and credibility. A failure by the Investment Adviser to recruit suitable individuals to replace any key individual who leaves the Investment Adviser may impact negatively on the performance of the Investment Adviser and, therefore, of the Subsidiary and the Company.

The Investment Adviser and its principals are involved in other businesses and investments which may create conflicts of interest

The Investment Adviser, in addition to advising upon the investments of the Group, currently serves, or may serve in the future, as the investment adviser to other investment funds and managed accounts. The Investment Adviser does not, therefore, devote its resources exclusively to the business of the Company. In addition, the Investment Adviser and its owners, members, officers and principals are presently, and will in the future continue to be, involved in other business ventures that have no relationship with the Company. Accordingly, the Investment Adviser and its owners, members, principals and officers may encounter potential conflicts of interest in connection with the Investment Adviser's role as investment adviser to the Company and their respective involvement in other business ventures. The Investment Adviser has undertaken to the Company, *inter alia*, to seek to ensure that any conflicts of interest are resolved fairly.

The Investment Adviser is dependent on information technology systems

The Company is dependent on the Investment Adviser for investment, operational and financial advisory services. The Investment Adviser, in turn, depends on information technology systems in order to assess investment opportunities, strategies and markets and to monitor and control risks for the Company.

It is possible that a failure of some kind which causes disruptions to these information technology systems could materially limit the Investment Adviser's ability to adequately assess and manage the investments of the Company, formulate strategies and provide adequate risk control. Any such information technology-related difficulty could harm the performance of the Company.

E. Risks associated with the Company's investments

Risks that may be relevant to any of the Company's investments

Sufficiency of due diligence

Whilst the Investment Adviser's due diligence process includes engaging lawyers, built asset consultants, independent valuers and financial model auditors to advise in connection with the Company's investments, this may not reveal all facts that may be relevant in connection with an investment and may not highlight issues that could affect the investments' performance, leading to a risk that the interest received on assets will be lower than envisaged and that the principal investments may not be repaid in full, or at all. These factors may adversely affect the income received by the Company and the value of the Company's assets.

No control

The Group does not normally have control over project decisions, as it is typically not a shareholder and only occasionally the first ranking debt provider in such projects. This may result in decisions being made in relation to the actions of the relevant Project Company which are not in the interests of the Group.

Errors in financial models

Infrastructure projects rely on large and detailed financial models. Assumptions are made in such models in relation to a range of matters, including inflation, lifecycle replacement costs, insurance premia, applicable rates of tax, availability of tax reliefs, insurance rates and deposit interest rates and these may differ from those assumed in the financial models. Errors in these or other assumptions or in the methodology used in such financial models may mean that the return on an investment in a Project Company is less than expected.

Delays in the receipt of anticipated cashflows

As noted above, infrastructure projects rely on large and detailed financial models. It is often the case that the release from a Project Company's bank account of cash due or expected to become due to the owners of or subordinated lenders to that Project Company is contingent upon the prior satisfaction of the senior lender or lenders to that Project Company with the most recently-produced financial model relating to the historic and prospective performance of the Project Company. It is occasionally the case that such satisfaction is not achieved in the expected timeframe, in which case it may be that a payment due to a subordinated lender to the Project Company (or its owners or lenders) is delayed beyond the due date for such payment. In such an event, where

the Subsidiary is a subordinated lender to the Project Company (or its owners or lenders), which is the case in relation to approximately 37 per cent. (by reference to the net asset value of the Subsidiary) of the Current Portfolio, the delay in the receipt of the expected cashflow may adversely affect the ability of the Company to make all or part of an expected distribution to Shareholders.

Incomplete transfer of operating risk

The financial models for Project Companies are typically based on the fact that many of the risks of operating the relevant concessions are substantially assumed by subcontractors. The Project Companies may be exposed to cost or liability where this does not happen, for example, as a result of limits of liability, default by or the insolvency of a contractor or defective contractual provisions. Where a Project Company is exposed to such a cost or liability, it may adversely affect the income received by the Company and the value of the Company's assets.

Subcontractor liability limits

Where Project Companies have entered into subcontracts (which is the case in relation to the Project Companies underlying the entire Current Portfolio), the subcontractors' liabilities to a Project Company for the risks they have assumed will often be subject to financial limits and it is possible that these limits may be exceeded in certain circumstances. Any loss or expense in excess of such a cap would be borne by the Project Company, unless covered by the Project Company's insurance. This may adversely affect the income received by the Company.

Targeted returns on loans

The Group makes investments based on estimates or projections of net cash flows arising at Project Company level. There can be no assurance that the actual cash flows arising at Project Company level will equal or exceed those that are expected or that the targeted return on the investments made by the Group will be achieved.

Rates of inflation

The Group has made and expects to continue to make investments based on estimates or projections of future rates of inflation because the payments of unitary charge or similar or analogous payments, under the majority of project agreements the Company is exposed to, are linked to inflation. If actual inflation is lower than expected or there is deflation, the net cash flows arising at Project Company level are likely to be lower than anticipated, potentially adversely affecting the position of the Company.

Rates of interest

Changes in interest rates may adversely affect the value or profitability of the assets of the Group. Changes in the general level of interest rates may impact the Company's profitability by affecting the spread between, amongst other things, the income on its assets and the expense of any interest-bearing liabilities. Moreover, changes in interest rates may also affect the valuation of the Company's assets. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Company.

Insurance costs and availability

The Group makes investments based on estimates or projections of the cost to Project Companies of maintaining insurance cover for, amongst other things, buildings, contents and third party risks (for example arising from fire, flood or terrorism). Although generally not the most significant cost incurred by a Project Company, the cost of insurance to cover risks including those referred to above is a material cost. Where the cost of maintaining the insurance is greater than projected, it is possible that the ability of the Project Company to service its debts may be negatively impacted. Moreover certain risks may be uninsurable in the insurance market (such as in the event of the occurrence of force majeure events) or subject to an excess or exclusions of general events and in such cases the risks of such events may rest with the Project Company. These factors may adversely affect the income received by the Company and the value of the Company's assets.

Environmental liabilities

To the extent that there are environmental liabilities arising in the future in relation to any sites owned or used by a Project Company (including, for example, clean-up and remediation liabilities), such Project Company may be required to contribute financially towards any such liabilities. This may adversely affect the income received by the Company and the Net Asset Value of the Company.

Benchmarking

A project will often provide for the market-testing (sometimes referred to as benchmarking) of the costs of providing certain services in order that this can be taken into account in setting the level of payments to be made under the relevant project agreement. This may expose the Project Company to potential losses arising from changes in its costs relative to the charges that it is entitled to receive as a result of the benchmarking process. This would potentially impact upon the ability of the Project Company to service its debts, including any debt arrangement with the Group, thereby affecting the income received by the Company and the value of the Company's assets.

Lifecycle costs

A project will often provide for the replacement or refurbishment of certain items of equipment. The timing of such replacements or refurbishments is a key aspect of the cash flow forecasting assumed by the Group in assessing the ability of a Project Company to service its debts. Where such replacements or refurbishments occur earlier than projected, the free cash flow arising to the Project Company may be reduced, potentially impacting the ability of the Project Company to service its debt. This may adversely affect the income received by the Company and the value of the Company's assets.

Market value of investments

The value of the investments made and intended to be made by the Group will change from time to time according to a variety of factors, including movements and expected movements in interest rates and inflation and general market pricing of similar investments. Such changes will impact the Net Asset Value of the Company.

Liquidity of investments

Infrastructure investments of the type already made and likely to be made by the Group are not likely to be publicly-traded or freely marketable. Such investments may therefore be difficult to value or realise and therefore the market price that is achievable for the investments might be lower than the valuation of these assets as determined by the Valuation Agent.

Employment-related liabilities

It is sometimes the case that a Project Company has its own employees. If a Project Company has its own employees it may be exposed to potential employer liabilities (including in respect of pension entitlements) under applicable legislation and regulations, which could have adverse consequences for the Project Company. Such consequences may impact the profitability or Net Asset Value of the Company.

Counterparty default

The underlying obligors under project agreements targeted for investment by the Group will typically be public sector bodies or have a form of public sector backing. Consequently, the risk of counterparty default is generally considered to be low. Nevertheless, in the event of such a default, there may be significant difficulties for the Project Company in finding an alternative or replacement counterparty on the same or better terms, in which circumstances the value of the Group's assets could be adversely affected.

Borrower default

Although the Group will conduct a detailed assessment of the creditworthiness of all borrowers, there remains a risk that such borrowers may default on their obligations to the Group. Such a default may adversely affect the income received by the Company and the value of the Company's assets.

Other counterparty risks

The Group may make investments from time to time in loan assets which are held on existing lenders' books, for example, where the Subsidiary guarantees the performance of a Project Company to an existing lender (typically a bank) in return for a fee. In such an event, the Subsidiary may be required to place a deposit to secure its guarantee with that lender and a default by such a lender may expose the Subsidiary to losses regardless of the performance of the underlying projects or loans, including the potential for the principal value of the investment to be lost.

The Group is also likely to maintain cash balances from time to time with its banks, being funds awaiting investment and funds reserved for short term working capital purposes, and may put in place interest rate hedging arrangements with its banks. A failure of any such bank, or any such bank otherwise defaulting on its obligations to the Group, may expose the Group to losses. This risk will be of particular significance when the Group has a significant amount of uninvested cash.

Default arising from cross-collateralisation

There may be circumstances in which the performance of one debt-related investment within the Group's portfolio may have an adverse effect upon other investments within the portfolio. This situation arises, for example, in instances where the Subsidiary has made a loan or series of loans in relation to a series of different projects but the loans are made to a single holding company owning each of the relevant Project Companies. Such instances represent approximately 10 per cent. (by reference to Net Asset Value) of the Company's current portfolio. In such instances, the income received by the Company and the value of the Company's assets may be adversely affected.

Reliance on sub-contractors

The performance of Project Companies is, to a considerable degree, dependent on the performance of the sub-contractors appointed by such Project Companies, most notably the facilities management contractor. If a Project Company is required to replace a key sub-contractor (including a facilities manager) due to the insolvency of that sub-contractor or for any other reason, the replacement sub-contractor may charge a higher price for the relevant services than the Project Company paid previously. The resulting increase in the costs of the Project Company may adversely affect the ability of that Project Company to service its debt to the Subsidiary. This may adversely affect the value and financial performance of the Company's investment in that Project Company.

Demand risk

The Company does not generally make investments in Project Companies which are contracted to provide services on a "demand" basis, where the payments received by the Project Companies depend on the level of use made of the project assets. However, to the extent that it does so, there would be a risk that the level of use of the project assets, and therefore the ability of such Project Companies to service their debts, might be lower than expected. Any default by a Project Company may have an adverse effect upon the income received by the Company and the value of the Company's assets. The Company is not currently exposed to any demand risk but could make investments in demand-based projects in the future.

Construction risks

The Subsidiary may make loans to Project Companies which have not yet completed the construction phases of their concessions and which are not yet cash generative. Although it is intended that any such loans will be strictly limited as a proportion of the overall portfolio of the Company, should there be any delay in completion of the construction phase in relation to any such project or any "overrun" in the costs of construction, there is a risk that the anticipated returns of such a Project Company will be adversely affected and that, therefore, the ability of the Project Company to service its debts will be lower than expected. Any default by a Project Company may have an adverse effect upon the financial position of the Company. 23 per cent. of the Subsidiary's loans are currently exposed to assets under construction.

Risks relating to new and developing technologies

Some of the projects that the Group invests in utilise relatively new or developing technologies. There may be issues in relation to those technologies that become apparent only in the future. Such issues may give rise to additional costs for the relevant Project Companies or may otherwise result in the financial performance of the relevant Project Companies being poorer than is anticipated. This may adversely affect the value of and returns generated by the Company's investments in such Project Companies.

Acquisition risks

The Subsidiary may make loans to companies that are acquiring Project Companies as part of their acquisition finance arrangements. In such circumstances the vendor will typically provide various warranties for the benefit of the acquirer and its funders in relation to the acquisition. Such warranties will be limited in extent and are typically subject to disclosure, time limitations, materiality thresholds and liability caps and to the extent that any loss suffered by the acquirer arises outside the warranties or such limitations or exceeds such caps it will be borne by the acquirer, which may adversely affect the value of the Company's assets and therefore the Net Asset Value of the Company. This situation arises in relation to 6 current investments of the Company, representing approximately 1 per cent. by value of the Company's existing investment portfolio.

Covenant breach risk

The covenants provided by a Project Company in favour of its senior lenders are generally extensive and a breach of one or more of such covenants may result in payments to a subordinated lender such as the Subsidiary being suspended, and any amounts paid to the Subsidiary following any such breach may be repayable. Although the Company's investment portfolio has not, as at the date of this document and as far as the Directors and the Investment Adviser are aware, been exposed to any covenant breach by a Project Company, where such a breach or any other event leads to an event of default, the senior lenders will normally have the right to take control of the Project Company and ultimately to sell such Project Company. In such event, it is likely that the sale proceeds will be insufficient to repay in full the subordinated debt of the Project Company, which would result in a loss being suffered by the Company.

Specific risks relating to the Company's investments in the PFI sector

Termination of PFI project agreements

Project agreements for PFI infrastructure projects may be terminated in certain circumstances, as a result of, for example, default by a Project Company or the commission of a corrupt or fraudulent act by a Project Company, shareholder or contractor in relation to a project agreement. The compensation that a Project Company may receive on termination will depend on the reason for termination but in some circumstances (such as termination for force majeure events) the compensation received may be insufficient to repay in full the debts of the Project Company which may, in turn, negatively impact upon the financial position and performance of the Company, in that the principal value of the Company's investment could be reduced or become worthless.

Change in infrastructure funding policy

PFI is not the only means of funding infrastructure projects and the use of such funding mechanisms in the future may decrease. If there is such a change in policy, there is a risk that public bodies may seek to terminate existing PFI-type projects and, as a result, the Company may not recover the full market value of its investments. Any failure by the Company to recover the full market value of its investments may result in a reduction in the value of the Company's assets. Additionally, any changes in policy could reduce the future availability of appropriate assets.

Untested nature of long term PFI operational environment

Given the long term nature of PFI infrastructure projects, and the fact that PFI is a relatively new investment class, there is, as yet, limited experience of the long term operational problems that may be experienced in the future and which may affect PFI infrastructure projects and Project Companies. Any such problems may, in turn, adversely affect the Company's investment returns.

Specific risks relating to the Company's investments in the renewable energy sector

Renewable energy-related transactions

The UK Government provides a range of incentives and subsidies for specific types of renewable energy projects, including "feed-in" tariffs and the renewable heat incentive (where energy producers are guaranteed a minimum price for their output, typically above market rates) and the Renewables Obligation Certificate, or ROC, system (which requires electricity suppliers to supply minimum levels of renewable-source electricity or make buy-out payments into a central fund). Changes in the application of government policy in relation to these incentives and subsidies may have a material impact upon the profitability of renewable energy projects. Further, the generation of power from renewable energy sources tends to be reliant upon relatively recent technological developments (or the application thereof), and therefore unforeseen technical deficiencies with installations may occur; and although such deficiencies may be covered by supplier warranties, the value of such warranties (if any) may be adversely affected by (for example) time limitations on such warranties or credit events in relation to the relevant supplier. Additionally, technological advances in the future may reduce the competitive efficiency of installations commissioned now. Moreover, the reliance of any renewable energy project or group of projects on a variable resource as its feedstock (for example, ambient light in the case of solar power projects, wind speed in the case of wind power projects and waste in the case of waste-to-energy projects) may affect the profitability of a site or sites. Finally, in the event of a failure of a utility or other private company contracted to purchase power produced by an installation in which the Group has invested, difficulties may arise in contracting with a replacement power purchaser. All of these risks relating to investments in renewable energy projects could have an adverse effect upon the income received by the Company and the value of the Company's assets.

Specific risks relating to the Company's investments secured against receivables purchase agreements

Risks specific to investments secured against receivables purchase agreements

Investments by the Company secured against receivables purchase agreements will be subject to the general risks incidental to loans secured against receivables purchase agreements, including changes in general economic or local conditions, changes in interest rates and (where such receivables relate to real estate-related assets, which will typically be the case) changes in property tax rates and planning laws, the credit risks of developers and tenants, the costs of construction, the potential impact of environmental risks, terrorist activities and the availability and sufficiency of insurance. All of these risks relating to investments secured against receivables purchase agreements may have an adverse effect upon the income received by the Company and the value of the Company's assets.

F. Risks relating to taxation

The Company is exposed to changes in tax laws, accounting standards or regulation, or their interpretation

The fund structure through which the Company invests in assets through the Subsidiary, whilst designed to maximise post-tax returns to investors, is based upon current tax law and practice and accountancy regulations and practice in Jersey and in the UK. Such law or practice is subject to change and any such change may potentially reduce the post-tax returns to Shareholders, for example in the event of the imposition of withholding or other additional taxes on income or gains in respect of the underlying investments of the Subsidiary or the distributions by the Subsidiary to the Company. Any such changes may potentially be enacted with retrospective effect.

The Company is exposed to changes in its tax residence and changes in the tax treatment of arrangements relating to its business or investments

If the Company were treated as resident, or as having a permanent establishment, or as otherwise being engaged in a trade or business, in any country in which it invests or in which the 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 that country, which could have a material adverse effect on the performance of the Company and returns to Shareholders. To maintain its non-UK tax resident status, the Company must be managed and controlled outside of the United Kingdom. The composition of the Board, the place of residence of the individual Directors and the location(s) in which the Directors make

their decisions will be important factors in determining and maintaining the non-UK tax residence status of the Company.

While the Company is incorporated in Jersey, and a majority of its Directors reside outside the United Kingdom, the Company must pay continued attention to ensure that it is not managed and controlled in the United Kingdom, and in particular, that its decisions are not made in the United Kingdom or the Company may lose its non-UK tax resident status. The Company must similarly ensure that it does not become tax resident in the United States or in other jurisdictions.

Offshore Funds Rules

The Directors consider that the Company should not constitute an "offshore fund" for the purposes of Part 8 of TIOPA, as the Company is closed-ended with an unlimited life. In addition, it is not intended that arrangements will be operated in respect of the Company so that investors can expect to realise their investment at or close to NAV other than in the event of a winding up of the Company.

However, as the law and practice in relation to offshore funds has recently changed, the Directors will use reasonable endeavours (but without liability) to monitor the Company's status in this regard. Changes in the Company's tax status or tax treatment may adversely affect the Company and if the Company becomes subject to the UK offshore funds rules in Part 8 of TIOPA, there may be adverse tax consequences for UK tax resident Shareholders.

IMPORTANT INFORMATION

In assessing an investment in the Company, investors should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, the Investment Adviser, the Sponsor or any other person. The delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

General regulatory information

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or to buy, shares in any jurisdiction in which such offer or solicitation is unlawful. Issue or circulation of this Prospectus may be prohibited in some countries.

Typical investors in the Company are expected to be institutional and sophisticated investors and private clients.

This Prospectus relates not only to the Reorganisation, but also sets out information relating to the Tap Shares.

Jersey regulatory information

The Company is currently an unregulated exchange-traded fund under the Jersey Companies Law. If the Scheme becomes effective, the Company will apply to the JFSC to be regulated as a certified fund in Jersey pursuant to the CIF Law and the Jersey Listed Fund Guide published by the JFSC. Following the introduction of new prospectus content legislation in 2012, it is a requirement under Jersey law that the following prescribed information be included in any prospectus published by a Jersey regulated fund:

- The Company and its Directors have taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement in this Prospectus, whether of fact or opinion. The Company and its Directors accept responsibility accordingly.

- The JFSC does not take any responsibility for the financial soundness of the Company or for the correctness of any statements made or expressed in this Prospectus.

- If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or financial adviser.

- It should be remembered that the price of shares and the income from them can go down as well as up and that shareholders may not receive, on sale or the cancellation of their shares, the amount that they invested.

- Potential shareholders are strongly recommended to read and consider this Prospectus before becoming a shareholder in the Company.

The Jersey regulatory requirements referred to above are not a reference to any requirements of the FCA or the Listing Rules.

Historical information

This document contains certain historical financial and other information concerning the Company’s past performance. However, past performance of the Company should not be taken as an indication of future performance.

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in the part of this Prospectus entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this Prospectus. Any forward-looking statements in this Prospectus reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy. For the avoidance of doubt, nothing in this paragraph qualifies the working capital statement set out in paragraph 10 of Part 7 of this document.

These forward-looking statements apply only as of the date of this Prospectus. Subject to any obligations under the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. Prospective investors should specifically consider the factors identified in this Prospectus which could cause actual results to differ before making an investment decision.

Presentation of information

Market, economic and industry data

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

Currency presentation

Unless otherwise indicated, all references in this Prospectus to "sterling", "pounds sterling", "£", "pence" or "p" are to the lawful currency of the UK.

Definitions

A list of defined terms used in this Prospectus is set out at pages 124 to 131.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales or Jersey (as appropriate) and are subject to changes therein.

DIRECTORS, AGENTS AND ADVISERS

Directors (all non-executive)	Ian Reeves CBE (*Chairman*) Trevor Hunt David Pirouet
Administrator, secretary and registered office of the Company	Capita Financial Administrators (Jersey) Limited 12 Castle Street St. Helier Jersey JE2 3RT
Registrar	Capita Registrars (Jersey) Limited 12 Castle Street St. Helier Jersey JE2 3RT
Investment Adviser	Gravis Capital Partners LLP 53/54 Grosvenor Street London W1K 3HU
Sponsor	Oriel Securities Limited 150 Cheapside London EC2V 6ET
Legal Advisers to the Company as to English law	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA
Legal Advisers to the Company as to Jersey law	Carey Olsen 47 Esplanade St. Helier Jersey JE1 0BD
Legal Advisers to the Sponsor	Lawrence Graham LLP 4 More London Riverside London SE1 2AU
Reporting Accountants	Ernst & Young LLP Royal Chambers St. Julian's Avenue St. Peter Port Guernsey GY1 4AF
Auditors	Ernst & Young LLP Liberation House Castle Street St. Helier Jersey JE1 1EY

Receiving Agent	Capita Registrars Limited Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
UK Transfer Agent	Capita Registrars Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Operational Bankers	The Royal Bank of Scotland International Limited Royal Bank House 71 Bath Street St. Helier Jersey JE4 8PJ
Valuation Agent	Mazars LLP Tower Bridge House Katherine's Way London E1W 1DD
Custodian	Capita Trust Company (Jersey) Limited 12 Castle Street St. Helier Jersey JE2 3RT

EXPECTED TIMETABLE

All references to times in this Prospectus are to London times unless otherwise stated.

Court Meeting in connection with the Scheme	12.00 p.m. (Jersey time) on 22 December 2013
Scheme Record Time	6.00 p.m. (Jersey time) on 5 February 2014
Jersey Court Hearing to sanction the Scheme	6 February 2014
Effective Date of the Scheme	7 February 2014
Admission of the Ordinary Shares issued directly to Minority Subsidiary Shareholders to the Official List, CREST accounts credited in respect of such Ordinary Shares and commencement of dealings in such Ordinary Shares on the London Stock Exchange	8.00 a.m. on 10 February 2014
Admission of the Ordinary Shares issued to New OEIC to the Official List, CREST accounts credited in respect of such Ordinary Shares and commencement of dealings in such Ordinary Shares on the London Stock Exchange	8.00 a.m. on 11 February 2014
Dispatch of definitive share certificates (where applicable)	week commencing 10 February 2014

The dates and times specified above are subject to change. If the scheduled date of the Court Hearing to sanction the Scheme is changed, the Company will give notice by the publication of a notice through a Regulatory Information Service.

REORGANISATION STATISTICS

Maximum number of Ordinary Shares to be issued	75 million
ISIN of the Ordinary Shares	JE00B6173J15

PART 1

THE COMPANY

1 Introduction

The Company is a Jersey incorporated closed-ended investment company. To date, the Company has been a feeder fund and has been the majority shareholder of the Subsidiary. The Subsidiary is an open-ended investment company that was established in Jersey as an Expert Fund and is listed on the CISEA. Substantially all of the capital of the Company is invested in Subsidiary Income Shares.

If the Scheme becomes effective, on the Effective Date, the Subsidiary will (as detailed in paragraph 2 below) become a wholly-owned subsidiary of the Company.

A resolution approving the Company becoming regulated as a certified fund pursuant to the CIF Law and the Jersey Fund Guide will be proposed at the EGM.

1.1 *History*

The IPO of the Company took place in July 2010, raising gross proceeds of £40 million. The Company carried out a placing and offer for subscription of C Shares in December 2011 which raised gross proceeds of £67.4 million. Those C Shares converted into Ordinary Shares in May 2012. The Company also carried out a placing and offer for subscription of C Shares in October 2012 which raised gross proceeds of £144.4 million. In addition, the Company has, since its IPO, undertaken a number of smaller fundraisings ("tap issues") within its existing pre-emption authority at the relevant time (including the issue of the Tap Shares), raising aggregate gross proceeds of £34,832,216. The net proceeds of the IPO, the issues of C Shares in December 2011 and October 2012 and the various tap issues were, after accounting for costs and expenses, invested in Subsidiary Income Shares. As at 30 January 2014, the current market capitalisation of the Company was approximately £308.8 million.

1.2 *The Subsidiary*

As at 30 January 2014 (being the latest practicable date before publication of this document):

- the Company held 271,901,770 Subsidiary Income Shares, representing an effective interest in 80.4 per cent. of the issued share capital of the Subsidiary;
- the Minority Subsidiary Shareholders held 14,059,391.17 Subsidiary Accumulation Shares and 52,252,539.75 Subsidiary Income Shares, representing an effective interest in 19.6 per cent. of the issued share capital of the Subsidiary; and
- the Subsidiary had an existing portfolio of 32 investments with a value of £355.5 million.[1]

If the Scheme becomes effective, on the Effective Date, the Subsidiary will cease to be a master fund and will become a wholly-owned subsidiary of the Company. All of the shares in the Subsidiary will be reclassified as one class of ordinary shares and new articles of association (appropriate for a wholly-owned subsidiary) will be adopted. The Subsidiary will cease to be a collective investment undertaking and will be delisted from the CISEA.

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[1] This represents the Valuation Agent's unaudited valuation of the Subsidiary's investments as at 31 December 2013, except for (i) the GCP Rooftop Solar 4B Ltd loan that was advanced on 27 January 2014, which is valued at par, and (ii) the GCP RHI Boiler 2 Ltd loan that repaid £5 million on 27 January 2014, which is valued at its 31 December 2013 valuation less £5 million.

2 The Reorganisation

2.1 ***Background to and reasons for the Reorganisation***

Since the launch of the Subsidiary in 2009 as a master fund and the launch of the Company in 2010 as a feeder fund to the Subsidiary, the Company has grown significantly relative to the size of the Subsidiary. Both the Board and the Subsidiary Board have formed the view that given the relative sizes of the Company and the Subsidiary and the nature of the Group as a whole, the feeder / master fund structure is no longer appropriate for the Group.

Therefore, the Board and the Subsidiary Board consider it appropriate to reorganise the Group so that:

- the Subsidiary will become a wholly-owned subsidiary of the Company; and
- Group governance, advisory and certain other arrangements are restructured to reflect the new Group structure.

2.2 ***Current status of the Reorganisation***

At the Court Meeting, which was held on 22 January 2014, the Scheme was approved by Subsidiary Shareholders by the requisite percentage of voting rights.

At the Subsidiary EGM, which was also held on 22 January 2014, all resolutions necessary for the Subsidiary to implement the Scheme and to effect various other aspects of the Reorganisation were duly passed. Further details of the material aspects of the Reorganisation other than the Scheme are set out in paragraph 2.4 below. Details of the resolutions passed at the Subsidiary EGM are set out in paragraph 2.7 below.

A Court hearing to sanction the Scheme and confirm the proposed reduction of capital in the Subsidiary which forms part of the Scheme (the "**Capital Reduction**") is scheduled to take place on 6 February 2014. If the Court sanctions the Scheme and confirms the Capital Reduction, the Scheme will become effective and the Capital Reduction will occur on the Effective Date.

2.3 ***The Scheme***

Under the terms of the Scheme, in consideration for their Subsidiary Shares, Minority Subsidiary Shareholders may elect to receive:

(a) Reorganisation Shares ("**Consideration Option A**");

(b) New OEIC Shares ("**Consideration Option B**"); or

(c) a cash payment ("**Consideration Option C**"),

(together, the "**Consideration Options**").

If the Court sanctions the Scheme and confirms the Capital Reduction:

- immediately prior to the Scheme becoming effective, the Subsidiary Shares held by each Minority Subsidiary Shareholder will:
    - if the Minority Subsidiary Shareholder elects for Consideration Option A, be reclassified as either Consideration Option A Subsidiary Accumulation Shares (if they are Subsidiary Accumulation Shares) or Consideration Option A Subsidiary Income Shares (if they are Subsidiary Income Shares) (all such reclassified shares being referred to as "**Consideration Option A Subsidiary Shares**");

- if the Minority Subsidiary Shareholder elects for Consideration Option B, be reclassified as either Consideration Option B Subsidiary Accumulation Shares (if they are Subsidiary Accumulation Shares) or Consideration Option B Subsidiary Income Shares (if they are Subsidiary Income Shares) (all such reclassified shares being referred to as "**Consideration Option B Subsidiary Shares**"); or

- if the Minority Subsidiary Shareholder elects for Consideration Option C, be reclassified as either Consideration Option C Subsidiary Accumulation Shares (if they are Subsidiary Accumulation Shares) or Consideration Option C Subsidiary Income Shares (if they are Subsidiary Income Shares) (all such reclassified shares being referred to as "**Consideration Option C Subsidiary Shares**"); and

- with effect from the Effective Date:

    - the Consideration Option A Subsidiary Shares and Consideration Option C Subsidiary Shares will be transferred to the Company; and

    - the Consideration Option B Subsidiary Shares will be cancelled.

In addition, on the Effective Date the Company will acquire all of the 100 Subsidiary Non-Redeemable Shares held by the Investment Adviser for nominal consideration of £100 pursuant to the terms of a sale and purchase agreement dated 31 January 2014.

Consideration

The basis on which the consideration that is payable to Minority Subsidiary Shareholders under each Consideration Option is calculated is set out below.

The Directors believe that an economic benefit is likely to accrue to Minority Subsidiary Shareholders who elect to receive Consideration Option A or Consideration Option B, provided that the Ordinary Shares continue to trade at a premium to their net asset value. The Ordinary Shares have since their admission to trading on the Main Market of the London Stock Exchange on 22 July 2010 traded at a premium to their net asset value throughout, with an average premium to net asset value since such admission of 8.1 per cent. On 30 January 2014 (being the latest practicable date before publication of this document) such premium stood at 6.68 per cent. From the Effective Date, it is expected that Minority Subsidiary Shareholders who have elected to receive Consideration Option A will be able to sell their Reorganisation Shares at the market price, and Minority Subsidiary Shareholders who have elected to receive Consideration Option B will be able to redeem their New OEIC Shares at their net asset value, which will reflect the market price of Ordinary Shares. In the event that the Ordinary Shares continue to trade at a premium to their net asset value then Minority Subsidiary Shareholders who elect to receive Consideration Option A or Consideration Option B will be in a position to benefit directly from such premium.

If a Minority Subsidiary Shareholder does not elect to receive a particular Consideration Option, then the Minority Subsidiary Shareholder will be deemed to have elected to receive New OEIC Accumulation Shares (in respect of any Subsidiary Accumulation Shares held by the Minority Subsidiary Shareholder) and/or New OEIC Income Shares (in respect of any Subsidiary Income Shares held by the Minority Subsidiary Shareholder).

Consideration Option A

If a Minority Subsidiary Shareholder elects to receive Reorganisation Shares, the number of Reorganisation Shares that the Minority Subsidiary Shareholder receives will be determined according to the following formula:

$$\frac{\text{Number of Subsidiary Accumulation Shares or number of Subsidiary Income Shares in respect of which the Minority Subsidiary Shareholder elects for Consideration Option A} \times \text{net asset value per Subsidiary Accumulation Share or net asset value per Subsidiary Income Share on 31 January 2014}}{\text{NAV per Ordinary Share on 31 January 2014}}$$

The rights and restrictions attaching to the Reorganisation Shares are set out in the Articles, details of which are set out in paragraph 5 of Part 7 of this document.

Consideration Option B

A number of the Minority Subsidiary Shareholders are, due to regulatory reasons, unable to hold shares issued by closed-ended offshore investment funds and therefore typically invest in open-ended funds.

