

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek immediately your own personal financial advice from your independent financial adviser, stockbroker, bank manager, solicitor, accountant or from an appropriately qualified independent adviser authorised pursuant to the Financial Services and Markets Act 2000, as amended, if you are in the United Kingdom or, if not, from another appropriately authorised independent adviser.

This document, which comprises a prospectus relating to Hadrian's Wall Secured Investments Limited (the "Company"), prepared in accordance with the Prospectus Rules, has been approved by the Financial Conduct Authority (the "FCA") and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules. This document has been made available to the public as required by the Prospectus Rules.

The distribution of this document into a jurisdiction other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdictions. In particular, subject to certain exceptions, this document should not be distributed, forwarded to or transmitted in or into any Restricted Jurisdiction.

Application will be made to the UK Listing Authority and the London Stock Exchange for all of the C Shares to be issued in connection with the Issue to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission of the C Shares issued pursuant to the Initial Placing and the Initial Offer for Subscription will become effective and that unconditional dealings will commence in those C Shares on the London Stock Exchange at 8.00 a.m. on 31 May 2017. It is expected that Admission of any C Shares to be issued pursuant to the Share Issuance Programme will become effective and that unconditional dealings will commence in such C Shares on the London Stock Exchange not later than 12 months from the date of this Prospectus. No application has been made or is currently intended to be made for the C Shares to be admitted to listing or trading on any other stock exchange.

Hadrian's Wall Secured Investments Limited

(a closed-ended investment company limited by shares incorporated under the laws of Guernsey with registered number 61955)

Initial placing and offer for subscription of C Shares at an issue price of 100 pence per C Share with a target size of 80 million C Shares

Share Issuance Programme in respect of up to 200 million C Shares

Investment Manager

International Fund Management Limited

Investment Adviser

Hadrian's Wall Capital Limited

Sponsor, Sole Financial Adviser and Bookrunner

Winterflood Securities Limited

The Directors, whose names appear on page 38 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

You should read the whole of this document. In particular, your attention is drawn to the "Risk Factors" section of this document for a description of certain important factors, risks and uncertainties that may affect the Company's business and the C Shares and which should be taken into account when considering whether to invest in C Shares.

Winterflood, which is authorised and regulated in the UK by the FCA, is acting through its division, Winterflood Investment Trusts, exclusively for the Company and for no-one else in connection with the Issue and will not regard any other person (whether or not a recipient of this document) as its client in relation to the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in connection with the Issue or any other matter referred to in this document.

Capitalised terms have the meanings ascribed to them in Part 14 (Definitions) of this document.

The C Shares have not been approved or disapproved by the SEC, any U.S. state securities commission or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the C Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The C Shares have not been and will not be registered under the United States Securities Act of 1933 as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”). In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and no recipient of this document will be entitled to the benefits of the Investment Company Act.

The C Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption. There will be no public offer in the United States or any other Restricted Jurisdiction.

The Company is a registered closed-ended collective investment scheme pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Schemes Rules 2015 issued by the Guernsey Financial Services Commission. Neither the States of Guernsey Policy Council nor the Guernsey Financial Services Commission take any responsibility for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

This document has not been reviewed by the Guernsey Financial Services Commission and, in granting registration, the Guernsey Financial Services Commission has relied upon specific warranties provided by the Administrator.

This document is dated 2 May 2017.

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SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. The 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 these types 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 these types 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	Warning	This summary should be read as an introduction to this prospectus only. Any decision to invest in the C Shares should be based on consideration of this prospectus as a whole. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating this prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus or it does not provide, when read together with the other parts of this prospectus, key information in order to aid investors when considering whether to invest in the C Shares.
A.2	Consent for intermediaries	Not applicable; the Company has not given consent to the use of this prospectus for subsequent resale or final placement of the C Shares by financial intermediaries.

Section B – Issuer and any guarantor		
B.1	Legal and commercial name	Hadrian’s Wall Secured Investments Limited (the “ Company ”).
B.2	Domicile and legal form, applicable legislation and country of incorporation	The Company was incorporated and registered in Guernsey on 27 April 2016 with registered number 61955. The principal legislation under which the Company operates, and under which its securities have been created (and under which the C Shares will be created), is the Companies Law.
B.5	Description of the group and the Company’s position therein	As at the date of this prospectus, the Company holds the entire issued share capital of the Subsidiary, and the Company and the Subsidiary together comprise the Group.
B.6	Notifiable interests in the Shares	As at 27 April 2017, (being the latest practicable date prior to the publication of this document), and so far as is known to the Company by virtue of the notifications made to it pursuant to the Articles, MAR and/or the Disclosure Guidance and Transparency Rules the following persons, directly or indirectly, are interested in 3 per cent. or more of the Company’s issued share capital or voting rights:

		<p style="text-align: right;"><i>% of voting rights attaching to the issued Ordinary Shares</i></p> <table> <thead> <tr> <th style="text-align: left;"><i>Shareholder</i></th> <th style="text-align: right;"><i>Number of Ordinary Shares</i></th> <th style="text-align: right;"><i>% of voting rights attaching to the issued Ordinary Shares</i></th> </tr> </thead> <tbody> <tr> <td>Old Mutual Global Investors</td> <td style="text-align: right;">20,000,000</td> <td style="text-align: right;">24.99</td> </tr> <tr> <td>Invesco Asset Management</td> <td style="text-align: right;">20,000,000</td> <td style="text-align: right;">24.99</td> </tr> <tr> <td>Investec Wealth & Investment</td> <td style="text-align: right;">15,648,030</td> <td style="text-align: right;">19.55</td> </tr> <tr> <td>Premier Asset Managers</td> <td style="text-align: right;">8,681,250</td> <td style="text-align: right;">10.85</td> </tr> <tr> <td>City of Bradford Metropolitan DC</td> <td style="text-align: right;">4,000,000</td> <td style="text-align: right;">5.00</td> </tr> <tr> <td>Alder Investment Management Ltd</td> <td style="text-align: right;">3,000,000</td> <td style="text-align: right;">3.75</td> </tr> <tr> <td>Representative Body of the Church of Ireland</td> <td style="text-align: right;">2,600,000</td> <td style="text-align: right;">3.25</td> </tr> </tbody> </table> <p>All Shareholders have the same voting rights in respect of the share capital of the Company.</p> <p>As at 27 April 2017, (being the latest practicable date prior to the publication of this document), the Company and Directors are not aware of any person who, directly or indirectly jointly or severally, exercises or could exercise control over the Company.</p>	<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>% of voting rights attaching to the issued Ordinary Shares</i>	Old Mutual Global Investors	20,000,000	24.99	Invesco Asset Management	20,000,000	24.99	Investec Wealth & Investment	15,648,030	19.55	Premier Asset Managers	8,681,250	10.85	City of Bradford Metropolitan DC	4,000,000	5.00	Alder Investment Management Ltd	3,000,000	3.75	Representative Body of the Church of Ireland	2,600,000	3.25
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B.7	Selected historical key financial information and significant change to the Group's financial condition and operating results	<p>The key audited figures that summarise the Company's financial condition in respect of the period from incorporation to 31 December 2016, which have been extracted without material adjustment from the audited financial statements of the Company, are set out in the table below:</p> <table> <thead> <tr> <th></th> <th style="text-align: right;"><i>31 December 2016</i></th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;"><i>Interim Report and Audited Consolidated Financial Statements</i></td> </tr> <tr> <td></td> <td style="text-align: right;"><i>£</i></td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">78,202,381</td> </tr> <tr> <td>Total Liabilities</td> <td style="text-align: right;">134,776</td> </tr> <tr> <td>Net assets</td> <td style="text-align: right;">78,067,605</td> </tr> <tr> <td>Net assets per Ordinary Share</td> <td style="text-align: right;">97.55p</td> </tr> <tr> <td>Dividend paid per Ordinary Share during the period</td> <td style="text-align: right;">0.20p</td> </tr> </tbody> </table> <p>During the period from 27 April 2016 to 31 December 2016:</p> <ul style="list-style-type: none"> the Company successfully raised gross initial proceeds of £80 million from an initial public offering in June 2016; the Company closed eight loan investments during the period with an aggregate value totalling £22.3 million; and the Company declared dividends of 0.2 pence per Ordinary Share in respect of the period ended 30 September 2016 and 0.4 pence per Ordinary Share in respect of the period ended 31 December 2016 <p>During the period beginning on 1 January 2017 and ending on the date of this document:</p> <ul style="list-style-type: none"> the Company made 3 investments totalling £35.8 million; 		<i>31 December 2016</i>		<i>Interim Report and Audited Consolidated Financial Statements</i>		<i>£</i>	Total assets	78,202,381	Total Liabilities	134,776	Net assets	78,067,605	Net assets per Ordinary Share	97.55p	Dividend paid per Ordinary Share during the period	0.20p								
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		<ul style="list-style-type: none"> the Company's cash balance has reduced reflecting, for the most part, £23.2 million of loan commitment drawn; and the Company declared a dividend of 0.6 pence per Ordinary Share in respect of the period ended 31 March 2017. <p>Save as disclosed above, there has been no significant change in the financial or trading position of the Group since 27 April 2016.</p>												
B.8	Key pro forma financial information	Not applicable. No pro-forma financial information is included in this prospectus.												
B.9	Profit forecast	Not applicable. The Company has not published any profit forecasts or estimates. No profit forecast or estimate is included in this prospectus.												
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable.												
B.11	Explanation in respect of insufficient working capital	Not applicable. The Group is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is, for at least the next 12 months following the date of this document.												
B.34	Investment policy and investment restrictions	<p><i>Investment objective</i></p> <p>The Company's investment objective is to provide Shareholders with regular, sustainable dividends and to generate capital appreciation through exposure, directly or indirectly, to primarily secured loans originated across a variety of channels, assets and industry segments.</p> <p><i>Investment policy</i></p> <p>The Company invests in loans, which are predominantly secured upon a variety of asset types. The types of loans that the Company targets include general commercial loans to businesses, equipment finance and specialised financial services.</p> <p><i>Diversification</i></p> <p>The Company is subject to the following investment limits, as a percentage of the NAV (measured at the time of investment):</p> <table> <tr> <td>Maximum single investment:</td> <td>10 per cent.</td> </tr> <tr> <td>Maximum exposure to a single borrower or group:</td> <td>10 per cent.</td> </tr> <tr> <td>Maximum exposure to Loans sourced through a single Originator:</td> <td>40 per cent.</td> </tr> <tr> <td>Maximum proportion of unsecured Loans:</td> <td>10 per cent.</td> </tr> <tr> <td>Maximum proportion of Loans (in aggregate) sourced through non-UK Originators or denominated in currencies other than Sterling:</td> <td>10 per cent.</td> </tr> <tr> <td>Maximum investment in assets other than Loans and other instruments with comparable characteristics:</td> <td>10 per cent.</td> </tr> </table>	Maximum single investment:	10 per cent.	Maximum exposure to a single borrower or group:	10 per cent.	Maximum exposure to Loans sourced through a single Originator:	40 per cent.	Maximum proportion of unsecured Loans:	10 per cent.	Maximum proportion of Loans (in aggregate) sourced through non-UK Originators or denominated in currencies other than Sterling:	10 per cent.	Maximum investment in assets other than Loans and other instruments with comparable characteristics:	10 per cent.
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B.35	Borrowing limits and/or leverage limits	<p>The Company may utilise borrowings for share buybacks and short term liquidity purposes. The Company does not currently anticipate using borrowings for investment purposes (except on a short term-basis where it expects to raise additional equity which will be used to repay such debt), but reserves the right to do so.</p> <p>The Company’s borrowings shall not, in aggregate, exceed 33 per cent. of the Company’s Net Asset Value at the time of drawdown, although in the normal course any use of gearing would not be expected to exceed 20 per cent. of the Company’s Net Asset Value at the time of drawdown.</p>
B.36	Regulatory status	<p>The Company is neither regulated nor authorised by the FCA. It is subject to the Prospectus Rules, the Disclosure Guidance and Transparency Rules and MAR.</p> <p>The Company is regulated in Guernsey by the Commission as a registered closed-ended collective investment scheme pursuant to the POI Law and is required to comply with the RCIS Rules issued by the Commission.</p>
B.37	Typical Investor	<p>The Initial Placing, the Initial Offer for Subscription and the Share Issuance Programme are designed to be suitable for institutional and sophisticated investors and professionally-advised private investors seeking exposure to secured direct lending investments.</p> <p>The C Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may want to consult an independent financial adviser who specialises in advising on the acquisition of shares before subscribing for C Shares.</p>
B.38	Investment of 20 per cent. or more in single underlying asset or investment company	Not applicable. The Company will not invest 20 per cent. or more in any single underlying asset or collective investment undertaking.
B.39	Investment of 40 per cent. or more in single underlying asset or investment company	Not applicable. The Company will not invest 40 per cent. or more in any single underlying asset or collective investment undertaking.
B.40	Service providers	<p><i>The Investment Manager</i></p> <p>International Fund Management Limited (the “Investment Manager”) is the investment manager of the Company. The Investment Manager provides investment management services to the Company in accordance with the terms of the Investment Management Agreement, details of which are set out in Part 10 of this document.</p> <p><i>The Investment Adviser</i></p> <p>Under the terms of the Investment Advisory Agreement, the Investment Manager has appointed Hadrian’s Wall Capital Limited (the “Investment Adviser”) as its investment adviser. The</p>