New OEIC has been established in order to allow such investors to continue to invest in the Company through a suitable vehicle. New OEIC is an open-ended Jersey Expert Fund that has applied to be listed on the CISEA following completion of the Reorganisation. Minority Subsidiary Shareholders may elect to receive (or, if the Company is unable to satisfy cash elections in full or if no election is made, will be deemed to have elected to receive) New OEIC Shares in consideration for their Subsidiary Shares.

Under the terms of the Scheme, the Company will allot and issue Reorganisation Shares to New OEIC following the cancellation under the Capital Reduction of the Subsidiary Shares in respect of which Minority Subsidiary Shareholders elect for Consideration Option B.

The number of Reorganisation Shares issued to New OEIC will be determined according to the following formula:

$$\frac{\text{Number of Subsidiary Accumulation Shares and/or number of Subsidiary Income Shares in respect of which Minority Subsidiary Shareholders elect for Consideration Option B} \times \text{net asset value per Subsidiary Accumulation Share or net asset value per Subsidiary Income Share (as applicable) on 31 January 2014}}{\text{NAV per Ordinary Share on 31 January 2014}}$$

New OEIC will in turn allot and issue New OEIC Shares in the due proportions to Minority Subsidiary Shareholders who elect for Consideration Option B.

Consideration Option C

If a Minority Subsidiary Shareholder elects to receive a cash payment, the amount of the cash payment that the Minority Subsidiary Shareholder receives will be determined according to the following formula:

Number of Subsidiary Accumulation Shares or number of Subsidiary Income Shares in respect of which the Minority Subsidiary Shareholder elects for Consideration Option C x net asset value per Subsidiary Accumulation Share or net asset value per Subsidiary Income Share on 31 January 2014

2.4 ***Other aspects of the Reorganisation***

As part of the Reorganisation, a number of changes will be made to the operational arrangements of the Group. Such changes will include changes to the composition of the Board (details of which are set out in paragraph 2 of Part 2 of this document), the formation of certain new Board committees

(details of which are set out in paragraph 4 of Part 2 of this document) and changes to the Articles, the Subsidiary Articles and various contractual arrangements, including certain amendments to the Existing Company Investment Advisory Agreement (details of which are set out in paragraph 9.1 of Part 7 of this document).

2.5 ***Group structure following completion of the Reorganisation***

If the Scheme becomes effective, the Company will apply to the JFSC to be regulated as a certified fund in Jersey pursuant to the CIF Law and the Jersey Listed Fund Guide published by the JFSC. This document is prepared, and a copy of it will be sent to the JFSC, in accordance with the Collective Investment Funds (Certified Funds – Prospectuses) (Jersey) Order 2012.

The JFSC is protected by the CIF Law against liability arising from the discharge of its functions under the CIF Law. The JFSC is also protected by the Financial Services (Jersey) Law 1998 against liability arising from the discharge of its functions under that law.

Further information in relation to the regulatory treatment of Listed Funds domiciled in Jersey may be found on the website of the JFSC at www.jerseyfsc.org. Without limitation, neither the contents of the JFSC's website (or any other website) nor the contents of any website accessible from the hyperlinks on the JFSC's website (or any other website) is incorporated into or forms part of this document.

This fund has been authorised in Jersey as a listed fund under a fast-track authorisation process. This process requires you to be notified that the JFSC views this fund as suitable therefore only for professional or experienced investors, or those who have taken appropriate professional advice.

Regulatory requirements which may be deemed necessary by the JFSC for the protection of retail or inexperienced investors, do not apply to listed funds. By investing in this fund you will be deemed to be acknowledging that you are a professional or experienced investor, or have taken appropriate professional advice, and accept the reduced requirements accordingly.

You are wholly responsible for ensuring that all aspects of this fund are acceptable to you. Investment in listed funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of this fund and the potential risks inherent in this fund you should not invest in this fund.

The Jersey regulatory requirements referred to above in this paragraph 2.5 are not a reference to any requirements of the FCA or the Listing Rules.

2.6 ***Listing, dealings, share certificates and settlement in relation to the Reorganisation Shares***

Application will be made to the UK Listing Authority for all of the Reorganisation Shares issued pursuant to the Scheme to be admitted to the Premium Listing segment of the Official List and for all such Reorganisation Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities. It is expected that such admission will become effective and that dealings in such Reorganisation Shares will commence at 8.00 a.m. on 10 February 2014 (in relation to Reorganisation Shares issued directly to Minority Subsidiary Shareholders) and at 8.00 a.m. on 11 February 2014 (in relation to Reorganisation Shares issued to New OEIC).

The Reorganisation Shares will be issued in registered form and may be held in either certificated or uncertificated form.

Dealings in the Reorganisation Shares in advance of the crediting of the relevant CREST account or the issue of share certificates will be at the risk of the persons concerned.

2.7 ***Subsidiary EGM***

At the Subsidiary EGM, which was held on 22 January 2014, a resolution was proposed and duly approved by the Subsidiary Shareholders to:

(a) authorise Subsidiary Directors to re-designate the Minority Subsidiary Shares into Consideration Option A Subsidiary Accumulation Shares, Consideration Option A Subsidiary Income Shares, Consideration Option B Subsidiary Accumulation Shares, Consideration Option B Subsidiary Income Shares, Consideration Option C Subsidiary Accumulation Shares and Consideration Option C Subsidiary Income Shares;

(b) approve the cancellation of the Consideration Option B Subsidiary Accumulation Shares and Consideration Option B Subsidiary Income Shares in accordance with the Scheme; and

(c) make certain amendments to the Subsidiary Articles.

3 Investment opportunity

3.1 *Background*

The disruption in the financial markets since mid-2007 has significantly restricted the availability of debt financing for infrastructure assets in the UK. This has primarily been as a result of:

- reduced investor confidence in securitised transactions, which has had a significant negative impact on the ability of infrastructure project companies to access funding through the debt capital markets; and
- the capital constraints imposed upon banks by Basel II[2] and Basel III[3], and banks' own concerns in relation to their long-term liquidity, which have limited their appetite to provide long term debt, or indeed to continue to hold existing long term debt.

This constrained lending environment has resulted in a strong demand from existing operational infrastructure projects for the type of long-dated debt financing that the Company is seeking to provide. In addition to the lack of availability of alternative providers of long-term debt, the Directors and the Investment Adviser believe that the following factors also contribute to this demand:

- there is a natural incentive amongst infrastructure asset owners to recycle capital swiftly rather than leave it deployed on a long term basis in assets which have reached their operational phases;
- where the Group provides a subordinated loan to a Project Company, the Project Company would typically expect to be able to deduct, for tax purposes, interest payments that it makes to the Group; and
- transaction times and costs when dealing with the Group are often low, relative to those involved in outright sales, and there are typically no adverse tax or change of control implications for the equity or senior debt holders of a Project Company as a result of a change in the funding structure of a Project Company to incorporate subordinated loans, as provided by the Group.

Debt of the type primarily targeted by the Company relates to projects backed by long-dated, secure, public sector-backed contracts. The Directors and the Investment Adviser believe that the available levels of returns on such debt investments, currently priced at significant margins above UK government debt, remain highly attractive having regard to the risks relating thereto. Such investments have a low correlation to equity investments and limited exposure to economic and business cycles, and in some cases benefit from partial inflation protection.

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[2] "International Convergence of Capital Measurement and Capital Standards: A Revised Framework" published by the Basel Committee on International Banking Supervision.

[3] "A global regulatory framework for more resilient banks and banking systems" published by the Basel Committee on International Banking Supervision.

In the opinion of the Directors and the Investment Adviser, the large number of existing UK PFI and other infrastructure projects (both operational and under construction) continue to provide the Company with significant near to medium term lending opportunities.

In respect of infrastructure projects specifically focused on renewable energy, prevailing market conditions have led to the emergence of a significant pipeline of suitable debt investment opportunities. Banks are reluctant to lend beyond 5 or 7 years (compared to the 20 or 25 year contracted cash flows arising under the FIT, RHI and ROC schemes). Therefore, in light of the lack of available capital for renewable energy infrastructure projects from traditional bank lenders, the Company has continued to progress lending opportunities, generally on a senior secured basis, in this area, in particular focusing on solar investments as well as an increasing number of biomass, onshore wind and other public sector-backed opportunities.

3.2 ***Features of the Company***

In addition to the above, the Directors and the Investment Adviser believe that an investment in the Company offers the following benefits and advantages:

- the Company and its Directors have access to the Investment Adviser, which has the capabilities and experience required to originate and manage infrastructure-related debt investments, having already successfully invested the capital raised by the Company pursuant to the IPO, the issue of C Shares in December 2011 and October 2012 and various tap issues;

- the Company is the only UK-listed infrastructure fund focused primarily on debt investments;

- the Group has low annual management charges when compared with other listed infrastructure companies:

  - under the Existing Company Investment Advisory Agreement, the Company pays the Investment Adviser a fee of £20,000 per annum. If the Investment Adviser is requested by the Company to provide advice which falls outside the advisory services specifically listed in the Existing Company Investment Advisory Agreement, then such additional advisory advice is provided on a time-cost basis as agreed between the Investment Adviser and the Company;

  - under the Subsidiary Investment Advisory Agreement, a base fee of 0.9 per cent. per annum of the net asset value of the Subsidiary (net of cash holdings) is charged by the Investment Adviser to the Subsidiary. No performance fee is charged. The Investment Adviser may also receive an acquisition fee of up to 1 per cent. (at the discretion of the Investment Adviser) of the cost of each asset acquired by the Subsidiary, but such fees have only been charged to the Subsidiary in respect of two investments to date;

  - if the Scheme becomes effective, the Subsidiary Investment Advisory Agreement will be terminated and the Existing Company Investment Advisory Agreement will be amended, both with effect from the Effective Date. The Amended Company Investment Advisory Agreement will be on terms which are substantially similar to the Subsidiary Investment Advisory Agreement. Under the Amended Company Investment Advisory Agreement, a base fee of 0.9 per cent. per annum of the net asset value of the Company (net of cash holdings) will be charged by the Investment Adviser to the Company. No performance fee will be charged. The Investment Adviser may also receive an acquisition fee of up to 1 per cent. (at the discretion of the Investment Adviser) of the cost of each asset acquired by the Group; and

- the Company has progressively increased its dividend towards its Target Net Yield of 8 per cent. per annum, having paid half year dividends on its Ordinary Shares of 2.15p in

December 2010, 2.30p in June 2011, 3.00p in December 2011, 3.70p in June 2012, 3.80p in December 2012, 3.80p in June 2013 and 3.80p in December 2013 and declared on 15 January 2014 a dividend of 1.90p for the period from 1 October 2013 to 31 December 2013.

4 Investment objectives and policy of the Company

The Company's investment objectives are to:

- provide its Shareholders with regular, sustained, long-term distributions; and
- preserve the capital value of its investment assets over the long term,

by generating exposure to subordinated PFI debt and related and/or similar assets.

The Company seeks to achieve its investment objectives by investing substantially all of its capital in the Subsidiary. The Subsidiary currently operates as a master fund but, following completion of the Reorganisation (if the Scheme becomes effective), will be a wholly-owned subsidiary of the Company.

The Subsidiary makes investments in subordinated debt instruments issued by infrastructure Project Companies, their owners or their lenders, and assets with a similar economic effect. The Group may also acquire (or acquire interests in) the senior debt of infrastructure Project Companies, or their owners.

The Company will target an ongoing dividend for Shareholders of 8 per cent. per annum by reference to the price of £1.00 per Ordinary Share at which Ordinary Shares were issued pursuant to the Company's flotation.

Structural gearing is permitted at Company level, up to a maximum of 20 per cent. of the Company's Net Asset Value immediately following draw down.

The Company's investment objectives and the investment restrictions that apply to the Group (as set out in paragraphs 5 and 7 below) will not change as a result of the Reorganisation.

5 Investment strategy

The Company, through the Subsidiary, focuses primarily on taking debt exposure (typically on a subordinated basis, but with no restriction upon senior positions) to projects which have:

- pre-determined, very long term, public sector-backed revenues;
- no construction or property risks; and
- contracts which are "availability" based (i.e. the payments under the contracts do not depend on the level of use of the project assets).

It is intended that the Company, through the Subsidiary, will invest directly or indirectly in projects which meet these criteria and that such investments will make up a minimum of 75 per cent. of the Company's total assets.

It should be noted that (in the context of the strategy referred to above):

(a) the Company views as "public sector-backed" all revenues arising from UK central government or local authorities, or from entities themselves substantially funded by UK central government or local authorities, and includes obligations of NHS Trusts, UK registered social landlords and universities in this classification;

(b) where the Subsidiary provides a senior debt guarantee in relation to a portfolio of loans (or enters into a similar arrangement), the exposure of the Subsidiary to projects that are not within its primary focus ("**Outside Scope Projects**") shall be deemed to be:

$$\frac{A}{B} x C$$

Where:

A is the principal amount of the loans within the portfolio advanced in relation to Outside Scope Projects;

B is the principal amount of the guaranteed loan portfolio as a whole; and

C is the total amount guaranteed by the Subsidiary.

In any analogous situation, the same principle will be applied; and

(c) the Company will view as fulfilling the investment strategy any completed project which is either an installation accredited by the Gas and Electricity Markets Authority under The Feed-in Tariffs (Specified Maximum Capacity and Functions) Order 2010 (as may be amended or supplemented from time to time), or a recipient of revenues arising from other government-sponsored or administered initiatives for encouraging the usage of renewable or clean energy in the UK.

The Company, through the Subsidiary, may also consider, in respect of up to an absolute maximum of 25 per cent. of its total assets (at the time the relevant investment is made), taking exposure to Outside Scope Projects, which will include projects involving:

(a) Project Companies which have not yet completed the construction phases of their concessions;

(b) Project Companies in the regulated utilities sector; and

(c) Project Companies with "demand" based concessions (i.e. where the payments received depend on the level of use of the project assets) or which have private sector-sponsored concessions, to the extent that the Investment Adviser considers that there is a reasonable level of certainty in relation to:

  (i) the likely level of demand; and

  (ii) the stability of the resulting revenue.

There is no, and it is not anticipated that there will be any, outright property exposure of the Company (except potentially as additional security).

6 Target investments

The Group makes infrastructure investments, typically by acquiring interests in subordinated debt instruments issued by infrastructure Project Companies (or by their existing lenders or holding vehicles) that are contracted by UK public sector bodies to design, finance, build and operate infrastructure projects and by investing in other assets with a similar economic effect to such instruments. Such projects are often structured and financed under the UK private finance initiative.

Background information in relation to the UK infrastructure sector and the associated debt investment opportunities that are targeted by the Company is set out in Part 3 of this document.

The current weighting of the Group's current investment portfolio as detailed in Part 4 of this document is approximately 40 per cent. in the PFI sector and 58 per cent. in the renewables sector, with the balance being an investment secured against a receivables purchase agreement.

It is the view of the Directors and the Investment Adviser that once an infrastructure asset has been constructed and the contracted cash flows relating to the project have commenced, many of the risks associated with investments in such assets are significantly reduced. Therefore, the Company primarily targets infrastructure investments after the design and build phases have been completed and the relevant asset is operational.

In general, any losses suffered by investors in an infrastructure Project Company will be suffered first by the equity investors in the Project Company itself. Typically, only once the equity investors in the Project Company have suffered a complete loss of their investment will debt investors stand to make a loss. However, any subordinated debt will rank behind senior debt, so the holders of subordinated debt will typically stand to make a complete loss on their investment before holders of senior debt experience any losses.

In addition to acquiring subordinated debt and senior debt issued directly by Project Companies, the Company seeks to provide debt to the equity owners of and lenders to Project Companies. Therefore, in addition to performance at the Project Company level, such debt interests could also be adversely affected should, for example, the equity owner or lender default on its arrangement with the Subsidiary. The provision of debt to these equity owners and lenders introduces a further element of counterparty risk. In addition, the debt interests acquired from the equity owner or lender may be structured such that they relate to a portfolio of Project Companies and it may be the case that the performance of one debt-related interest may impact upon the performance of other interests within that portfolio.

In the case of the investment structure outlined in paragraph 4.1 of section A of Part 3 of this document (a senior debt guarantee), the provider of a senior debt guarantee will essentially rank ahead of the equity investors in the relevant individual underlying Project Companies but behind the senior lender (save that the senior lender may have a relatively small initial exposure to default before the guarantee can be relied upon), although it should be noted that the provider of the guarantee is exposed to defaults in relation to each of the loans within the guaranteed portfolio.

In the view of the Directors and the Investment Adviser, the capital structures of the Project Companies to which the Company seeks to generate exposure include sufficient equity so that any losses are likely to be borne by the equity investors in the Project Companies themselves rather than by the providers of debt finance.

7 Diversification

If the Scheme becomes effective, it will be the objective of the Company to generate a diversified portfolio of subordinated debt infrastructure assets and related and/or similar assets and to maintain its portfolio so that not more than 10 per cent. in value of the Company's total assets from time to time consist of securities or loans relating to any one individual infrastructure asset (having regard to the risks relating to any cross-default or cross-collateralisation provisions). This objective is subject to the Company having a sufficient level of investment capital from time to time and the ability of the Company to invest its cash in suitable investments and is subject to the investment restrictions described in paragraph 5 above.

Similarly, it is the intention of the Directors that the assets of the Company are (as far as is reasonable in the context of a UK infrastructure portfolio) appropriately diversified by asset type (e.g. PFI healthcare, PFI education, solar power, biomass etc) and by revenue source (e.g. NHS Trusts, local authorities, FIT, ROCs etc.).

The Company may seek to raise additional capital from time to time to the extent that the Directors and the Investment Adviser believe the Company will be able to make suitable investments. This will enable the Company to achieve greater diversification of risk and to benefit from economies of scale in relation to the operational costs of the Group.

8 Investment process

To date, asset origination and investment decisions have been made by the Subsidiary Directors on the advice of the Investment Adviser. If the Scheme becomes effective, asset origination and investment decisions following completion of the Reorganisation will be made by the Investment Committee on the advice of the Investment Adviser. Details of the investment process which will apply after the Scheme takes effect are set out below.

8.1 *Asset origination*

The partners of the Investment Adviser have significant experience of working within the UK infrastructure market, particularly with regard to debt advisory work, and have established close relationships with many of the key participants in the UK infrastructure market, including equity investors and lenders. The Investment Adviser is therefore well placed to identify potential investment opportunities for the Company, as is evidenced by the portfolio of investments that have been made to date as described in Part 4 of this document.

8.2 *Preliminary review*

The Company has a selective approach to investing in infrastructure Project Companies, and focuses primarily on identifying investment opportunities with the following target characteristics:

- *availability-based* – there is no demand risk;
- *completed* – there is no construction risk;
- *inflation linkag*e – there is sufficient inflation linkage in the underlying cash flows to enable the Investment Adviser to structure loan assets with a degree of inflation protection;
- *competent and financially stable facilities manager* – the facilities manager to which the operation of the asset is sub-contracted has a proven track record and robust financial position;
- *excellent operational history* – the underlying projects have a good operational history with minimal cash flow interruptions;
- *project simplicit*y – the infrastructure asset is relatively simple in terms of construction, operation, maintenance and technology;
- *good credit quality* – the underlying obligor has an excellent credit profile;
- *sufficient equity* – there is sufficient equity in the project to allow, in the view of the Investment Adviser, additional leverage without undue risk; and
- *fit within existing portfolio* – the investment adds balance and diversification to the existing portfolio of the Company with regards to credit risk, asset sector, investment term and income return.

8.3 *Investment offer and heads of terms*

The Investment Adviser will agree heads of terms in relation to any potential investment. The Investment Adviser will keep the Directors informed during this process. Typically, the Investment Adviser will deliver a preliminary review of each potential investment at least one month prior to the date on which a Board decision is required.

8.4 *Due diligence procedures*

The Investment Adviser will evaluate all project risks it believes are material to making an investment decision and will assess how those risks are mitigated. Where appropriate, it will

complement its analysis through the use of professional third party advisers, including technical built asset consultants, financial and legal advisers and valuation and insurance experts. These advisers will be engaged to conduct due diligence that is intended to provide an additional and independent review of key aspects and risks of a project, providing comfort as to the level of risk mitigation and the project's ongoing performance.

8.5 ***Investment approval***

The Company will immediately following the Effective Date establish an investment committee (details of which are set out in paragraph 4.2 of Part 2 of this document). The Investment Adviser will present an investment proposal to the Investment Committee and the Investment Committee will make the investment decision.

8.6 ***Investment monitoring***

Information flows to the Investment Adviser and the Company will vary depending on the investment. Generally, the Investment Adviser will receive a project-by-project technical adviser's report semi-annually or annually. In addition, in certain circumstances, such as in the event of a revenue shortfall or an unremedied event of default in a loan agreement, project agreement or operating sub-contract, further information will be sought and (if relevant) a site visit arranged.

9 Current portfolio

Details of the Group's Current Portfolio are set out in Part 4 of this document.

10 Valuation and valuation methodology

The Valuation Agent is responsible for carrying out the fair market valuation of the Group's investments on a monthly basis.

The current Valuation Agent is Mazars LLP, an audit, accountancy, tax, legal and advisory company with 13,500 professionals in 71 countries.

The valuation principles used by the Valuation Agent are based on a discounted cash flow methodology. A fair value for each asset acquired by the Group is calculated by applying a discount rate (determined by the Valuation Agent) to the cash flow expected to arise from each such asset.

The Valuation Agent determines the discount rate that it believes the market would reasonably apply to each investment taking, *inter alia*, the following into account:

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

The Valuation Agent exercises its judgment in assessing the expected future cash flows from each investment. Given that the investments of the Group are generally fixed income debt instruments (in some cases with elements of inflation protection) or other investments with a similar economic

effect, the focus of the Valuation Agent is on assessing the likelihood of any interruptions to the debt service payments, in light of the operational performance of the underlying asset.

11 Monthly net asset valuation

The Administrator is responsible for calculating the Net Asset Value of the Company on a monthly basis. Following completion of the Scheme, the Administrator will calculate the Net Asset Value of the Company by taking the total of the fair market valuations of all investments of the Group and making such adjustments as are required to reflect the cash held by the Group, accrued liabilities and expenses, prepayments and any other creditors and debtors. The fair market valuations of the Group's investments will be submitted by the Valuation Agent to the Administrator each month.

As at 31 December 2013, the unaudited NAV per share of the Ordinary Shares was 102.64 pence.

12 Cash awaiting investment

If the Scheme becomes effective, cash awaiting investment will be held on behalf of the Group in interest-bearing bank accounts (at banks carrying a minimum rating of A-1, P-1 or F-1 from Standard & Poor's, Moody's or Fitch respectively), or in one or more similarly-rated money market or short-dated gilt funds.

13 Debt facilities of the Company

As set out in the Company's investment policy, structural gearing is permitted at Company level, up to a maximum of 20 per cent. of the Company's Net Asset Value immediately following draw down of the relevant debt. The Company does not currently have any debt facilities in place and does not currently intend to introduce gearing.

The Subsidiary may utilise leverage for structural purposes and for short term purposes. The Subsidiary's borrowings shall not in any event exceed 20 per cent. of Net Asset Value as at the time any such borrowings are drawn down. The Subsidiary does not have any debt facilities in place and does not currently intend to introduce gearing.

14 Currency and hedging policy

Interest rate hedging may be carried out by the Company to seek to provide protection against increasing interest rates as and when any floating rate liabilities are entered into by the Company. The Company's exposure to such floating rate liabilities is likely to be limited to permitted gearing (if any) as referred to in paragraphs 4 and 13 above.

Interest rate hedging may be carried out to seek to provide protection against falling interest rates in relation to assets that do not have a minimum fixed rate of return acceptable to the Company in line with its investment policy and strategy.

The Company will engage in currency hedging only with a view to protecting the level of sterling dividends and other distributions to be paid by the Company. It is not the intention of the Company to invest in non-sterling denominated assets, or raise non-sterling denominated liabilities, and such currency hedging is therefore not envisaged.

The Group only uses derivatives for the purposes of efficient portfolio management.

15 Target returns

The Company targets dividend payments of 8 per cent. per annum per Ordinary Share (by reference to the IPO Price) (the "**Target Net Yield**"). The Company's returns to its Shareholders are affected by Company-specific fees, costs and expenses and the impact of any leverage employed at Company or Subsidiary level.

16 Distribution policy

Under its dividend policy as at the date of this document, the Company does, as far as reasonably practicable and taking into account the costs of the Company and its working capital requirements, distribute by way of dividend payments all income that it receives from the Subsidiary up to a target of 8 per cent. per annum per Ordinary Share (by reference to the price of £1.00 per Ordinary Share at which Ordinary Shares were issued pursuant to the Company's flotation).

Following the completion of the Reorganisation, the Company will continue to distribute by way of dividend payments all income that it receives from the Subsidiary up to a target of 8 per cent. per annum per Ordinary Share (by reference to the price of £1.00 per Ordinary Share at which Ordinary Shares were issued pursuant to the Company's flotation).

The Company may also make distributions by way of capital distributions (or otherwise in accordance with the Jersey Companies Law and the Articles) if, and to the extent that, the Directors consider this to be appropriate. The Company has previously offered a scrip dividend alternative to Ordinary Shareholders and anticipates that it will continue to do so.

The Company has to date made distributions by way of semi-annual dividends and has declared those dividends within two months of the Company's half year-ends. On 10 July 2013 the Company announced that, following payment of the final dividend for the financial year ended 30 September 2013, the Company will pay dividends on a quarterly basis, with dividends payable for the financial periods ending 31 December, 31 March, 30 June and 30 September in each year being paid in February, May, August and November, respectively. On 15 January 2014, the Company declared a dividend of 1.90p for the period from 1 October 2013 to 31 December 2013.

Payment of dividends by the Company and the ability of the Company to pay the Target Net Yield is reliant on the achievement by the Company of its investment objectives and the Company's ability to invest any further funds that it raises.

17 Fees and Expenses

The Company is responsible for its own ongoing operational costs and expenses which include (but are not limited to) the fees and expenses of the Administrator, the Directors and the Auditors, as well as listing fees, regulatory fees, expenses associated with any purchases of or tender offers for Ordinary Shares, printing and legal expenses and other expenses (including insurance and irrecoverable VAT).

Under the Existing Company Investment Advisory Agreement, the Company pays a fixed annual fee of £20,000 to the Investment Adviser in consideration of a range of advisory services. If the Investment Adviser is requested by the Company to provide advice which falls outside the advisory services specifically listed in the Existing Company Investment Advisory Agreement, then such additional advisory advice is provided on a time-cost basis as agreed between the Investment Adviser and the Company.

Under the Subsidiary Investment Advisory Agreement, a base fee of 0.9 per cent. per annum of the net asset value of the Subsidiary (net of cash holdings) is charged by the Investment Adviser to the Subsidiary. No performance fee is charged. The Investment Adviser may also receive an acquisition fee of up to 1 per cent. (at the discretion of the Investment Adviser) of the cost of each asset acquired by the Subsidiary, but such fees have only been charged to the Subsidiary in respect of two investments to date.

If the Scheme becomes effective, the Subsidiary Investment Advisory Agreement will be terminated and the Existing Company Investment Advisory Agreement will be amended, both with effect from the Effective Date. The Amended Company Investment Advisory Agreement will be on terms which are substantially similar to the Subsidiary Investment Advisory Agreement. Under the Amended Company Investment Advisory Agreement, a base fee of 0.9 per cent. per annum of the net asset value of the Company (net of cash holdings) will charged by the Investment Adviser to the Company. No performance fee will be charged. The Investment Adviser may also receive an acquisition fee of up to

1 per cent. (at the discretion of the Investment Adviser) of the cost of each asset acquired by the Group.

18 Ordinary Share repurchases and discount control

At the annual general meeting of the Company held on 11 February 2013, a special resolution was passed authorising the Company (subject to the Listing Rules and all other applicable legislation and regulations) to make market purchases of up to 19,907,952 Ordinary Shares, representing 14.99 per cent. of the total Ordinary Shares in issue at that time. This authority was granted for the purpose of addressing any imbalance between the supply and demand for the Ordinary Shares, to assist in minimising any discount to the Net Asset Value of the Company at which the Ordinary Shares may be trading and to increase the Net Asset Value per Ordinary Share. Following the conversion of C Shares to Ordinary Shares, the maximum number of Ordinary Shares authorised to be purchased was increased to 39,035,694 Ordinary Shares, representing 14.99 per cent. of the total Ordinary Shares in issue at that time. This authority will expire at the conclusion of the next annual general meeting of the Company, which is scheduled to take place on 27 February 2014.

A renewal of the authority to make purchases of Ordinary Shares will be sought from Shareholders at the AGM and at each subsequent annual general meeting of the Company. The timing of any purchases will be decided by the Board in light of prevailing market conditions and will be made within guidelines established from time to time by the Board. However, such purchases will only be made in accordance with applicable law, the Listing Rules and the Disclosure and Transparency Rules in force from time to time, or any successor laws, rules or regulations. The Listing Rules currently provide that where the Company purchases its Ordinary Shares the price to be paid must not be more than 105 per cent. of the average of the market values of the Ordinary Shares for the five Business Days before the purchase is made or, if higher, the higher of the latest independent trade and the highest current independent bid.

19 Disclosure obligations

The provisions of Chapter 5 of the Disclosure and Transparency Rules (as amended from time to time) ("**DTR 5**") of the UK Financial Conduct Authority Handbook apply to the Company on the basis that the Company is a "non-UK issuer", as such term is defined in DTR 5. As such, a person is required to notify the Company of the percentage of voting rights it holds as a holder of Ordinary Shares and/or C Shares or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within DTR 5 if, as a result of an acquisition or disposal of Ordinary Shares and/or C Shares (or financial instruments), the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of a non-UK issuer, 5, 10, 15, 20, 25, 30, 50 and 75 per cent. Pursuant to the Articles, DTR 5 is deemed to apply to the Company as though the Company were a "UK issuer", as such term is defined by DTR 5. As such, the relevant percentage thresholds that apply to the Company are 3, 4, 5, 6, 7, 8, 9, 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent., notwithstanding that in the absence of those provisions of the Articles such thresholds would not apply to the Company.

20 Taxation

Information concerning the tax status of the Company and the New OEIC and in relation to an investment in Ordinary Shares and/or New OEIC Shares (as applicable) is set out in Part 6 of this document. If any potential investor is in any doubt about the taxation consequences of acquiring, holding or disposing of Ordinary Shares and/or New OEIC Shares (as applicable), they should seek advice from their independent professional adviser.

21 Non-Mainstream Pooled Investments

The Board notes the rules of the FCA on the promotion of non-mainstream pooled investments, effective from 1 January 2014. The Board confirms that it conducts the Company's affairs, and intends to continue to conduct its affairs, so that the Company's shares will be "excluded securities" under the FCA's new rules. This is on the basis that the Company, which is resident outside the EEA, would qualify for approval as an investment trust by the Commissioners for HMRC under sections 1158 and 1159 of the Corporation Tax Act 2010 if resident and listed in the United

Kingdom. Therefore, the Company's shares will not amount to non-mainstream pooled investments. Accordingly, promotion of the Company's shares will not be subject to the FCA's restriction on promotion of non-mainstream pooled investments.

22 Fundraising

On 20 January 2014, the Company announced its intention to raise additional capital pursuant to the Open Offer, the Placing and the Offer for Subscription. The Company also announced that it will institute the Placing Programme.

Minority Subsidiary Shareholders who elect to receive Reorganisation Shares pursuant to the Scheme (including New OEIC) will be eligible to participate in the Open Offer, on the terms set out in a prospectus expected to be published on or around 12 February 2014.

The Company is targeting an initial fundraising in excess of £75 million under the Issue, up to a maximum of £100 million. The Company may also raise further funds by issues of up to, in aggregate, 100 million Ordinary Shares under the Placing Programme. The Company will invest the net proceeds of the Issue and the Placing Programme in accordance with its investment objectives and policy set out in paragraph 4 above.

The Company intends to apply for the C Shares to be admitted to the Standard Listing segment of the Official List and for the Ordinary Shares to be admitted to the Premium Listing segment of the Official List and for all such C Shares and Ordinary Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities.

PART 2

MANAGEMENT AND ADMINISTRATION

1 Board of Directors

The Articles of Association provide that the Company's Board of Directors shall be comprised of at least 2 Directors. The Company currently has 3 Directors, all of whom are non-executive directors. The Directors meet on a regular basis to review and assess the investment policy and performance of the Company and generally to supervise the conduct of its affairs.

The Directors and their business experience are as follows:

Ian Reeves CBE, CCMI, FCInstCES, FRSA, FINSTD (69) *(Chairman)*

Ian Reeves, a UK resident, is a businessman and management consultant. He is the Chairman of Dealpride Ltd, the ultimate holding company of the McGee Group, the civil engineering, building and demolition contractors. Mr. Reeves is also chairman of the construction industry best practice group, Constructing Excellence Ltd, and of Synaps Partners LLP, the strategy and business advisors. Mr. Reeves is also a member of the advisory board of Oriel Securities Limited, the corporate and institutional stockbroking and advisory firm.

Mr. Reeves is a visiting Professor of Infrastructure Investment and Construction at Manchester Business School, part of The University of Manchester.

Mr. Reeves is a Companion of the Chartered Management Institute, a Fellow of the Chartered Institution of Civil Engineering Surveyors and a Fellow of the Institute of Directors. He is a liveryman of the Worshipful Company of Constructors and a Freeman of the City of London. He was made a Commander of the Most Excellent Order of the British Empire (CBE) in 2003 for his service to business and charity.

Mr. Reeves serves as chairman of the Board of Directors of the Company.

Trevor Hunt (60)

Trevor Hunt, a Jersey resident, has extensive experience in the offshore financial services fund administration sector. Mr. Hunt worked for HSBC for over 30 years in various senior management positions, in particular within the open-ended and closed-ended offshore funds industry.

Mr. Hunt retired from HSBC in 2003 and spent six years as a director of Capita Financial Administrators (Jersey) Limited and of other Capita entities before leaving in 2009 to join BNP Paribas Securities Services in a senior management role. On 30 September 2011, Mr. Hunt left BNP Paribas in order to focus on providing non-executive directorship services to a number of Channel Islands funds and fund management companies.

Mr. Hunt is regulated by the JFSC for the provision of services as a non-executive director. Mr. Hunt is also a member of the Jersey Association of Directors and Officers and serves on the AIC Offshore Funds Committee. Mr. Hunt is also a member of the Guernsey Finance Sector Non-Executive Directors Forum, is registered with the Guernsey Financial Services Commission and holds the Chartered Institute of Bankers (Trustee Diploma).

David Pirouet F.C.A. (59)

David Pirouet, a Jersey resident, is a qualified accountant. He was an audit and assurance partner for 20 years with PricewaterhouseCoopers CI LLP ("**PwC**") until he retired in June 2009. He specialised in the financial services sector, in particular in the alternative investment management area. He also led PwC's Channel Islands hedge fund management practice for over four years.

Since retiring from PwC, Mr. Pirouet has carried out a four month project for the Chief Minister's Department in the States of Jersey, reporting to the Director for International Finance, and he serves on the boards of a number of listed and privately held investment entities.

Mr. Pirouet is regulated by the JFSC for the provision of services as a non-executive director. Mr. Pirouet has worked in London and Canada as well as the Channel Islands.

2 Proposed Directors

Following the completion of the Reorganisation, the Board intends to appoint Clive Spears and Paul de Gruchy to the Board, in each case with effect from the Effective Date.

Both Mr. Spears and Mr. de Gruchy are currently Subsidiary Directors.

The business experience of Mr. Spears and Mr. de Gruchy is as follows:

Clive Spears (60)

Clive Spears, a Jersey resident, was a corporate banker until his retirement in 2003. He spent 32 years with the Royal Bank of Scotland Group, of which the last 18 years were spent in Jersey. Mr. Spears has experience in corporate finance, treasury products, global custody, trust and fund administration and audit and compliance.

Mr. Spears retired as Deputy Director of Jersey Corporate Banking in Jersey in 2003 where he was responsible for a £30 million profit centre. Since that time he has engaged in the provision of consultancy and non-executive director services in both the funds industry and commerce locally.

Mr. Spears has a Class G licence with the local regulator, the JFSC, to facilitate the level of engagements held.

Mr. Spears' key local appointments have been with the Nordic Capital Group, Nomura Bank and with a variety of funds such as property, private equity and mezzanine debt funds. He is also a director of Jersey Finance Limited, the marketing arm of the States of Jersey.

Paul de Gruchy (41)

Paul de Gruchy, a Jersey resident, is a qualified lawyer who since 2007 has been Head of Legal for the Jersey and Guernsey offices of a global financial services business.

A graduate of Cambridge University, he qualified as an Advocate of the Royal Court of Jersey in 2000 and has extensive experience in the financial services sector, in particular in the area of offshore funds.

Mr de Gruchy's previous roles have included being the Director for Financial Industry Development at the States of Jersey Economic Development Department and being responsible for the drafting and introduction of the Expert Fund Regime for the JFSC, as well as several years working for leading law firms in Jersey.

3 Subsidiary Board of Directors

The Subsidiary Board of Directors is currently comprised of three Subsidiary Directors.

The current Subsidiary Directors are Mr. Clive Spears (chairman), Mr. Paul de Gruchy and Mr. Trevor Hunt. Mr. Hunt is also a director of the Company. Each of the Subsidiary Directors will remain a Subsidiary Director after the Scheme becomes effective.

4 Corporate governance

The Listing Rules require the Company to follow a "comply or explain" regime in relation to the UK Corporate Governance Code. Other than as set out below, the Company currently complies with the AIC Code, and in accordance with such Code is meeting its obligations in relation to the UK Corporate Governance Code and the associated disclosure requirements of the Listing Rules.

There are no additional codes of corporate governance under Jersey Companies Law or prescribed by the JFSC with which the Company is required to comply (other than the statutory provisions of the Jersey Companies Law itself).

The Company is a member of the AIC and is classified as a Specialist Infrastructure Company.

The Directors have adopted a code of Directors' dealings in the Company's securities, which is based on the Model Code for directors' dealings contained in the Listing Rules (the "**Model Code**"). The Company is required to comply with the Model Code pursuant to the Listing Rules. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

The Company has not, so far, established a remuneration or nomination committee as the Directors are satisfied that any relevant issues can be properly considered by the Directors as a whole.

4.1 *Audit committee*

The Company has established an audit committee. The audit committee's membership is comprised of all the Directors and the committee is chaired by David Pirouet, who is a chartered accountant and a former audit partner. The audit committee meets at least twice a year, but can meet more often if necessary. The audit committee operates within defined terms of reference, a copy of which is available on request from the Company secretary. The audit committee's main functions include, *inter alia*, making recommendations to the Board in relation to the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications. The audit committee also monitors the integrity of the financial statements of the Company, including its annual and interim reports and any preliminary results announcements.

The audit committee is responsible for overseeing the Company's relationship with the external auditors, including deciding upon the appointment of the external auditors and their remuneration. The audit committee considers the nature, scope and results of the auditor's work and reviews, develops and implements policy on the supply of non-audit services that are to be provided by the external auditors. The audit committee focuses particularly on compliance with legal requirements, accounting standards and the relevant Listing Rules and ensuring that an effective system of controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board.

4.2 *Investment committee*

The Company will immediately following the Effective Date establish an investment committee. The investment committee's membership will be comprised of Clive Spears, Trevor Hunt and Paul de Gruchy and the investment committee will be chaired by Clive Spears. The investment committee will meet as often as the Board considers necessary. The investment committee's main functions will include, *inter alia*, considering and approving (or not, as the case may be) investment recommendations made by the Investment Adviser, and overseeing and effecting the making of investments by the Company.

4.3 *Compliance with the AIC Code*

The Board considers that it has managed its operations in compliance with the AIC Code, except in instances where compliance with any specific principle or recommendation of the AIC Code is considered inappropriate.

During the financial year ended 30 September 2013, and since that date, the Company has complied with the AIC Code save with regard to the following provisions:

- Establishment of nomination committee: To date, the Board has not considered it necessary to establish a nomination committee as all of the Directors are non-executive and two of the Directors are considered independent. However, the Company will establish a nomination committee with effect from the Effective Date.

- Establishment of management engagement committee: To date, the Board has not considered it necessary to establish a management engagement committee as all of the Directors are non-executive and two of the Directors are considered independent. The Board as a whole has to date monitored the performance of the Company's service providers, either through Board meetings or, if appropriate, through the use of an appropriately constituted committee. However, the Company will establish a management engagement committee with effect from the Effective Date.

5 The Company's Investment Adviser

Gravis Capital Partners LLP is authorised and regulated by the UK Financial Conduct Authority and is the Investment Adviser of the Company. It is also the Investment Adviser of the Subsidiary.

The Investment Adviser currently provides investment advice to the Company and to the Subsidiary in accordance with the terms of the Existing Company Investment Advisory Agreement and the Subsidiary Investment Advisory Agreement, respectively.

If the Scheme becomes effective, the Subsidiary Investment Advisory Agreement will be terminated and the Existing Company Investment Advisory Agreement will be amended, both with effect from the Effective Date. Further details of the Amended Company Investment Advisory Agreement are set out in paragraph 9.3 of Part 7 of this document.

Under the terms of the Amended Company Investment Advisory Agreement, the Investment Adviser will receive an investment advisory fee from the Company equal to 0.9 per cent. per annum of the net asset value of the Company (net of cash holdings). This fee will be calculated and payable in arrears at each half year end. The Investment Adviser will also be entitled to an acquisition fee of up to 1 per cent. (at the discretion of the Investment Adviser) of the cost of each asset acquired by the Group. This fee will be calculated and payable within one month of the settlement of each acquisition. The Investment Adviser has on only two occasions to date charged an acquisition fee in relation to an investment made by the Subsidiary. The Investment Adviser will generally seek to charge the acquisition fee to borrowers rather than the Group where possible (as it has done so in relation to a number of the investments made by the Subsidiary) but, in any event, any such fee will not exceed (and has not to date exceeded) 1 per cent.

As at 30 January 2014 (being the latest practicable date prior to the date of this document), the partners of the Investment Adviser held (directly or indirectly, and together with their family members) 960,534 Ordinary Shares and in aggregate 291,863 Subsidiary Income Shares and Subsidiary Accumulation Shares.

6 Administrator of the Company

Capita Financial Administrators (Jersey) Limited (a company incorporated in Jersey on 24 October 2003 with registered number 86301 with an issued share capital comprising 305,002 ordinary shares) has been appointed as administrator and secretary of the Company and the Subsidiary pursuant to the Existing Company Administration Agreement and the Existing Subsidiary Administration Agreement, respectively. The Administrator is responsible for the general administrative requirements of the Company and the Subsidiary, such as the maintenance of accounting and statutory records. If the Scheme becomes effective, the Existing Company Administrative Agreement and the Existing Subsidiary Administration Agreement will be amended, both with effect from the Effective Date. Details of the Amended Company Administration Agreement and the Amended Subsidiary Administration Agreement are set out in paragraphs 9.5 and 9.7 of Part 7 of this document, respectively.

7 Potential conflicts of interest

7.1 *Key individuals*

It is a provision of both the Existing Company Investment Advisory Agreement and the Amended Company Investment Advisory Agreement that a minimum of three of Stephen Ellis, Rollo Wright, Nick Parker and Ronan Kierans dedicate substantially all of their time to the provision of investment advisory services to the Group except at such times as the capital of the Group is at least 85 per cent. invested (or committed to be invested) in the Company's target assets.

7.2 *Partnership interest of the shareholders of Grosvenor PFI Holdings Limited in the Investment Adviser*

Certain of the ultimate shareholders of Grosvenor PFI Holdings Limited hold a 15 per cent. non-voting partnership interest in the Investment Adviser.

7.3 *Advisory role of the Investment Adviser on transactions which may produce investment opportunities for the Company*

Where the Investment Adviser is or has been engaged by a third party in an advisory role on a transaction which gives rise to an investment opportunity for the Company, the Investment Adviser shall disclose full details of its engagement to the directors of the Company at the earliest opportunity.

7.4 *Exclusivity, non-compete and dealing with conflicts*

Under the terms of both the Existing Company Investment Advisory Agreement and the Amended Company Investment Advisory Agreement, the Investment Adviser has agreed that neither it nor any of its employees, agents or affiliates shall, for so long as the Existing Company Investment Advisory Agreement or the Amended Company Investment Advisory Agreement remains in force (as applicable), and except with the express prior written consent of the Company, act as the adviser, manager or sponsor of any fund or other entity that may invest in assets within the scope of the Company's investment policy and strategy or engage in any activity which may compete in the same or substantially similar investment areas as the Company's investment policy and strategy. To the extent that any conflicts may arise, the Investment Adviser will seek to ensure that any conflicts of interest are resolved fairly.

PART 3

BACKGROUND TO UK INFRASTRUCTURE AND ASSOCIATED DEBT INVESTMENT OPPORTUNITIES

Infrastructure assets are generally considered to be assets that provide the services and facilities necessary for a society or economy to function successfully. Often infrastructure assets are sub-divided into two key sectors. Social infrastructure assets are typically procured by government to provide services to the general public, and would include hospitals, schools, prisons, court buildings and other such facilities. Economic infrastructure assets are assets to support the economic development of a society, and would include roads, railways, ports, power generation and transmission, water distribution and waste treatment.

UK infrastructure assets involving private sector investment are often constructed and (to a greater or lesser extent) maintained by a private sector entity or consortium acting through a single purpose company, which generates its revenue from a long-term contract with a public sector or public sector-backed client. The revenue arising from the contract will typically be used to service (in order of priority) the cost of operating and/or maintaining the asset to the required standard, senior debt, subordinated debt (if any), and finally to provide a return to the equity holders.

Revenues arising from infrastructure assets are generally considered to be relatively predictable, and are often contracted to rise in line with RPI or another inflation index. However, the security of such revenues does vary according to the nature of the contract concerned. For example:

- under "availability"-based contracts, provided that the specified contractual standards are met in relation to the maintenance of the asset, the income stream is pre-determined;
- under "demand"-based contracts, the income stream is linked, at least to a degree, to the level of use of the relevant asset;
- on "feed-in" or ROC related transactions (typically associated with renewable energy projects), a minimum specified cashflow is payable provided a specified volume of energy is produced; and
- in the case of lease or receivables purchase contracts, in essence all risks are typically taken by the user and the income stream is wholly pre-determined.

As an asset class, infrastructure investments may (in the opinion of the Investment Adviser, and subject to the Risk Factors set out on pages 14 to 24 above) be considered potentially attractive as the cashflows arising therefrom are long-term, relatively predictable, potentially inflation-protected, often public sector-backed and relate to services and facilities important to society and to the economy generally.

Section A: UK PFI and associated debt investment opportunities

1 Introduction

The UK Private Finance Initiative was introduced in the early 1990s. It was intended to enable the funding of major capital investment in infrastructure assets, such as schools, hospitals, prisons and court buildings, without the immediate use of public sector capital.

In a typical UK PFI infrastructure project, a private sector consortium (usually comprising one or more of a construction company, a facilities management company and one or more financial investors) establishes a project company (or group of companies) (a "**PFI Project Company**") to bid for a project contract to build and operate an infrastructure asset procured under PFI. The project contract is tendered by a client (the "**client**"), which is typically a public sector body such as an NHS Trust or a Local Authority.

Once a PFI Project Company's bid is accepted by the client, the PFI Project Company enters into a project agreement with the client. The project agreement regulates the design, build, financing,

operation and maintenance of the infrastructure asset. The term of the project agreement for an asset procured under the PFI (the "**concession period**") is typically 20 to 30 years. Under the project agreement:

(a) The PFI Project Company is required to finance and construct the relevant infrastructure asset (for example, a hospital (for an NHS Trust) or a school (for a Local Authority)) and, following completion of construction, to provide operational services, such as cleaning, catering, maintenance and security, in accordance with specified service standards. The PFI Project Company typically sub-contracts with a facilities management company to provide these services. Key "delivery" services, such as teaching or medical care, would normally be provided by the client.

(b) From completion of construction until the end of the concession period, the client is required to pay to the PFI Project Company a specified series of payments (the "**unitary charge**"). The unitary charge will typically increase by reference to inflation. The payment of the full unitary charge is usually dependent on either the availability of the infrastructure asset for use ("availability based") or the level of demand for the infrastructure asset ("demand based"), depending on the nature of the project.

Generally, the PFI Project Company does not have full ownership rights over the infrastructure asset. However, it has rights under the project agreement, including the right to receive the unitary charge subject to the proper performance of its obligations.

A failure by a PFI Project Company to perform its obligations under a project agreement may result in a deduction from the unitary charge payable to it. However, the terms on which the operational obligations of the PFI Project Company are sub-contracted typically permit a corresponding deduction to be made from the payment due from the PFI Project Company to the sub-contractor who is subcontracted to undertake work on behalf of the PFI Project Company.

2 PFI Project Company funding

The costs of a PFI project, including construction costs, are financed by the PFI Project Company. The necessary finance is typically provided by a combination of:

(a) long term senior debt contributed by a bank or group of banks, or generated by the issue of bonds; and

(b) equity contributed by financial investors and other consortium members.

A substantial proportion of the PFI Project Company's total initial funding (generally in the range of 70 to 90 per cent.) is typically financed by senior debt. PFI Project Companies are able to obtain relatively high levels of senior debt due to the nature of the public sector counterparty to the project agreement (and the low perceived counterparty risk attaching to them) and the degree to which operational risk is effectively borne by their sub-contractors. The senior debt is typically secured by a first-ranking charge on the assets of the PFI Project Company (including the benefit of the project agreement but generally excluding any land or buildings). The balance of the funding of the PFI Project Company not provided by senior debt is typically equity finance and/or shareholder loans provided by the consortium members.

3 Subordinated debt

Once the construction of a PFI infrastructure asset has been completed, it is generally considered that the risks associated with the project are significantly reduced. Following this "de-risking", consortium members, if they wish, may seek to "recycle" some or all of the equity financing employed in the project. Such "recycling" may be achieved by a sale of the equity, or by a re-leveraging of the asset by the issue of subordinated debt by the PFI Project Company or its owners to a third party lender.

As described in paragraph 4 of Part 1 of this document, the Company (acting through the Subsidiary) seeks to acquire exposure to subordinated debt issued by PFI Project Companies or other members of

their corporate groups. Such subordinated debt typically ranks behind senior debt and/or bonds on the insolvency of the PFI Project Company, but ahead of equity.

The Company focuses primarily on investments in projects in relation to which construction of the infrastructure asset has been completed, the asset is operational and in relation to which payments of unitary charge have commenced. However, if the Company (taking into account the advice of the Investment Adviser) forms the view that the construction risks have been properly mitigated, investments may be made in projects prior to the completion of the construction stage.

The net cash flow of the PFI Project Company will typically be used first to service the senior debt and second to service the subordinated debt, with the surplus being paid to the equity holders. The subordinated debt provided by the Company would typically generate interest throughout the term of the subordinated debt, with the repayment of the principal sum borrowed being made in the final years of the life of the project, once the senior debt has been fully repaid.

4 Senior debt investments

In addition to providing subordinated debt for the purpose of refinancing part of the equity funding (including shareholder loans) of a PFI Project Company, the Company (acting through the Subsidiary) also seeks opportunities to generate exposure to senior debt advanced in relation to PFI projects. This is typically achieved by the provision of guarantees ("**senior debt guarantees**") to senior lenders to PFI Project Companies, or by the provision of debt to lenders to PFI Project Companies which is subordinated to debt provided to such lenders by other funders ("**subordinated loans to senior debt providers**").

4.1 *Senior debt guarantees*

To put in place a senior debt guarantee, the Company (acting through the Subsidiary) and a senior PFI lender will identify a portfolio of existing or committed senior loans made or to be made by the senior lender (the "**senior loan portfolio**"). In return for a fee paid to the Company (typically paid quarterly on an ongoing basis), the Company will agree to bear the losses of the senior lender (often after a small initial amount that will not be covered by the senior debt guarantee) on any of the loans in the senior loan portfolio (and on any combination of those loans) up to an aggregate agreed amount (the "**guaranteed amount**").

A cash deposit equal to the guaranteed amount is typically made by the Company with the senior lender and is held by the senior lender for the period that the senior debt guarantee remains in place.

A senior debt guarantee may be attractive to a senior lender as it reduces the risk attached to the loans in the senior loan portfolio for the senior lender and may enable the senior lender to reduce the regulatory capital it is required to hold in relation to those loans. A senior debt guarantee may be attractive to a guarantor such as the Company as the return is similar to the return on subordinated debt while the risk of a call on the guarantee may be considered to be relatively low.

4.2 *Subordinated loans to senior debt providers*

A subordinated loan to a senior debt provider may arise from the Company identifying a single project or group of projects which a senior debt provider (or providers) has funded or is willing to fund, but which at the required level of leverage does not satisfy the senior debt provider's minimum credit requirements. Such minimum requirements may be (for example) a minimum credit rating (either from an external rating agency or from the internal assessment of the senior debt provider), a minimum ratio test (such as debt service cover ratio or loan life cover ratio) or similar or other requirements.

It would be expected that a subordinated loan to a senior debt provider would normally be effected by the establishment of a single purpose company which would make a senior loan to the relevant PFI Project Company (or companies), or to its or their owner. The single purpose company would be funded by the issue of senior ranking debt to a senior lender and subordinated debt to the Company (acting through the Subsidiary). It may also be that a senior lender would make the senior loan

directly itself and then raise a subordinated loan from the Company which will bear any first loss arising on the senior loan.

A subordinated loan to a senior debt provider may be attractive to a senior lender as it may allow the senior lender to participate in funding projects which it finds attractive but which do not meet all of its lending requirements. In particular, it is anticipated that subordinated loans to senior debt providers may in due course be of considerable value where it is expected that the optimal funding solution for the relevant project or projects involves the issue of bonds into the debt capital markets, as such markets typically require minimum credit ratings above the level which many UK infrastructure projects (PFI and otherwise) are able to support without the provision of a level of subordination in the senior debt part of the capital structure.

Section B: Other debt investment opportunities in the UK infrastructure market

1 Renewable energy

Renewable energy is energy from resources which are naturally replenished, such as sunlight, wind, waste, tides and geothermal energy. In recent years there have arisen significant concerns in relation to both the limited nature of many traditional sources of power, heating and transport fuels, such as oil, gas and coal, and the impact that the use of such sources has upon the environment. As a result, a substantial political will has developed to encourage the take-up of renewable energy as a proportion of total energy use on a global level. For example, the Kyoto Protocol (a protocol to the UN Framework Convention on Climate Change committing its signatories to specified or general reductions in the production of greenhouse gases) has now been ratified by 191 states. More specifically, the EU's Renewable Energy Directive (published on 23 April 2009 and officially titled "Directive 2009/28/EC") has set binding targets on member states to produce a pre-agreed proportion of energy consumption from renewable sources such that the EU as a whole shall obtain at least 20 per cent. Of its total energy from renewables by 2020.

In the UK, a variety of incentives have been introduced by the government in order to increase the country's use of renewable energy, including the Feed-in Tariff ("**FIT**") scheme, the Renewables Heat Incentive ("**RHI**") and the Renewables Obligation scheme.

1.1 ***Feed-in Tariff***

The FIT scheme became available in the UK on 1 April 2010 and is provided through licensed electricity suppliers. Under the FIT scheme, generators of electricity from renewable or low carbon sources such as solar electricity panels or wind turbines (the "**FIT Generators**") are entitled to receive FIT payments from those licensed electricity suppliers defined as "FIT Licensees".

Under the FIT section of the Standard Conditions of Electricity Supply Licence ("**Standard Conditions**"), FIT Licensees are either:

(a) "Mandatory FIT Licensees" – licensed electricity suppliers with more than 50,000 customers (such as Npower, E.ON and Scottish Power); or

(b) "Voluntary FIT Licensees" – smaller licensed electricity suppliers who elect to take part in the FIT scheme.

FIT Licensees play the main customer-facing role for the FIT scheme and they are required to take FIT Generators through the registration process, take regular meter readings and make FIT payments.

FIT payments fall into two categories, the Generation Tariff and the Export Tariff. The Generation Tariff is a set rate paid by the FIT Licensee for each unit of electricity generated, the set rate being dependent on the size and type of the installation. The Export Tariff is a further payment for each unit exported back to the electricity grid. Both tariffs are payable for a period of between 20 and 25 years (depending on the installation type and the commissioning date), with the set rates increasing annually at RPI.

As set out in the Feed-in Tariffs (Specified Maximum Capacity and Functions) Order 2010, a levelisation process provides for a system of payments between licensed electricity suppliers and the Gas and Electricity Markets Authority (the "**Authority**"), the UK Government body established by the Utilities Act 2000 to regulate the gas and electricity industries in the UK. The Authority has powers under the Competition Act 1998, the Utilities Act 2000, the Electricity Act 1989 and the Gas Act 1986. The levelisation payments act so that, if an electricity supplier is not making payments of FIT in proportion to its share of the UK electricity supply market, it is required to make payments to a levelisation fund and similarly a supplier who is making payments of FIT in excess of its proportionate share of the UK electricity supply market will receive payments of FIT from the levelisation fund.

The purpose of the levelisation process is to allocate the cost of the FIT across all energy supply companies so that these companies, subject to their own pricing models from time to time, pass on the higher cost of producing electricity generated under the FIT scheme to the entire UK electricity customer base and no one customer base is unduly penalised. In essence, it is the entire UK customer base that bears the cost of the FIT and it is therefore in effect a UK government tax or levy collected through the energy companies under the supervision of a UK statutory body that provides the source of the payments to the FIT Generator.

The Office of Gas and Electricity Markets ("**Ofgem**") supports the Authority in its role. Ofgem's key role in this regard is to maintain the Central FIT Register, which is a database of accredited installations. In addition, Ofgem administers the levelisation process and accredits small scale and micro generators. Ofgem is also responsible for ensuring that suppliers comply with the FIT scheme requirements.

1.2 ***Renewables Obligation***

The Renewables Obligation ("**RO**") was introduced in the UK in 2002 and is administered by Ofgem. It was established to encourage the development of renewable energy generation by providing financial support to primarily mid-to large-scale renewable electricity generation projects in the UK. In April 2010, the end date of the RO was extended from 2027 to 2037 for new projects to provide long-term certainty for investors and to ensure continued deployment of renewables to meet the UK's 2020 renewables target and beyond.

Ofgem issues Renewables Obligation Certificates ("**ROCs**") to renewable electricity generators ("**Renewable Generators**") for every megawatt hour ("**MWh**") of eligible renewable electricity they generate. All Renewable Generators apply to Ofgem for accreditation that their electricity is generated from eligible renewable sources. The number of ROCs issued per MWh generated varies according to the size and type of project, but once established will not vary over the life of the project.

UK electricity suppliers (the "**Suppliers**") are required to present a certain number of ROCs per MWh of electricity they supply (the "**Obligation**") to Ofgem at the end of each six month period. The Renewables Obligation Order (ROO) 2009 requires that the Secretary of State announces the level of the Obligation six months preceding an obligation period. Driven by the expected production of electricity from eligible renewable sources in any given period, the Obligation is floored at 8 per cent. above the expected number of ROCs to be issued (the "**Headroom**").

Where Suppliers do not present sufficient ROCs, they have to pay a penalty known as the buy-out price. This is set at £42.02 per ROC for the 2013/14 compliance period, and rises annually by reference to RPI. All buyout payments are redistributed to Suppliers who have presented ROCs against their obligation in proportion with the number of ROCs that each has presented.

Renewable Generators can sell ROCs either with or separately from the electricity generated thus creating a market for ROCs. The Headroom means that the value of ROCs is likely to be floored at the buyout price (unless in any given period the actual renewable energy produced exceeds expectations by more than 8 per cent.).

1.3 *The Renewable Heat Incentive*

The Renewable Heat Incentive (the "**RHI**") is a financial incentive scheme for renewable heat generation which was introduced by the government in November 2011. The Department for Energy and Climate Change ("**DECC**") is responsible for the policy and regulations underpinning the scheme. Ofgem administers the scheme on behalf of DECC.

Phase 1 of the RHI supports generators in non-domestic sectors (industrial, commercial, public sector and not-for-profit), with differing levels of support for the various eligible installation types. Support for domestic installations under the scheme is intended for future phases of the scheme.

Payments made to generators under the RHI are fixed at the date of the accreditation of the relevant installation, are made for a period of 20 years, are indexed to RPI, and are made directly by the UK Treasury to the generators.

1.4 *The renewable energy investment opportunity*

The primary generation methodologies attracting payments of FITs are generally smaller scale systems and include solar photovoltaic systems, combined heat and power plants, hydro-electric plants, anaerobic digestion systems and onshore wind sites or arrays; ROCs tend to be more targeted at larger scale generators relying upon biomass (plant matter used to generate electricity with steam turbines and gasifiers or produce heat, usually by direct combustion), energy-from-waste (where electricity is generated from the combustion or gasification of waste) and large onshore or all offshore wind farms; RHI is focused on biomass, heat pump, solar thermal and biomethane projects.

In the opinion of the Investment Adviser, the key consideration in any renewable investment is the security and dependability of the underlying government subsidy cash flows, whether it is the FIT generated by Solar PV panels, or ROCs generated by a biomass plant.

By no means are all renewable methodologies, in the opinion of the Investment Adviser, investable from the perspective of a long term debt provider. In some instances the technology is currently insufficiently mature to be considered dependable, in others the level of Government support is currently insufficient to enable the relevant projects to meet the risk-reward criteria of the Company, and in others the operational risks inherent in the project cannot be satisfactorily managed or mitigated. The Investment Adviser ensures that it remains closely in touch with opportunities across the renewable energy sector so that it remains well positioned to progress suitable investments as they arise.

The Company is currently focused on opportunities to provide senior (rather than subordinated) debt to Project Companies in receipt of cash flow from the FIT, ROC or RHI. The Company may provide debt finance (i) directly, or (ii) indirectly, via an intermediary vehicle typically established by the Investment Adviser principally to allow an installer to draw down debt finance directly proportionate to the delivery of completed installations, which may occur more frequently during the drawdown period than is convenient for the Company to advance funds. It is possible that in due course, and dependent upon the size of the Company's exposure to these schemes at the time and the appetite of senior funders, the Company will sell on to senior funders senior ranking positions in the debt facilities it has originated and retain subordinated positions at an enhanced yield.

2 Other long-dated government-backed cashflows

The Company (acting through the Subsidiary) also seeks to generate exposure to other forms of long-dated public sector-backed cashflows arising in the broader UK infrastructure sector.

2.1 *Affordable housing*

This may include the provision of debt secured against cashflows arising from long-term leases of, for example, social housing or other assets leased or to be leased by local authorities, ALMOs (an ALMO, or Arm's Length Management Organisation, is a company set up by a local authority to manage and improve all or part of its existing housing stock) or registered providers of social housing. The debt would typically be advanced, either directly or through an intermediary, by the

Company (acting through the Subsidiary) to a single purpose company (the "**Lease Project Company**") and secured against the cashflows arising from the lease.

Typically, these leases are agreed for terms of 25 years or more, and often provide for rents to inflate at RPI or in line with another inflation index. Such leases are typically fully repairing and insuring ("**FRI**"), where all costs of maintenance and repair and the cost of insurance (whether insured directly or through the lessor) are met by the lessee. Occasionally, such leases may be internal repairing and insuring ("**IRI**"), where the lessor is responsible for maintaining the structural parts and may charge the lessee a proportionate cost of such maintenance through a service charge (an arrangement that may be considered analogous to the facilities management function under a PFI contract).

The affordable housing sector in particular is, in the view of the Investment Adviser, potentially able to generate investment opportunities in the short to medium term. The Homes and Communities Agency (the "**HCA**", the national housing and regeneration agency for England established by the Housing and Regeneration Act 2008) states in the HCA Corporate Plan 2011 – 2015 that under the current Affordable Homes Programme the government is seeking to deliver up to 170,000 new affordable homes by 2015, and that the HCA is committed to attracting private sector investment to help meet these targets.

In the opinion of the Investment Adviser, it may be that the Company (acting through the Subsidiary) is able to generate exposure to the long-dated cashflows arising from opportunities of this type by making senior or subordinated loans during the development phase of such projects against the security of an executed lease. The Company may also generate exposure by making subordinated loans to senior debt providers in a similar fashion to that described in Section A above, with the Company identifying a single asset or group of assets which a senior debt provider (or providers) has funded or is willing to fund, but which at the required level of leverage does not satisfy the senior debt provider's minimum credit requirements. Such minimum requirements may be (for example) a minimum ratio test (such as debt service cover ratio or loan life cover ratio), or a maximum loan-to-value ratio test, or similar or other requirements.

It would be expected that a subordinated loan to a senior debt provider would normally be effected by the establishment of a single purpose company which would make a senior loan to the relevant Project Company (or companies), or to its or their owner. The single purpose company would be funded by the issue of senior ranking debt to a senior lender and subordinated debt to the Company. It may also be that a senior lender would make the senior loan directly itself and then raise a subordinated loan from the Company which will bear any first loss arising on the senior loan.