		<p>Investment Manager has delegated portfolio management functions to the Investment Adviser under the terms of the Investment Advisory Agreement but remains responsible for general oversight and management of the Investment Adviser’s activities and for risk management.</p> <p>For its services, the Investment Adviser is entitled to a fee at a rate equal to 1 per cent. per annum of the value of the Company’s invested assets until such time as 90 per cent. of the 2016 Net Initial Proceeds are invested, after which the fee shall be equal to 1 per cent. per annum of the NAV. Such fee is exclusive of any VAT, if applicable.</p> <p>Further details of the Investment Advisory Agreement are set out in Part 10 of this document.</p> <p><i>The Administrator</i></p> <p>Praxis Fund Services Limited (the “Administrator”) has been appointed by the Company to provide administrative and compliance services to the Company in accordance with the Administration Agreement. Under the terms of the Administration Agreement, the Administrator will receive an annual fee which will initially be charged at 0.075 per cent. per annum of NAV up to a total NAV of £150 million, reducing to 0.06 per cent. per annum of NAV for that part of the NAV (if any) between £150-250 million, reducing further to 0.05 per cent. per annum of NAV for that part of the NAV (if any) in excess of £250 million. The administration fee may be varied by agreement between the parties and is subject to a minimum annual fee of £75,000 plus disbursements and a fee for company secretarial services based on time-costs. Such fees are exclusive of any VAT, if applicable.</p> <p>The Administrator also provides certain safekeeping services in relation to original Loan, security and similar documents on behalf of the Company, which services are provided pursuant to the Administration Agreement.</p> <p>Further details of the Administration Agreement are set out in Part 10 of this document.</p> <p><i>The Subsidiary Administrator</i></p> <p>PraxisIFM Fund Services (UK) Limited (the “Subsidiary Administrator”) has been appointed by the Subsidiary to provide certain administrative services to the Subsidiary in accordance with the Subsidiary Administration Agreement. Under the terms of the Subsidiary Administration Agreement, the Subsidiary Administrator receives an annual fee of £35,000 per annum for so long as the Subsidiary holds up to 150 Loans and £42,500 per annum for so long as the Subsidiary holds between 150 and 200 Loans. A review of the fees payable to the Administrator will be undertaken in respect of any period during which the Subsidiary holds more than 200 Loans. In addition to the annual fee, the Subsidiary Administrator is entitled to a fee of £12,500 per director, per annum for the provision of director services to the Subsidiary. Such fees are exclusive of any VAT, if applicable.</p>
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		<p>Further details of the Subsidiary Administration Agreement are set out in Part 10 of this document.</p> <p><i>The Registrar</i></p> <p>The Company has appointed Capita Registrars (Guernsey) Limited (the “Registrar”) to provide share registration services. The Registrar is entitled to receive an annual maintenance fee from the Company of £2.00 per shareholder account, subject to an annual minimum charge of £5,500. Further details of the Registrar Agreement are set out in Part 10 of this document.</p> <p><i>The Receiving Agent</i></p> <p>The Company has appointed Capita Registrars Limited (the “Receiving Agent”) to provide receiving agent services in connection with the Initial Offer for Subscription and any Subsequent Offer for Subscription. The Receiving Agent shall be entitled to receive a fee from the Company of no less than £5,500 (exclusive of VAT and disbursements) in connection with these services. Further details of the Receiving Agent Agreement are set out in Part 10 of this document.</p>										
B.41	Regulatory status of the Investment Manager and the Investment Adviser	<p>The Investment Manager is licensed by the GFSC under the provisions of the POI Law to conduct certain restricted activities in relation to collective investment schemes. The Company has been advised that it is an alternative investment fund within the meaning of AIFMD. The Investment Manager acts as the AIFM of the Company.</p> <p>The Investment Adviser is a limited liability company incorporated in England and Wales on 25 March 2010 with registered number 07203454. The Investment Adviser is authorised and regulated in the UK by the FCA.</p>										
B.42	Calculation and publication of Net Asset Value	<p>The Administrator, in conjunction with the Investment Adviser, calculates the Net Asset Value per Ordinary Share and will calculate the Net Asset Value per C Share (if they are in issue) as at the end of each month. These figures are announced as soon as possible on a Regulatory Information Service and by publication on www.londonstockexchange.com.</p>										
B.43	Cross liability	<p>Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investments in another collective investment undertaking.</p>										
B.44	Collective investment undertaking which has not commenced operations	<p>Not applicable. The Company has commenced operations.</p>										
B.45	Portfolio	<p>Key information in relation to the Company’s portfolio is as follows:</p> <table> <tr> <td>Number of Loans</td> <td>399</td> </tr> <tr> <td>Largest Loan</td> <td>6,500,000</td> </tr> <tr> <td>Weighted average gross yield</td> <td>8.86%</td> </tr> <tr> <td>Original Weighted Average Life</td> <td>4.0 years</td> </tr> <tr> <td>Weighted Average LTV</td> <td>76.8%</td> </tr> </table>	Number of Loans	399	Largest Loan	6,500,000	Weighted average gross yield	8.86%	Original Weighted Average Life	4.0 years	Weighted Average LTV	76.8%
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		<p>The six loans larger than £1,500,000 in the portfolio of the Company are listed below:</p> <table border="1"> <thead> <tr> <th><i>Borrower Industry</i></th> <th><i>Individual Loan Amount (£)</i></th> <th><i>% of total assets</i></th> <th><i>Initial WAL</i></th> <th><i>Initial LTV</i></th> </tr> </thead> <tbody> <tr> <td>Property Trading</td> <td>6,500,000</td> <td>8.3%</td> <td>3.0 years</td> <td>52%</td> </tr> <tr> <td>Retail</td> <td>5,535,000</td> <td>7.3%</td> <td>4.7 years</td> <td>71%</td> </tr> <tr> <td>Auto Leasing</td> <td>5,000,000</td> <td>6.4%</td> <td>5.0 years</td> <td>93%</td> </tr> <tr> <td>Manufacturing</td> <td>3,200,000</td> <td>4.1%</td> <td>4.1 years</td> <td>91%</td> </tr> <tr> <td>Social Housing</td> <td>2,340,000</td> <td>3.0%</td> <td>4.9 years</td> <td>74%</td> </tr> <tr> <td>Commercial Property</td> <td>1,700,000</td> <td>2.2%</td> <td>2.0 years</td> <td>61%</td> </tr> </tbody> </table>	<i>Borrower Industry</i>	<i>Individual Loan Amount (£)</i>	<i>% of total assets</i>	<i>Initial WAL</i>	<i>Initial LTV</i>	Property Trading	6,500,000	8.3%	3.0 years	52%	Retail	5,535,000	7.3%	4.7 years	71%	Auto Leasing	5,000,000	6.4%	5.0 years	93%	Manufacturing	3,200,000	4.1%	4.1 years	91%	Social Housing	2,340,000	3.0%	4.9 years	74%	Commercial Property	1,700,000	2.2%	2.0 years	61%
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B.46	Net Asset Value	As at 27 April 2017 (being the latest practicable date prior to the publication of this document) the unaudited Net Asset Value was £78.04 million and the unaudited Net Asset Value per Ordinary Share was 97.52 pence.																																			

Section C – Securities		
C.1	Type and class of the securities being offered and admitted to trading, including the security identification number	<p>The Company is seeking to raise Gross Initial Proceeds of £80 million.</p> <p>The Company is targeting an offer of 80 million C Shares of no par value in the capital of the Company pursuant to the Initial Placing and Initial Offer for Subscription.</p> <p>The Company may also issue up to 200 million C Shares of no par value under the Share Issuance Programme.</p> <p>The ISIN of the C Shares issued pursuant to the Initial Placing and Initial Offer for Subscription is GG00BDD98Q61. The SEDOL of the C Shares issued pursuant to the Initial Placing and Initial Offer for Subscription is BDD98Q6. The ticker of the C Shares issued pursuant to the Initial Placing and Initial Offer for Subscription is HWSC.</p> <p>The ISIN, SEDOL and Ticker for any Subsequent Issue will be determined at the point of such Subsequent Issue.</p>
C.2	Currency of the securities issue	The C Shares will be denominated in Sterling.
C.3	Details of Share capital	As at the date of this document, 80,024,706 Ordinary Shares of no par value were in issue.
C.4	Rights attached to the securities and procedure for the exercise of those rights	<p>The holders of the C Shares and the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the relevant class of securities they hold.</p> <p>On a winding up or a return of capital by the Company, the holders of C Shares shall be entitled to all of the Company's net assets attributable to the C Shares in issue. The holders of Ordinary Shares shall be entitled to all of the Company's remaining net assets after taking into account the net assets attributable to the C Shares.</p> <p>The C Shares and the Ordinary Shares shall carry the right to receive notice of, attend and vote at general meetings of the Company.</p>

		<p>The consent of the holders of C Shares or the holders of the Ordinary Shares will be required for the variation of any rights attached to such C Shares or Ordinary Shares (as applicable).</p> <p>The Company has an unlimited life. The Directors shall propose a special resolution at the annual general meeting to be held in 2021 and at every fifth annual general meeting thereafter that the Company should cease to continue as a closed-ended investment company.</p>
C.5	Restrictions on free transferability of the securities	<p>The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any C Share or Ordinary Share which is not fully paid or on which the Company has a lien provided that this would not prevent dealings in the Shares of that class from taking place on an open and proper basis on the London Stock Exchange.</p> <p>In addition, the Board may refuse to register a transfer of C Shares or Ordinary Shares in certificated form or (to the extent permitted by the CREST Regulations or the AO Rules) uncertificated form: (a) if it is in respect of more than one class of Shares; (b) if it is in favour of more than four joint transferees; (c) if applicable, if it is delivered for registration to the registered office of the Company or such other place as the Board may decide and is not accompanied by the certificate for the Shares to which it relates and such other evidence as the Board may reasonably require; or (d) if the transfer is in favour of any Non-Qualified Holder.</p>
C.6	Admission/Regulated markets where the securities are traded	<p>The Initial Placing and the Initial Offer for Subscription:</p> <p>Applications will be made to the UK Listing Authority and the London Stock Exchange for all of the C Shares issued pursuant to the Initial Placing and the Initial Offer for Subscription to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Initial Admission will become effective and that dealings for normal settlement in the C Shares will commence on 31 May 2017.</p> <p>The Share Issuance Programme:</p> <p>Applications will be made to the UK Listing Authority and the London Stock Exchange for all of the C Shares to be offered pursuant to the Share Issuance Programme to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Subsequent Admission will become effective and that dealings for normal settlement in the C Shares issued pursuant to the Share Issuance Programme will commence on a number of dates during the period from 31 May 2017 to 1 May 2018.</p>
C.7	Dividend policy	<p>The Company intends to distribute at least 85 per cent. of its distributable income earned in each financial year by way of dividends.</p> <p>The Company will target an annualised dividend yield in respect of the Ordinary Shares of at least 6 per cent. of the IPO Price,</p>

		<p>being 100 pence per Ordinary Share, which is expected to grow over time.</p> <p>Dividends are expected to be declared in January, April, July and October of each year in respect of the preceding quarter.</p> <p>The Company has, to date, declared dividends of 0.2 pence per Ordinary Share in respect of the period ended 30 September 2016, 0.4 pence per Ordinary Share in respect of the period ended 31 December 2016 and 0.6 pence per Ordinary Share in respect of the period ended 31 March 2017.</p> <p>Dividend payments to Shareholders will be subject to the Company being able to satisfy the solvency test, as defined under the Companies Law, immediately after payment of such dividend.</p>
C.22	Information about the Ordinary Shares arising on Conversion	<p>Following Conversion, the investments which were attributable to the C Shares will be merged with the Company's existing portfolio of investments. The new Ordinary Shares arising on Conversion of the C Shares will rank <i>pari passu</i>, subject to the terms of the Articles, with the Ordinary Shares then in issue.</p> <p>DESCRIPTION OF THE ORDINARY SHARES AND THE RIGHTS ATTACHED TO THEM</p> <p>The holders of the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares.</p> <p>The holders of the Ordinary Shares are entitled to all of the Company's remaining net assets on a return of capital or winding-up.</p> <p>The Ordinary Shares carry the right to receive notice of, attend and vote at general meetings of the Company.</p> <p>CURRENCY</p> <p>The Ordinary Shares are denominated in Sterling.</p> <p>TRADING</p> <p>The Ordinary Shares are in registered form, have been admitted to the premium listing segment of the Official List and are traded on London Stock Exchange's main market for listed securities. The Company will use its reasonable endeavours to procure that, upon Conversion, the new Ordinary Shares are admitted to the premium listing segment of the Official List and are traded on London Stock Exchange's main market for listed securities.</p> <p>RESTRICTIONS ON TRANSFERABILITY</p> <p>The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Ordinary Share which is not fully paid or on which the Company has a lien provided that this would not prevent dealings in the Ordinary Shares from taking place on an open and proper basis on the London Stock Exchange.</p> <p>In addition, the Board may refuse to register a transfer of Ordinary Shares in certificated form or (to the extent permitted by the CREST Regulations or the AO Rules) uncertificated form: (a) if it is in respect of more than one class of Shares; (b) if it is in favour</p>

		of more than four joint transferees; (c) if applicable, if it is delivered for registration to the registered office of the Company or such other place as the Board may decide and is not accompanied by the certificate for the Ordinary Shares to which it relates and such other evidence as the Board may reasonably require; or (d) if the transfer is in favour of any Non-Qualified Holder.
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Section D – Risk Factors		
D.2	Key information on the key risks specific to the Company	<p>The key risk factors relating to the Company are as follows:</p> <ul style="list-style-type: none"> • The Company has a limited operating history and prospective investors therefore have limited meaningful financial data on which to base an evaluation of the Company’s likely financial performance. • The Company’s target dividend and target overall return are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies, and the actual dividend and overall return (if any) may be materially lower than these targets. • The financing industry is highly competitive, which may hinder the Company’s ability to source appropriate or attractive investments. • Delays in deployment of the proceeds of the Issue may have an impact on the Company’s results of operations and cash flows. • The Company’s performance is dependent on services provided by the Investment Adviser and other third parties including the Investment Manager. The departure of a key employee from the Investment Adviser, or the failure of a third party to provide services as contracted, may adversely affect the returns achieved by the Company. • Changes in law or regulation may adversely affect the Company’s ability to carry on its business or may increase the Company’s ongoing costs. • Changes in tax legislation could result in adverse changes in the tax position of the Company or the imposition of additional and possibly material tax liabilities on Shareholders.
D.3	Key information on the key risks specific to the C Shares and the Ordinary Shares	<p>Risks in respect of the C Shares issued pursuant to the Initial Placing and the Initial Offer for Subscription and the Share Issuance Programme:</p> <ul style="list-style-type: none"> • The price of the C Shares and the Ordinary Shares may decline below the Issue Price and Shareholders may not be able to sell their C Shares or Ordinary Shares at a price equal to or greater than their issue price or their underlying Net Asset Value per Share. • Shareholders will have no right of redemption and must rely on the existence of a liquid market in order to realise their

		<p>investment. The C Shares and the Ordinary Shares may trade at a discount to the Net Asset Value per Share.</p> <ul style="list-style-type: none"> The Net Asset Value per C Share and/or the Net Asset Value per Ordinary Shares may fluctuate over time and may be based on estimates which may be inaccurate. The Company's investments will generally be in the form of investments for which market quotations are not readily available, and third-party pricing information may not be available for certain investments held in the Portfolio.
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Section E – Offer		
E.1	Total net proceeds and estimate of total expenses of the Initial Placing and Initial Offer for Subscription and Share Issuance Programme, including estimated expenses charged to investors	<p>The Net Initial Proceeds are dependent on the level of subscriptions received pursuant to the Initial Placing and the Initial Offer for Subscription. Assuming Gross Initial Proceeds are £80 million, the costs and expenses of the Initial Placing and Initial Offer for Subscription will be equal to two per cent. of the Gross Initial Proceeds and the Net Initial Proceeds will be £78.4 million.</p> <p>The costs and expenses of the Share Issuance Programme will depend on subscriptions received but it is expected that these costs will not exceed two per cent. of the total proceeds of such issue.</p>
E.2A	Reasons for the offer and use of proceeds	<p>The Company will invest the Net Initial Proceeds in accordance with the Company's investment policy.</p> <p>The Company will invest the net proceeds of the Share Issuance Programme from time to time in accordance with the Company's investment policy.</p>
E.3	Terms and conditions of the Initial Placing and Initial Offer for Subscription and the Share Issuance Programme	<p>The Initial Placing and the Initial Offer for Subscription are conditional, inter alia, upon the following:</p> <ul style="list-style-type: none"> (a) Initial Admission occurring and becoming effective by 8.00 a.m. (London time) on or prior to 31 May 2017 (or such later time and/or date, not being later than 8.00 a.m. on 14 June 2017, as the Company and Winterflood may agree); (b) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before 8.00 a.m. on 31 May 2017; and (c) the Minimum Net Proceeds being raised. <p>Each allotment and issue of C Shares pursuant to the Share Issuance Programme is conditional, inter alia, on:</p> <ul style="list-style-type: none"> (a) a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules and the Placing Agreement being wholly unconditional in respect of such Subsequent Issue (save as regards Subsequent Admission itself) and not having been terminated in accordance with its terms prior to the Subsequent Admission; and (b) the Subsequent Admission of those C Shares.

E.4	Material interests	Not applicable. No interest is material to the Issue.
E.5	Name of the offeror/ lock-up agreements	Not applicable. No person/entity is offering to sell C Shares as part of the Initial Placing, the Initial Offer for Subscription or the Share Issuance Programme.
E.6	Dilution	<p>The C Shares issued pursuant to the Issue and the Share Issuance Programme will convert into Ordinary Shares.</p> <p>The number of Ordinary Shares into which each C Share will convert will be determined by the Net Asset Value per C Share relative to the Net Asset Value per Ordinary Share at the Conversion Time. As a result of Conversion, the percentage of the total number of Ordinary Shares held by each existing holder of Ordinary Shares will be reduced to the extent that Shareholders do not acquire a sufficient number of C Shares under the Issue and/or the Share Issuance Programme.</p> <p>If 300 million C Shares (being the maximum number of C Shares available under the Issue and the Share Issuance Programme) are issued pursuant to the Issue and the Share Issuance Programme, there would be a dilution of approximately 79 per cent in the voting control of existing Shareholders.</p>
E.7	Estimated expenses charged to investors by the Company	<p>The costs and expenses (including irrecoverable VAT) of, and incidental to, the Initial Placing and the Initial Offer for Subscription payable by the Company will not exceed two per cent. of the Gross Initial Proceeds.</p> <p>Other than in respect of expenses of, or incidental to, Initial Admission and the Initial Placing and the Initial Offer for Subscription, which the Company intends to pay out of the proceeds of the Initial Placing and the Initial Offer for Subscription, there are no commissions, fees or expenses to be charged to investors by the Company under the Initial Placing and the Initial Offer for Subscription.</p> <p>The costs and expenses of the Share Issuance Programme will depend on subscriptions received but it is expected that these costs will be paid out of the proceeds of such Subsequent Placings and/or Subsequent Offers for Subscription.</p>

RISK FACTORS

The business of the Company, any investment in the C Shares, the Initial Placing, the Initial Offer for Subscription and the Share Issuance Programme are all subject to risks and uncertainties. Certain of these may prevent the Company from paying dividends at the levels targeted or at all, may impact negatively on the Company's Net Asset Value and/or may cause the value of the C Shares and/or the Ordinary Shares to decline significantly. Investors could lose all of their investment in the Company.

Prospective investors contemplating an investment in the C Shares should recognise that the market value of the C Shares and the Ordinary Shares can fluctuate and may not reflect the underlying Net Asset Value. No express or implied guarantee is given that investors will receive back any of the original investment, or that the C Shares and/or the Ordinary Shares will not trade at a discount to the Net Asset Value per C Share.

An investment in the C Shares involves a considerable degree of risk. Prospective investors should carefully consider all the information contained in this document, in particular, the risks described below. The Directors believe that the risks described below are the material risks relating to the C Shares and the Ordinary Shares 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 Company's business or the market value of the C Shares and/or the Ordinary Shares. Prospective investors should consult with their authorised professional advisers before deciding to invest in the C Shares.

The C Shares are only suitable for investors who: (i) understand the potential risk of capital loss and that there may be limited liquidity in the C Shares and the underlying investments of the Company; and (ii) understand and are willing to assume the risks involved. It should be remembered that the price of the C Shares and the income from them can go down as well as up.