2.2 ***Equipment Leasing***

The Investment Adviser, on behalf of the Company, has held discussions with a number of parties with regard to the potential provision of debt finance by the Company (acting through the Subsidiary) to one or more equipment lease project companies ("**ELPCs**"). Opportunities of this nature arise where a private sector service provider has entered (or may enter) into a contract (which may be a lease, a hire purchase contract or a similar arrangement) with a public sector body (for example, a local authority, or a school maintained by a local authority) for the provision of services to that public sector body and in order to be able to provide those services the private sector service provider is required to make a capital investment in equipment. In those circumstances, the Company may provide debt finance to an ELPC to enable the ELPC to purchase the necessary equipment and the ELPC would agree to provide the relevant services to the public sector body (either by entering into a contract with the public sector body or by an existing contract with the public sector body being novated to the ELPC by the private sector contractor). The ELPC would then outsource the provision of the services to the private sector contractor (using the equipment purchased with finance provided by the Company).

Section C: The benefits associated with debt investments in infrastructure Project Companies

Investments in infrastructure transactions provide, in the opinion of the Directors and the Investment Adviser, generally secure and predictable returns to infrastructure Project Companies and their lenders.

The risk of default in relation to the debt financing of infrastructure Project Companies is considered by the Directors and the Investment Adviser to be relatively low as the cash flows in relation to infrastructure transactions are typically paid by a public sector body or public sector-backed body and are relatively predictable.

Furthermore, the reduction since 2007 in the availability of debt from banks to finance infrastructure projects has resulted in more attractive pricing, in the opinion of the Directors and the Investment Adviser, on debt investments than has been seen in the infrastructure sector for a number of years.

Therefore, the Company believes that an investment in debt advanced in relation to infrastructure projects presents a highly attractive yet conservative investment opportunity. In addition, as payments in many infrastructure transactions are linked to RPI (or other inflation indices), such an investment may in many cases yield partially inflation-protected returns.

PART 4

CURRENT PORTFOLIO

1 Introduction

The Subsidiary's investment portfolio consists of 32 loans (the "**Loans**") as at 30 January 2014 with an unaudited valuation of £355.5 million.[4] The Loans are secured against 76 underlying UK PFI and renewable energy projects (the "**Projects**"). 40 per cent. of the Projects are the PFI projects, 23 per cent. rooftop solar installations, 11 per cent. biomass plants, 10 per cent. onshore wind farms, 9 per cent. anaerobic digestion plants, 5 per cent. commercial solar farms and 2 per cent. is a school asset finance project. 55 per cent. of the Loans are secured on a senior basis, 37 per cent. on a subordinated basis, and 8 per cent. are structured as senior debt guarantees.

2 Current investment portfolio

The Subsidiary's current investment portfolio is as follows.

Loan	*Valuation (£'m)*	*% of portfolio*	*Project*	*Sector*	*Cash flow*
Cardale Infrastructure Investments Ltd	4.8	1.3%	Various PFI projects	Various UK PFI	Unitary Charge
Civic PFI Investments Ltd Notes due 2037	4.6	1.3%	Leeds Independent Living	Accommodation PFI	Unitary Charge
Civic PFI Investments Ltd	12.5	3.5%	Highland Schools	Education PFI	Unitary Charge
			Sheffield Family Court	Custodial PFI	Unitary Charge
Civic PFI Investments II Ltd	2.7	0.8%	Nottingham Police	Blue light PFI	Unitary charge
Education PFI Investments Ltd	11.2	3.2%	Slough Schools	Education PFI	Unitary charge
GCP Asset Finance 1 Ltd	5.3	1.5%	Christ the King College	School asset finance	Lease payments
GCP Biomass 1 Ltd	30.6	8.6%	Northern Ireland anaerobic digestion	Anaerobic digestion	ROCs
GCP Biomass 1 C Ltd	15.9	4.5%	Northern Ireland Biomass Plant	Biomass	ROCs
GCP Biomass 2 Ltd	14.5	4.1%	Birmingham Biomass Plant	Biomass	ROCs
GCP Commercial Solar 1 Ltd	15.8	4.5%	Llancayo Solar Farm	Solar	Feed-in Tariff
GCP Healthcare 1 Ltd	29.9	8.4%	Glasgow Hospital	Healthcare PFI	Unitary charge
			Healthsource Bromley	Healthcare PFI	Unitary charge

[4] This represents the Valuation Agent's unaudited valuation of the Subsidiary's investments as at 31 December 2013, except for (i) the GCP Rooftop Solar 4B Ltd loan that was advanced on 27 January 2014, which is valued at par, and (ii) the GCP RHI Boiler 2 Ltd loan that repaid £5 million on 27 January 2014, which is valued at its 31 December 2013 valuation less £5 million.

Loan	*Valuation (£'m)*	*% of portfolio*	*Project*	*Sector*	*Cash flow*
			Caring 4 Croydon	Accommodation PFI	Unitary charge
			Hull LIFT	Healthcare PFI	Unitary charge
			Young Herts	Accommodation PFI	Unitary charge
GCP Healthcare 1 A Ltd	4.4	1.2%	Queen Elizabeth II Hospital	Healthcare PFI	Unitary charge
			Willesden Hospital	Healthcare PFI	Unitary charge
			Various LIFT Projects	Healthcare PFI	Unitary charge
GCP Healthcare 1 D Ltd	2.7	0.7%	Dumfries & Galloway Schools	Education PFI	Unitary charge
GCP Healthcare 1 E Ltd	1.6	0.4%	Cockermouth & Cleator LIFT	Healthcare PFI	Unitary charge
GCP Onshore Wind 1 A Ltd	5.0	1.4%	East Anglia single site wind farm	Wind	ROCs
GCP Onshore Wind 1 B Ltd	4.6	1.3%	East Anglia single site wind farm	Wind	ROCs
GCP Onshore Wind 1 C Ltd	3.1	0.9%	East Anglia single site wind farm	Wind	ROCs
GCP Onshore Wind 2 Ltd Ltd	6.6	1.9%	UK single site wind farms	Wind	Feed-in Tariff
GCP Onshore Wind 3 Ltd	21.5	6.0%	Northern Ireland single site wind farm	Wind	ROCs
GCP RHI Boiler 2 Ltd	6.6	1.9%	Small scale biomass boilers	Biomass	Renewable Heat Incentive
GCP Rooftop Solar 1 Ltd	14.3	4.0%	Residential rooftop solar installations	Solar	Feed-in Tariff
GCP Rooftop Solar 2 Ltd	17.7	5.0%	Residential rooftop solar installations	Solar	Feed-in Tariff
GCP Rooftop Solar 3 Ltd	6.1	1.7%	Residential rooftop solar installations	Solar	Feed-in Tariff
GCP Rooftop Solar 3 B Ltd	9.4	2.6%	Residential rooftop solar installations	Solar	Feed-in Tariff
GCP Rooftop Solar 4 Ltd	30.5	8.6%	Residential rooftop solar installations	Solar	Feed-in Tariff
GCP Rooftop Solar 4 B Ltd	5.0	1.4%	Residential rooftop solar installations	Solar	Feed-in Tariff
GEM Infrastructure – T26	14.3	4.0%	14 PFI projects	Various PFI	Unitary charge
GEM Infrastructure – T29	13.2	3.7%	20 PFI projects	Various PFI	Unitary charge
Grosvenor PFI Holdings	15.9	4.5%	Runwell Community	Healthcare PFI	Unitary charge

Loan	Valuation (£'m)	% of portfolio	Project	Sector	Cash flow
Ltd			Hospital		
			Stanley Primary Care Centre	Healthcare PFI	Unitary charge
			Lanchester Road Children's Primary Healthcare	Healthcare PFI	Unitary charge
			Braintree Community Hospital	Healthcare PFI	Unitary charge
			North Yorkshire Schools	Education PFI	Unitary charge
Kirklees PFI Ltd	2.6	0.7%	Kirklees Schools	Education PFI	Unitary charge
Leisure Infrastructure Investors Ltd	11.5	3.2%	Amber Valley Leisure	Leisure PFI	Unitary charge
			Rotherham Leisure	Leisure PFI	Unitary charge
			Wolverhampton Leisure	Leisure PFI	Unitary charge
FHW Dalmore (Salford Pendleton Housing) plc	11.2	3.2%	Salford Pendleton Social Housing	Social Housing PFI	Unitary charge
TOTAL	**355.5**	**100%**			

3 Portfolio valuation

As at 30 January 2014 the Subsidiary's investment portfolio had an unaudited valuation of £355.5 million. The valuation is based on the Valuation Agent's unaudited valuation of the Subsidiary's investments as at 31 December 2013, except for (i) the GCP Rooftop Solar 4B Ltd loan that was advanced on 27 January 2014, which is valued at par, and (ii) the GCP RHI Boiler 2 Ltd loan that repaid £5 million on 27 January 2014, which is valued at its 31 December 2013 valuation less £5 million. The Valuation Agent valued the investment portfolio as at 31 December 2013 in accordance with the methodology set out in paragraph 10 of Part 1 of this document. The weighted average discount rate used was 9.19 per cent. The tables below show the sensitivity of the valuation to movements in discount rate and inflation.

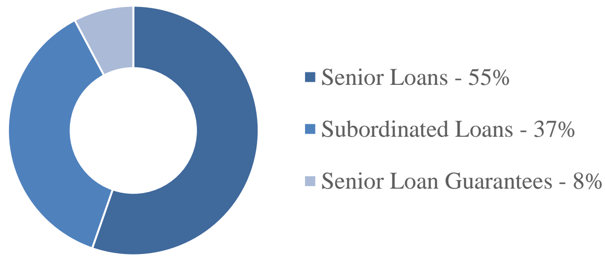
Valuation sensitivity to movements in discount rate

Discount rate	Valuation
9.22 %	£355.5 million
+0.5%	£343.7 million
-0.5%	£368.2 million

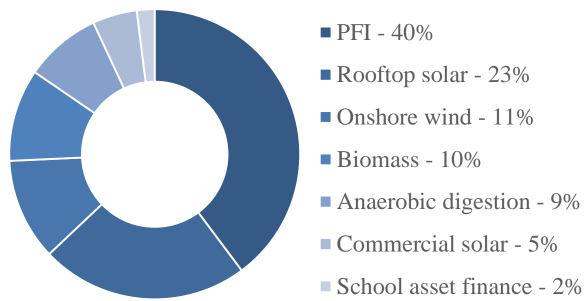
4 Portfolio analysis

The charts below show the Subsidiary's portfolio by investment type, project sector, cash flow, expected remaining term, annualised yield, location and status.

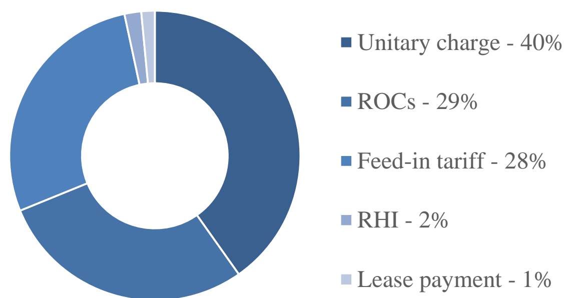
4.1 ***Investment type***



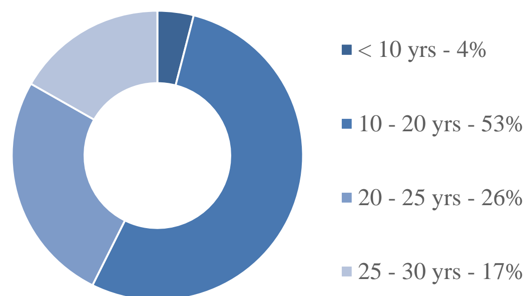
4.2 ***Project sector***



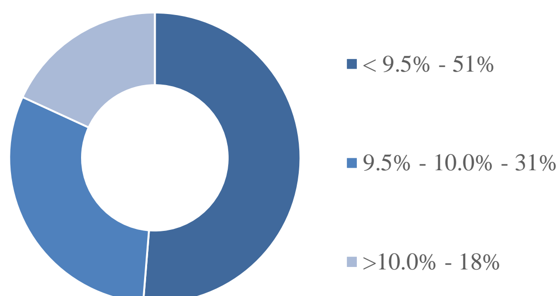
4.3 ***Cash flow***



4.4 ***Expected remaining term***

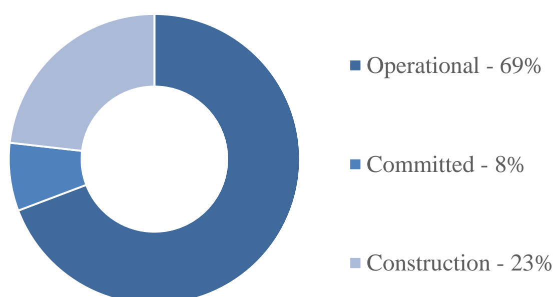


4.5 *Annualised yield*



4.6 *Location*

4.7 *Project status*



5 Key exposures

The tables below show the key exposures for the investment portfolio.

5.1 ***Top ten exposures by facilities manager***

Facilities manager	*£'m*	*% of portfolio*
A Shade Greener Maintenance Limited	83.1	23.4%
Agrikomp (UK) Ltd	30.5	8.6%
Vestas Northern Europe A/S	29.1	8.2%
Grosvenor Facilities Management	15.9	4.5%

Facilities manager	*£'m*	*% of portfolio*
Burmeister & Wain Scandinavian Contractor A/S	15.9	4.5%
Smarter Energy Solutions Ltd	15.8	4.5%
MWH Treatment Limited	14.5	4.1%
Pinnacle FM Limited	13.8	3.9%
Chevin Housing Association	11.1	3.1%
Mitie PFI Limited	10.2	2.9%

5.2 ***Top ten exposures by project counterparty***

Project counterparty	*£'m*	*% of portfolio*
Ofgem (E.ON Energy Ltd)	83.1	23.4%
Ofgem (Power NI)	46.4	13.1%
Ofgem (Smartest Energy Ltd)	22.5	6.3%
Ofgem (Viridian Energy Supply Limited)	21.5	6.0%
Ofgem	21.1	5.9%
Ofgem (Co-op Group)	12.7	3.6%
Salford City Council	12.3	3.5%
Slough Borough Council	11.2	3.2%
Leeds City Council	9.7	2.7%
South London Healthcare NHS Trust	9.0	2.5%

6 Current investments

6.1 *Cardale Infrastructure Investments Limited loan ("Cardale Loan")*

The Cardale Loan is a loan with a value of £4.4 million, an expected remaining term of 22 years and an interest rate of 9.7 per cent. per annum. The performance of the Cardale Loan is dependent on the performance of the GPFI Loans, the LIIL Loans, the Kirklees Loan, the Education Loan and the Civic Loan (see below).

6.2 *Civic PFI Investments Limited 2037 loan ("Civic PFI 2037 Loan")*

The Civic PFI 2037 Loan is a loan with a value of £4.6 million, an expected remaining term of 23 years and an interest rate of 8.7 per cent. per annum. It is secured on a subordinated basis against one operational PFI project, Leeds Independent Living.

Leeds Independent Living

Leeds Independent Living PFI is a c. £66 million concession with Leeds City Council for the provision and maintenance of residential accommodation for adults with mental health and learning difficulties on 40 separate sites throughout Leeds. The project is operational and the concession ends in 2036. Facilities management is carried out by Lovell.

6.3 ***Civic PFI Investments Limited A loan ("Civic PFI A Loan")***

The Civic PFI A Loan is a loan with a value of £12.5 million, an expected remaining term of 16 years and an interest rate of 9.3 per cent. per annum. It is secured on a subordinated basis against two operational PFI projects, Highland Schools and Sheffield Family Courts.

Highland Schools

The Highland Schools PFI is a £17 million concession with the Highland Council for the provision and maintenance of four new-build schools. The schools are Ardnamurchan (250 pupil secondary school), Glen Urquhart (250 pupil secondary school), Spean Bridge (5 classroom primary school) and Tomatin (4 classroom primary school) in the Highland Region of Scotland. The development at Ardnamurchan includes the provision of a 14 bed hostel to accommodate pupils who reside long distances from the school and are unable to travel on a daily basis. All schools are operational and the concession ends in 2026. Facilities management is carried out by Mitie Limited.

Sheffield Family Court

Sheffield Family Court PFI is a £5m concession with Her Majesty's Courts and Tribunals Service for the provision and maintenance of a new family court building in Sheffield, comprising two family courtrooms, two hearing rooms, judges' areas, suites, offices and ancillary accommodation. The project is operational and the concession ends in 2029. Facilities management is carried out by Lovell Powerminster Limited.

6.4 ***Civic PFI Investments Limited II loan ("Civic PFI II Loan")***

The Civic PFI II Loan is a loan with a value of £2.7 million, an expected remaining term of 16 years and an interest rate of 9.2 per cent. per annum. It is secured on a subordinated basis against one operational PFI project, Nottingham Police.

Nottingham Police

Nottingham Police PFI is a c. £5.25 million concession with Nottingham Police Authority for the provision and maintenance of office accommodation and a forensic garage. The project is operational and the concession ends in 2026. Facilities management is carried out by Accuro Limited.

6.5 ***Education PFI Investments Limited loan ("Education PFI Loan")***

The Education PFI Loan is a loan with a value of £11.2 million, an expected remaining term of 22 years and an interest rate of 8.8 per cent. per annum. It is secured on subordinated basis against one operational PFI project, Slough Schools.

Slough Schools

Slough Schools PFI is a £52 million concession with Slough Borough Council for the design, construction, funding and operation of three schools in the Borough of Slough; one primary school (Pennwood School), one secondary school (Beechwood) and a special needs school (Arbour Vale). All the schools are operational and the concession ends in 2035. Facilities management is carried out by Pinnacle PSG Ltd.

6.6 ***GCP Asset Finance 1 Limited loan ("Asset Finance Loan")***

The Asset Finance Loan is a loan with a value of £5.3 million, an expected remaining term of 14 years and an interest rate of 8.0 per cent. per annum. It is secured on a senior basis against a series of hire payments payable by Christ the King College, Newport.

Christ the King College

Christ the King College, Newport, Isle of Wight (the "**School**") entered into a hire agreement for the provision of sixth form facilities for a term of 14 years. The School is a maintained school for the purposes of the School Standards and Framework Act 1998 ("**SSFA 1998**"), and as such the hire payments made by the School are supported under the provisions of SSFA 1998 by the obligation of the Isle of Wight Council to maintain schools within its jurisdiction.

6.7 ***GCP Biomass 1 Limited loan ("Biomass 1 Loan")***

The Biomass 1 Loan is a loan with a value of £30.6 million, an expected remaining term of 12 years and an interest rate of 10.9 per cent. per annum. It is secured on a senior basis against a portfolio of small-scale anaerobic digestion plants.

Anaerobic digestion plants

The anaerobic digestion plants are being constructed on farms in Northern Ireland and England. Following the commissioning of the plants, they will generate 20 year NIROC cash flows through the production of electricity. Construction and operation and maintenance will be carried out by Agricomp (UK) Limited.

6.8 ***GCP Biomass 1 Limited C loan ("Biomass 1 C Loan")***

The Biomass 1 C Loan is a loan with a value of £15.9 million, an expected remaining term of 19 years and an interest rate of 9.7 per cent. per annum. It is secured on a subordinated basis against the Northern Ireland Biomass Plant.

Northern Ireland Biomass Plant

The Northern Ireland Biomass Plant is a 15.8Mwe wood-fuelled biomass combined heat and power plant on a ten acre site in Londonderry Port, Northern Ireland. Following the commissioning of the plant, it will generate 20 year NIROC cash flows through the production of electricity. Construction and operation and maintenance will be carried out by Burmeister & Wain Scandinavian Contractor A/S.

6.9 ***GCP Biomass 2 Limited loan ("Biomass 2 Loan")***

The Biomass 2 Loan is a loan with a value of £14.5 million, an expected remaining term of 17 years and an interest rate of 9.4 per cent. per annum. It is secured on a senior basis against the Birmingham Biomass Plant.

Birmingham Biomass Plant

The Birmingham Biomass Plant is a 10.3 MWe recovered wood-fuelled power plant. Following the commissioning of the plant, it will generate 20 year ROC cash flows through the production of electricity. Construction and operation and maintenance will be carried out by MWH Treatment Limited.

6.10 ***GCP Commercial Solar 1 Limited Loan***

The GCP Commercial Solar 1 Limited Loan is a loan with a value of £15.8 million, an expected remaining term of 22 years and an interest rate of 9.5 per cent. per annum. It is secured on a senior basis against the 5 MW Llancayo Solar Farm in South Wales that generates FIT cash flows, payable by Smartest Energy Ltd, through the production of electricity. Facilities management is carried out by Smarter Energy Solutions Limited.

6.11 ***GCP Healthcare 1 Limited loans ("Healthcare 1 Loans")***

The Healthcare 1 Loans are a series of loans with an aggregate value of £29.8 million, an expected remaining term of 26 years and an interest rate of 9.5 per cent. per annum. They are secured on a subordinated basis against five operational PFI projects, Glasgow Hospital, Healthsource Bromley, Caring 4 Croydon, Hull LIFT and Young Herts.

Glasgow Hospital

Glasgow Hospital PFI is a c. £218 million concession with NHS Greater Glasgow and Clyde to design, construct, finance and maintain Victoria Hospital and New Stobhill Hospital in Glasgow. The hospitals are operational and the concession ends in December 2039. Facilities management is carried out by Parsons Brinckerhoff.

Healthsource Bromley

Healthsource Bromley PFI is a c. £11 million concession with South London Healthcare NHS Trust to provide, finance, replace and maintain medical equipment in the £155m Princess Royal University Hospital in Bromley. Maintenance of the equipment is carried out by GE Medical Services Limited. The project is operational and the concession ends in December 2032.

Caring 4 Croydon

Caring 4 Croydon PFI is a c. £19 million concession with Eldon Housing Association to design, construct, finance and maintain four social care centres providing a total of 150 residential and nursing places, 40 extra care flats and 128 day care places. The project is operational and the concession ends in July 2038. Facilities management is carried out by Eldon Housing Association.

Hull LIFT

Hull LIFT is a c. £62.8 million public private partnership to replace ageing GP surgeries in Hull with new health centres. There have been nine tranches of schemes to date, all of which are operational. The concession for the last scheme ends in June 2037. Facilities management is carried out by Sewells Facilities Management.

Young Herts

Young Herts PFI is a c. £25 million concession with Hertfordshire County Council to design, construct, finance and maintain a children's residential scheme comprising five children's homes, two adolescent resource centres and the refurbishment of eight family support centres. The project is operational and the concession ends in March 2033. Facilities management is carried out by Community Building Services Limited.

6.12 ***GCP Healthcare 1 Limited A loan ("Healthcare 1 A Loan")***

The Healthcare 1 A Loan is a loan with an aggregate value of £4.4 million, an expected remaining term of 27 years and an interest rate of 8.9 per cent. per annum. It is secured on a subordinated basis against three operational PFI projects; Queen Elizabeth II Hospital, Willesden Hospital and various LIFT projects.

Queen Elizabeth II Hospital

Queen Elizabeth II Hospital PFI is a c. £35 million concession with Hertfordshire Primary Care Trust to design, construct and maintain a community hospital in Welwyn Garden City. The hospital is operational and the concession ends in 2040. Facilities management is carried out by Accuro Limited.

Willesden Hospital

Willesden Hospital PFI is a c. £21 million concession with Brent Primary Care Trust to design, construct and maintain a community hospital in London. The hospital is operational and the concession ends in April 2035. Facilities management is carried out by Accuro Limited.

Various LIFT projects

The various projects comprise seven Local Improvement Finance Trust schemes in the South East England and the Midlands.

6.13 ***GCP Healthcare 1 Limited D loan ("Healthcare 1 D Loan")***

The Healthcare 1 D Loan is a loan with an aggregate value of £2.7 million, an expected remaining term of 26 years and an interest rate of 9.2 per cent. per annum. It is secured on a subordinated basis against one operational PFI project, Dumfries & Galloway Schools.

Dumfries & Galloway Schools

Dumfries & Galloway PFI is a c. £124 million concession with Dumfries & Galloway Council to design, construct, finance and maintain ten new build schools and one refurbished school. The schools are operational and the concession ends in 2039. Amey Business Services Ltd is the facilities manager on the project.

6.14 ***GCP Healthcare 1 Limited E loan ("Healthcare 1 E Loan")***

The Healthcare 1 E Loan is a loan with an aggregate value of £1.6 million, an expected remaining term of 25 years and an interest rate of 9.5 per cent. per annum. It is secured on subordinated basis against one operational PFI project, Cockermouth and Cleator LIFT.

Cockermouth and Cleator LIFT

Cockermouth and Cleator LIFT is a c. £18 million concession with Cumbria Primary Care Trust to design, construct, finance and maintain the first tranche of LIFT projects in Cumbria which comprises 2 community healthcare centres in Cockermouth and Cleator. The project is operational and the concession ends in 2038. Facilities management is undertaken by the Cumbria Primary Care Trust.

6.15 ***GCP Onshore Wind 1 Limited A Loan***

The GCP Onshore Wind 1 Limited A Loan is a loan with a value of £5.0 million, an expected remaining term of 15 years and an interest rate of 9.1 per cent. per annum. It is secured on a senior basis against a single site, two turbine, 6.8MW wind farm being developed in East Anglia. From commissioning, the wind farm will generate 20 year ROC cash flows through the production of electricity. Operations and maintenance will be carried out by REpower Systems SE.

6.16 ***GCP Onshore Wind 1 Limited B Loan***

The GCP Onshore Wind 1 Limited B Loan is a loan with a value of £4.6 million, an expected remaining term of 15 years and an interest rate of 9.1 per cent. per annum. It is secured on a senior basis against a single site, two turbine, 4MW wind farm being developed in East Anglia. From commissioning, the wind farm will generate 20 year ROC cash flows through the production of electricity. Operations and maintenance will be carried out by Vestas Northern Europe A/S.

6.17 ***GCP Onshore Wind 1 Limited C Loan***

The GCP Onshore Wind 1 Limited C Loan is a loan with a value of £3.1 million, an expected remaining term of 15 years and an interest rate of 9.1 per cent. per annum. It is secured on a senior basis against a single site, two turbine, 4MW wind farm being developed in East Anglia. From

commissioning, the wind farm will generate 20 year ROC cash flows through the production of electricity. Operations and maintenance will be carried out by Vestas Northern Europe A/S.

6.18 ***GCP Onshore Wind 2 Limited Loan***

The GCP Onshore Wind 2 Limited Loan is a loan with a value of £6.6 million, an expected remaining term of 18 years and an interest rate of 9.8 per cent. per annum. It is secured on a senior basis against three single site, single turbine, 0.5MW wind projects being developed in the UK. From commissioning, the projects will generate 20 year FIT cash flows through the production of electricity. Operations and maintenance will be carried out by Emyrgya Wind Technologies B.V..

6.19 ***GCP Onshore Wind 3 Limited Loan***

The GCP Onshore Wind 3 Limited Loan is a loan with a value of £21.5 million, an expected remaining term of 19 years and an interest rate of 9.8 per cent. per annum. It is secured on a senior basis against a single site five turbine 15MW wind farm to be developed in Northern Ireland. From commissioning, the wind farm will generate 20 year ROC cash flows through the production of electricity. Operations and maintenance will be carried out by Vestas Northern Europe A/S.

6.20 ***GCP RHI Boiler 2 Limited Loan***

The GCP RHI Boiler 2 Limited Loan is a loan with a value of £6.6 million, an expected remaining term of 16 years and an interest rate of 11.5 per cent. per annum. It is secured on a senior basis against a portfolio of small scale biomass boiler to be installed on commercial premises. From commissioning, the boilers will generate 20 year RHI cash flows, payable by Ofgem. Maintenance will be carried out by Hoval Limited.

6.21 ***GCP Rooftop Solar 1 Limited Loan***

The GCP Rooftop Solar 1 Limited Loan is a loan with a value of £14.3 million, an expected remaining term of 22 years and an interest rate of 9.3 per cent. per annum. It is secured on a senior basis against a portfolio of 816 solar photo-voltaic systems that generate FIT cash flows through the production of electricity. The systems are installed on domestic rooftops. Facilities management is undertaken by A Shade Greener Maintenance Limited.

6.22 ***GCP Rooftop Solar 2 Limited Loan***

The GCP Rooftop Solar 2 Limited Loan is a loan with a value of £17.7 million, an expected remaining term of 22 years and an interest rate of 9.3 per cent. per annum. It is secured on a senior basis against a portfolio of 971 solar photo-voltaic systems that generate FIT cash flows through the production of electricity. The systems are installed on domestic rooftops. Facilities management is undertaken by A Shade Greener Maintenance Limited.

6.23 ***GCP Rooftop Solar 3 Limited Loan***

The GCP Rooftop Solar 3 Limited Loan is a loan with a value of £6.1 million, an expected remaining term of 23 years and an interest rate of 9.3 per cent. per annum. It is secured on a senior basis against a portfolio of 448 solar photo-voltaic systems that generate FIT cash flows through the production of electricity. The systems are installed on domestic rooftops. Facilities management is undertaken by A Shade Greener Maintenance Limited.

6.24 ***GCP Rooftop Solar 3B Limited Loan***

The GCP Rooftop Solar 3B Limited Loan is a loan with a value of £9.4 million, an expected remaining term of 18 years and an interest rate of 9.3 per cent. per annum. It is secured on a senior basis against a portfolio of 1,988 solar photo-voltaic systems that generate FIT cash flows through the production of electricity. The systems are installed on domestic rooftops. Facilities management is undertaken by A Shade Greener Maintenance Limited.

6.25 ***GCP Rooftop Solar 4 Limited Loan***

The GCP Rooftop Solar 4 Limited Loan is a loan with a value of £30.5 million, an expected remaining term of 19 years and an interest rate of 9.3 per cent. per annum. It is secured on a senior basis against a portfolio of 6,480 solar photo-voltaic systems that generate FIT cash flows through the production of electricity. The systems are installed on domestic rooftops. Facilities management is undertaken by A Shade Greener Maintenance Limited.

6.26 ***GCP Rooftop Solar 4B Limited Loan***

The GCP Rooftop Solar 4B Limited Loan is a loan with a value of £5.0 million, an expected remaining term of 19 years and an interest rate of 9.3 per cent. per annum. It is secured on a senior basis against a portfolio of 1,136 solar photo-voltaic systems that generate FIT cash flows through the production of electricity. The systems are installed on domestic rooftops. Facilities management is undertaken by A Shade Greener Maintenance Limited.

6.27 ***GEM Infrastructure – T26 loans ("GEM 1 Loans")***

The GEM 1 Loans are a series of loan notes with an aggregate value of £14.3 million, an expected remaining term of 6 years and an interest rate of 9.9 per cent. The performance of the GEM 1 Loans is dependent on the performance of a portfolio of 14 senior loans secured against UK PFI projects (ten of which are in the education sector, with the remaining four relating to hospital, housing, leisure and street lighting projects).

6.28 ***GEM Infrastructure – T29 loans ("GEM 2 Loans")***

The GEM 2 Loans are a series of loan notes with an aggregate value of £13.2 million, an expected remaining term of 13 years and an interest rate of Libor + 8.8 per cent. The performance of the GEM 2 Loans is dependent on the performance of a portfolio of 20 senior loans secured against UK PFI projects (1 leisure, 2 emergency services, 1 custodial, 1 accommodation, 3 health and 12 education PFI projects).

6.29 ***Grosvenor PFI Holdings Limited Loans ("GPFI Loans")***

The GPFI Loans are a series of loans with an aggregate value of £15.9 million, an expected remaining term of 25 years and an interest rate of 9.8 per cent. per annum. They are secured on a subordinated basis against five operational PFI projects, Runwell Community Hospital, Stanley Primary Care Centre, Lanchester Road Children's Primary Healthcare, Braintree Community Hospital and North Yorkshire Schools.

Runwell Community Hospital

Runwell Community Hospital PFI is a c. £33 million concession with South Essex Partnership NHS Trust to design, construct, finance and maintain a new 96 bed forensic and low security mental health facility. The hospital is operational and the concession ends in 2037. Facilities management is being undertaken by Grosvenor Facilities Management Limited.

Stanley Primary Care Centre

Stanley Primary Care Centre PFI is a c. £15 million concession with the County Durham Primary Care Trust to design, construct, finance and maintain a new children's primary health care unit. The facility is operational and the concession ends in 2038. Facilities management is being undertaken by Grosvenor Facilities Management Limited.