1. RISKS RELATING TO THE COMPANY

The Company has a limited operating history

The Company was incorporated on 27 April 2016 and has a limited operating history. An investment in the Company is subject to all the risks and uncertainties associated with a recently established business, including the risk that the Company will not achieve its investment objective and that the value of an investment in the Company could decline substantially as a consequence.

The Company's target dividend and overall return are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies, and the actual dividend and overall return (if any) may be materially lower than these targets

The Company's target dividend and overall return are targets only and are based on estimates and assumptions about a variety of factors including, without limitation, asset mix, asset values, volatility, Loan term, investment liquidity, Loan default, market conditions, interest rates, government regulations or other policies, the global economic environment, changes in law and taxation, all of which may adversely affect the Company's ability to achieve its target dividend and overall return. The target dividend and overall return are also based on the assumption that the Company will be able to implement its investment policy and strategy in a manner that generates yields in line with the targets. Furthermore, the target dividend and overall return are based on market conditions and the economic environment at the time of assessing the target dividend and overall return, and are therefore subject to change. There is no guarantee that actual (or any) returns can be achieved at or near the levels set out in this prospectus. Accordingly, the actual returns achieved may be materially lower than the target dividend and overall return, or may result in a partial or total loss, which could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the C Shares and/or the Ordinary Shares.

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

An economic slowdown in the UK or globally could adversely affect the Company's ability to invest the net proceeds of the Initial Placing and the Initial Offer for Subscription and/or the Share Issuance Programme

as quickly as it would like to if such conditions result in businesses reducing their demand for capital in the short term. If this happens, it could reduce the returns the Company can obtain on its investments and, as a consequence, may reduce the distributions it can make to Shareholders. Depending primarily on the severity and duration of any economic slowdown, the creditworthiness of the Company's end-users may become impaired which could cause an increased risk of default on their repayment obligations and cause the Company to incur a loss.

Failure by service providers to the Company to perform their obligations could materially disrupt or damage the business of the Company with adverse effects on its business or performance

The Company does not have any employees and relies upon third-party service providers to perform its executive functions, including the Investment Adviser, the Investment Manager, the Administrator and the Subsidiary Administrator. In particular, the performance of the Company is heavily reliant on the Investment Adviser. Failure by any service provider to carry out its obligations in respect of the Company in accordance with the terms of its appointment, or to perform its obligations in respect of the Company at all as a result of insolvency or other causes, could have a material adverse effect on the performance of the Company and its returns. The termination of the Company's relationship with any third-party service provider, or any delay in appointing a replacement for any such service provider, could materially disrupt the business of the Company and could have a material adverse effect on the performance of the Company and its returns.

Interest rate changes may reduce the value of the assets within the Portfolio and the Company's returns

Changes in interest rates will affect the market value of the Portfolio. In general, the market value of a Loan will change in inverse relation to an interest rate change when the Loan has a fixed rate of return. Thus, in a period of rising interest rates, the market value of the Company's Loans will decrease. A decrease in the market value of the assets within the Portfolio will adversely affect the Company's ability to liquidate those assets without suffering losses. In times of interest rate rises, protection to real returns will be conditional on future investments being originated at higher rates.

Past performance is not an indication of future results

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

2. RISKS RELATING TO THE C SHARES AND THE ORDINARY SHARES

There may be volatility in the price of the C Shares and/or the Ordinary Shares

The price of the C Shares and/or the Ordinary Shares may fluctuate and may not always reflect the underlying Net Asset Value or the Company's prospects. The price of the C Shares and/or the Ordinary Shares may decline in response to market sentiment as to the Company's current strategy or if the Company's results and/or prospects from time to time are below the prior expectations of market analysts and investors. In addition, stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market price of securities for reasons unrelated to their operating performance and prospects.

A number of factors outside the control of the Company may have an impact on its performance and the price of the C Shares and/or the Ordinary Shares, which may rise or fall rapidly. The factors which may affect the price of the C Shares and/or the Ordinary Shares include (but are not limited to): (i) the Company's expected and actual performance; (ii) speculation about the Company's business, about mergers or acquisitions involving the Company and/or major divestments by the Company in the press, media or investment community; (iii) speculation regarding the intentions of the Company's major Shareholders or significant sales of C Shares and/or Ordinary Shares by such Shareholders; (iv) other issues of shares in the market; and (v) general economic and market conditions.

The C Shares issued pursuant to the Issue will convert into Ordinary Shares and may dilute existing holders of Ordinary Shares

Pursuant to Conversion, the C Shares issued pursuant to the Issue will convert into Ordinary Shares. The number of Ordinary Shares into which each C Share converts will be determined by the relative Net Asset Value per C Share and Net Asset Value per Ordinary Share at the Conversion Time. As a result of Conversion, the percentage of the total number of issued Ordinary Shares held by each existing holder of Ordinary Shares will be reduced to the extent that Shareholders do not acquire a sufficient number of C Shares to mitigate such dilution. Further, any Ordinary Shares issued pursuant to the 2016 Placing Programme will be issued on a non-pre-emptive basis so existing holders of Ordinary Shares may experience dilution in their ownership and voting interests as a result.

Recourse to the Company's assets

The pools of assets created by the separation of Ordinary Shares and C Shares is effected as a contractual arrangement between the Shareholders of the Company under the Articles. Whilst this arrangement is binding upon the Company and the Shareholders, it is not binding upon a third party contracting with the Company.

As a result, the entirety of the assets of any member of the Group, including any investments made and any funds held by the relevant company, are available to satisfy all liabilities and other obligations of the relevant company. If any member of the Group becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the relevant company's assets generally and may not be limited to any particular asset, such as the asset giving rise to the liability.

Therefore, should the liabilities in one pool exceed the assets of the pool, then such liabilities could be applied to the assets of the other pool.

Shareholders will have no right of redemption and will usually have to rely on the existence of a liquid market in order to realise their investment

Notwithstanding the admission of the C Shares to trading on the London Stock Exchange, the C Shares and/or the Ordinary Shares may have limited liquidity. The market price of the C Shares and/or the Ordinary Shares may be volatile and may not reflect the Net Asset Value. Investors may, therefore, not be able to sell at a price which permits them to recover their original investment and could lose their entire investment.

The Company is a registered closed-ended collective investment scheme. Accordingly, Shareholders will not be entitled to have their C Shares and/or Ordinary Shares redeemed by the Company. While the Directors retain the right to effect repurchases of the C Shares and/or the Ordinary Shares in the manner described in this document, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors to do so.

Shareholders wishing to realise their investment in the Company will be required to dispose of their C Shares and/or Ordinary Shares through trades on the London Stock Exchange or negotiated transactions with potential purchasers. Accordingly, Shareholders' ability to realise their investment is, in part, dependent on the existence of a liquid market in the C Shares and/or the Ordinary Shares and on the extent of its liquidity. Investors should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the C Shares and/or the Ordinary Shares, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Company.

The C Shares and/or the Ordinary Shares may trade at a discount to the Net Asset Value per Share for a variety of reasons, including market and liquidity concerns, the actual or expected performance of the Company, and concerns that regulatory and legislative attitudes to such funds may alter in such a way as to adversely affect the Company. Whilst the Directors may take measures to seek to mitigate any discount to the Net Asset Value per Share where appropriate, there can be no guarantee that they will do so or that such measures will be successful or that the use of discount control mechanisms will be possible or advisable.

The NAV may be based on estimates which may be inaccurate

The Company's investments will generally be in the form of investments for which market quotations are not readily available, and third-party pricing information may not be available for certain investments held in the Portfolio. Individual assets which make up the Portfolio will be valued by the Administrator using information and prices provided by the Investment Adviser and a variety of techniques.

As valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, these may fluctuate over short periods of time and may be based on estimates. In addition, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed. Even if market quotations are available for certain of the investments, such quotations may not reflect the value that could actually be realised because of various factors, including the illiquidity of certain investments held in the Portfolio, future price volatility or the potential for a future loss in value based on poor industry conditions or overall company and management performance. Consequently, the value at which investments in the Portfolio could be liquidated may differ, sometimes significantly, from the valuations reflected in the latest published NAV.

The value ascribed to investments does not constitute a guarantee of value and may not necessarily reflect the prices at which such investments could be, or could have been, purchased or sold at any given time, which may be subject to significant uncertainty and depend on various factors beyond the control of the Company, the Investment Adviser and the Investment Manager. This may result in volatility in the NAV and operating results that the Company will report from period to period.

In calculating the NAV, the value of certain investments of the Company may be based on estimates. Such estimates may be unaudited or may be subject to little verification or other due diligence and may not comply with generally accepted accounting practices or other valuation principles. In addition, estimates of the value of collateral may not be revised on a regular or timely basis or at all with the result that the values of investments may be estimated on the basis of information available at the time.

Movements in foreign currency rates may result in losses

The Company may make investments in assets where the payments to be made or received are not in Sterling. The Investment Adviser intends to hedge such income on the Company's Portfolio and anticipates that the Company may, in such circumstances, also hedge the principal amount against foreign currency fluctuation risks. However, there can be no assurance that suitable hedging will be available or that the hedges put in place will be cost-effective or will provide adequate protection in all circumstances. If the Company is due to receive payments in a currency other than Sterling and that transaction is not fully hedged, a strengthening of Sterling against that currency will mean the Company receives less, as expressed in Sterling, than initially anticipated, which would have a negative impact on the Company's returns. In situations where the investments of the Company are hedged, there will be a cost associated with such hedge which will have an impact on the return on investment.

Old Mutual, Invesco and other Shareholders may have substantial influence over the Company

As at 27 April 2017 (being the latest practicable date prior to the publication of this prospectus), Old Mutual Global Investors was the registered holder of 20 million Ordinary Shares, being approximately 24.99 per cent of the Ordinary Shares in issue as at such date and Invesco was the registered holder of 20 million Ordinary Shares, being approximately 24.99 per cent of the Ordinary Shares in issue as at such date. Old Mutual Global Investors and Invesco may therefore be able to exercise influence over certain matters requiring approval by Shareholders. In particular, they may, individually or together, be able to cast sufficient votes at a general meeting of the Company to defeat any proposed ordinary resolution or special resolution.

Other Shareholders may also hold significant numbers of C Shares and/or Ordinary Shares from time to time in the future and consequently may be able to exercise influence over matters that are subject to Shareholder approval.

3. RISKS RELATING TO THE COMPANY'S INVESTMENT STRATEGY

The Company's success will be subject to risks inherent in the finance business, any of which may affect the Company's ability to operate profitably

A number of factors may affect the Company's ability to operate profitably including: (i) changes in economic conditions, including fluctuations in demand for financing, interest rates and inflation rates; (ii) the quality of the Company's investments; (iii) changes in the value of collateral securing the Company's investments; (iv) the timing of the Company's investments; (v) defaults by borrowers on the Company's investments; and (vi) increases in the Company's ongoing costs.

Fluctuations in demand for Loans may affect the ability of the Company to invest its capital in a timely manner. Borrowers in the Company's target market have often experienced a more difficult market during historical periods of reduced growth and recession in the UK as these borrowers are generally less well capitalised than larger companies. Economic recession resulting in lower levels of economic activity may result in collateral of the type that secures the Company's investments becoming available on the market and downward pressure on prices due to excess supply. There can be no assurance as to what future developments may occur in the economy in general or in the demand for Loans or the value of collateral in particular.

Delays in deployment of the proceeds of the Issue may have an impact on the Company's results of operations and cash flows

Pending deployment of the net proceeds of the Issue, the Company intends to invest cash held in cash deposits, cash equivalents and fixed income instruments for cash management purposes. Interim cash management is likely to yield lower returns than the expected returns from investments. There can be no assurance as to how long it will take for the Company to invest any or all of the net proceeds of the Issue, if at all, and the longer the period the greater the potential detrimental impact on the Company's results of operations and cash flows.

Higher than expected defaults may result in losses

Higher than expected investment defaults may result in a loss of anticipated revenues. These losses may adversely affect the Company's ability to pay dividends and, if the level of defaults is sufficiently large, may result in the Company's inability to fully recover its investment.

While the Company will seek to repossess and sell or otherwise realise the value of any collateral that secures a defaulted investment, it may not be able to do so on favourable terms. In some cases, the cost of repossessing the collateral related to a defaulted investment may make trying to recover the asset impractical. Also, if a borrower files for protection under bankruptcy or administration laws, then the Company may experience difficulties and delays in realising on the collateral from the defaulting party and, in addition, it may be unable to enforce important contract provisions against the insolvent party, including the security provisions related to the collateral.

The Company may suffer a loss due to, or the Company's ability to make distributions may be adversely affected by, the high costs of: (i) enforcing a borrower's contractual obligations; (ii) recovering the collateral from the defaulting party; (iii) transporting, storing and repairing the collateral; (iv) the costs related to enforcement by the Company of its rights; and (v) finding a new purchaser for the collateral.

In the event of a default, certain collateral that may secure the Company's investments may have a higher value if that collateral remains in place and the borrower continues to operate. For this reason, when appropriate, the Investment Adviser will structure investments to include step-in agreements, share pledges, and the assignment of various contracts in order to allow the Company to continue to control and extract maximum value from the collateral. In some cases, the cost of step-in or the cost of selling or otherwise realising value in the Company's rights may make trying to do this impractical or it may be difficult to enforce the security or the step-in rights against an insolvent party.

Prepayment risk

Underlying borrowers may decide to prepay all or a portion of the remaining principal amount due under a Loan agreement at any time, and with respect to some Loans, without penalty. The degree to which

borrowers prepay Loans, whether as a contractual requirement or at their election, may be affected by general business conditions, market interest rates, the borrower's financial condition and competitive conditions among lenders. In the event of a prepayment of the entire remaining unpaid principal amount, the Company will receive such prepayment (or the relevant part thereof) but further interest may not accrue after the date of the prepayment. If the borrower prepays a portion of the remaining unpaid principal balance, interest may cease to accrue on the prepaid portion, and the Company may not receive all of the interest payments that it expected to receive, thereby impacting negatively on the Company's investment returns.

The Company targets investment in Loans made to small or less well established companies

The Company targets investment in Loans made to small and/or less well established companies. Whilst Loans made to smaller and/or less well established companies may fall within the relevant credit criteria of the Company at the time the Loan is entered into, a smaller or less well established company may be more susceptible to market volatility and adverse changes in its trading conditions which may in turn impact its financial condition and may mean that it is unable to comply with its payment obligations under the terms of the relevant Loan agreement. To the extent that a small or less well established company is unable to meet its obligations pursuant to a Loan agreement, the value of the Company's investment in such a Loan may fall and interest payments to the Company may be interrupted, which may have an adverse impact on the Company's financial performance.

Loans to borrowers in the financial services industry may be secured by portfolios of financial assets

The collateral for Loans to borrowers in the financial services industry may consist of portfolios of financial assets, typically other loans, receivables or other contractual cash flows. Such transactions may represent several types of risk to the Company.

Such financial assets will typically have shorter maturities than the maturity of the Loan. The Company is dependent on the borrower originating additional loans to maintain the value of the collateral relative to the Loan. Typically, if the collateral value declines below an agreed threshold, the collateral pool will enter a run off period which will amortise the Loan. There can be no assurance that the cash flow during a run off period will be sufficient to repay the Loan amount.

While the Company obtains legal advice in order to structure the collateral pool so as to protect the Company's interests from other creditors, there can be no assurance that the legal structures and agreements protecting the Company's interest in the collateral pool would not be subject to litigation in the event of the borrower's insolvency.

The Company is generally dependent upon the borrower servicing and monitoring assets of the collateral pool. The Investment Adviser conducts initial due diligence on the borrower and the assets in the collateral pool. In addition, a Third Party Servicer may be engaged to monitor the borrower's compliance with the Loan terms and the performance of the collateral pool over time. However, there can be no assurance that such due diligence and monitoring will identify all issues that may occur or that such issues will be brought to the Company's attention in a timely manner.

The financing industry is highly competitive, which may hinder the Company's ability to source appropriate or attractive investments

Certain segments of the finance industry are highly competitive. In particular, it is often relatively easy for well-capitalised new entrants to enter the lending market. New entrants can act irrationally or unprofitably to gain market share, potentially driving down interest rates for borrowers and reducing the availability of attractive transactions to other participants in the market. Further, financing transactions are not always written in a manner that provides the lender or investors with an appropriate rate of return for the risk being assumed.

The finance business is highly fragmented. The Company competes with, among others, national, regional and local banks, savings banks, leasing companies and other financial institutions, captive finance companies, hedge funds, non-bank lenders, investment funds, insurance companies, and alternative finance lenders. Some of the Company's competitors are substantially larger and have considerably greater financial, technical and marketing resources than the Company and the Investment Adviser.

The Company's activities are highly dependent on the sourcing of new Loans through Originators

The Company generally sources Loans from Originators. The Company is dependent upon the willingness of Originators to work with the Company as well as their skills in sourcing Loans for the Company. There can be no assurance that Originators are or will remain willing or able to source Loans for the Company.

Due diligence cannot eliminate the possibility of fraud or misrepresentation

The Company conducts due diligence on Originators, Third Party Servicers and borrowers. The extent of the due diligence will vary depending on the roles of the various parties, including factors such as the extent of due diligence carried out by the Originator, if any, the nature of the collateral and the size of the Loan. Due diligence cannot eliminate the possibility of fraud perpetrated by Originators, Third Party Servicers or borrowers.

Loans are subject to various macroeconomic conditions

Loans are subject to various macroeconomic factors including interest rate risks, general economic conditions, operational risks, the condition of financial markets, political events and changes in government policy, developments or trends in any particular industry and changes in prevailing interest rates, any or all of which may have an adverse effect on the ability of borrowers to make interest payments and/or principal repayments on Loans and which, in turn, may adversely affect the Company's returns. Borrowers may default on their repayment obligations for a variety of reasons, including, among others, the borrower's general financial condition, low operating margins, customer churn and increased costs of doing business including additional regulatory and compliance costs which cannot be easily absorbed into their business model and cost structure.

If the Company is unable to realise the value of the collateral securing investments upon a default by a borrower, it may incur losses

When the Company enters into an investment, it will not know what the value of the collateral will be if a default occurs. Therefore, the Company's ability to recover the full amount of any investment may be reliant on the then current market value of any collateral. The collateral value will depend on numerous factors beyond the Company's control, including the value of that collateral or alternative assets in the market, over or under supply of similar assets, the condition of any assets (including the extent to which assets have been properly maintained) and general economic conditions. General economic conditions may cause the value of much of the collateral supporting the Company's investments to be correlated.

In certain circumstances, the Company may be reliant entirely on the collateral value of some of its investments to recover and/or make a profit on those investments. The Company provides no assurance that its assumptions will be accurate or that the collateral will not lose value more rapidly than it anticipated.

The Company may incur costs in connection with seizing any collateral and realising its value

The Company may seek to seize collateral and, in so doing, incur costs. Such costs may include, but are not limited to, manpower, legal fees, licensing and titles fee, collection agencies, taxes and other costs.

The Company's ability to seize any collateral and realise its value may be dependent upon the location of the collateral

Certain Loan agreements may permit the borrower to use the collateral, notably transportation equipment, outside of the UK. In the event of a default by the borrower, the Company may experience delays and/or increased costs in exercising its rights with respect to the collateral and may be subject to the laws in the jurisdiction in which the collateral was located at the time of the default by the borrower and/or when the Company seeks to exercise its rights.

In exercising its rights under Loans and/or with respect to collateral, the Company may be exposed to environmental, tort liability and other strict liability claims

In directing the operations of a business in exercise of its rights pursuant to a Loan agreement under which an event of default has occurred, or owning and/or leasing some types of assets, including, but not limited to, transportation assets designed to carry hazardous materials, which were collateral for a Loan in the exercise of its rights under such Loan agreements, the Company may be exposed to environmental, tort and/or other statutory liability. Although it may attempt to obtain insurance to minimise the Company's exposure to environmental, tort and/or statutory liability, the Company can give no assurance that it will be fully protected against environmental, tort and/or other statutory claims.

The Company may be dependent upon leasing companies in connection with Loans that finance leases

Generally, leased equipment is owned by a special purpose entity, the lessor, established by a leasing company who then leases the equipment to the user, the lessee. The leasing company generally contributes equity to the lessor and the Company would provide a Loan to the lessor to fund acquisition of the equipment. The Company will generally be dependent on the leasing company to service the lease, provide on-going reports to the Company, and take remediation action, if any, if the lessee does not perform as required under the lease.

Investment in trade receivables is subject to fraud and misrepresentation by borrowers

The Company is subject to the Originators' and/or Third Party Servicers' ability to monitor and curtail fraud. Any investment by the Company in trade receivables will, therefore, be reliant on the Originators' ability to carry out due diligence on all parties involved to mitigate the risk of losses due to fraudulent activity. The Company is also reliant on the Originators and/or Third Party Servicers themselves not undertaking any fraudulent activity in performing their respective obligations.

The due diligence carried out in respect of trade receivable investments is limited and subject to certain inherent limitations

Originators that lend to borrowers carrying on trade businesses conduct due diligence but some Originators may not always conduct on-site visits to verify that (i) the business exists and is in good standing and/or (ii) if applicable, that the security for such Loan exists and stands as represented. For this reason, the risk of fraud may be greater with factoring trade receivables.

The Originators generally seek to validate that the debtor has received the goods or services from the relevant borrower/creditor and that the debtor is willing to pay the creditor before making the receivables available for investment. There can, however, be no assurance that the debtor will not subsequently dispute the quality or price of the goods or services and elect to withhold payments. Fraud, delays or write-offs associated with such disputes could have a direct impact on the earnings of the Company in relation to its investment in trade receivables.

Due diligence processes which may be undertaken may not reveal all material facts or circumstances

When making an assessment regarding an investment, the Investment Adviser relies on the resources available to it. Inherent time and information constraints in investment opportunities can limit the Investment Adviser's capacity to conduct detailed due diligence. Accordingly, there can be no assurance that any research and information gathering exercise carried out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful to the Investment Adviser in evaluating such investment opportunity. This could lead to failure to identify issues on an investment which could have a significant adverse effect on the performance of the Company and returns received by the Company.