Lanchester Road Children's Primary Healthcare

Lanchester Road Children's Primary Healthcare PFI is a c. £22 million concession with Tees, Esk and Wear Valleys NHS Trust to design, construct, finance and maintain a new 72 bed mental health facility. The facility is operational and the concession ends in 2038. Facilities management is being undertaken by Grosvenor Facilities Management Limited.

Braintree Community Hospital

Braintree Community Hospital PFI is a c. £19 million concession with Mid Essex Primary Care Trust to design, construct, finance and maintain a community hospital. The facility is operational and the concession ends in 2040. Facilities management is being undertaken by Grosvenor Facilities Management Limited.

North Yorkshire Schools

North Yorkshire Schools PFI is a c. £7 million concession with North Yorkshire County Council to design, build, finance and operate four schools: Brotherton and Byram Community Primary School; Barlby Community Primary School; Kirkby Hill Primary School; and Ripon Cathedral Church of England Primary School. All schools are operational and the concession ends in 2027. Facilities management is being undertaken by Grosvenor Facilities Management.

6.30 ***Kirklees PFI Limited loan ("Kirklees Loan")***

The Kirklees Loan is a loan with a value of £2.6 million, an expected remaining term of 18 years and an interest rate of 9.6 per cent. per annum. It is secured on a subordinated basis against one operational PFI project, Kirklees Schools.

Kirklees Schools

Kirklees Schools PFI is a c. £20 million concession with the Kirklees Metropolitan Council to design, finance, build and maintain two special needs schools (Castle Hill and Fairfield) and to design, finance, re-build and maintain Ravenshall School. All schools are operational and the concession ends in June 2031. Facilities management is undertaken by Pinnacle FM Limited.

6.31 ***Leisure Infrastructure Investors Limited loans ("LIIL Loans")***

The LIIL Loans are loans with an aggregate value of c. £11.5 million, an expected remaining term of 27 years and an interest rate of 10.5 per cent. per annum. They are secured on a subordinated basis against three operational PFI projects, Amber Valley Leisure, Rotherham Leisure and Wolverhampton Leisure.

Amber Valley Leisure

Amber Valley Leisure PFI is a c. £27 million concession with the Amber Valley Borough Council to design, construct, finance and operate 3 leisure facilities, being mixed wet and dry leisure facilities, including gymnasiums, on three sites, Alfreton Leisure Centre, Ripley Leisure Centre and William Gregg VC Leisure Centre. The facilities are operational since and the concession ends in January 2040. Facilities management is carried out by DC Leisure Management Limited.

Rotherham Leisure

Rotherham Leisure PFI is a c. £39 million concession with the Rotherham Metropolitan Borough Council to design, construct, finance and maintain four leisure facilities, being Aston-Cum-Aughton Leisure Centre, Maltby Service Centre, Rotherham Leisure Centre and Wath Upon Dearne Leisure Centre, with the Maltby facility also including a joint service centre with a GP surgery. The facilities are operational and the concession ends in 2041. Facilities management is undertaken by EMCOR Facilities Management.

Wolverhampton Leisure

Wolverhampton Leisure PFI is a c. £15 million concession with Wolverhampton City Council to design, construct, finance and maintain Bowman's Harbour Leisure Centre. The facility is operational and the concession lasts until November 2036. Facilities management is undertaken by EMCOR Facilities Management.

6.32 ***FHW Dalmore (Salford Pendleton Housing) plc bond ("Salford Bond")***

The Salford Bond is a bond with a value of c. £11.2 million, an expected remaining term of 29 years and an interest rate of 8.5 per cent. per annum. It was issued by FHW Dalmore (Salford Pendleton Housing) plc and is secured on a subordinated basis against one refurbishment PFI project, New Pendleton Social Housing.

New Pendleton Social Housing

New Pendleton Social Housing PFI is a c. £80.7 million concession with Salford City Council to design, finance, refurbish, and maintain 1,270 existing dwellings in the Salford area of Greater Manchester. The concession ends in 2043. The refurbishment and maintenance is being undertaken by Together Housing Group.

PART 5

THE INVESTMENT ADVISER AND ITS EXPERIENCE

Gravis Capital Partners LLP is the investment adviser to the Company. The Investment Adviser was incorporated in England and Wales on 14 October 2007 under the Limited Liability Partnership Act 2000 (registered number OC332060) and is authorised and regulated by the Financial Conduct Authority (registration number 487393).

The partners of the Investment Adviser formed Gravis Capital Partners LLP in May 2008 with a view to developing a specialist infrastructure advisory boutique. This business model was amended to focus specifically on fund management, principally in the area of UK infrastructure, with the launch of the Subsidiary in July 2009. The Investment Adviser also manages one non-infrastructure fund in the field of student accommodation (GCP Student Living plc), and another infrastructure debt fund focused on the Middle East (GCP Sovereign Infrastructure Debt Limited). However, the primary focus of four of the existing partners of the Investment Adviser (as detailed below) is, and is expected to remain, the delivery of investment advisory services to the Company.

The partners in the Investment Adviser have a long track record of working within the UK infrastructure market, particularly with regard to debt advisory work, and have established close relationships with many of the key participants in the UK infrastructure market, including equity investors and lenders.

The partners of the Investment Adviser have advised extensively on debt structures in a wide variety of infrastructure sectors over the last nine years, including healthcare, education, court buildings, specialised offices, registered social landlord accommodation and transport. They have primarily advised Project Companies or their owners.

The personnel responsible for delivering investment advice to the Company on behalf of the Investment Adviser are as follows:

Stephen Ellis **(55)**

Stephen Ellis has overall responsibility for the provision of investment advice to the Company.

Stephen graduated from Oxford University in 1980 and after a short service commission with the British Army he spent a 16 year career in investment banking, principally in tax-based finance, securitisation and debt origination. Stephen formed the Investment Adviser in 2008 after five years as a director at DTZ Corporate Finance, where he had responsibility for all UK infrastructure financing, in particular in the healthcare and education sectors.

Rollo Wright **(37)**

Rollo Wright is responsible for asset acquisition. He is also responsible for monitoring and reporting on the ongoing performance of the Group.

Rollo graduated with a degree in Mathematics from Oxford University before qualifying as a chartered accountant with Arthur Andersen. He moved to the capital markets division of Commerzbank Securities where he focused on the origination of pan-European corporate debt, specifically convertible bonds. He joined the structured finance team at DTZ Corporate Finance in 2004 and specialised in advising on the sale and financing of healthcare and education projects, as well as the structuring of residential property-backed transactions.

Nick Parker **(44)**

Nick Parker is responsible for asset sourcing and acquisition, and the negotiation and documentation of the Subsidiary’s financing and hedging arrangements.

Nick holds a degree in Economics from Cambridge University. After 10 years in investment banking, focused on rate structured products and asset-backed securities, he became a Director of Structured Finance at DTZ where he advised on the financing of long-dated cash flows underlying property and infrastructure assets, particularly in respect of their documentation and hedging.

Ronan Kierans **(35)**

Ronan Kierans is responsible for asset sourcing and acquisition. His role involves identifying suitable assets, and carrying out and reporting on acquisition due diligence, including financial modelling and insurance, legal and built asset due diligence.

Ronan qualified as a chartered accountant with KPMG Dublin and subsequently worked in corporate finance with KPMG and DTZ Corporate Finance. At KPMG, Ronan worked on a number of corporate tax and M&A transactions. During his time at DTZ Corporate Finance, Ronan worked in the Fund Structuring team, specialising in the structuring of, and asset acquisition for, European property funds. In 2007, Ronan moved to the Infrastructure team at DTZ, where he primarily worked on healthcare projects.

PART 6

TAXATION

1 General

The statements on taxation below are intended to be a general summary of certain tax consequences that may arise in relation to the Company and Shareholders. This is not a comprehensive summary of all technical aspects of the structure and is not intended to constitute legal or tax advice to investors. Prospective investors should familiarise themselves with, and where appropriate should consult their own professional advisers on, the overall tax consequences of investing in the Company. The statements relate to investors acquiring Ordinary Shares for investment purposes only, and not for the purposes of any trade. 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 in the Company is made will endure indefinitely. The tax consequences for each investor of investing in the Company may depend upon the investor's own tax position and upon the relevant laws of any jurisdiction to which the investor is subject.

2 Jersey Taxation

The following summary of the anticipated treatment of the Company and holders of its Ordinary Shares is based on Jersey taxation law and practice as it is understood to apply at the date of this document. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice (including such tax law and practice as it applies to any land or building situated in Jersey). Prospective investors in the Ordinary Shares should consult their professional advisers on the implications of acquiring, buying, selling or otherwise disposing of Ordinary Shares in the Company under the laws of any jurisdiction in which they may be liable to taxation.

2.1 *Taxation of the Company*

Under Article 123C of the Income Tax (Jersey) Law 1961 (the "Jersey Income Tax Law") and on the basis that the Company is tax resident in Jersey, the Company (being neither a financial services company nor a specified utility company under the Jersey Income Tax Law at the date hereof) will (except as noted below) be regarded as subject to Jersey income tax at a rate of 0%.

If the Company derives any income from the ownership or disposal of land in Jersey, such income will be subject to tax at a rate of 20%. It is not expected that the Company will derive any such income.

2.2 *Holders of Ordinary Shares*

Dividends on Ordinary Shares may be paid by the Company without withholding or deduction for or on account of Jersey income tax and holders of Ordinary Shares will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Ordinary Shares. The attention of any holder of Ordinary Shares who is resident in Jersey is drawn to the provisions of Article 134A of the Jersey Income Tax Law, as amended, which may in certain circumstances render such a resident liable to Jersey income tax on undistributed income or profits of the Company.

It should be noted that the Jersey Income Tax Law contains provisions for the taxation of Jersey resident individual shareholders of Jersey tax resident companies. Advice should be obtained from a professional adviser in these circumstances.

2.3 *Goods and Services Tax*

Jersey has a goods and services tax ("GST") on goods and services supplied in the Island. On the basis that the Company has obtained international services entity ("ISE") status, the Company is not:

- a taxable person pursuant to the Goods and Services Tax (Jersey) Law 2007;
- required to charge GST in Jersey in respect of any supply made by it; and
- (subject to limited exceptions that are not expected to apply to the Company) required to pay GST in Jersey in respect of any supply made to it.

The Directors intend to conduct the business of the Company such that no GST will be incurred by the Company.

2.4 *Stamp Duty*

In Jersey, no stamp duty is levied on the issue or transfer of the Ordinary Shares except that stamp duty is payable on Jersey grants of probate and letters of administration, which will generally be required to transfer Ordinary Shares on the death of a holder of such Ordinary Shares. In the case of a grant of probate or letters of administration, stamp duty is levied according to the size of the estate (wherever situated in respect of a holder of Ordinary Shares domiciled in Jersey, or situated in Jersey in respect of a holder of Ordinary Shares domiciled outside Jersey) and is payable on a sliding scale at a rate of up to 0.75 per cent. on the value of an estate with a maximum value of £13,360,000. The rules for joint holders and holdings through a nominee are different and advice relating to this form of holding should be obtained from a professional adviser.

Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there otherwise estate duties.

2.5 *European Union Directive on the Taxation of Savings Income*

On 1 July 2005, agreements on the taxation of savings income which were entered into between Jersey and each of the EU Member States came into effect. These agreements provided the same provisions as the EU Savings Tax Directive and required, in certain circumstances, the retention of tax from payments made by certain Jersey collective investment vehicles to EU resident individuals. The Company has taken advice and received confirmation from the Comptroller of Taxes acting as the competent authority that administers these agreements that the Company is currently outside the scope of the agreements.

3 United Kingdom

The statements below relate to the UK tax implications of a UK resident and domiciled individual investing in the Company or the New OEIC (unless expressly stated otherwise). The tax consequences may differ for investors who are not resident in the UK or who are not domiciled in the UK for tax purposes. Investors and prospective investors should seek their own professional advice as to this, as well as to any other relevant laws and regulations in the jurisdiction in which they are resident or domiciled for tax purposes that may affect the tax treatment of their investment. The statements are based on current tax legislation and HMRC published practice, both of which are subject to change at any time, possibly with retrospective effect. The statements below apply in respect of investors who hold Subsidiary Shares, Ordinary Shares and/or New OEIC shares (as applicable to the context) as an investment and not as part of a trade such as dealing in securities.

3.1 *UK taxation of the Company and the New OEIC*

The Directors intend to conduct the affairs of the Company in such a manner as to minimise, so far as they consider reasonably practicable, taxation suffered by the Company. This will include conducting the affairs of the Company to seek to ensure that it does not become resident in the UK for taxation purposes. Accordingly, and provided the Company does not carry on a trade in the UK

(whether or not through a permanent establishment situated therein) and is not centrally managed and controlled in the UK, the Company should not be subject to UK income tax or corporation tax other than on UK source income.

The Directors also understand that it is intended that the affairs of the New OEIC are also intended to be carried out such that it will not be resident in the UK for taxation purposes or carry on a trade in the UK and, therefore, should also not be subject to UK income tax or corporation tax other than on UK source income.

3.2 ***UK taxation consequences of the Reorganisation***

Investors should note that, other than as set out in sub-paragraphs (b) ("Exchange of Subsidiary Shares for cash") and I ("Exchange of Subsidiary Accumulation Shares for Ordinary Shares or New OEIC Income Shares") below, the elections that they make under the Reorganisation, and the result of those elections, should be tax neutral from the point of view of UK capital gains tax (for individuals) or UK corporation tax on capital gains (for companies).

However, investors who (i) hold either Subsidiary Accumulation Shares or Subsidiary Income Shares and elect to receive cash, or (ii) hold Subsidiary Accumulation Shares and elect to receive either Ordinary Shares or New OEIC Income Shares should note the comments set out below in sub-paragraphs (b) and I, respectively, as they will be treated as making a disposal of their shares for UK for tax purposes as a result of their elections.

(a) Reclassification of Subsidiary Shares

The reclassification of the Subsidiary Shares held by Minority Subsidiary Shareholders into new Consideration Option A Subsidiary Accumulation Shares, Consideration Option A Subsidiary Income Shares, Consideration Option B Subsidiary Accumulation Shares, Consideration Option B Subsidiary Income Shares, Consideration Option C Accumulation Shares and Consideration Option C Income Shares which will occur at the Reclassification Record Time should, under current legislation, constitute a reorganisation of share capital and not result in a disposal for the purposes of UK capital gains tax. Accordingly, no liability to UK taxation in respect of capital gains should arise. Instead, the new Consideration Option A Subsidiary Accumulation Shares, Consideration Option A Subsidiary Income Shares, Consideration Option B Subsidiary Accumulation Shares, Consideration Option B Subsidiary Income Shares, Consideration Option C Accumulation Shares and Consideration Option C Income Shares will be treated as having been acquired on the same date as that on which the Subsidiary Shares were acquired by the relevant Minority Subsidiary Shareholder and for the same consideration.

(b) Exchange of Subsidiary Shares for cash

The exchange of Subsidiary Income Shares for cash pursuant to the Reorganisation (as set out in paragraph 2.3 of Part 1 of this document) will result in a disposal of those shares for UK capital gains tax purposes and investors should be subject to UK capital gains tax in respect of any gain so arising in accordance with their individual circumstances.

The exchange of Subsidiary Accumulation Shares for cash pursuant to the Reorganisation (as set out in paragraph 2.3 of Part 1 of this document) will result in a disposal of those shares for UK capital gains tax purposes and investors should be subject to income tax in respect of any offshore income gain so arising in accordance with their individual circumstances.

(c) Exchange of Subsidiary Income Shares for Ordinary Shares or New OEIC Shares

The exchange of Subsidiary Income Shares for Ordinary Shares or New OEIC Shares pursuant to the Reorganisation (as set out in paragraph 2.3 of Part 1 of this document) should not result in a disposal of those shares in the Subsidiary for the purposes of UK capital gains tax. Instead, the resulting Ordinary Shares or New OEIC Shares received

should be treated as the same asset as the original Subsidiary Income Shares, acquired at the same time and for the same capital gains tax base cost as the original holding.

However, holders of Subsidiary Income Shares who elect to receive New OEIC Accumulation Shares should note that their new shareholding is likely to be an investment in a "non-reporting" offshore fund for the purposes of Part 8 TIOPA; see further details below.

(d) *Exchange of Subsidiary Accumulation Shares for New OEIC Accumulation Shares*

The exchange of Subsidiary Accumulation Shares for New OEIC Accumulation Shares pursuant to the Reorganisation (as set out in paragraph 2.3 of Part 1 of this document) should not result in a disposal of those shares in the Subsidiary for the purposes of UK capital gains tax as the holders of Subsidiary Accumulation Shares should be treated as exchanging an interest in a "non-reporting" offshore fund for an interest in another "non-reporting" offshore fund. As a consequence, the resulting New OEIC Accumulation Shares received should be treated as the same asset as the original Subsidiary Accumulation Shares, acquired at the same time and for the same capital gains tax base cost as the original holding.

(e) *Exchange of Subsidiary Accumulation Shares for Ordinary Shares or New OEIC Income Shares*

The exchange of Subsidiary Accumulation Shares for Ordinary Shares or New OEIC Income Shares pursuant to the Reorganisation (as set out in paragraph 2.3 of Part 1 of this document) will result in a disposal of those shares for UK capital gains tax purposes and investors should be subject to income tax in respect of any offshore income gain so arising in accordance with their individual circumstances.

3.3 UK taxation of individuals – after the Reorganisation

This paragraph provides general guidance for individual investors who are UK resident for UK tax purposes and who hold Ordinary Shares and/or New OEIC Shares as investments and not as trading stock.

(a) *Income from the Company*

Individual investors who are tax resident and domiciled in the UK will be liable to UK tax at their applicable marginal rates on any dividends paid by the Company. Investors who are UK tax resident, or are "eligible non-UK residents" within the meaning of Chapter 3 Part 4 of the Income Tax (Trading and Other Income) Act 2005, and who hold a minority interest in the Company, being less than 10 per cent. of the issued share capital, should be entitled to a non-refundable tax credit in respect of the dividend equal to one ninth of the dividend received, subject to their personal circumstances.

Individual investors who are tax resident but not domiciled in the UK should benefit from the remittance basis of taxation in respect of dividends received from the Company, provided that they satisfy the relevant criteria to qualify for the remittance basis. If so, they should not be subject to tax in the UK on those dividends, provided that the dividends are not remitted to the UK.

(b) *Income from the New OEIC – New OEIC Income Shares*

The Directors understand that it is intended that the New OEIC will apply for certification from HMRC for the New OEIC Income Share class to be a "reporting fund" (within the meaning of the Offshore Funds (Tax) Regulations 2009) on the basis that the Subsidiary Income Shares are currently registered as a "reporting fund" and so the New OEIC Income Shares should have the same status.

The consequences for investors who are UK tax resident and hold New OEIC Income Shares are, subject to their own personal circumstances, that they will be liable to UK income tax on their share of "reportable income" (regardless of whether or not it is actually distributed).

(c) *Income from the New OEIC – New OEIC Accumulation Shares*

The Directors also understand that it is intended the New OEIC will not apply for certification from HMRC for the New OEIC Accumulation Share class to be a "reporting fund", on the basis that Subsidiary Accumulation Shares are currently a "non-reporting fund" and so the New OEIC Accumulation Shares should have the same status.

The consequences for investors who are UK tax resident and hold New OEIC Accumulation Shares are, subject to their own personal circumstances, that they will only be liable to UK income tax on any income actually distributed in respect of the New OEIC Accumulation Shares.

(d) *Capital gains arising from disposal of Ordinary Shares and/or New OEIC Shares*

Individual investors who are tax resident and domiciled in the UK will be liable to UK capital gains tax on any gain arising from a disposal or part disposal of (i) the Ordinary Shares in the Company, or (ii) the New OEIC Income Shares.

Individual investors who are resident and domiciled in the UK will be liable to UK income tax in respect of any offshore gain arising from a disposal or part disposal of the New OEIC Accumulation Shares.

3.4 ***UK taxation of UK companies – after the Reorganisation***

Investors who hold Ordinary Shares and/or New OEIC Shares (as applicable) and are companies resident in the UK for UK taxation purposes may be able to rely on legislation in Chapter 3, Part 9A of the Corporation Tax Act 2009 which exempts certain dividends from the charge to UK corporation tax where certain conditions are met. Such UK companies will, however, be subject to UK corporation tax on (i) chargeable gains in respect of any gains arising on a disposal of Ordinary Shares and/or New OEIC Income Shares (as applicable) and (ii) income in respect of any offshore income gains arising on a disposal of New OEIC Accumulation Shares.

UK resident companies should note that where they (or they together with their connected persons) have a sufficient interest in the Company and/or the New OEIC (as applicable) – generally 25 per cent. or more – then the controlled foreign company rules in Part 9A TIOPA could apply. Under these rules, a UK resident company with a sufficient interest in the Company and/or the New OEIC (as applicable) may be liable to UK corporation tax in respect of their share of the relevant company's undistributed profits. These provisions will only apply if the Company and/or the New OEIC (as applicable) is controlled by UK tax residents. The controlled foreign company rules contain a number of exemptions and safe harbours. However, the Directors cannot guarantee that any of these will apply. Accordingly, any UK tax resident company directly or indirectly acquiring a sufficient interest (as described above) in the Company and/or the New OEIC (as applicable) may be affected by the rules.

The provisions of Part 8 TIOPA and section 13 of TCGA 1992 (as set out below) apply equally to investors that are subject to UK corporation tax as they do to UK resident individuals. As stated above, the Directors do not consider the Company to constitute an "offshore fund".

3.5 ***Other UK tax considerations***

(a) *Offshore funds*

The Directors consider that the Company should not constitute an "offshore fund" for the purposes of Part 8 TIOPA, as the Company is closed-ended with an unlimited life. However, as the law and practice in relation to offshore funds has recently changed, the

Directors will use reasonable endeavours (but without liability) to monitor the Company's status in this regard. If the Company were to be treated as an offshore fund, disposals of Ordinary Shares would give rise to an offshore income gain taxable as income (rather than capital) unless the Company were to apply to be a "reporting fund" in accordance with the Offshore Funds (Tax) Regulations 2009, as amended.

The Directors understand that it is considered that each of the New OEIC Income Shares and the New OEIC Accumulation Shares will constitute an "offshore fund" for the purposes of Part 8 TIOPA. The Directors also understand that it is expected that the New OEIC Income Shares will be registered as a "reporting fund" in accordance with the Offshore Funds (Tax) Regulations 2009, but that the New OEIC Accumulation Shares will not be so registered; see further details on the tax consequences of this above.

The provisions of Part 8 TIOPA apply equally to investors that are subject to UK corporation tax as they do to UK tax resident individuals.

(b) *Transactions in securities*

The attention of investors is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 that could apply if Minority Subsidiary Shareholders are seeking to obtain tax advantages in prescribed conditions.

Advance clearance in writing has been obtained from HMRC by the Company under section 138 TCGA, section 748 of the Corporation Tax Act 2010 and section 701 of the Income Tax Act 2007 that the Scheme will take place for bona fide commercial reasons and does not form part of any scheme or arrangements whose main purpose is, or main purposes include, the avoidance of a liability to tax. As a result, no counteraction notice under Chapter 1, Part 13 of the Income Tax Act 2007 should be served on any of the Minority Subsidiary Shareholders.

(c) *Transfer of assets abroad*

Investors who are resident in the UK should be aware of the provisions of Chapter 2, Part 13 of the Income Tax Act 2007, which may in certain circumstances, and subject to certain exceptions, render them liable to UK income tax in respect of undistributed income and profits of the Company and/or the New OEIC (as applicable).

(d) *Section 13 TCGA*

Individual investors who are resident in the UK should be aware that, subject to certain exceptions, if they hold or are treated as holding alone or together with "persons connected with them" (as defined in the relevant legislation) more than a 25 per cent. interest in the Company and/or the New OEIC (as applicable) and the Company and/or the New OEIC (as applicable) would be treated as a "close" company if it were resident in the UK, gains which are capital gains for the purposes of UK tax accruing to the Company and/or the New OEIC (as applicable) may be attributed to them if such gains are not distributed, pursuant to section 13 of TCGA.

4 Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The following comments are intended as a guide to the current general stamp duty and 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 each of whom special rules apply.

No UK stamp duty or SDRT will be payable on the issue of the Reorganisation Shares or the New OEIC Shares. UK stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5) is payable on any instrument of transfer of Ordinary Shares or New OEIC Shares executed within, or in certain cases brought into, the UK. Provided that the Ordinary Shares and the New OEIC Shares are not

registered in any register of the Company or the New OEIC kept in the UK, any agreement to transfer Ordinary Shares or New OEIC Shares should not be subject to UK stamp duty or SDRT.

If investors are in any doubt as to their tax position, they should consult an independent professional adviser.

PART 7

ADDITIONAL INFORMATION ON THE COMPANY

1 Incorporation and Status of the Company

1.1 The Company is a closed-ended investment company which was incorporated in Jersey on 21 May 2010 under the provisions of the Jersey Companies Law with registered number 105775 with the name GCP Infrastructure Investments Limited.

1.2 The principal legislation under which the Company operates, and under which the Ordinary Shares have been created, is the Jersey Companies Law.

1.3 The Company's legal and commercial name is GCP Infrastructure Investments Limited.

1.4 The registered and head office and the principal place of business of the Company is at 12 Castle Street, St. Helier, Jersey JE2 3RT. The Company is domiciled in Jersey. The telephone number of the Company's registered office is +44 (0)1534 847060.

1.5 The Company's accounting period ends on 30 September of each year, with the first such financial period commencing on incorporation of the Company and having ended on 30 September 2011. Historical financial information on the Company from incorporation of the Company to 30 September 2013 is included in this document in Part 8.

1.6 Ernst & Young LLP has been the only auditor of the Company since its incorporation. Ernst & Young LLP is a member of the Institute of Chartered Accountants in England and Wales. The annual report and financial statements of the Company are prepared according to IFRS as adopted by the EU and Jersey Companies Law.

1.7 The Company is not authorised or regulated by the FCA or by the JFSC or by any equivalent regulatory authority.

2 Share Capital of the Company

2.1 As at the date of incorporation of the Company, the authorised share capital of the Company was £1,000,000 divided into 1,000,000 ordinary shares of £1.00 each and the issued share capital of the Company was £100 divided into 100 ordinary shares of £1.00 each of which were held by Capita Financial Administrators (Jersey) Limited. On 24 June 2010, these shares were transferred as to 50 fully paid ordinary shares of £1.00 each to Capita Nominees Limited and as to 50 fully paid ordinary shares of £1.00 each to Capita Secretaries Limited.

2.2 By resolutions passed at an extraordinary general meeting of the Company on 28 June 2010 it was resolved that:

(a) each of the 100 existing issued ordinary shares of £1.00 each in the capital of the Company and each of the 999,900 authorised but unissued ordinary shares of £1.00 each in the capital of the Company be sub-divided and converted into 100 ordinary shares of £0.01 each in the capital of the Company each having the rights and being subject to the restrictions set out in the Articles; and

(b) the authorised share capital of the company be increased from £1,000,000 to £2,000,000 by the creation of an additional 100,000,000 Ordinary Shares.

At such time the issued share capital of the Company was £100 divided into 10,000 Ordinary Shares which were held as to 5,000 Ordinary Shares by Capita Nominees Limited and 5,000 Ordinary Shares by Capita Secretaries Limited.

2.3 The Company issued an additional 40,000,000 Ordinary Shares on the IPO Date pursuant to the IPO.

2.4 On 27 June 2010, the 5,000 Ordinary Shares held by Capita Nominees Limited and the 5,000 Ordinary Shares held by Capita Secretaries Limited referred to in paragraph 2.2 above were surrendered and subsequently cancelled.

2.5 On 17 August 2010, the Company applied for a block listing of 3,996,000 Ordinary Shares in aggregate by way of a tap issue. Pursuant to this block listing, the Company issued 1,000,000 Ordinary Shares on 17 August 2010 at £1.04 per Ordinary Share, 1,500,000 Ordinary Shares on 8 October 2010 at £1.05 per Ordinary Share and 1,496,000 Ordinary Shares on 18 August 2011 at £1.02 per Ordinary Share.

2.6 At an annual general meeting of the Company held on 11 November 2011, the authorised share capital of the Company was increased from £2,000,000 to £5,000,000 by the creation of:

(a) 100,000,000 C Shares;

(b) 100,000,000 Ordinary Shares; and

(c) 100,000,000 Deferred Shares,

each having the rights and being subject to the restrictions set out in the Articles.

2.7 On 22 December 2011, the Company issued 63,744,500 C Shares and 3,661,012 Ordinary Shares, resulting in the Company's issued share capital consisting of 47,657,012 Ordinary Shares and 63,744,500 C Shares.

2.8 On 4 May 2012, as a result of the conversion of the 63,744,500 C Shares referred to in paragraph 2.7 above, the Company issued 61,902,283 new Ordinary Shares and 1,842,217 Deferred Shares.

2.9 On 26 June 2012, 1,842,217 Deferred Shares were redeemed for an aggregate consideration of £0.01.

2.10 As a result of a scrip dividend alternative announced on 1 June 2012, the Company issued, on 28 June 2012, 109,961 Ordinary Shares to Shareholders who decided to receive a scrip dividend in lieu of an interim dividend of 3.7 pence per Ordinary Share.

2.11 On 14 June 2012, the Company issued 10,955,928 Ordinary Shares at 102.75 pence per Ordinary Share, by way of a tap issue.

2.12 At an extraordinary general meeting of the Company, held on 5 October 2012, the authorised share capital of the Company from £5,000,000 to £6,500,000 by the creation of:

(a) 50,000,000 C Shares; and

(b) 100,000,000 Ordinary Shares.

2.13 On 12 October 2012, the Company issued 132,300,000 C Shares and 11,969,698 Ordinary Shares, resulting in the Company's issued share capital consisting of 132,594,882 Ordinary Shares and 132,300,000 C Shares.

2.14 As a result of a scrip dividend alternative announced on 6 December 2012, the Company issued, on 24 December 2012, 213,338 Ordinary Shares to Shareholders who decided to receive a scrip dividend in lieu of a final dividend of 3.8 pence per Ordinary Share.

2.15 On 16 April 2013, as a result of the conversion of the 132,300,000 C Shares referred to in paragraph 2.12 above, the Company issued 127,603,350 new Ordinary Shares and 4,696,650 Deferred Shares.

2.16 On 17 May 2013, 4,696,650 Deferred Shares were redeemed for an aggregate consideration of £0.01.

2.17 As a result of a scrip dividend alternative announced on 6 June 2013, the Company issued, on 24 June 2013, 554,810 Ordinary Shares to Shareholders who decided to receive a scrip dividend in lieu of an interim dividend of 3.8 pence per Ordinary Share.

2.18 On 23 September 2013, the Company issued the Tap Shares.

2.19 As a result of a scrip dividend alternative announced on 18 November 2013, the Company issued, on 30 December 2013, 651,693 Ordinary Shares to Shareholders who decided to receive a scrip dividend in lieu of a final dividend of 3.8 pence per Ordinary Share.

2.20 On 15 January 2014, the Company declared a dividend of 1.9 pence per Ordinary Share, for the period from 1 October 2013 to 31 December 2013.

2.21 As at 30 January 2014 (being the latest practicable date prior to the date of this document), there were 282,035,706 Ordinary Shares and no C Shares in issue.

2.22 As at 30 January 2014 (being the latest practicable date prior to the date of this document), the Company did not hold any Ordinary Shares or C Shares in treasury and no Ordinary Shares or C Shares are held by or on behalf of the Company itself or by subsidiaries of the Company.

2.23 On 20 January 2014, the Company announced its intention to raise additional capital pursuant to the Open Offer, the Placing and the Offer for Subscription. The Company also announced that it will institute the Placing Programme.

2.24 The Company has convened the EGM at which special resolutions will be proposed to (*inter alia*): (i) increase the authorised share capital of the Company from £6,500,000 to £10,000,000 by the creation of 300,000,000 Ordinary Shares and 50,000,000 Deferred Shares to provide sufficient headroom for the Issue and the Placing Programme; and (ii) disapply the pre-emption rights in the Articles of Association in respect of (a) the allotment of up to 100,000,000 C Shares pursuant to the Issue, (b) the allotment of up to 100,000,000 Ordinary Shares pursuant to the Placing Programme and (c) the allotment of equity securities by way of a rights issue.

2.25 Other than as set out in paragraph 2.23 above, the Company has no present intention to issue any of the authorised but unissued new Ordinary Shares or any of the authorised but unissued C Shares in the share capital of the Company.

2.26 As at 30 January 2014 (being the latest practicable date prior to the date of this document), the Company is aware of the following existing Shareholders who were at such time interested, directly or indirectly, in 3 per cent. or more of the Company's issued share capital:

Name	*Number of Ordinary Shares*	*Percentage of voting rights*
HSBC Global Custody Nominee (UK)	32,498,710	11.52%
Ferlim Nominees Limited	22,103,115	7.84%
Rathbone Nominees Limited	19,056,284	6.76%
Brewin Dolphin	17,402,498	6.17%
J M Finn Nominees Limited	16,960,157	6.01%
State Street Nominees Limited	16,791,382	5.95%
Cheviot Capital (Nominees) Ltd	15,206,805	5.39%
Nortrust Nominees Limited	15,142,802	5.37%
The Bank of New York (Nominees)	13,734,722	4.87%
Vidacos Nominees Limited	13,374,905	4.74%
Roy Nominees Limited	12,944,394	4.59%
Smith & Williamson Nominees Limited	10,906,409	3.87%

2.27 The Company does not have in issue any securities not representing share capital.

2.28 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises or with a time limit after which entitlement to a dividend lapses and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

2.29 Save as disclosed in this paragraph 2, there has been no issue of share or loan capital of the Company since the Company's incorporation.

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

2.31 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option, nor will any such share or loan capital be under option or agreed, conditionally or unconditionally, to be put under option at Admission.

2.32 No shares of the Company have been sold or are available in whole or in part to the public in conjunction with the application for the Reorganisation Shares to be admitted to the Official List.

2.33 The Reorganisation Shares are in registered form. No temporary documents of title will be issued and prior to the issue of definitive certificates transfers will be certified against the register. It is expected that definitive share certificates for the Reorganisation Shares not to be held through CREST will be posted to allottees by the week commencing 10 February 2014. The Reorganisation Shares to be held through CREST will be credited to CREST accounts on Admission.

2.34 No convertible securities, exchangeable securities or securities with warrants have been issued by the Company.

2.35 No person has voting rights that differ from those of other Shareholders.

2.36 Neither the Company nor the Subsidiary hold any Ordinary Shares or C Shares in treasury and no Ordinary Shares or C Shares are held by or on behalf of the Company itself.

3 Issue of Tap Shares

As noted in paragraph 2.18 of this Part 7 of this document, the Company issued the Tap Shares on 23 September 2013. Pursuant to the issue of the Tap Shares, the Company raised an aggregate gross amount of £22 million. The proceeds of the issue of the Tap Shares were used by the Company to subscribe for 20,086,055.33 Subsidiary Income Shares at an issue price of £1.0807 per Subsidiary Income Share.

4 The Subsidiary

The Subsidiary is a Jersey incorporated open-ended investment company. The Company has been the majority shareholder of the Subsidiary since the IPO. If the Scheme becomes effective, the Subsidiary will become a wholly-owned subsidiary of the Company.

5 Articles of Association[5]

The Articles contain, *inter alia*, the following material provisions.

5.1 *Objects*

The Memorandum and Articles do not limit the objects of the Company.

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[5] Certain amendments are proposed to be made to the Articles pursuant to a resolution to be proposed at the forthcoming EGM. Details of the proposed changes to the Articles are set out in the notice relating to the EGM, which was published on 20 January 2014.

5.2 ***Voting rights***

Subject to the rights or restrictions referred to in paragraph 5.3 below, and subject to any special rights or restrictions as to voting for the time being attached to any shares, on a show of hands (a) every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote; and (b) every proxy appointed by a member shall have one vote save that every proxy appointed by one or more members to vote for the resolution and by one or more other members to vote against the resolution, has one vote for and one vote against.

C Shares shall carry the right to receive notice of, attend and vote at any general meeting of the Company. The voting rights of the holders of C Shares will be the same as those applying to holders of Ordinary Shares. The Deferred Shares shall not carry any rights to receive notice of, attend or vote at any general meeting of the Company.

5.3 ***Restrictions on voting***

Unless the Board otherwise decides, a member of the Company shall not be entitled to vote, either in person or by proxy, at any general meeting of the Company in respect of any share held by him unless all calls and other amounts presently payable by him in respect of that share have been paid.

A member of the Company shall not, if the Directors determine, be entitled to be present or to vote at general meetings of the Company or to exercise any other rights of membership if he, or another person appearing to be interested in the relevant shares, has failed to comply with a notice requiring disclosure of interests in shares given under Article 42 of the Articles within 14 days.

5.4 ***Dividends***

The Company may, by ordinary resolution, declare a dividend to be paid to the members, according to their respective rights and interests in the profit.

The holders of C Shares shall be entitled to receive, and participate in, any dividends declared only insofar as such dividend is attributed, at the sole discretion of the Directors, to the C Share Surplus.

If any dividend is declared after the issue of C Shares and prior to conversion of the C Shares to Ordinary Shares, the holders of Ordinary Shares shall be entitled to receive and participate in such dividend only insofar as such dividend is not attributed, at the sole discretion of the Directors, to the C Share Surplus.

The Deferred Shares (to the extent that any are in issue and extant) shall not entitle the holders thereof to any dividend or any other right as the holders thereof to share in the profits (save as set out in paragraph 5.5 below) of the Company.

The Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company. No dividend or other monies payable by the Company on or in respect of any shares shall bear interest as against the Company unless otherwise provided by the rights attaching to the relevant shares.

The Directors may, if authorised by an ordinary resolution of the Company, offer the holders of any particular class of shares in the Company the right to elect to receive further shares (whether or not of that class), credited as fully paid, instead of cash in respect of all or part of any dividend specified by the ordinary resolution.

The Company or the Board 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.

A dividend unclaimed for a period of 12 years after having been declared or became due for payment shall be forfeited and cease to remain owing by the Company.

5.5 *Return of capital*

If the Company is in liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the same sanction, vest the whole or any part of the assets in trustees on trusts for the benefit of the members as the liquidator, with the same sanction, thinks fit but no member shall be compelled to accept any assets on which there is any liability.

In the event that there are C Shares in issue on a winding up or a return of capital, the capital and assets of the Company available to Shareholders shall, on such a winding up or a return of capital (otherwise than on a purchase by the Company of any of its shares), be applied as follows:

(a) if there are for the time being Deferred Shares in issue, in paying to the holders of the Deferred Shares 1p in respect of all of the Deferred Shares;

(b) the Share Surplus shall be divided among the holders of Ordinary Shares pro rata according to their respective holdings of Ordinary Shares; and

(c) the C Share Surplus shall be divided amongst the holders of C Shares pro rata according to their respective holdings of C Shares.

In the event that no C Shares are in issue on a winding up or a return of capital, the capital and assets of the Company available to Shareholders shall on such a winding up or a return of capital (otherwise than on a purchase by the Company of its shares) be applied as follows:

(a) if there are for the time being Deferred Shares in issue, in paying to the holders of the Deferred Shares 1p in respect of all of the Deferred Shares; and

(b) the surplus shall be divided amongst the holders of Ordinary Shares pro rata according to their respective holdings of Ordinary Shares.

5.6 *Variation of rights*

Any rights attaching to a class of shares in the Company may be varied in such manner (if any) as may be provided by those rights or with the written consent of the holders of three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the relevant class. The quorum for the separate general meeting shall be two persons holding, or representing by proxy, not less than one-third in nominal amount of the issued shares of the relevant class (excluding any shares of that class held as treasury shares).

5.7 *Transfer of shares*

Subject to the restrictions set out in this paragraph, any member may transfer all or any of his shares in the Company in any manner which is permitted by the Statutes (as defined in the Articles) or in any other manner which is from time to time approved by the Board. The Deferred Shares shall not be transferable.

The instrument of transfer of any share in the Company shall be in writing in any usual common form or in any other form permitted by the Statutes (as defined in the Articles) or approved by the Board. The transferor is deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of those shares. All transfers of uncertificated shares shall be made by means of the relevant system or in any other manner which is permitted by the Statutes or the Regulations (each as defined in the Articles) and is from time to time approved by the Board.

The register of members of the Company shall be available for inspection at the registered office of the Registrar.

The Directors have a discretion to refuse to register any transfer of a certificated share of any class which is not fully paid provided that, where any shares are admitted to the Official List or to trading on AIM, this does not prevent dealings in the shares of that class from taking place on an open and proper basis. The Directors may also decline to register any transfer of shares in certificated form unless (a) the instrument of transfer, duly stamped, is deposited at the office of the Company or such other place as the Board may appoint, accompanied by the certificate for the shares to which it relates if such a certificate has been issued, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and (b) the transfer is in respect of only one class of shares and is in favour of no more than four transferees.

The Directors may, pursuant to the provisions of the Articles relating to disclosure of interests, decline to register a transfer in respect of shares which are the subject of a notice under Article 42 and in respect of which the required information has not been received by the Company within 14 days after service of the notice.

The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods as the Directors may determine.

In respect of any allotment of any share the Directors shall have the same right to decline to approve the registration of any renouncee of any allottee as if the application to allot and the renunciation were a transfer of a share under the Articles.

Save as aforesaid, the Articles contain no restrictions as to the free transferability of fully paid shares.

5.8 ***Pre-emption rights***

There are no provisions under Jersey Companies Law equivalent to section 561 of the UK Companies Act 2006 which confer pre-emption rights on existing shareholders in connection with the allotment of equity securities for cash or otherwise, but similar pre-emption rights (with certain exceptions) are contained within the Articles.

The Articles provide that, unless otherwise authorised by a special resolution, the Company shall not allot equity securities (as defined in the Articles) on any terms unless (i) the Company has first made an offer to each person who holds ordinary shares in the Company to allot to him, on the same or more favourable terms, such proportion of those equity securities that is as nearly as practicable (fractions being disregarded) equal to the proportion in nominal value held by the relevant person of the ordinary shares in the Company; and (ii) the period, which shall not be less than 21 clear days, during which any offer referred to in (i) above may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer made. A reference to the allotment of equity securities includes the grant of a right to subscribe for, or to convert any securities into, equity securities in the Company but does not include the allotment of any equity securities pursuant to such a right.

The pre-emption rights set out above shall not apply to:

(a) a particular allotment of equity securities if these are, or are to be, wholly or partly paid up or allotted otherwise than in cash or are allotted in whole or in part otherwise than for cash; or

(b) the allotment of equity securities which would, apart from a renunciation or assignment of the right of their allotment, be held under an employee share scheme; or

(c) the allotment of bonus shares in the Company.

5.9 ***Disclosure of interests in shares***

The provisions of Chapter 5 of the Disclosure and Transparency Rules (as amended from time to time) ("**DTR 5**") of the UK Financial Conduct Authority Handbook apply to the Company on the basis that the Company is a "non-UK issuer", as such term is defined in DTR 5. As such, a person is

required to notify the Company of the percentage of voting rights it holds as a shareholder or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within DTR 5 if, as a result of an acquisition or disposal of shares (or financial instruments), the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of a non-UK issuer, 5, 10, 15, 20, 25 30, 50 and 75 per cent. Pursuant to the Articles, DTR 5 is deemed to apply to the Company as though the Company were a "UK issuer", as such term is defined by DTR 5. As such, the relevant percentage thresholds that apply to the Company are 3, 4, 5, 6, 7, 8, 9, 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. notwithstanding that in the absence of the Articles such thresholds would not apply to the Company.

There are no provisions under Jersey Companies Law equivalent to those contained in Part 22 of the UK Companies Act 2006 (Disclosure of Interests in Shares). Accordingly, in order to make provision for the disclosure of interests, the Articles contain provisions which require members, in certain circumstances, to disclose interests in the shares of the Company.

The Company has the right, by service of notice in writing, to require a registered member to disclose to the Company the nature of his interest in shares in the Company held at such time or at any time in the previous 3 years including the identity of any person, other than the member, who has any interest in the shares held by the member, and the nature of such interest.

A member will be required to respond within 14 days of receipt of the notice. The sanctions applicable if a member is in default of his obligation to respond to such notice include the member being no longer entitled to exercise voting rights attaching to the shares held by that member, dividends payable on the member's shares being withheld and transfers of shares being refused registration, in each case, until such time as the member complies with the obligation to respond.

5.10 ***Alteration of capital and purchase of own shares***

The Company may alter its share capital in any way that is permitted by the Statutes (as defined in the Articles).

5.11 ***General meetings***

The requirement for the Company to hold an annual general meeting may be dispensed with if all of the members agree in writing and any such agreement remains valid in accordance with the Jersey Companies Law. Otherwise, the Company shall in each calendar year hold a general meeting as its annual general meeting at such time and place outside the UK as may be determined by the directors provided that, so long as the Company holds its first annual general meeting within eighteen months of its incorporation, the Company need not hold an annual general meeting in the year of its incorporation or in the following year.

Convening of general meetings

All meetings, other than annual general meetings, shall be called general meetings. The Board may convene a general meeting whenever it thinks fit. All general meetings shall take place outside the UK. A general meeting shall also be convened by the Board on the requisition of members not later than two months after the receipt of the requisition pursuant to the provisions of Jersey Companies Law or, in default, may be convened by such requisitions, as provided by the Statutes. The Board shall comply with the provisions of the Statutes regarding the giving and the circulation, on the requisition of members, of notices of resolutions and of statements with respect to matters relating to any resolution to be proposed or business to be dealt with at any general meeting of the Company.

Notice of general meetings

At least fourteen clear days' notice shall be given of every annual general meeting and of every general meeting of the Company, including without limitation, every general meeting called for the passing of a special resolution.

Notwithstanding that a meeting is called by less than fourteen clear days' notice, any such meeting shall be deemed to have been duly called if it is so agreed (a) in the case of an annual general

meeting by all the members entitled to attend and vote thereat and (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.

Every notice shall specify the place outside the UK, the day and the time of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of the Articles, and to any restrictions imposed on any shares, notice of every general meeting shall be given to all members, to all persons entitled to a share in consequence of the death, bankruptcy or incapacity of a member, to the auditors (if any) and to every Director who has notified the secretary in writing of his desire to receive notice of general meetings.

In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote at that meeting instead of him and that a proxy need not also be a member of the Company.

Quorum

No business shall be transacted at any general meeting, except the adjournment of the meeting, unless a quorum of members is present at the time when the meeting proceeds to business.

A quorum of members shall consist of not less than two members present but so that not less than two individuals will constitute the quorum, provided that, if at any time all of the issued shares in the Company are held by one member such quorum shall consist of that member present.

If within 15 minutes from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to a day 10 clear days after the original meeting (or, if that day is not a business day, to the next business day) and the same time and place, as the original meeting, or to such later business day, and at such other time and place outside the UK, as the Board may decide and in the latter case not less than seven clear days' notice of the adjourned meeting shall be given in any manner in which notice of a meeting may lawfully be given for the time being. If at an adjourned meeting a quorum is not present within 15 minutes from the time fixed for holding the meeting, the meeting shall be dissolved.

Chairman

At each general meeting, the chairman of the Board or, if he is absent or unwilling, the deputy chairman (if any) of the Board or (if more than one deputy chairman is present and willing) the deputy chairman who has been longest in such office or, if no deputy chairman is present and willing, then one of the other Directors who is appointed for the purpose by the Board or (failing appointment by the Board), by the members present, shall preside as chairman of the meeting, but if no Director is present within 15 minutes after the time fixed for holding the meeting or, if none of the Directors present is willing to preside, the members present and entitled to vote shall choose one of their number to preside as chairman of the meeting.

Directors entitled to attend and speak

Whether or not he is a member, a Director shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares of the Company.

Adjournment

With the consent of any meeting at which a quorum is present, the chairman of the meeting may (and if so directed by the meeting shall) adjourn the meeting from time to time or sine die and from place to place outside the UK.

In addition, the chairman of the meeting may at any time, without the consent of the meeting, adjourn the meeting (whether or not it has commenced or a quorum is present) to another time and/or place outside the UK if, in his opinion, it would facilitate the conduct of the business of the meeting to do so, notwithstanding that by reason of such adjournment some members may be unable to be present at the adjourned meeting.

Method of voting and demand for poll

At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

(a) the chairman of the meeting;

(b) not less than five members having the right to vote on the resolution;

(c) a member or members representing in aggregate not less than 10 per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to any shares in the Company held as treasury shares),

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand made by the member himself.

Taking a poll

If a poll is demanded (and the demand is not withdrawn), it shall be taken at such time (either meeting at which the poll is demanded or within 30 days after the meeting), at such place outsic UK and in such manner as the chairman of the meeting shall direct and he may appoint scruti (who need not be members).

Proxies

A proxy need not be a member of the Company and a member may appoint more than one prc relation to a meeting to attend and to speak and to vote on the same occasion provided that proxy is appointed to exercise the rights attached to a different share or shares held by a membe

5.12 ***Directors***

Number and residence

Unless otherwise determined by ordinary resolution of the Company, the number of Directors (than alternate directors) shall be not less than two but there shall be no maximum numb Directors. A majority of the directors (including alternate directors) must be resident for tax pur outside the UK.

Remuneration

The Directors (other than any Director who for the time being holds an executive offi employment with the Company or a subsidiary of the Company) shall be paid out of the funds (Company by way of remuneration for their services as Directors. The aggregate of such fees not exceed £150,000 per annum (or such larger sum as the Company may, by ordinary resol determine) as the Directors may decide to be divided among them in such proportion and man they may agree or, failing agreement, equally.

A resolution will be proposed at the forthcoming EGM to increase the current cap on Dire aggregate annual base fees to £270,000, in order to allow the Proposed Directors to be remune on the same terms as the Directors.

Any fee payable to the Directors under the Articles shall be distinct from any remuneration or other amounts payable to a Director under other provisions of the Articles and shall accrue from day to day.

The Directors may be paid all travelling, hotel and other expenses properly incurred in connection with the exercise of their powers and discharge of their duties as Directors including expenses incurred in travelling to and from meetings of the Board, committee meetings, general meetings and separate meetings of the holders of any class of securities of the Company.

Retirement of Directors

At each annual general meeting, any Director who has been appointed by the Board since the previous annual meeting and any Director selected to retire by rotation pursuant to the Articles shall retire from office.

Retirement of Directors by rotation

At each annual general meeting of the Company, one-third of the Directors (excluding any Director who has been appointed by the Directors since the previous annual general meeting) or, if their number is not an integral multiple of 3, the number nearest to one-third, but not exceeding one-third, shall retire from office. In addition, each Director shall retire from office at the third annual general meeting after he was appointed or reappointed, if he would not otherwise fall within the Directors to retire by rotation.

The Directors to retire shall be those Directors who, at the date of the notice of the meeting, have been longest in office since their last appointment or re-appointment but, as between persons who became or were last re-appointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The Directors to retire on each occasion shall be determined (both as to number or identity) by the composition of the Board on the day which is 14 days prior to the date of the notice convening the annual general meeting and no Directors shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after that time but before the close of the meeting.

A retiring Director shall be eligible for re-appointment and (unless he is removed from office or his office is vacated in accordance with the Articles) shall retain office until the close of the meeting at which he retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to appoint another person in his place or the resolution to re-appoint him is put to the meeting and lost.

If at any meeting at which the appointment of a Director ought to take place the office vacated by a retiring Director is not filled, the retiring Director, if willing to act, shall be deemed to be reappointed, unless at the meeting a resolution is passed not to fill the vacancy or to appoint another person in his place or unless the resolution to re-appoint him is put to the meeting and lost.

Executive Directors

The Board may appoint one or more Directors to hold any executive office or employment under the Company for such period and on such terms as the Board may determine.

A Director appointed to any executive office or employment shall automatically cease to hold that office if he ceases to be a Director.

Directors' interests

A Director shall not be entitled to vote on a resolution (or attend or count in the quorum at those parts of a meeting regarding such resolution) relating to a transaction or arrangement with the Company in which he is interested, save where the other Directors resolve that the Director concerned should be entitled to do so where they are satisfied that the Director's interest cannot

reasonably be regarded as likely to give rise to a conflict of interest or save in any of the following circumstances:

(a) the giving of any guarantee, security or indemnity in respect of (i) money lent or obligations incurred by such Director or by any other person at the request of or for the benefit of the Company (or any of its subsidiary undertakings) or in respect of (ii) a debt or obligation of the Company (or any of its subsidiary undertakings) for which such Director has assumed responsibility, in whole or in part, under a guarantee or an indemnity or by the giving of security;

(b) any contract concerning an offer of shares, debentures or other securities of or by the Company (or any of its subsidiary undertakings) for subscription or purchase in which offer such Director is or may be entitled to participate as a holder of securities or such Director is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(c) any contract in which such Director is interested by virtue of his interest in shares, debentures or other securities of the Company or otherwise in or through the Company;

(d) any contract concerning any other company in which such Director is interested, directly or indirectly, in 1 per cent. or more either of its equity share capital or of its voting rights;

(e) any contract relating to an arrangement for the benefit of the employees of the Company (or any of its subsidiary undertakings) which does not award such Director any privilege or benefit not generally awarded to the employees to whom the arrangement relates;

(f) any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to both Directors and employees of the Company and/or any of its subsidiary undertakings;

(g) any contract concerning the adoption, modification or operation of an employees' share scheme; and

(h) any proposal concerning the purchase or maintenance of insurance for the benefit of persons including Directors.

Subject to the Statutes and to the interest of a Director being duly declared, a contract entered into by or on behalf of the Company in which any Director is any way interested shall not be avoided nor shall any Director be liable to account to the Company for any benefit realised as a result of the contract.

A Director shall not vote, or be counted in the quorum at a meeting, in respect of any resolution concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested.

Where proposals are under consideration concerning the appointment (including fixing or varying its terms) or the termination of the appointment of two or more Directors to offices or places of profit with the Company or any other company which the Company is interested, a separate resolution may be put in relation to each Director and in that case, each Director concerned (if not otherwise debarred from voting) is entitled to vote.

Authorisation of conflicts of interest

Where a situation occurs or is anticipated to occur which gives rise or may give rise to a conflict of interest (excluding a conflict of interest arising in relation to a transaction or arrangement with the Company) on the part of any Director ("**Conflicted Director**") (other than a situation which cannot reasonably be regarded as likely to give rise to a conflict of interest), the matter shall be referred to the Directors other than the Conflicted Director (the "**Non-Conflicted Directors**").

The Non-Conflicted Directors shall meet to consider the matter as soon as possible after the matter is referred to them and they have received all relevant particulars relating to the situation. The quorum for a meeting of the Non-Conflicted Directors shall be the same as for a meeting of the Board. The Non-Conflicted Directors have authority to authorise any matter which gives rise to the conflict of interest concerned on such terms as they think fit.

Benefits

The Board may exercise all the powers of the Company to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits, allowances or gratuities to any person who is or who has at any time a director of the Company or of any Associated Company (as defined in the Articles) or in the employment or service of the Company or any Associated Company or of the predecessors in business of the Company or any Associated Company (or the relatives or dependants of any such person).

Powers of the Board

The business of the Company shall be managed by the Board which may exercise all the powers of the Company, subject to the provisions of the Statutes, the Memorandum and the Articles. No special resolution or alteration of the Memorandum or of the Articles shall invalidate any prior act of the Board which would have been valid if the resolution had not been passed or alteration had not been made.

Borrowing powers

Subject to the provisions of the Statutes and of the Articles, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property, assets (both present and future) and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Board shall not, without the previous sanction of the Company in general meeting, incur any financial indebtedness ("**New Borrowings**") if the aggregate liabilities of the Company in relation to such financial indebtedness (as defined in the Articles) immediately following the drawdown of such New Borrowings would exceed an amount equal to 20 per cent. of the value of the net assets of the Company immediately following such draw down.

Indemnity of officers

Insofar as the Statutes allow, each current or former officer of the Company or any Associated Company shall be indemnified out of the assets of the Company against any loss or liability incurred by him by reason of being or having been such an officer.

The Board may, without sanction of the Company in general meeting, authorise the purchase or maintenance by the Company for any officer or former officer of the Company of any such insurance as is permitted by the Statutes in respect of any liability which would otherwise attach to such officer or former officer.

Board meetings

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit provided that no meetings of Directors shall be held in the UK. Any decision reached or resolution passed by the Directors at any meeting which is held in the UK shall be invalid and of no effect.

Quorum

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Subject to the provisions of the Articles, any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a

Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

There shall be no quorum unless a majority of Directors in attendance at a Board meeting (including any alternate Director) are resident for tax purposes outside the UK and are not attending the meeting from the UK by telephone or other means.

Voting

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote, unless he is not, in accordance with the Articles, to be counted as participating in the decision-making process for quorum, voting or agreement purposes.

5.13 ***CREST***

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument.

6 Directors' Interests

6.1 As at 30 January 2014 (being the latest practicable date before publication of this document), Paul de Gruchy held a beneficial interest in 486,751.50 Subsidiary Accumulation Shares. Mr. de Gruchy voted in favour of the resolutions proposed at the Subsidiary EGM in connection with the Scheme and has elected to receive New OEIC Accumulation Shares under the terms of the Scheme. It is not expected that any of the Directors will have any interest in any Ordinary Shares immediately following Admission.

6.2 No Director or Proposed 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 were effected by the Company in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.

6.3 The Directors currently hold, and have during the five years preceding the date of this document held, the following directorships (other than the Company), partnerships or have been a member of the senior management:

Name	*Name of company/partnership*	*Position still held (Y/N)*
Ian Reeves CBE	Constructing Excellence Limited	Y
	FSI Worldwide Limited	Y
	Zigmaney Consulting Limited	Y
	New Airport Limited	Y
	Synaps Limited	Y
	Dealpride Limited	Y
	G4S FSI Limited	Y
	FSI Europe Limited	Y
	Synaps Partners LLP	Y
	Oriel Securities Limited	Y
	Stylus Ltd	Y
	DBD Limited	Y

Name	*Name of company/partnership*	*Position still held (Y/N)*
Ian Reeves CBE (*continued*)	ROC Energy Limited	Y
	Caddington Golf Club Limited	N
	Carlton Partners LLP	N
	Carlton Financial Partners LLP	N
	Zigmaney Limited	N
	Plantray Limited	N
	Fantastic Solutions Marketing Limited	N
	Pridedeal Limited	N
	International Construction Systems & Technologies Limited	N
	London Greenways Limited	N
	Griffiths-McGee Demolition Company Limited	N
	McGee (Haulage) Limited	N
	McGee Asbestos Removal Limited	N
	McGee Environmental Ltd	N
	McGee Group (Holdings) Limited	N
	McGee Bedrock Limited	N
	Bedrock Tipping Company (UK) Limited	N
	Tomorrow's People Limited	N
	T. McGee & Co Limited	N
	Tomorrow's People (Services) Limited	N
	Carlton Corporate Finance Limited	N
	Carlton Financial Group Limited	N
	Verbus Systems Limited	N
	Linscap LLP	N
	W1 Design LLP	N
	Carlton Partnership LLP	N
David Pirouet	D.L.R.S Advisory Services Ltd	Y
	Nordic Capital V Limited	Y
	Nordic Capital V Escrow Limited	Y
	Nordic Capital VI Limited	Y
	Ludgate Environmental Fund Limited	Y
	EMSA (formerly CRG) Fund Management (Jersey) Ltd	Y
	Kames (formerly Aegon) Target Healthcare General Partner Limited	Y
	Kreos Capital Group Limited	Y
	ACPI Investments Group Limited	Y

Name	*Name of company/partnership*	*Position still held (Y/N)*
David Pirouet (*continued*)	ACPI FM Limited	Y
	ACPI IM Limited	Y
	Stonehage Investment Partners Focused Alternative Programme Limited	Y
	ICG Europe Fund V GP Limited	Y
	ICG Europe Fund V Jersey Limited	Y
	ICG EFV MLP Limited	Y
	ICG EFV MLP GP Limited	Y
	Emperor Marine Ltd	N
	PwC Channel Islands Ltd	N
	Sept Up Ltd	N
	Harle Syke Ltd	N
	PwC Properties (Jersey) Limited	N
	PwC Pension Scheme Trustees Limited	N
	PwC Tax and Treasury Services Limited	N
	PwC Properties (Guernsey) Limited	N
	Midhurst Properties Limited	N
	Pembroke House Limited	N
	Pricewaterhouse Coopers CI LLP	N
Trevor Hunt	GCP Infrastructure Fund Limited	Y
	GCP Sovereign Infrastructure Debt Limited	Y
	Purisima Investment Fund (CI) Limited	Y
	Hero Funds PCC Limited	Y
	Chenavari Capital Solutions Limited	Y
	Harewood Structured Investments PCC Limited	Y
	Urica Capital Limited	Y
	Old Street Acquisitions Limited	Y
	BDP Limited	Y
	Anglo Securities Limited	Y
	Anglo Securities Investments Limited	Y
	Anglo Securities Holdings Limited	Y
	Saar Capital Limited	Y
	Mosel Capital Limited	Y
	EMS Capital Limited	Y
	KIC Fund Managers (Guernsey) Limited	Y
	KIC Global Strategy Fund Limited	Y
	Overlord Europe Limited	Y

Name	*Name of company/partnership*	*Position still held (Y/N)*
Trevor Hunt (*continued*)	Overlord Europe Asset Managers Limited	Y
	Overlord Europe Holdings Limited	Y
	Standfast Vision 1 Limited	Y
	KW Investment Management Limited	Y
	GCP Infrastructure OEIC Limited	N
	Ukraine Liberty Fund Limited	N
	GEM Capital Diamond Fund Limited	N
	Wellington Partners Ventures Special (GP) Limited	N
	Wellington Partners Management Limited	N
	CF IM Offshore Funds Limited	N
	Golden Gate Real Estate Company Limited	N
	Ruffer International Funds Limited	N
	SIPP Residential Income Choice PCC Limited	N
	Merebis Master Fund Limited	N
	Merebis International Fund Limited	N
	Merebis Capital Management (Jersey) Limited	N
	Capita Financial Administrators (Jersey) Limited	N
	Capita Registrars (Guernsey) Limited	N
	Capita Registrars (Jersey) Limited	N
	Class Solutions Limited	N
	Leebrook Total Return Fund Limited	N
	Leebrook Total Return Master Fund Limited	N
	Leebrook Limited	N
	Concord Misr Investments (Guernsey) Limited	N
	Palio UK Mid-Market Debt Limited	N
	Wellington Partners Technology V Management Limited	N

6.4 The Proposed Directors currently hold, and have during the five years preceding the date of tl document held, the following directorships, partnerships or have been a member of the sen management:

Name	*Name of company/partnership*	*Position still held (Y/N)*
Clive Spears	GCP Infrastructure Fund Limited	Y
	EPE Special Opportunities plc	Y
	Meridian Asset Management (C.I.) Limited	Y
	Nordic Capital Limited	Y
	Nordic Capital VII Limited	Y

Name	*Name of company/partnership*	*Position still held (Y/N)*
Clive Spears (*continued*)	Nordic Capital VIII Limited	Y
	Nomura Fund of Funds GP Limited	Y
	Nomura European Mezzanine Fund GP 1 Limited	Y
	Lema Fund Limited	Y
	Gorey Investments Limited	Y
	Jersey Finance Limited	Y
	ICG Europe Fund V GP Limited	Y
	ICG Europe Fund V No. 1 Limited Partnership	Y
	ICG Europe Fund V Jersey Limited	Y
	ICG Fund V Limited Partnership	Y
	ICG Europe Fund V CIP Limited Partnership	Y
	ICG Fund V Investor Feeder Limited Partnership	Y
	ICG Fund Dutch CIP Limited Partnership	Y
	ICG EFV MLP Limited	Y
	ICG EFV MLP GP Limited	Y
	Invesco Leveraged High Yield Bond Fund Limited	Y
	Kreos Capital Group Limited	Y
	Collosseum Hilversum Managing Trustee Limited	N
	Rubicon Asset Management (Europe) Limited	N
	Nordic Capital III Limited	N
	Nordic Capital IV Limited	N
	Nordic Capital V Limited	N
	Cidron Atta Limited	N
	Moor Park Real Estate Fund III G.P. Limited	N
	Warner Funds Limited	N
	EPIC 2007 NO.1 Single Property Real Estate Company Limited	N
	Jersey Post International Limited	N
	Warner Advisors (Jersey) Limited	N
	Warner Estates GLO Limited	N
	Warner Estates AIF Limited	N
	GCP Infrastructure OEIC Limited	N
Paul de Gruchy	GCP Infrastructure Fund Limited	Y
	Duet Africa Index plc	Y
	Imperium Holdings Limited	N
	GCP Infrastructure OEIC Limited	N

6.5 The business address of all of the Directors and the Proposed Directors is 12 Castle Street, St. Helier, Jersey JE2 3RT.