Investments are generally originated by Originators and may be subject to representations, warranties, ongoing servicing provisions and buy-back and/or asset replacement provisions that are dependent on the continued viability of the Originator

Originators with whom the Company may enter into agreements to acquire investments or finance portfolios of assets may have ongoing obligations to the Company. For example, those Originators may have ongoing

servicing obligations to the Company and buy-back and/or asset replacement provisions. Any adverse change in the financial condition or market position of an Originator could affect its ability to meet such continuing obligations under such agreements. This could, in turn, adversely affect the value of the Group's portfolio.

Investments are generally originated by Originators and may not benefit from representations, warranties, ongoing servicing or buy-back and/or repurchase provisions from the Originator

Independent third parties may originate certain portions of the investments where the Company purchases the Loan or finance portfolios of assets without the benefit of representations, warranties, ongoing servicing provisions and buy-back and/or replacement provisions. In these cases, the Company is responsible for initial due diligence and ongoing servicing and monitoring. While the Company intends to carry out appropriate levels of due diligence, due diligence processes that may be undertaken may not reveal all material facts or circumstances. While the Company intends to require that borrowers retain third party servicers to provide servicing for the benefit of the Company at the borrowers' expense, there can be no assurance that such third party servicers will perform the appropriate level of service as set forth in the servicing agreements.

Borrowing risk

While the Company does not generally expect to be geared it may utilise borrowing from time to time. The use of borrowings should enhance the Net Asset Value when the value of the Company's underlying assets is rising. However, it will have the opposite effect where the underlying net asset value is falling. In addition, in the event that the Company's income falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Company and accordingly will have an adverse effect on the Company's ability to pay dividends to Shareholders.

The use of borrowing will also result in interest expenses and other costs to the Company. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates. In certain circumstances the Company may be required to prematurely liquidate investments to service its debt obligations.

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

The Company may also invest in entities that employ gearing with the aim of enhancing returns to investors. Where an entity employs gearing, its equity holders will rank after such borrowings and should the entity's assets fall in value, its ability to pay investors may be affected.

The uncertainty regarding the UK's decision to leave the European Union

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

4. RISKS RELATING TO THE INVESTMENT ADVISER

The Company is reliant on the expertise of the Investment Adviser and its key personnel to evaluate attractive investment opportunities and to advise on the implementation of its investment policy and the Company's performance may be adversely affected if one or more of the Investment Adviser's key personnel cease to provide their services to the Investment Adviser

The success of the Company depends on the diligence, skill and business contacts of the individuals within the Investment Adviser, principally Marc Bajer and Michael Schozer. The departure of these individuals for any reason, or the failure to appoint qualified or effective successors in the event of such departures, could have a material adverse effect on the performance of the Company and returns to the Company.

The Company has no employees and all the Directors are appointed on a non-executive basis. Therefore, the Company will be significantly reliant upon, and its success will depend to a significant extent on, the Investment Adviser and its personnel, services and resources.

Accordingly, the ability of the Company to implement its investment policy will depend on the Investment Adviser's ability to retain its staff and/or to recruit individuals with a similar experience and of a similar calibre. Whilst the Investment Adviser has endeavoured to ensure that its investment team are suitably incentivised, the retention of key members of the team cannot be guaranteed.

Furthermore, in the event of a departure of a key employee of the Investment Adviser, there is no guarantee that the Investment Adviser would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the performance of the Company. Events impacting but not entirely within the Company's and the Investment Adviser's control, such as its financial performance, its being acquired or making acquisitions or changes to its internal policies and structures, could in turn affect the Investment Adviser's ability to retain key personnel.

The Investment Adviser's strategy is resource and time intensive. If the Investment Adviser is unable to allocate the appropriate time or resources to the Company, the Company may be unable to achieve its investment objectives.

The Company is also subject to the risk that the Investment Advisory Agreement may be terminated and that no suitable replacement investment adviser will be found. If the Investment Advisory Agreement is terminated and a suitable replacement is not secured in a timely manner or key personnel of the Investment Adviser are not available to the Company with an appropriate time commitment, the ability of the Company to execute its investment policy or achieve its investment objective may be adversely affected.

The Investment Adviser and/or companies with which it is associated may from time to time act as manager or investment adviser in relation to, or be otherwise involved with, other investment funds or accounts ("Other Accounts")

Conflicts of interest among the Company and these Other Accounts may exist, which include, but are not limited to, those described herein.

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

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

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

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

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

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

5. RISKS RELATING TO ORIGINATORS AND THIRD PARTY SERVICERS

The Company is dependent on Originators' continued existence and compliance with agreements

The Company is dependent on Originators from whom it sources Loans in order to pursue its investment objective. If a material number of Originators were to cease or materially alter their operations, become bankrupt, liquidate or otherwise cease originating Loans, the ability of the Company to source new Loans may be materially impacted.

Likewise, in cases where an Originator also acts as a loan servicer, the Company is dependent on the Originators' continued ability to manage their operations and reduce risk to the Company. For example, an Originator may be vulnerable to network issues, technological failure, cyber-attacks, physical or electronic break-ins and other vulnerabilities which may impact either its operations or the security of an investment in a Loan. In the event that an Originator is unable to effectively manage such vulnerabilities, the Company could be severely impacted, including, without limitation, with respect to such Originator's ability to offer Loans for investment, any one of which may have a material adverse effect on the Company's Portfolio and its Net Asset Value.

The Company may depend, to varying degrees, on the Originators to verify the identity of borrowers, their credit histories, the value of any applicable collateral and in some cases, their employment status and income. The Investment Adviser and the Investment Manager will monitor those procedures, however, such monitoring may be on a sample basis and thus the Company is subject to the risk that those procedures are, or over time become, inadequate. To the extent that the Originators' operations are insufficiently robust, the returns on the Company's portfolio could be adversely affected which would in turn have an adverse effect on the Net Asset Value.

The Investment Adviser and the Investment Manager may also be reliant on information provided by the Originators in evaluating investments for the Company. The Investment Adviser and the Investment Manager may be unable to confirm the accuracy, comprehensiveness or quality of the information provided by such Originators. If such information proves to be inaccurate, incomplete or of generally poor quality and/or if an Originator ceases to provide such information, the Company's investment programme may be adversely affected.

The Company is dependent on the continued presence and performance of Third Party Servicers

The Company is dependent on Third Party Servicers' continued ability to manage their operations and reduce risk to the Company. For example, a Third Party Servicer may be vulnerable to network issues, technological failure, cyber-attacks, physical or electronic break-ins and other vulnerabilities which may impact either its operations or the security of an investment. In the event that a Third Party Servicer is unable to effectively manage such vulnerabilities, the Company could be severely impacted, including, without limitation, with respect to such Third Party Servicer's ability to manage and service existing Loans and/or collect amounts due from borrowers, any one of which may have a material adverse effect on the Company's portfolio and its income and Net Asset Value.

The Company is reliant upon third parties to provide information with respect to the Loans

Information regarding the Loans, including, but not limited to, collections of payments, completion of progress milestones for additional Loan advances, tracking of Loan performance, remediation steps taken, and on-going collateral values is generated, maintained and reported by third parties, including borrowers, Originators and Third Party Servicers. The Company seeks to document the responsibilities of each party in various agreements, monitor performance under those agreements, and take action to enforce its rights under those agreements. There can be no assurance that third parties perform in accordance with those agreements, that the Company will become aware of any breach in a timely manner, or that the Company will be able to exercise its rights under those agreements in a timely manner, or that the Company will otherwise be able to access the required information in a timely manner.

The Company is reliant upon third parties to service the Loans effectively

The responsibilities of third parties providing servicing, including Originators and/or Third Party Servicers, is set out in a servicing agreement. There can be no assurance that these servicing agreements are exhaustive, complete and consider all contingencies that may arise. There can be no assurance that the Originator and/or Third Party Servicer will perform as required in the servicing agreement. If the Originator and/or Third Party Servicer fails to perform, there can be no assurance that the Company is able to exercise its rights to direct and/or otherwise control the servicing in a timely or effective manner.

The Company may perform some servicing directly and there can be no assurance that it will be effective

The Investment Adviser performs itself such servicing and monitoring that it considers appropriate, and when making an assessment regarding servicing and monitoring, it relies on the resources available to it. Time and information constraints may limit the ability of the Investment Adviser to conduct detailed servicing and monitoring. Accordingly, there can be no assurance that any monitoring carried out on any investment will reveal or highlight all relevant facts that may be necessary or helpful to the Investment Adviser in monitoring such investment. This could lead to failure to identify issues on an investment which could have a significant adverse effect on the performance of the Company and returns received by the Company.

Risks relating to compliance and regulation of certain Originators in the UK

Some of the Originators in or through which the Company may invest may be engaged in the regulated activity of "operating an electronic system in relation to lending" and must hold either an interim permission (and in due course, full authorisation) or full authorisation from the FCA in order to engage in the regulated activity of "operating an electronic system in relation to lending". The FCA is currently introducing application periods, giving certain types of Originators with interim permission a three-month window in which they must apply to the FCA for full authorisation. If any such Originators in or through which the Company invests were to fail to obtain full authorisation, this may result in such Originator being forced to cease its operations and may cause disruption to the servicing and administration of Loans in which the Company has invested through that Originator. Any such disruption may impact the quality of debt collection procedures in relation to those Loans and may result in reduced returns to the Company from those investments.

The FCA has recently also introduced new regulatory controls for certain types of Originators, including the application of conduct of business rules (in particular, relating to disclosure and promotions), minimum

capital requirements, client money protection rules, dispute resolution rules and a requirement for firms to take reasonable steps to ensure existing Loans continue to be administered if the firm goes out of business. The introduction of these regulations and any further new laws and regulations could have a material adverse effect on the UK Originators' businesses and may result in the interruption of operations by such Originators or Originators seeking to pass increased regulatory compliance costs to their lenders, such as the Company.

Lack of Originator and/or Third Party Servicer operating history

Some of the Originators and/or Third Party Servicers with whom the Company works may have a limited operating history and track record, often shorter than a full market cycle, upon which the Company and the Investment Adviser may base an evaluation of the Originators' and/or Third Party Servicers' operations and/or performance. No assurances can be given that the amount of data available is sufficient to assess market cycles or long term developments.

Adverse developments in an Originator or Third Party Servicer's business

The performance of the Loans may be negatively affected by adverse developments in an Originator or Third Party Servicer's business, particularly the servicing activities that affect the Loans. The Company may be reliant on, inter alia, the collection and enforcement efforts of the Originator or the Third Party Servicer or any applicable collection agencies engaged by the Originator or the Third Party Servicer for collection of payments on the Loans. The Company will generally obtain step-in rights to control the servicing with notice or upon the occurrence of adverse events, however, there can be no assurance that the Company will have such rights in all cases, that the Company will be able to exercise those rights in a timely manner, or that alternative servicers capable of servicing those Loans can be found.

6. RISKS RELATING TO TAX AND REGULATION

Changes in law or regulation may adversely affect the Company's ability to carry on its business

The Company is incorporated under the laws of Guernsey. Accordingly, the rights of Shareholders are governed by the Companies Law and by the Company's Memorandum and Articles, which may differ from the typical rights of shareholders in the UK and other jurisdictions.

The Company operates in a sector that can be characterised as direct lending. The direct lending sector may become subject to increased government scrutiny and regulation as the sector develops and more borrowers use direct lending platforms in substitution for banks to meet their funding or borrowing requirements. There are many kinds of direct lenders, including funds, insurance companies, marketplace lenders and peer-to-peer lenders. Further regulation may impose additional compliance costs on lenders and other businesses in the sector, including Originators, Third Party Servicers and the Company, which may have an adverse impact on the Company's profitability and returns.