6.6 Save as disclosed above, none of the Directors or Proposed Directors has at any time within the last five years preceding the date of this document:

(a) been a member of the administrative, management or supervisory bodies or a partner of any company or partnership;

(b) had any convictions (whether spent or unspent) in relation to offences involving fraud or dishonesty;

(c) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated 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;

(d) been a director or senior manager of a company which has been put into receivership, compulsory liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors; or

(e) been the subject of any bankruptcy or been subject to an individual voluntary arrangement or a bankruptcy restrictions order.

6.7 There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any Director or Proposed Director was selected.

6.8 There are no restrictions agreed by any Director or Proposed Director on the disposal within a certain period of time of his holdings in the Company's securities.

6.9 There are no outstanding loans or guarantees provided by the Company for the benefit of any of the Directors or Proposed Directors nor are there any loans or any guarantees provided by any of the Directors or Proposed Directors for the Company.

6.10 Mr Hunt is currently a director of the Subsidiary and may therefore face a conflict of interests in the event that the Company and the Subsidiary are in dispute or the interests of the Company and the Subsidiary otherwise diverge in relation to any matter. Otherwise, no Director or principal has any potential conflicts of interests between any duties the Directors or principal owes to the Company and any private interests and/or other duties.

6.11 The Company will maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company to the extent that the Company is able to obtain such insurance.

7 Directors' Remuneration and Service Agreements

7.1 All of the Directors are non-executive directors. The total remuneration received by each Director during the financial year ended 30 September 2013 is set out below.

Name	*Remuneration (£)*
Ian Reeves CBE (Chairman)	49,784
David Pirouet	42,284
Trevor Hunt	39,784

7.2 Each of the Directors has entered into a letter of appointment with the Company. The annual base remuneration payable to each Director is as follows:

Name	*Annual fee (£)*
Ian Reeves CBE (Chairman)	45,000
David Pirouet	35,000
Trevor Hunt	35,000

Each of the Proposed Directors will enter into a letter of appointment with the Company. The annual base remuneration that will be payable to each Proposed Director is as follows:

Name	*Annual fee (£)*
Clive Spears	35,000
Paul de Gruchy	35,000

The Articles contain a cap on the Directors' aggregate annual base fees which is currently £150,000 per annum. A resolution will be proposed at the forthcoming EGM to increase the cap to £270,000, to enable the Proposed Directors to be remunerated in accordance with the arrangements described above. To the extent that the Company is unable to make any payment in accordance with the arrangements described above prior to the next general meeting of the Company, but the relevant resolution is subsequently duly passed by Shareholders, the Company will make such payments retrospectively, so that each Director is remunerated in accordance with the arrangements described above.

Pursuant to amendment letters entered into by the Company and each of the Directors on 14 September 2012, it has been agreed that each Director's base annual fee, as set out in paragraph 7.2 above, shall increase on each occasion that the NAV of the Company increases through certain specified thresholds, being capped at a base annual fee of £45,000 for the chairman of the Company and a base annual fee of £35,000 for each of the other Directors. To the extent that the NAV of the Company increases to a level that would result in the Directors' aggregate base annual fees exceeding the current cap on Directors' aggregate annual base fees, any payments in excess of this amount shall be postponed and shall be conditional upon Shareholder approval to increase the current cap on the Directors' aggregate annual base fees, as provided for in the Articles. The Company obtained Shareholder approval at its annual general meeting held on 11 February 2013 to increase the maximum aggregate annual base fees payable to Directors to £150,000 per annum.

In addition to the Directors' base annual fees as set out above, the Company has agreed to pay the following special remuneration:

(a) £5,000 to each of Ian Reeves, David Pirouet and Trevor Hunt for services provided in connection with the Issue;

(b) £5,000 to each Director and Proposed Director for services provided in connection with the Reorganisation and the Placing Programme;

(c) £5,000 per annum to David Pirouet as chairman of the audit committee of the Company and £2,500 per annum to each of Trevor Hunt and Ian Reeves as members of the audit committee of the Company; and

(d) with effect from the Effective Date, £10,000 per annum to each of Clive Spears, Trevor Hunt and Paul de Gruchy as members of the investment committee of the Company.

Each of the Directors was appointed for a fixed initial period ending on the first anniversary of the IPO Date. The appointment of each of the Directors may now be terminated on not less than 3 months' notice. The Directors will not be entitled to any benefits upon termination of their appointment under the terms of their agreements with the Company.

7.3 None of the Directors is entitled to any pension, retirement or similar benefits. None of the Proposed Directors will be entitled to any pension, retirement or similar benefits.

8 The City Code

The City Code applies to all takeover and merger transactions in relation to the Company and operates principally to ensure that shareholders are treated fairly, are not denied an opportunity to decide on the merits of a takeover and to ensure that shareholders of the same class are afforded equivalent treatment.

The City Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers has now been placed on a statutory footing.

The City Code is based upon a number of general principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company, the other holders of securities must be protected. This is reinforced by Rule 9 of the City Code which requires a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30 per cent. or more of the voting rights to make a general offer. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights, acquires additional shares which increase his percentage of the voting rights. Unless the Panel consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50 per cent. of the voting rights.

9 Material Contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group or which are expected to be entered into prior to Admission and which are, or may be, material to the Group:

9.1 ***The Existing Company Investment Advisory Agreement***

The Investment Adviser was appointed by the Company with effect from the IPO Date to provide investment advisory services to the Company pursuant to the terms of the Existing Company Investment Advisory Agreement. The Existing Company Investment Advisory Agreement was amended and restated on 20 March 2013.

If the Scheme becomes effective, the Existing Company Investment Advisory Agreement will be amended with effect from the Effective Date. Details of the Amended Company Investment Advisory Agreement are set out in paragraph 9.3 below.

The Investment Adviser advises the Directors to enable them to make informed decisions for the Company, advise on funding requirements of the Company (including advice and assistance in any equity/further fund raising process), oversee and arrange borrowings for the Company within the gearing limits set out in this document and provides other investment advisory services as detailed in the Existing Company Investment Advisory Agreement. The fee payable by the Company to the Investment Adviser for such services is £20,000 per annum payable by two semi-annual instalments in advance on each of 31 March and 30 September each year.

The Investment Adviser also, upon request by the Company, provides advice to the Company which is similar in scope and/or nature to advice already provided or in the course of being provided to the Subsidiary pursuant to the Subsidiary Investment Advisory Agreement for no additional charge or fee.

If the Investment Adviser is requested by the Company to provide advice to the Company (subject to the Investment Adviser being competent to provide such advice) that falls outside the advisory

services specifically listed in the Existing Company Investment Advisory Agreement, or outside of advice being already provided or in the course of being provided to the Subsidiary pursuant to the Subsidiary Investment Advisory Agreement, then such additional advice will be provided on a time-cost basis to be agreed between the Investment Adviser and the Company from time to time.

The appointment of the Investment Adviser is not exclusive and the Company may appoint a third party adviser to provide it with investment advisory services at its discretion (including such services already provided by the Investment Adviser pursuant to the Existing Company Investment Advisory Agreement).

Termination

The Existing Company Investment Advisory Agreement commenced on the IPO Date and, save for in certain circumstances, will terminate on the same date as the date on which the Subsidiary Investment Advisory Agreement terminates or expires.

The Existing Company Investment Advisory Agreement shall also terminate automatically on the occurrence of certain specified events including if the Company and/or the Investment Adviser enter into liquidation or by the Company giving 12 months' written notice to the Investment Adviser (any such notice not to be given earlier than 28 February 2018). In addition, the Amended Company Investment Advisory Agreement may be terminated by the Company giving 60 Business Days' written notice to the Investment Adviser upon the occurrence of a "**Key Person Event**" (as defined in the Existing Company Investment Advisory Agreement).

A Key Person Event occurs if (a) two or more of the Key Persons (being initially Stephen Ellis, Rollo Wright, Nick Parker and Ronan Kierans) are unable to dedicate substantially all of their working time to acting as Investment Adviser to the Company and (b) suitable replacement Key Persons have not been approved by the Company.

In addition, the Existing Company Investment Advisory Agreement is terminable by the Company in the event that there is a "material and demonstrable deterioration in the quality of performance of, or the services provided by, the Investment Adviser". The determination of whether performance issues should lead to termination rests entirely with the Company.

Indemnity and extent of liability

The Investment Adviser shall not, in the absence of fraud, negligence or wilful default on its part or on the part of its employees, be liable for any loss, damage, cost, claim or expenses sustained or suffered by the Company as a result, or in the course of, the discharge of its duties pursuant to the Existing Company Investment Advisory Agreement. In addition, the Company has agreed to indemnify the Investment Adviser and its employees from and against any and all liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud, negligence, or wilful default on the part of the Investment Adviser or its employees) incurred in performing its obligations or duties pursuant to the Existing Company Investment Advisory Agreement.

Conflicts of Interest

The Directors do not currently envisage a conflict arising between the duties of the Investment Adviser to the Company and to the Subsidiary respectively. However, in the event that any such conflict does arise, the Board will, if required, obtain advice from an independent third party adviser in place of the Investment Adviser in relation to the relevant matter. The Investment Adviser will seek to ensure that any such conflict is resolved fairly and in good faith.

It is a provision of the Existing Company Investment Advisory Agreement that a minimum of three of Stephen Ellis, Rollo Wright, Nick Parker and Ronan Kierans dedicate substantially all their working time to the provision of investment advisory services to the Subsidiary, except at such times as the Subsidiary is at least 85 per cent. invested (or committed to be invested) in its target assets.

Professional Indemnity Insurance

The Investment Adviser will, subject to such insurance being available in the market at commercial rates, maintain, at the cost of the Company, professional indemnity insurance to cover each and every professional liability which may arise under the Existing Company Investment Advisory Agreement, with a limit of indemnity not less than £1,000,000 in respect of each and every claim. This professional indemnity insurance will be maintained for a period expiring not less than 6 years after the winding up of the Company or the termination of the Existing Company Investment Advisory Agreement, whichever is the earlier.

9.2 ***The Subsidiary Investment Advisory Agreement***

The Investment Adviser was appointed as the investment adviser of the Subsidiary on 3 June 2009 pursuant to an investment advisory agreement dated 3 June 2009 and entered into between the Subsidiary and the Investment Adviser. This agreement was amended and restated on 28 June 2010.

If the Scheme becomes effective, the Subsidiary Investment Advisory Agreement will be terminated with effect from the Effective Date.

Under the Subsidiary Investment Advisory Agreement, the Investment Adviser will provide or procure the provision of certain investment advisory services, including recommending and regularly reviewing the Subsidiary's investment policy and strategy, making investment recommendations to the Subsidiary Board, identifying potential Subsidiary investments and performing and/or procuring all due diligence in relation to potential Subsidiary investments. The Subsidiary is under no obligation to follow any advice of the Investment Adviser.

In addition, the Investment Adviser will be responsible, *inter alia*, for the following:

(a) maintaining a website showing, *inter alia*, the net asset value from time to time of the Subsidiary Income Shares and the Subsidiary Accumulation Shares;

(b) presenting to meetings of the Subsidiary Board in relation to:

(i) performance of existing assets; and

(ii) opportunities in relation to new investments;

(c) monitoring the financial and infrastructure markets generally;

(d) maintaining, in conjunction with the Administrator, complete, up to date and accurate accounting records of the Subsidiary and submitting such to the Subsidiary on a monthly basis in such form so as to enable the Administrator to calculate the net asset value per share of the Subsidiary; and

(e) conducting investor relationship management activities, including making presentations to existing and potential investors and intermediaries.

The Subsidiary Investment Advisory Agreement is terminable upon twelve months' written notice, such notice not to be given prior to 28 February 2018 and at any time in the event of the insolvency of the Subsidiary or the Investment Adviser. In addition, the Subsidiary Investment Advisory Agreement may be terminated by the Subsidiary giving 60 Business Days' written notice to the Investment Adviser upon the occurrence of a "**Key Person Event**" (as defined in the Subsidiary Investment Advisory Agreement).

A Key Person Event occurs if (a) two or more of the Key Persons (being initially Stephen Ellis, Rollo Wright, Nick Parker and Ronan Kierans) are unable to dedicate substantially all of their working time to acting as Investment Adviser to the Subsidiary and (b) suitable replacement Key Persons have not been approved by the Subsidiary.

In addition, the Subsidiary Investment Advisory Agreement is terminable by the Subsidiary in the event that there is a "material and demonstrable deterioration in the quality of performance of, or the services provided by, the Investment Adviser". The determination of whether performance issues should lead to termination rests entirely with the Subsidiary.

As referred to above, if the Scheme becomes effective, the Subsidiary Company Investment Advisory Agreement will be terminated with effect from the Effective Date.

Indemnity and extent of liability

The Investment Adviser will not, in the absence of fraud, negligence or wilful default on its part or on the part of its employees, be liable for any loss, damage, cost, claim or expenses sustained or suffered by the Subsidiary as a result, or in the course of, the discharge of its duties pursuant to the Subsidiary Investment Advisory Agreement. In addition, the Subsidiary has agreed to indemnify the Investment Adviser and its employees from and against any and all liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud, negligence, or wilful default on the part of the Investment Adviser or its employees) incurred in performing their obligations or duties pursuant to the Subsidiary Investment Advisory Agreement.

Conflicts of Interest

The Investment Adviser or any "Associate" (as defined in the Subsidiary Investment Advisory Agreement) or any directors, officers, employees, agents and affiliates of any of them (each an "**Interested Party**") may be involved in other financial, investment or other professional activities which may, on occasion, give rise to conflicts of interest with the Subsidiary, including with regard to the allocation of investment opportunities to different clients. Whenever such conflicts arise, the Investment Adviser shall endeavour to ensure that they are resolved, and any relevant investment opportunities allocated, fairly. Each such conflict will be fully disclosed to the Subsidiary by the Investment Adviser provided that such disclosure does not breach the rules of the FCA.

It is a provision of the Subsidiary Investment Advisory Agreement that a minimum of three of Stephen Ellis, Rollo Wright, Nick Parker and Ronan Kierans dedicate substantially all their working time to the provision of investment advisory services to the Subsidiary, except at such times as the Subsidiary is at least 85 per cent. invested (or committed to be invested) in its target assets.

Exclusivity and Non-Compete

Neither the Investment Adviser nor, *inter alia*, any employee of the Investment Adviser, may (while the Subsidiary Investment Advisory Agreement is in force) without the express prior written consent of the Subsidiary act as the adviser, manager or sponsor of any fund or entity that may invest in assets within the scope of the Subsidiary's investments or engage in any activity which may compete in the same or substantially similar investment area as the Subsidiary.

Professional Indemnity Insurance

The Investment Adviser will, subject to such insurance being available in the market at commercial rates, maintain, at the cost of the Subsidiary, professional indemnity insurance to cover each and every professional liability which may arise under the Subsidiary Investment Advisory Agreement, with a limit of indemnity not less than £1,000,000 in respect of each and every claim. This professional indemnity insurance will be maintained for a period expiring not less than six years after the winding up of the Subsidiary or the termination of the Subsidiary Investment Advisory Agreement, whichever is the earlier.

9.3 ***The Amended Company Investment Advisory Agreement***

If the Scheme becomes effective, the Existing Company Investment Advisory Agreement will be amended with effect from the Effective Date.

Under the Amended Company Investment Advisory Agreement, which will be substantially similar to the Subsidiary Investment Advisory Agreement, the Investment Adviser will provide or procure the provision of certain investment advisory services, including recommending and regularly reviewing the Group's investment policy and strategy, making investment recommendations to the Board, identifying potential Group investments and performing and/or procuring all due diligence in relation to potential Group investments. The Group will be under no obligation to follow any advice of the Investment Adviser.

In addition, the Investment Adviser will be responsible, *inter alia*, for the following:

(a) maintaining a website showing, *inter alia*, the Net Asset Value from time to time of the Ordinary Shares;

(b) presenting to meetings of the Board in relation to:

 (i) performance of existing assets; and

 (ii) opportunities in relation to new investments;

(c) monitoring the financial and infrastructure markets generally;

(d) maintaining, in conjunction with the Administrator, complete, up to date and accurate accounting records of the Group and submitting such to the Company on a monthly basis in such form so as to enable the Administrator to calculate the net asset value per share of the Company; and

(e) conducting investor relationship management activities, including making presentations to existing and potential investors and intermediaries.

The Amended Company Investment Advisory Agreement will be for an initial term to 28 February 2018, thereafter being terminable upon twelve months' written notice and at any time in the event of the insolvency of the Company or the Investment Adviser. In addition, the Amended Company Investment Advisory Agreement may be terminated by the Company giving 60 Business Days' written notice to the Investment Adviser upon the occurrence of a "**Key Person Event**" (as defined in the Amended Company Investment Advisory Agreement).

A Key Person Event occurs if (a) two or more of the Key Persons (being initially Stephen Ellis, Rollo Wright, Nick Parker and Ronan Kierans) are unable to dedicate substantially all of their working time to acting as Investment Adviser to the Company and (b) suitable replacement Key Persons have not been approved by the Company.

Indemnity and extent of liability

The Investment Adviser will not, in the absence of fraud, negligence or wilful default on its part or on the part of its employees, be liable for any loss, damage, cost, claim or expenses sustained or suffered by the Group as a result, or in the course of, the discharge of its duties pursuant to the Amended Company Investment Advisory Agreement. In addition, the Company has agreed to indemnify the Investment Adviser and its employees from and against any and all liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud, negligence, or wilful default on the part of the Investment Adviser or its employees) incurred in performing their obligations or duties pursuant to the Amended Company Investment Advisory Agreement.

Conflicts of Interest

The Investment Adviser or any "Associate" (as defined in the Amended Company Investment Advisory Agreement) or any directors, officers, employees, agents and affiliates of any of them (each an "**Interested Party**") may be involved in other financial, investment or other professional activities which may, on occasion, give rise to conflicts of interest with the Group, including with regard to the allocation of investment opportunities to different clients. Whenever such conflicts

arise, the Investment Adviser shall endeavour to ensure that they are resolved, and any relevant investment opportunities allocated, fairly. Each such conflict will be fully disclosed to the Group by the Investment Adviser provided that such disclosure does not breach the rules of the FCA.

It is a provision of the Amended Company Investment Advisory Agreement that a minimum of three of Stephen Ellis, Rollo Wright and Ronan Kierans dedicate substantially all their working time to the provision of investment advisory services to the Company, except at such times as the Subsidiary is at least 85 per cent. invested (or committed to be invested) in its target assets.

Exclusivity and Non-Compete

Neither the Investment Adviser nor, *inter alia*, any employee of the Investment Adviser, may (while the Amended Company Investment Advisory Agreement is in force) without the express prior written consent of the Company act as the adviser, manager or sponsor of any fund or entity that may invest in assets within the scope of the Group's investments or engage in any activity which may compete in the same or substantially similar investment area as the Group.

Professional Indemnity Insurance

The Investment Adviser will, subject to such insurance being available in the market at commercial rates, maintain, at the cost of the Company, professional indemnity insurance to cover each and every professional liability which may arise under the Amended Company Investment Advisory Agreement, with a limit of indemnity not less than £1,000,000 in respect of each and every claim. This professional indemnity insurance will be maintained for a period expiring not less than six years after the winding up of the Company or the termination of the Amended Company Investment Advisory Agreement, whichever is the earlier.

9.4 ***The Existing Company Administration Agreement***

The Administrator has been appointed, pursuant to the Existing Company Administration Agreement between the Company and the Administrator, to provide accounting, company secretarial and administration services to the Company.

If the Scheme becomes effective, the Existing Company Administration Agreement will be amended with effect from the Effective Date. Details of the Amended Company Administration Agreement are set out in paragraph 9.5 below.

The Existing Company Administration Agreement provides for the payment by the Company of the fees and charges of the Administrator.

An administration fee is payable by the Company and which is charged on the Company's Net Asset Value calculated and accrued on the last Business Day of each month and payable quarterly in arrears. The administration fee is subject to a minimum annual fee of £40,000.

The Existing Company Administration Agreement contains provisions whereby the Company indemnifies and holds harmless the Administrator from and against any and all Claims (as defined in the Existing Company Administration Agreement) against the Administrator resulting or arising from the Company's breach of the Existing Company Administration Agreement and, in addition, any third party Claims relating to or arising from or in connection with the Existing Company Administration Agreement or the services contemplated therein except to the extent that any such Claims have resulted from the negligence, fraud or wilful default of the Administrator. Further, the liability of the Administrator to the Company under the Existing Company Administration Agreement is limited (with certain exceptions) to the lesser of (a) £1,000,000 or (b) an amount equal to ten times the annual fee paid to the Administrator thereunder.

The Existing Company Administration Agreement is terminable, *inter alia*, (a) upon six months' written notice or (b) immediately upon the occurrence of certain events including the insolvency of the Company or the Administrator, the Administrator ceasing to be resident in Jersey for fiscal purposes or a party committing a material breach of the Existing Company Administration

Agreement (where such breach has not been remedied within thirty days of written notice being given).

The Existing Company Administration Agreement was amended pursuant to a side letter dated 11 November 2011, in relation to additional services provided by the Administrator in respect to the previous issue of C Shares by the Company in December 2011, under which the Administrator received an additional one-off fee of £12,800 in consideration of providing such services.

Further, the Existing Company Administration Agreement was amended pursuant to an additional side letter dated 14 September 2012 in respect of the additional services to be provided by the Administrator in relation to a previous issue of C Shares by the Company in October 2012, under which the Administrator received an additional one-off fee of £30,000 in consideration of providing such services.

9.5 ***The Amended Company Administration Agreement***

At a Board meeting held on 31 January 2014, the Board approved the entry by the Company into the Amended Company Administration Agreement. If the Scheme becomes effective, the Existing Company Administration Agreement will be amended with effect from the Effective Date.

Under the Amended Company Administration Agreement, which will be substantially similar to the Existing Subsidiary Administration Agreement, the Administrator will provide accounting, company secretarial and administration services to the Company.

The Amended Company Administration Agreement will provide for the payment by the Company of an annual fee based on a percentage (on a sliding scale) of the net asset value of the Company (calculated and accrued on the last business day of each month and payable monthly in arrears), being:

(a) where the net asset value of the Company is less than or equal to £100 million, 0.125 per cent. per annum of the net asset value of the Company;

(b) where the net asset value of the Company is greater than £100 million but less than or equal to £350 million, 0.10 per cent. per annum of the net asset value of the Company;

(c) where the net asset value of the Company is greater than £350 million but less than or equal to £500 million, 0.075 per cent. per annum of the net asset value of the Company; and thereafter

(d) where the net asset value of the Company is greater than £500 million, 0.05 per cent per annum of the net asset value of the Company,

subject to a minimum annual fee of £160,000.

In addition, the Administrator will charge a fee of £35,000 for each issue of C Shares.

The annual fee for the provision of a Jersey Compliance Officer, Money Laundering Compliance Officer and Money Laundering Reporting Officer shall be £10,000 per annum payable monthly in arrears.

The Amended Company Administration Agreement contains provisions whereby the Company indemnifies and holds harmless the Administrator from and against any and all "Claims" (as defined in the Amended Company Administration Agreement) against the Administrator resulting or arising from the Company's breach of the Amended Company Administration Agreement and, in addition, any third party Claims relating to or arising from or in connection with the Amended Company Administration Agreement or the services contemplated therein except to the extent that any such Claims have resulted from the negligence, fraud or wilful default of the Administrator. Further, the liability of the Administrator to the Company under the Amended Company Administration Agreement is limited (in the absence of fraud) to the lesser of (a) £1,000,000 or (b) an amount equal to ten times the annual fee paid to the Administrator thereunder.

The Amended Company Administration Agreement is terminable, *inter alia*, (a) upon six months' written notice or (b) immediately upon the occurrence of certain events including the insolvency of the Company or the Administrator, the Administrator becoming resident in the UK for tax purposes or a party committing a material breach of the Amended Company Administration Agreement (where such breach has not been remedied within thirty days of written notice being given).

9.6 ***The Existing Subsidiary Administration Agreement***

The Administrator has been appointed, pursuant to the Existing Subsidiary Administration Agreement between the Subsidiary and the Administrator, to provide accounting, company secretarial and administration services to the Subsidiary.

If the Scheme becomes effective, the Existing Subsidiary Administration Agreement will be amended with effect from the Effective Date. Details of the Amended Subsidiary Administration Agreement are set out in paragraph 9.7 below.

The Existing Subsidiary Administration Agreement provides for the payment by the Subsidiary of an annual fee based on a percentage of the net asset value of the Subsidiary (calculated and accrued on the last Business Day of each month and payable monthly in arrears), being:

(a) where the net asset value of the Subsidiary is less than or equal to £50 million, 0.15 per cent. of the net asset value of the Subsidiary; or

(b) where the net asset value of the Subsidiary is greater than £50 million but less than or equal to £100 million, 0.125 per cent. of the net asset value of the Subsidiary; or

(c) where the net asset value of the Subsidiary is over £100 million an annual fee of 0.11 per cent. of the net asset value of the Subsidiary will be charged,

subject to a minimum annual fee of £110,000.

In addition, certain registrar and transfer agency fees are payable by the Subsidiary and an additional annual compliance fee of £10,000 for the provision of a Jersey Compliance Officer, Money Laundering Compliance Officer and Money Laundering Reporting Officer.

The Existing Subsidiary Administration Agreement contains provisions whereby the Subsidiary indemnifies and holds harmless the Administrator from and against any and all "Claims" (as defined in the Existing Subsidiary Administration Agreement) against the Administrator resulting or arising from the Subsidiary's breach of the Existing Subsidiary Administration Agreement and, in addition, any third party Claims relating to or arising from or in connection with the Existing Subsidiary Administration Agreement or the services contemplated therein except to the extent that any such Claims have resulted from the negligence, fraud or wilful default of the Administrator. Further, the liability of the Administrator to the Subsidiary under the Existing Subsidiary Administration Agreement is limited (in the absence of fraud) to the lesser of (a) £1,000,000 or (b) an amount equal to ten times the annual fee paid to the Administrator thereunder.

The Existing Subsidiary Administration Agreement is terminable, *inter alia*, (a) upon six months' written notice or (b) immediately upon the occurrence of certain events including the insolvency of the Subsidiary or the Administrator, the Administrator becoming resident in the UK for tax purposes or a party committing a material breach of the Existing Subsidiary Administration Agreement (where such breach has not been remedied within thirty days of written notice being given).

The Existing Subsidiary Administration Agreement was amended pursuant to a side letter dated 11 November 2011, in relation to additional services provided by the Administrator in respect of an issue of shares by the Subsidiary, under which the Administrator received an additional one-off fee of £17,150 in consideration of providing such services.

Further, the Existing Subsidiary Administration Agreement was amended pursuant to an additional side letter dated 14 September 2012 in respect of additional services to be provided by the Administrator in relation to the issue of class C shares by the Subsidiary, under which the

Administrator was to receive an additional one-off fee of £25,000 in consideration of providing such services.

9.7 ***The Amended Subsidiary Administration Agreement***

If the Scheme becomes effective, the Existing Subsidiary Administration Agreement will be amended with effect from the Effective Date.

Under the Amended Subsidiary Administration Agreement the Administrator will provide accounting, company secretarial and administration services to the Subsidiary.

The Amended Subsidiary Administration Agreement provides for an annual fee of £15,000.

The Amended Subsidiary Administration Agreement contains provisions whereby Subsidiary indemnifies and holds harmless the Administrator from and against any and all "Claims" (as defined in the Amended Subsidiary Administration Agreement) against the Administrator resulting or arising from Subsidiary's breach of the Amended Subsidiary Administration Agreement and, in addition, any third party Claims relating to or arising from or in connection with the Amended Subsidiary Administration Agreement or the services contemplated therein except to the extent that any such Claims have resulted from the negligence, fraud or wilful default of the Administrator. Further, the liability of the Administrator to Subsidiary under the Amended Subsidiary Administration Agreement is limited (in the absence of fraud) to the lesser of (a) £1,000,000 or (b) an amount equal to ten times the annual fee paid to the Administrator thereunder.

The Amended Subsidiary Administration Agreement is terminable, *inter alia*, (a) upon six months' written notice or (b) immediately upon the occurrence of certain events including the insolvency of Subsidiary or the Administrator, the Administrator becoming resident in the UK for tax purposes or a party committing a material breach of the Amended Subsidiary Administration Agreement (where such breach has not been remedied within thirty days of written notice being given).

9.8 ***The Company Share Registration Services Agreement***

The Registrar (a company incorporated in Jersey on 16 March 1996 with registered number 64502 with an issued share capital comprising 10,000 ordinary shares) has been appointed pursuant to the Company Share Registration Services Agreement to provide certain share registration and online services to the Company. The Company Share Registration Services Agreement provides for the payment by the Company of the fees and charges of the Registrar.

Under the Company Share Registration Services Agreement, the Registrar is entitled to receive a minimum agreed fee of £16,500 per annum in respect of basic registration. Together with any additional registrar activity not included in such basic registration services, it is currently expected the fees payable to the Registrar will be approximately £56,500 per annum.

The Company Share Registration Services Agreement contains provisions whereby the Company indemnifies the Registrar, its affiliates and their directors, officers, employees and agents from and against any and all losses, damages, liabilities, professional fees (including but not limited to legal fees), court costs and expenses resulting or arising from the Company's breach of the Company Share Registration Services Agreement. In addition, any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Company Share Registration Services Agreement or the services contemplated therein are included, except to the extent such losses as set out in this paragraph are determined to have resulted solely from the negligence, fraud or wilful default of the indemnified party seeking the indemnity.

The Company Share Registration Services Agreement is terminable, *inter alia*, (a) upon three months' written notice in the event of a disagreement over fees; (b) upon service of written notice if the other party commits a material breach of its obligations under the Company Share Registration Services Agreement which that party has failed to remedy within 45 days of receipt of a written notice to do so from the first party; or (c) upon service of written notice if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party.

9.9 ***The Receiving Agent Agreement***

The Receiving Agent (a company incorporated under the laws of England and Wales on 26 April 1991 with registered number 2605568 with an issued share capital of 40,616,002 ordinary shares) has been appointed pursuant to the Receiving Agent Agreement to provide certain share registration and online services to the Company in respect of the Reorganisation.

The Receiving Agent Agreement provides for the payment by the Company of the fees and charges of the Receiving Agent.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a fee at an hourly rate (subject to a minimum fee of £2,000), plus a processing fee per application. The Receiving Agent will also be entitled to reimbursement of all out of pocket expenses reasonably incurred by it in connection with its duties. These fees will be for the account of the Company.

The Receiving Agent Agreement contains provisions whereby the Company indemnifies the Receiving Agent, its affiliates and their directors, officers, employees and agents from and against any and all losses, damages, liabilities, professional fees (including but not limited to legal fees), court costs and expenses resulting or arising from the Company's breach of the Receiving Agent Agreement. In addition, the Company indemnifies the Receiving Agent against any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Receiving Agent Agreement or the services contemplated therein are included, except to the extent such losses as set out in this paragraph are determined to have resulted solely from the negligence, fraud or wilful default of the indemnified party seeking the indemnity.

9.10 ***The Subsidiary Custodian Agreement***

The Custodian (a company incorporated in Jersey on 28 April 1956 with registration number 702 with an issued share capital comprising 53,975 ordinary shares) has been appointed, pursuant to the Subsidiary Custodian Agreement between the Subsidiary and the Custodian, to act as custodian of the Subsidiary.

If the Scheme becomes effective, the Subsidiary Custodian Agreement will be terminated with effect from the Effective Date.

The Subsidiary Custodian Agreement contains provisions whereby the Subsidiary indemnifies the Custodian out of the assets of the Subsidiary in certain circumstances save where such circumstances arise as a result of some act of negligence, fraud or wilful default on the part of the Custodian. The fees payable by the Subsidiary pursuant to the Subsidiary Custodian Agreement accrue daily at an agreed annual rate of 0.03 per cent. per annum of the net asset value of the Subsidiary subject to a minimum annual fee of £10,000. Such fees are payable quarterly in arrears on the last Business Day of each quarter.

The Subsidiary Custodian Agreement is terminable, *inter alia*, (a) upon six months' written notice and (b) immediately upon the occurrence of certain events including the insolvency of the Subsidiary or the Custodian, the Custodian becoming resident in the UK for tax purposes or a party committing a material breach of the Subsidiary Custodian Agreement (where such breach has not been remedied within thirty days of written notice being given).

9.11 ***The New Company Custodian Agreement***

At a Board meeting held on 31 January 2013, the Board approved the entry by the Company into the New Company Custodian Agreement. If the Scheme becomes effective, the New Company Custodian Agreement will take effect from the Effective Date.