The Company, the Investment Manager and the Investment Adviser are each subject to laws and regulations of national and local governments. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed Registered Closed-ended Collective Investment Schemes which are domiciled in Guernsey. These include compliance with any decision of the Commission and with applicable UK legal requirements. Changes in law or regulations, or a failure to comply with any such laws or regulations, may adversely affect the performance of the C Shares and/or the Ordinary Shares and returns to Shareholders.

Possible changes in the tax position of the Company

The structure by which the Company holds its investments is based on the Directors' understanding of the current tax law and the practice of the tax authorities of Guernsey (where the Company is incorporated) and the UK. Such law (including applicable rates of taxation) or tax authority practice is subject to change, possibly with retrospective effect. Any change in the Company's tax position or status or in tax legislation, or in the interpretation of tax legislation by tax authorities or courts, or tax rates could adversely affect the value of investments held by the Company or affect the Company's ability to implement and realise its investment policy. Any such change could adversely affect the net amount of any distributions payable to Shareholders or the tax treatment of distributions received by Shareholders. Furthermore, the Company may

incur costs in taking steps to mitigate this effect. As a result, any such change may have a material adverse effect on the Company's performance, financial condition or prospects.

Were the Company deemed tax resident in a jurisdiction outside Guernsey additional tax costs and reduced returns would likely result

The Directors conduct the affairs of the Company with the intention that the Company should not be treated as tax resident, or as having a business establishment in any jurisdiction, outside Guernsey.

Were the Company considered UK tax resident this would result in the Company paying more UK tax than is anticipated, which would negatively affect its financial and operating results and accordingly could reduce returns (including distributions or dividends) payable to Shareholders. However, for so long as the Company is an "AIF" within the meaning given in regulation 3 of the Alternative Investment Fund Management Regulations 2013 and is authorised or registered in Guernsey or has its registered office in Guernsey, then in accordance with section 363A of the Taxation (International and Other Provisions) Act 2010, the Company should not be regarded as resident in the UK for direct tax purposes (i.e. income tax, corporation tax and capital gains tax). It should be noted, however, that the provisions of Section 363A do not extend to indirect taxes (including VAT) and there remains a risk that under certain circumstances the Company could be regarded as having a place of business in the UK and therefore would be within the scope of UK VAT.

Even where a company is not UK tax resident, it will potentially be subject to UK corporation tax if it is carrying on a trade in the UK through a permanent establishment in the UK or, in certain circumstances, to UK income tax if it is carrying on a trade wholly or partly in the UK (whether or not through a permanent establishment). It is intended that the Company's operations will be conducted such that it is not subject to UK corporation or income tax in this way. However, it cannot be guaranteed that HMRC will not seek to contest the position and, if a challenge by HMRC on these grounds were successful, this may result in the Company paying significantly more UK tax than is anticipated, which would negatively affect its financial results and returns to Shareholders.

Similarly, were the Company to be treated as tax resident in or as having a permanent establishment or other taxable presence in any other jurisdiction (outside Guernsey) in which it operates, this could result in the Company paying more tax than is expected and could negatively affect its financial results and returns to Shareholders.

Changes in, or in the interpretation of, tax legislation could result in the imposition of additional and possibly material tax liabilities on Shareholders

Any change in tax legislation, or in the interpretation of tax legislation by tax authorities or courts, or tax rates could adversely affect the after-tax returns to Shareholders from their investment in the Company, possibly with retrospective effect. A general summary of the tax position of Shareholders who are resident in the UK or Guernsey for tax purposes is set out in Part 9 of this document. This summary does not constitute tax advice.

UK offshore funds rules

Part 8 of the Taxation (International and Other Provisions) Act 2010 contains provision for the taxation of UK resident investors in offshore funds. The Directors have been advised that the Company should not constitute an "offshore fund" for these purposes, on the basis that a reasonable investor holding Shares should not expect to be able to realise all or part of its investment in the Shares on a basis calculated entirely or almost entirely by reference to the net asset value of the assets of the Company or an index of any description, otherwise than on a liquidation or winding up, and that the Company is not designed to be wound up on a stated or determinable date.

Whilst the Company does not expect to be treated as an offshore fund, it does not make any commitment to investors that it will not be treated as one. Investors should note the statements made in this document in respect of discount management and should not expect to realise their investment at a value calculated by reference to Net Asset Value.

HMRC could dispute the view that the Company is not an “offshore fund” and, in addition, it is possible that, as a result of certain actions taken by the Company (including certain steps implemented with a view to managing discount or providing liquidity), or of changes in UK tax law or in HMRC practice, the Company could be regarded as an “offshore fund” in the future (with the result that Shareholders would then be treated as if their Shares had always fallen within the offshore fund regime).

Should the Company or any class of Shares be regarded as being subject to the offshore funds rules this may have adverse tax consequences for UK resident Shareholders. If the Company were to be treated as an offshore fund, UK resident individual Shareholders may be taxed on dividends as if such amounts constituted interest (and accordingly taxed at a higher rate), and gains realised on the disposal of their Shares as income (resulting in the payment of income tax) rather than as a capital gain (resulting in the payment of capital gains tax). In these circumstances, UK resident corporate Shareholders may be taxed as if their Shares constitute a loan in respect of which the holder of the Shares is the creditor and the Company is the debtor, and as a result of which all profits, gains and losses arising from that deemed loan may be taxed on the corporate holder of the Shares in accordance with the fair value basis of accounting. This may, depending on their circumstances, have a material adverse impact on the after-tax returns received by Shareholders.

UK tax position of the Subsidiary and Note Issuing Co

The Taxation of Securitisation Companies Regulations 2006 (S.I. 2006/3296) (the “**Tax Regulations**”) were made under section 84 of the Finance Act 2005 (now section 624 of the Corporation Tax Act 2010) on 11 December 2006 to deal with the corporation tax position of securitisation companies such as the Subsidiary and Note Issuing Co with effect for their periods of account beginning on or after 1 January 2007. If the Tax Regulations apply to a company, then, broadly, it will be subject to corporation tax on the cash profit retained by it for each accounting period in accordance with the transaction documents.

The Directors have been advised that the Subsidiary and Note Issuing Co should be taxed under the special taxation regime for which provision is made by the Tax Regulations. Investors should note, however, that the Tax Regulations are in short form and it is expected that advisers will rely significantly upon guidance from the UK tax authorities when advising on the scope and operation of the Tax Regulations including whether any particular company falls within the regime provided for in the Tax Regulations. Investors should note that if the Subsidiary and/or Note Issuing Co did not fall to be taxed under this regime then its profits or losses for tax purposes might be different from its cash position and there might be a risk of the Subsidiary and/or Note Issuing Co incurring unfunded tax liabilities. In addition, the deduction of interest paid by the Subsidiary and/or Note Issuing Co under the financing arrangements could be disallowed for UK corporation tax purposes which could cause a significant divergence between the cash profits and the taxable profits of the Subsidiary and/or Note Issuing Co. Any unforeseen taxable profits in the Subsidiary and/or Note Issuing Co could have an adverse effect on its ability to make payments to Note Issuing Co (as regards to the Subsidiary) and/or the Company (as regards to Note Issuing Co) and in turn, the potential return received by investors.

FATCA and Automatic Exchange of Information Regimes

Under the United States Foreign Account Tax Compliance Act provisions of the US Hiring Incentives to Restore Employment Act 2010, which implemented sections 1471 through 1474 of the Code (“**FATCA**”), the Company could become subject to a 30 per cent. withholding tax on certain payments of US source income (including dividends and interest), and (from 1 January 2019) gross proceeds from the sale or other disposal of property that can produce US source interest or dividends, and (from the later of 1 January 2019 or the date of publication of certain final regulations) a portion of non-US source payments from certain non-US financial institutions to the extent attributable to US source payments, if it does not comply with certain registration and due diligence obligations under FATCA. Pursuant to the intergovernmental agreement between Guernsey and the United States (the “**US-Guernsey IGA**”) and Guernsey legislation implementing the US-Guernsey IGA, the Company will be required to register with the US Internal Revenue Service (the “**IRS**”) and report information on its financial accounts to the Guernsey tax authorities for onward reporting to the IRS.

Under the US-Guernsey IGA and Guernsey's implementation of that agreement, securities that are "regularly traded" on an established securities market, such as the main market of the London Stock Exchange, are not considered financial accounts and are not subject to reporting. For these purposes, the Shares will be considered "regularly traded" if there is a meaningful volume of trading with respect to the Shares on an on-going basis. Notwithstanding the foregoing, a Share will not be considered "regularly traded" and will be considered a financial account if the holder of the Share (other than a financial institution acting as an intermediary) is registered as the holder of the Share on the Company's share register. Such Shareholders will be required to provide information to the Company to allow the Company to satisfy its obligations under FATCA, although it is expected that whilst a Share is held in uncertificated form through CREST, the holder of that Share will likely be a financial institution acting as an intermediary. Additionally, even if the Shares are considered regularly traded on an established securities market, Shareholders that own the Shares through financial intermediaries may be required to provide information to such financial intermediaries in order to allow the financial intermediaries to satisfy their obligations under FATCA. Notwithstanding the foregoing, the relevant rules under FATCA may change and, even if the Shares are considered regularly traded on an established securities market, Shareholders may, in the future, be required to provide information to the Company in order to allow the Company to satisfy its obligations under FATCA.

Guernsey, along with approximately 100 jurisdictions, has implemented the Organisation for Economic Co-operation and Development's "Common Reporting Standard" ("CRS"). Certain disclosure requirements will be imposed in respect of certain Shareholders in the Company falling within the scope of the CRS. As a result, Shareholders may be required to provide any information that the Company determines is necessary to allow the Company to satisfy its obligations under such measures. Shareholders that own the Shares through financial intermediaries may instead be required to provide information to such financial intermediaries in order to allow the financial intermediaries to satisfy their obligations under the CRS.

All prospective investors should consult with their respective tax advisers regarding the possible implications of FATCA and any other similar legislation and/or regulations on their investments in the Company. If a Shareholder fails to provide the Company or the Administrator with information that is required by any of them to allow them to comply with any of the above reporting requirements, or any similar reporting requirements, adverse consequences may apply.

Changes in law or regulations may adversely affect the ability of the Company to carry on its businesses, its performance and returns to Shareholders

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is required to comply with certain licensing and on-going notification requirements that are applicable to a Guernsey Registered Closed-ended Collective Investment Scheme, including laws and regulations supervised by the Commission. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Any change in the laws and regulations affecting the Company or any change in the regulations affecting similar funds or fund managers generally, or any failure by the Company to comply with such laws or regulations, may have a material adverse effect on the Company's ability to achieve its investment objective, which in turn could have a material adverse effect on the Company's performance and returns to Shareholders.

The AIFMD may impair the ability of the Investment Manager and/or the Investment Adviser 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, imposed a new regime for EU managers of AIFs and in respect of marketing of AIFs in the EU. The AIFMD has been transposed in the UK by the UK AIFMD Rules. Subject to transitional provisions, the AIFMD requires that EU AIFMs of AIFs are authorised and regulated as such.