Under the New Company Custodian Agreement, which is substantially similar to the Subsidiary Custodian Agreement, the Custodian will be been appointed to act as custodian of the Subsidiary.

The New Company Custodian Agreement contains provisions whereby the Company will indemnify the Custodian out of the assets of the Company in certain circumstances save where such

circumstances arise as a result of some act of negligence, fraud or wilful default on the part of the Custodian. The fees payable by the Company pursuant to the Company Custodian Agreement will accrue daily at an agreed annual rate of 0.03 per cent. per annum of the NAV of the Company subject to a minimum annual fee of £40,000. Such fees will be payable monthly in arrears on the last Business Day of each month.

The New Company Custodian Agreement is terminable, *inter alia*, (a) upon six months' written notice and (b) immediately upon the occurrence of certain events including the insolvency of the Company or the Custodian, the Custodian becoming resident in the UK for tax purposes or a party committing a material breach of the New Company Custodian Agreement (where such breach has not been remedied within thirty days of written notice being given).

9.12 ***The Subsidiary Valuation Engagement Letter***

The Valuation Agent has been appointed by the Subsidiary pursuant to the Subsidiary Valuation Engagement Letter. The Valuation Agent is responsible for the following:

(a) providing a monthly valuation report to the Subsidiary updating the monthly valuation of each class fund's portfolio of investments; and

(b) valuing assets acquired as at acquisition.

The Subsidiary Valuation Engagement Letter is terminable by 21 days' notice in writing given by either party.

10 Working Capital

The Company is of the opinion that the working capital of the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

11 Capitalisation and indebtedness

Capitalisation and Indebtedness	*As at 31 December 2013*
	£
Total current debt	
Guaranteed	-
Secured	-
Unguaranteed/unsecured	(76,142,427)
Total current debt	**(76,142,427)**
Total non-current debt (excluding current portion of long-term debt)	
Guaranteed	-
Secured	-
Unguaranteed/unsecured	(1,765,643)
Total non-current debt	**(1,765,643)**
Shareholders' equity	
Share capital	2,820,357
Share premium	287,950,077
Other reserves	65,388
Total Shareholders' equity	**290,835,822**

The information on total current debt, total non-current debt and Shareholders' equity set out above has been extracted from unaudited consolidated accounts of the Company as at 31 December 2013.

	As at 31 December 2013
	£
Net indebtedness	
A. Cash	9,906,080
B. Cash equivalent	1,765,643
C. Trading securities	-
D. Liquidity (A+B+C)	**11,671,723**
E. Current financial receivables	166,298
F. Current bank debt	-
G. Current proportion of non-current debt	-
H. Other current financial debt	(76,142,427)
I. Current financial debt (F+G+H)	**(76,142,427)**
J. Net current financial indebtedness (I-E-D)	**(64,304,406)**
K. Non-current bank loans	-
L. Bonds issued	-
M. Other non-current loans	(1,765,643)
N. Non-current financial indebtedness (K+L+M)	**(1,765,643)**
O. Net financial indebtedness (J+N)	**(66,070,049)**

There is no indirect or contingent indebtedness. The information set out above has not been audited and has been extracted from unaudited information set out in the most recent unaudited consolidated accounts of the Company as at 31 December 2013.

12 Property, Plant and Equipment

The Company has no existing or planned material tangible fixed assets.

13 Litigation

There are no governmental, legal or arbitrational proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during the 12 month period prior to the date of publication of this document which may have, or have had in the recent past, a significant effect on the Group's financial position or profitability.

14 Related Party Transactions

For details of related party transactions relating to the Group, please refer to note 17 on page 58 of the audited consolidated financial statements of the Company for the financial year ended 30 September 2013 which are incorporated by reference in this document. There are no other related party transactions that any member of the Group has entered into from its incorporation to the date of this document.

15 Investment restrictions

The Company is required to manage and invest its assets in accordance with its investment objectives and policy which is set out in paragraph 4 of Part 1 of this document. Further investment restrictions are set out in paragraphs 5 and 7 of Part 1 of this document.

The Company is not subject to any other investment restrictions.

16 Third party information

Where third party information has been referenced in this document, the source of that third party information has been disclosed. The Company and Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

17 General

17.1 Save to the extent disclosed in this paragraph 17.1 below, there has been no significant change in the financial or trading position of the Group since 30 September 2013:

(a) on 25 November 2013 GCP RHI Boiler 1 Limited repaid the £26 million loan advance to it by the Subsidiary in full, on account of lower than anticipated demand for biomass boilers installed on commercial premises;

(b) on 29 November 2013 the Subsidiary subscribed for £21.2 million of loan notes with a yield of 9.8 per cent. per annum, issued by GCP Onshore Wind 3 Limited. The proceeds were used to make a senior loan secured against a single five-turbine 15MW wind farm to be developed in Northern Ireland;

(c) on 10 December 2013 the Subsidiary subscribed for £14.5 million of loan notes with a yield of 9.1 per cent. per annum, issued by GCP Biomass 2 Limited. The proceeds were used to make a senior loan secured against a wood-fuelled power station to be developed in Birmingham;

(d) on 10 December 2013 the Subsidiary completed a series of transactions subscribing for an aggregate of £6.5 million of loan notes with a yield of 9.8 per cent. per annum, issued by GCP Onshore Wind 2 Limited. The proceeds are to be used to make senior loans secured;

(e) on 27 January 2014 GCP RHI Boiler 2 Limited repaid £5 million of the loan advanced to it by the Subsidiary, on account of lower than anticipated demand for biomass boilers installed on commercial premises; and

(f) on 27 January 2014 the Subsidiary subscribed for £4.99 million of loan notes with a yield of 9.3 per cent. per annum, issued by GCP Rooftop Solar 4 Limited. The proceeds were used to make a senior loan secured against rooftop solar installations.

17.2 The estimated costs and expenses relating to the Reorganisation and Admission payable by the Company are estimated to amount to approximately £405,000.

17.3 Oriel Securities Limited is registered in England and Wales under number 04373759 and its registered office is at 150 Cheapside, London EC2Y 6ET. Oriel Securities Limited is regulated by the Financial Conduct Authority and is acting in the capacity of sponsor to the Company.

17.4 Oriel Securities Limited has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

17.5 The Investment Adviser has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

17.6 Ernst & Young LLP has given, and has not withdrawn, its written consent to the inclusion of its report set out in Part 9 of this document in the form and context in which it appears and has authorised the contents of that report for the purposes of Prospectus Rule 5.5.3R(2)(f) and item 23.1 of Annex I of Commission Regulation (EC) 809/2004.

17.7 There are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

17.8 As described in paragraph 2.20 of this Part 7 of this document, as at 30 January 2014 (being the latest practicable date prior to publication of this document), the issued and fully paid share capital of the Company was £2,820,357.06 representing 282,035,706 Ordinary Shares of £0.01 par value.

17.9 The Ordinary Shares and C Shares are not listed on any other market for securities.

17.10 The ISIN for the Reorganisation Shares is JE00B6173J15.

17.11 As at 30 January 2014 (being the latest practicable date before the publication of this document) there have been no public takeover bids in respect of the Company's share capital since its incorporation.

17.12 The Company is not aware of any person or persons who, immediately following Admission, directly or indirectly, jointly or severally, could exercise control over the Company, nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

18 Documents Available For Inspection

Copies of the following documents will be available for inspection during normal business hours on any day (except Saturdays, Sundays, bank and public holidays) free of charge to the public at the offices of the Company and at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA from the date of this document until the first anniversary of Admission:

18.1 Memorandum and the Articles;

18.2 the audited consolidated financial statements of the Company that are incorporated by reference in Part 8 of this document; and

18.3 the material contracts summarised in Part 7 of this Prospectus.

PART 8

FINANCIAL INFORMATION ON THE COMPANY

Audited consolidated financial statements of the Company for the financial year ended 30 September 2011, the financial year ended 30 September 2012 and the financial year ended 30 September 2013

The audited consolidated financial statements of the Company for the financial years ended 30 September 2011, 30 September 2012 and 30 September 2013 have been prepared in accordance with International Financial Reporting Standards and have been submitted to the National Storage Mechanism and are available for inspection at www.Hemscott.com/nsm.do and are incorporated into this document by reference.

The audited financial statements of the Company for the financial year ended 30 September 2011 (which have been incorporated in this document by reference), include, on the pages specified in the table below, the following information:

Nature of information	*For the year ended 30 September 2011*
	Page No(s)
Consolidated Statement of Comprehensive Income	36
Consolidated Statement of Financial Position	35
Consolidated Statement of Cash Flow	38
Consolidated Statement of Changes in Equity	37
Significant Accounting policies	39-47
Notes to the Consolidated Financial Statements	39-68
Independent Auditor's Report	33-34
Investment Adviser's Report	7-11
Chairman's Statement	5-6
Overview	3
Group Portfolio	12-15
Company Information	2
Financial Statistics	16

Any statement contained in the audited consolidated financial statements of the Company for the financial year to 30 September 2011 which are deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

The audited financial statements of the Company for the financial year ended 30 September 2012 (which have been incorporated in this document by reference), include, on the pages specified in the table below, the following information:

Nature of information	*For the year ended 30 September 2012*
	Page No(s)
Consolidated Statement of Comprehensive Income	42
Consolidated Statement of Financial Position	41
Consolidated Statement of Cash Flow	44

Consolidated Statement of Changes in Equity	43
Significant Accounting policies	45-53
Notes to the Consolidated Financial Statements	45-77
Independent Auditor's Report	39-40
Investment Adviser's Report	8-12
Chairman's Statement	5-7
Overview	3
Group Portfolio	17-19
Company Information	2
Financial Statistics	20-21

Any statement contained in the audited consolidated financial statements of the Company for the financial year to 30 September 2012 which are deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

The audited financial statements of the Company for the financial year ended 30 September 2013 (which have been incorporated in this document by reference), include, on the pages specified in the table below, the following information:

Nature of information	*For the year ended 30 September 2013*
	Page No(s)
Consolidated Statement of Comprehensive Income	38
Consolidated Statement of Financial Position	39
Consolidated Statement of Cash Flow	41
Consolidated Statement of Changes in Equity	40
Significant Accounting policies	42-46
Notes to the Consolidated Financial Statements	42-60
Independent Auditor's Report	36-37
Chairman's Statement	4-5
Introduction	1-3
Strategic Report	6-23
Directors' Report	26-27
Remuneration Report	28-29
Corporate Governance Statement	30-32
Audit Committee Report	33-34

Any statement contained in the audited consolidated financial statements of the Company for the financial year to 30 September 2013 which are deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

The Company will provide, without charge, to each person to whom a copy of this document has been delivered, upon the written request of such person, a copy of each of the audited consolidated financial statements of the Company for the financial year ended 30 September 2011, 30 September 2012 and 30 September 2013 that are incorporated by reference herein. Written requests should be directed to the Company at its registered office.

PART 9

UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE COMPANY

The following unaudited pro forma financial statements of net assets and income of the consolidated Group ("**Pro Forma Financial Information**") is provided to show the effect of the Scheme on the net assets and income of the Group. The Pro Forma Financial Information has been prepared for illustrative purposes only to show the effect of the Scheme on the net assets of the Group as if the Scheme had become effective on 30 September 2013 and the income statement of the Group as if the Scheme had become effective on 1 October 2012.

By its nature, the Pro Forma Financial Information addresses a hypothetical situation and therefore does not represent the actual financial position or results of the Group.

The number of Reorganisation Shares issued, and the share capital and share premium attributable to the Reorganisation Shares issued, has been calculated based on the net asset value of the Company and the Subsidiary on the Effective Date and the elections received from the Minority Subsidiary Shareholders.

The Pro Forma Financial Information has been prepared in accordance with IFRS and using the accounting policies adopted by the Company in its published financial statements for the year ended 30 September 2013.

1 Unaudited pro forma statement of comprehensive income of the Company for the year ended 30 September 2013

Statement of Comprehensive Income

	Consolidated income for the year ended 30 September 2013 per audited financial statements	Adjustments for acquisition of shares held by Minority Subsidiary Shareholders	Pro Forma Adjusted
	£'000	£'000	£'000
	Note A1	Note A2	
Income			
Investment income	27,334	-	27,334
Arrangement fee income	1,420	-	1,420
Deposit interest income	447	-	447
Total income	**29,201**	**-**	**29,201**
Expenses			
Acquisition costs	(978)	-	(978)
Investment advisory fees	(2,230)	-	(2,230)
C Share issue costs	(2,233)	-	(2,233)
Operating expenses	(1,713)	-	(1,713)
Total expenses	**(7,154)**	**-**	**(7,154)**
Total operating profit before finance costs	**22,047**	**-**	**22,047**

Finance costs			
Interest expense	(21)	-	(21)
Distribution to non-controlling interest	(2,504)	2,504	-
Total finance costs	**(2,525)**	**2,504**	**(21)**
Profit for the year	**19,522**	**2,504**	**22,026**
Other comprehensive income	-	-	-
Total comprehensive income	**19,522**	**2,504**	**22,026**
Earning per share (p)	10.2188		8.3922[A3]

2 Unaudited pro forma statement of net assets of the Company as at 30 September 2013

Net Asset Statement

	Consolidated net assets per 30 September 2013 audited financial statements	Adjustments for acquisition of shares held by Minority Subsidiary Shareholders	Pro Forma Adjusted
	£'000	£'000	£'000
	Note A1	Note A2	
Assets			
Cash and cash equivalents	25,391	(733)	24,658
Amounts receivable on subscription of Subsidiary Shares	1,151	-	1,151
Other receivables and prepayments	96	-	96
Amounts held on security account	1,880	-	1,880
Financial assets at fair value through profit or loss	344,142	-	344,142
Total assets	**372,660**	**(733)**	**371,927**
Liabilities			
Amounts payable on redemption of Subsidiary Shares	(64)	-	(64)
Other payables and accrued expenses	(1,851)	(405)	(2,256)
Amounts held on security account	(1,880)	-	(1,880)
Financial liabilities at fair value through profit or loss	(75,249)	75,249	-
Total liabilities	**(79,044)**	**74,111**	**(4,200)**
Net assets	**293,616**	**74,111**	**367,727**

Capital and reserves			
Share capital	2,814	714	3,528
Share premium	287,239	73,400	360,639
Other capital reserves	66	(3)	63
Retained earnings	3,497	-	3,497
Total capital and reserves	**293,616**	**74,111**	**367,727**
NAV per share (p)	104.3471		104.2321[A4]

3 Notes

Note A1

The net assets and statement of comprehensive income of the Company as at 30 September 2013 have been extracted without adjustment from the last audited financial statements of the Company dated 30 September 2013.

Note A2

As at 30 January 2014 (being the latest practicable date before publication of the Prospectus), the expenses of the Reorganisation are estimated at approximately £405,000, which are shown as a liability at the period end and charged against share premium due to the costs being in relation to an issue of equity shares.

If the Scheme becomes effective, the financial liability associated with the Minority Subsidiary Shareholders (i.e. the non-controlling shareholders of the Subsidiary) will be eliminated. This amount is £75,249,000 (per the Company's latest audited financial statements, which are prepared in accordance with IFRS). The value of the new Ordinary Shares to be issued and the cash to be paid pursuant to the Scheme is £75,252,000, with the balance of £3,000 being allocated against other reserves. The balance of £3,000 arises due to the different accounting treatment of setup costs in the net asset value of the Subsidiary and under IFRS in the financial statements.

The distribution to Minority Subsidiary Shareholders of £2,504,000 is eliminated as the Scheme is deemed to have taken effect on 1 October 2012 for the purposes of the statement of comprehensive income. This will have a continuing effect on the Company.

Note A3

The adjusted earning per Ordinary Share has been calculated on total comprehensive income for the year of £22,026,000 as shown above and on an average number of Ordinary Shares in issue of 262,457,040 calculated as follows:

Average number of Ordinary Shares per financial statements:	191,044,696
Number of new Ordinary Shares to be issued:	71,412,344*
Average number of Ordinary Shares for the purposes of the pro forma:	262,457,040

*Based on Scheme elections received from Minority Subsidiary Shareholders

Note A4

The net asset value per Ordinary Share has been calculated by dividing the net assets of the Group by the number of Ordinary Shares in issue as at the statement of net assets date.

The Directors
GCP Infrastructure Investments Limited
12 Castle Street
St Helier
Jersey
JE2 3RT

3 February 2014

Dear Sirs

We report on the pro forma financial information (the "**Pro Forma Financial Information**") set out in Part 9 of the Prospectus dated 3 February 2014 (the "**Prospectus**"), which has been prepared on the basis described on in Part 9 of the Prospectus, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by GCP Infrastructure Investments Limited in preparing the financial statements for the period ended 30 September 2013. This report is required by item 20.2 of Annex I of Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to Commission Regulation (EC) No 809/2004, consenting to its inclusion in the Prospectus.

Responsibilities

It is the responsibility of the directors of GCP Infrastructure Investments Limited to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I of Commission Regulation (EC) No 809/2004.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the Commission Regulation (EC) No 809/2004, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of GCP Infrastructure Investments Limited.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of GCP Infrastructure Investments Limited.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of GCP Infrastructure Investments Limited.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of Commission Regulation (EC) No 809/2004.

Yours faithfully

Ernst & Young LLP

DEFINITIONS

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

"**Administrator**"	Capita Financial Administrators (Jersey) Limited or such administrator as may be appointed from time to time by the Company
"**Admission**"	admission of the Reorganisation Shares to be issued pursuant to the Scheme to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities
"**AGM**"	the annual general meeting of the Company to be held on 27 February 2014
"**AIC**"	the Association of Investment Companies
"**AIC Code**"	the AIC's Code of Corporate Governance, as amended from time to time
"**AIF**"	an alternative investment fund within the meaning of AIFMD
"**AIFM**"	an alternative investment fund manager within the meaning of AIFMD
"**AIFMD**"	the Alternative Investment Fund Managers Directive 2011/61/EU as implemented in the UK
"**Amended Company Administration Agreement**"	the administration agreement dated 28 June 2010 between the Company and the Administrator as amended pursuant to a side letter dated 11 November 2011 and a side letter dated 14 September 2012, as amended with effect from the Effective Date, details of which are set out in paragraph 9.5 of Part 7 of this document
"**Amended Company Investment Advisory Agreement**"	the investment advisory agreement dated 28 June 2010, as amended and restated on 20 March 2013, between the Company and the Investment Adviser, as amended with effect from the Effective Date, details of which are set out in paragraph 9.3 of Part 7 of this document
"**Amended Subsidiary Administration Agreement**"	the administration agreement dated 9 June 2009 between the Subsidiary and the Administrator, as amended pursuant to a side letter dated 28 June 2010 and a side letter dated 14 September 2012, as amended with effect from the Effective Date, details of which are set out in paragraph 9.7 of Part 7 of this document
"**Articles of Association**" or "**Articles**"	the articles of association of the Company in force from time to time
"**Auditors**"	Ernst & Young LLP or such auditor (who shall be suitably qualified under Jersey Companies Law) as may be appointed from time to time by the Company
"**Board**" or "**Board of Directors**"	the board of directors of the Company
"**Business Day**"	any day (other than a Saturday or a Sunday) on which commercial

	banks are open for business in London and Jersey
"**C Shareholders**"	the holders of C Shares (prior to the conversion of the C Shares into Ordinary Shares in accordance with the Articles)
"**C Share Surplus**"	the net assets of the Company attributable to the C Shares, being the assets attributable to such C Shares (including, for the avoidance of doubt, any income and/or revenue (net of expenses) arising from or relating to such assets) less such proportion of the Company's liabilities as the Directors shall reasonably allocate to the assets of the Company attributable to the C Shares
"**C Shares**"	C ordinary shares of £0.01 each in the capital of the Company having the rights set out in the Articles
"**Capital Reduction**"	the proposed reduction of share capital of the Subsidiary in connection with the Scheme
"**certificated**" or "**in certificated form**"	in certificated form, that is, not in CREST
"**CIF Law**"	the Collective Investment Funds (Jersey) Law 1988, as amended
"**CISEA**"	the Channel Islands Securities Exchange Authority Limited, which is not a regulated market for the purposes of MiFID
"**City Code**"	the City Code on Takeovers and Mergers
"**Company**"	GCP Infrastructure Investments Limited
"**Company Share Registration Services Agreement**"	the company share registration services agreement dated 28 June 2010 between the Company and the Registrar, details of which are set out in paragraph 9.8 of Part 7 of this document
"**Consideration Option A Subsidiary Accumulation Shares**"	shares designated as such pursuant to the terms of the Scheme
"**Consideration Option A Subsidiary Income Shares**"	shares designated as such pursuant to the terms of the Scheme
"**Consideration Option B Subsidiary Accumulation Shares**"	shares designated as such pursuant to the terms of the Scheme
"**Consideration Option B Subsidiary Income Shares**"	shares designated as such pursuant to the terms of the Scheme
"**Consideration Option C Subsidiary Accumulation Shares**"	shares designated as such pursuant to the terms of the Scheme
"**Consideration Option C Subsidiary Income Shares**"	shares designated as such pursuant to the terms of the Scheme
"**Court**" or "**Jersey Court**"	the Royal Court of Jersey
"**Court Hearing**"	the hearing, following the Court Meeting, by the Court of the application to sanction the Scheme and confirm the Capital

	Reduction
“**Court Meeting**”	the meeting of the Subsidiary Shareholders convened by order of the Court pursuant to Article 125 of the Jersey Companies Law for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment thereof
“**CREST**”	the computerised settlement system operated by Euroclear UK and Ireland Limited which facilitates the transfer of title to shares in uncertificated form
“**Current Portfolio**”	the Group’s current investment portfolio, as described in Part 4 of this document
“**Custodian**”	Capita Trust Company (Jersey) Limited
“**Deferred Shares**”	redeemable deferred shares of £0.01 each in the capital of the Company
“**Director**”	a director of the Company from time to time
“**Disclosure and Transparency Rules**”	the disclosure and transparency rules made by the FCA under Part VI of FSMA
“**Effective Date**”	the date on which the Scheme becomes effective, which is expected to be 7 February 2014
“**EGM**”	the extraordinary general meeting of the Company to be held on 7 February 2014
“**equity securities**”	has the meaning given to that expression in the Articles
“**Existing Company Administration Agreement”**	the administration agreement dated 28 June 2010 between the Company and the Administrator as amended pursuant to a side letter dated 11 November 2011 and a side letter dated 14 September 2012, details of which are set out in paragraph 9.4 of Part 7 of this document
“**Existing Company Investment Advisory Agreement**”	the investment advisory agreement dated 28 June 2010, as amended and restated on 20 March 2013, between the Company and the Investment Adviser, details of which are set out in paragraph 9.1 of Part 7 of this document
“**Existing Subsidiary Administration Agreement**”	the administration agreement dated 9 June 2009 between the Subsidiary and the Administrator, as amended pursuant to a side letter dated 28 June 2010 and a side letter dated 14 September 2012, details of which are set out in paragraph 9.6 of Part 7 of this document
“**Expert Fund**”	a fund established in Jersey pursuant to the Collective Investment Funds (Jersey) Law 1988 and the policies contained in the Expert Fund Guide published by the JFSC
“**Feed-in Tariff**” or “**FIT**”	the Feed-in Tariff scheme as introduced on 1 April 2010 under the Energy Act 2008
“**FCA**” or “**Financial Conduct Authority**”	the Financial Conduct Authority of the United Kingdom in its capacity as the competent authority for the purposes of FSMA

"**FSMA**"	the Financial Services and Markets Act 2000 of the United Kingdom, as amended
"**Group**"	the Company and the Subsidiary
"**HMRC**"	HM Revenue & Customs
"**IFRS**"	International Financial Reporting Standards (including International Accounting Standards)
"**Investment Adviser**"	Gravis Capital Partners LLP, being the investment adviser to the Company
"**Investment Company Act**"	the United States Investment Company Act of 1940, as amended
"**Investment Committee**"	the investment committee established by the Company to consider and make asset origination and investment decisions, details of which are set out in paragraph 4.2 of Part 2 of this document
"**IPO**"	the initial public offer of the Company pursuant to which 40,000,000 Ordinary Shares were admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities on the IPO Date
"**IPO Date**"	the date on which the Ordinary Shares were first admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, being 22 July 2010
"**IPO Price**"	the price per Ordinary Share at which the Ordinary Shares were issued pursuant to the IPO, being £1.00 per Ordinary Share
"**Issue**"	the proposed issue of C Shares pursuant to the Open Offer, the Placing and the Offer for Subscription
"**Jersey Companies Law**"	the Companies (Jersey) Law, 1991 (as amended)
"**Jersey Listed Fund Guide**"	the Jersey Listed Fund Guide published by the JFSC
"**JFSC**"	the Jersey Financial Services Commission
"**LIBOR**"	the London Interbank Offered Rate, being the average rate of interest that leading banks in London charge when lending to other banks
"**Listing Rules**"	the listing rules made by the UK Listing Authority under section 73A of FSMA
"**London Stock Exchange**"	London Stock Exchange plc, the main market of which is a regulated market for the purposes of MiFID
"**Member State**"	a sovereign state which is a member of the European Union
"**Memorandum**"	the memorandum of association of the Company or the Subsidiary (as the context requires) in force from time to time
"**MiFID**"	the European Parliament and Council Directive on markets in

financial instruments (No. 2004/39/EC)

"**Minority Subsidiary Shares**"	the Subsidiary Shares held by the Minority Subsidiary Shareholders
"**Minority Subsidiary Shareholders**"	the holders of Subsidiary Shares other than the Company
"**NAV**" or "**Net Asset Value**"	the value of the assets of the Company less its liabilities as determined in accordance with the procedure set out in paragraph 10 of Part 1 of this document in the paragraph entitled "Valuation and valuation methodology"
"**New Company Custodian Agreement**"	the custodian agreement dated 31 January 2014 between the Company and the Custodian which will take effect from the Effective Date, details of which are set out in paragraph 9.11 of Part 7 of this document
"**New OEIC**"	GCP Infrastructure OEIC Limited, a public company incorporated in Jersey
"**New OEIC Accumulation Shares**"	ordinary redeemable accumulation shares of £1.00 each in New OEIC
"**New OEIC Income Shares**"	ordinary redeemable income shares of £1.00 each in New OEIC
"**New OEIC Shares**"	New OEIC Income Shares and/or New OEIC Accumulation Shares (as the context requires)
"**New OEIC Shareholders**"	holders of New OEIC Shares from time to time
"**Offer for Subscription**"	the proposed offer for subscription by the Company of C Shares
"**Official List**"	the official list of the UK Listing Authority
"**Open Offer**"	the proposed open offer by the Company to existing Shareholders of C Shares
"**Ordinary Shares**"	ordinary shares of £0.01 each in the capital of the Company
"**Ordinary Shareholders**"	holders of Ordinary Shares from time to time
"**Panel**"	the Panel on Takeovers and Mergers
"**PFI**"	private finance initiative
"**Placing**"	the proposed Placing of C Shares on behalf of the Company
"**Placing Programme**"	the proposed Placing Programme of Ordinary Shares
"**Premium Listing**"	a listing on the Official List which complies with the requirements of the Listing Rules for a premium listing
"**project agreement**"	the agreement or group of agreements entered into by a Project Company which regulates its rights and obligations with regard to the relevant infrastructure project
"**Project Company**"	means a single purpose vehicle established to design and/or finance

	and/or construct and/or operate and/or acquire one or more infrastructure assets
"**Proposed Directors**"	Clive Spears and Paul de Gruchy, who will become Directors with effect from the Effective Date
"**Prospectus**"	this document, which constitutes a prospectus relating to the Company in accordance with the Prospectus Rules
"**Prospectus Rules**"	the rules made for the purposes of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market
"**Receiving Agent**"	Capita Registrars Limited
"**Receiving Agent Agreement**"	the receiving agent agreement dated 1 August 2012 between the Company and the Receiving Agent of the Company, details of which are set out in paragraph 9.6 of Part 7 of this document
"**Reclassification Record Time**"	the time immediately before the Scheme becomes effective
"**Regulated Information Service**"	a regulated information service approved by the FCA and on the list of Regulatory Information Services maintained by the FCA
"**Reorganisation**"	the reorganisation of the Group pursuant to the Scheme and certain ancillary matters, under which the Subsidiary will, on the Effective Date (if the Scheme becomes effective), become a wholly-owned subsidiary of the Company
"**Reorganisation Shares**"	Ordinary Shares to be issued to (i) Minority Subsidiary Shareholders who elect to receive Ordinary Shares in consideration for their Subsidiary Shares under the terms of the Scheme or (ii) to New OEIC in respect of Minority Subsidiary Shareholders who elect to receive New OEIC Shares in consideration for the cancellation of their Subsidiary Shares under the terms of the Scheme
"**RHI**"	Renewable Heat Incentive, as described in paragraph 1.3 of section B of Part 3 of this document
"**ROC**"	Renewables Obligation Certificates, as described in paragraph 1.2 of section B of Part 3 of this document
"**RPI**"	the All Items Retail Prices Index published by the Office for National Statistics
"**Scheme**"	the court-sanctioned scheme of arrangement proposed to be made under Article 125 of the Jersey Companies Law between the Company, the Subsidiary and Minority Subsidiary Shareholders, as set out in Part 4 of the Scheme Circular, with or subject to any modification, addition or condition approved or imposed by the Jersey Court and agreed to by the Company and the Subsidiary
"**Scheme Circular**"	the scheme circular relating to the Scheme and dated 20 December 2013
"**Securities Act**"	the United States Securities Act of 1933 (as amended)

"**Shareholders**"	Ordinary Shareholders and C Shareholders
"**Share Surplus**"	the net assets of the Company less the C Share Surplus
"**Sponsor**"	Oriel Securities Limited
"**Subsidiary**"	GCP Infrastructure Fund Limited, a public company incorporated in Jersey
"**Subsidiary Accumulation Shares**"	ordinary redeemable accumulation shares of £1.00 each in the Subsidiary in respect of which no dividends are paid and all income is reinvested
"**Subsidiary Articles**"	the articles of association of the Subsidiary in force from time to time
"**Subsidiary Board**" or "**Subsidiary Board of Directors**"	the board of directors of the Subsidiary
"**Subsidiary Custodian Agreement**"	the custodian agreement dated 21 July 2009 between the Subsidiary and the Custodian, details of which are set out in paragraph 9.10 of Part 7 of this document
"**Subsidiary Director**"	a director of the Subsidiary from time to time
"**Subsidiary EGM**"	the extraordinary general meeting of the Subsidiary held on 22 January 2014
"**Subsidiary Income Shares**"	ordinary redeemable income shares of £1.00 each in the Subsidiary in respect of which distributions are paid half yearly on or around 15 May and 15 November
"**Subsidiary Investment Advisory Agreement**"	the investment advisory agreement dated 3 June 2009 (as amended on 28 June 2010) between the Subsidiary and the Investment Adviser, details of which are set out in paragraph 9.2 of Part 7 of this document
"**Subsidiary Non-Redeemable Shares**"	ordinary non-redeemable shares of £1.00 each in the Subsidiary
"**Subsidiary Shareholders**"	holders of Subsidiary Shares
"**Subsidiary Shares**"	Subsidiary Accumulation Shares and/or Subsidiary Income Shares (as the context requires)
"**Subsidiary Valuation Engagement Letter**"	the valuation engagement letter dated 6 September 2011 between the Subsidiary and the Valuation Agent, details of which are set out in paragraph 9.12 of Part 7 of this document
"**Tap Shares**"	the 20,417,633 Ordinary Shares issued at 107.75 pence per Ordinary Share, by way of a tap issue on 23 September 2013, the net proceeds of such issue being invested in further Subsidiary Income Shares
"**Target Net Yield**"	has the meaning given to that expression in paragraph 15 of Part 1 of this document

"**TCGA**"	the Taxation of Chargeable Gains Act 1992
"**TIOPA**"	the Taxation (International and Other Provisions) Act 2010
"**UK Corporate Governance Code**"	the UK Corporate Governance Code published in June 2010 by the Financial Reporting Council
"**UK Listing Authority**"	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
"**United Kingdom**" or "**UK**"	the United Kingdom of Great Britain and Northern Ireland
"**US**" or "**United States**"	the United States of America, its states, territories and possessions, including the District of Columbia
"**Valuation Agent**"	Mazars LLP or such other independent valuer as may be appointed by the Subsidiary from time to time
"**Valuation Date**"	the last Business Day in each calendar month (or such other day as the Directors may determine)
"**VAT**"	value added tax or any similar or replacement tax
"**£**" **and** "**p**"	respectively pounds and pence sterling, the lawful currency of the United Kingdom