Based on the provisions of AIFMD and the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) (the "AIFM Regulations"), the Board has been advised that the Company is an AIF within the scope of AIFMD and the AIFM Regulations. The Company operates as an externally managed AIF, with

the Investment Manager being the Company's AIFM. The Company is a non-EEA AIF and the Investment Manager is a non-EEA AIFM.

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

The European Commission is investigating the imposition of regulation on loan origination by funds

On 11 April 2016, the European Securities and Markets Authority (ESMA) issued an opinion relating to the potential establishment of a European framework on loan origination by funds. This ESMA opinion may form the basis of a consultation which may be issued by the European Commission on establishing a common EU approach to the origination of loans by investment funds. There is a risk that the review could be expanded in due course to include structures engaging in loan participation or loan restructuring in addition to loan origination. In the event that the European Commission passes legislation following this review, there is a risk that this could affect the types of loans in which the Company can invest and the information or disclosures that the Company may be required to provide to Shareholders or regulators. This may impact upon the Company, the manner in which it is managed, operated and marketed, or upon its service providers and relationships with those service providers. This may in turn increase the management and operating costs, and in particular the regulatory and compliance costs, of the Company and/or the Investment Manager.

Non-Mainstream Pooled Investments

The Company has been advised that the Shares can be considered as "excluded securities" for the purposes of the FCA rules regarding the definition and promotion of Non-Mainstream Pooled Investments ("NMPIs") because the Company expects that it would be capable of qualifying as an investment trust if it were resident in the UK, and therefore the Board believes that the Shares will be excluded from the restrictions contained in the FCA's rules on NMPIs.

It is the Board's intention that the Company will make all reasonable efforts to continue to conduct its affairs in such a manner so that the Shares can be recommended to ordinary retail investors in accordance with the FCA's rules relating to non-mainstream pooled investment products. However, the Board has been advised that no guidance on the application of the NMPI rules to non-UK companies has been published by the FCA and, further, that the rules may be subject to change. The Company will make an announcement should the FCA issue further guidance or amend the NMPI rules in a way which affects the Company's view on the application of the NMPI rules to the Company.

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

For regulatory, tax and other purposes, the Company and the Shares may be treated differently in different jurisdictions. Furthermore, in certain jurisdictions, the status of the Company and/or the Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or disclosures by the Company. Changes in the status or treatment of the Company or the Shares may impact on the ability of investors to hold the Shares or the consequences of so doing.

IMPORTANT INFORMATION

General

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction.

This document contains statements that are or may be forward-looking statements. All statements other than statements of historical facts included in this document may be forward-looking statements, including statements that relate to the Company's future prospects, developments and strategies.

Forward-looking statements are identified by their use of terms and phrases such as "believes", "targets", "expects", "aims", "anticipates", "projects", "would", "could", "envisages", "estimates", "intends", "may", "plans", "will" or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements in this document are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results, performance and achievements to differ materially from any results, performance or achievements expressed or implied by such forward-looking statements. Factors that may cause actual results to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to, those described in the Risk Factors set out on pages 16 to 32 of this document. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the Company and the environment in which it will operate in the future. All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above.

Each forward-looking statement speaks only as at the date of this document. Except as required by law, regulatory requirement, the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules and MAR, neither the Company nor any other party intends to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

The information contained within this document will be updated as required by the Prospectus Rules. You are advised to read this document and, in particular, the Summary, the Risk Factors, Part 1, Part 2 and Part 4 of this document for a further discussion of the factors that could affect the Company's future performance and the industries and markets in which it operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may or may not occur. Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital in this document.

No responsibility

Apart from the responsibilities and liabilities, if any, which may be imposed on Winterflood by the FSMA or the regulatory regime established thereunder, Winterflood does not accept any responsibility whatsoever or make any representation or warranty, express or implied, in respect of the contents of this document, including its accuracy, completeness or verification, in respect of any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares, the C Shares, the Initial Placing and/or the Initial Offer for Subscription and/or the Share Issuance Programme, and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future.

Winterflood accordingly disclaims all and any liability, whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this document or any such statement.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of the FSMA and paragraph 3.4 of the Prospectus Rules, the delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Group

since, or that the information contained in this document is correct at any time subsequent to, the date of this document. No statement in this document is intended as a profit forecast.

Distribution of this document

General

This document does not constitute, and may not be used for the purposes of, an offer to sell or issue or the solicitation of an offer to buy or subscribe for any C Shares to or from any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this document and the offer and sale of C Shares may be restricted by law and regulation. No action has been taken or will be taken by the Company or Winterflood that would permit a public offering of the C Shares, or possession or distribution of this document, in any jurisdiction where action for that purpose is required other than the United Kingdom. Accordingly, persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions.

Prospective investors must inform themselves as to:

- (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the C Shares;
- (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the C Shares which they might encounter; and
- (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the C Shares.

Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice. This document is for information only and nothing in this document is intended to endorse or recommend a particular course of action. Prospective investors must rely upon their own professional advisers, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this document are based on the law and practice currently in force in England and Wales and in Guernsey, and are subject to change.

Notice to investors in the European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**relevant member state**”) except for the UK, with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the “**relevant implementation date**”) no C Shares have been offered or will be offered pursuant to the Initial Placing, the Initial Offer for Subscription or the Share Issuance Programme to the public in that relevant member state prior to the publication of a prospectus in relation to the C Shares which has been approved by the competent authority in the relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Directive, except that (subject to compliance with all relevant local laws and regulation) with effect from and including the relevant implementation date, offers of C Shares may be made to the public in that relevant member state at any time:

- (a) to legal entities which are “qualified investors” as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the relevant member state has implemented the relevant provision of Directive 2003/71/EC 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or

- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of any C Shares shall result in a requirement for the publication by the Company or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For this purpose, the expression “an offer of any C Shares to the public” in relation to any C Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Issue and any C Shares to be offered so as to enable an investor to decide to acquire any C Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

In the case of any C Shares being offered to a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the C Shares acquired by it in the Issue have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any C Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company and Winterflood has been obtained to each such proposed offer or resale.

Notice to investors in Guernsey

This document may only be made available in or from within the Bailiwick of Guernsey, and any offer or sale of C Shares may only be made in or from within the Bailiwick of Guernsey, either:

- (i) by persons licensed to do so under the POI Law; or
- (ii) to persons licensed under the POI Law, the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended) or the Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended) provided the Company complies with the applicable requirements of the POI Law and all applicable guidance notes issued by the GFSC.

This document and any offer or sale of C Shares in the Company pursuant to this document are not available in or from within the Bailiwick of Guernsey other than in accordance with the above paragraphs (i) and (ii) and must not be relied upon by any person unless received or made in accordance with such paragraphs.

Certain non-United Kingdom recipients

This document is not for distribution into the United States or any Restricted Jurisdiction. The Initial Placing, the Initial Offer for Subscription and the Share Issuance Programme have not been, and will not be, registered under the applicable securities laws of the United States or any other Restricted Jurisdiction, and, subject to certain exceptions, the C Shares may not be offered or sold directly or indirectly within the United States or any Restricted Jurisdiction or to, or for the account or benefit of, any persons within the United States or any Restricted Jurisdiction.

THE C SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY U.S. STATE SECURITIES LAWS. THE C SHARES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS THE OFFER AND SALE OF THE C SHARES HAS BEEN REGISTERED UNDER THE SECURITIES ACT AND THE COMPANY IS REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**U.S. INVESTMENT COMPANY ACT**”) OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT ARE AVAILABLE.

The C Shares have not been approved or disapproved by the SEC, any U.S. state securities commission or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or endorsed the

merits of the offering of the Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The C Shares are subject to restrictions on transferability and resale within the United States and may not be transferred or resold in the United States except pursuant to a valid exemption from the registration requirements of the Securities Act, the U.S. Investment Company Act and state securities laws.

Subject to certain exceptions, this document does not constitute, or will not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, C Shares to any person with a registered address in, or who is resident or located in, the United States and, if received, is for information purposes only.

Subject to certain exceptions, C Shares are being offered and sold only outside the United States in reliance on Regulation S.

Unless otherwise agreed with the Company, any person applying for C Shares under the Initial Placing and/or the Initial Offer for Subscription and/or the Share Issuance Programme will be deemed to have declared, warranted and agreed, by accepting delivery of this document if and when received or delivery of C Shares: that (i) he or she is not within the United States; (ii) he or she is not in any other Restricted Jurisdiction or any jurisdiction in which it is unlawful to make or accept an offer to acquire C Shares; (iii) he or she is not acquiring any C Shares for the account of any person who is located in the United States, unless (a) the instruction to purchase was received from a person outside the United States and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (A) has investment discretion over such account or (B) is an investment adviser or investment company that, in the case of each of (A) and (B), is acquiring C Shares in an “offshore transaction” within the meaning of Regulation S; and (iv) is not acquiring C Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such C Shares into the United States or any other Restricted Jurisdiction.

The Company’s Articles contain provisions designed to restrict the holding of C Shares by persons, including U.S. persons, where in the opinion of the Directors such a holding could cause or be likely to cause the Company some legal implication. C Shares held by ERISA Plan Investors are subject to provisions requiring a compulsory transfer as set out in the Articles.

Registration of the Company in Guernsey

The Company is a registered closed-ended investment scheme registered pursuant to the POI Law and is required to comply with the RCIS Rules issued by the Commission. The Commission, in granting registration, has not reviewed this document but has relied upon specific warranties provided by the Administrator.

The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999

The Administrator has certain responsibilities under The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, as varied and supplemented from time to time, to verify the identity of investors. Failure to provide the necessary documentation may result in applications being rejected or in delays in the dispatch of documents under the Issue.

The Data Protection (Bailiwick of Guernsey) Law, 2001

Pursuant to The Data Protection (Bailiwick of Guernsey) Law, 2001, as amended, (the “**Data Protection Law**”) the Company and/or its Registrar and/or the Administrator may hold personal data (as defined in the Data Protection Law) relating to past and present Shareholders. Such personal data held is used by the Registrar and/or the Administrator to maintain the Company’s register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when: (a) effecting the payment of dividends and other moneys to Shareholders; and (b) filing returns of Shareholders and their respective transactions in C Shares and/or Ordinary Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no

longer used. The countries referred to above include, but need not be limited to, those in the European Economic Area or the European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, the Republic of South Africa, Switzerland and the United States of America. By becoming registered as a holder of C Shares in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company or its Registrar or the Administrator of any personal data relating to them in the manner described above.

Presentation of information

Market, economic and industry data

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

Currency presentation

Unless otherwise indicated, all references in this document to “sterling”, “pounds sterling”, “£”, “pence” or “p” are to the lawful currency of the UK; all references to “dollars”, “\$” and “US\$” are to the lawful currency of the United States of America; and all references to “Euros” and “€” are to the lawful currency of the participating Member States of the Eurozone.

Website information

Without limitation, neither the contents of the Company’s websites (or any other website) nor the content of any website accessible from hyperlinks on any of the Company’s websites (or any other website) is incorporated into, or forms part of, this document.

Definitions

A list of defined terms used in this document is set out in Part 14 (Definitions).

Governing law

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

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors (all non-executive)	David Warr (<i>Chairman</i>) Paul Craig John Falla Nigel Ward
Registered office and business address of the Company	Sarnia House Le Truchot St Peter Port Guernsey GY1 1GR
Website	www.hadrianswallcapital.com/hwsil
Administrator and company secretary	Praxis Fund Services Limited Sarnia House Le Truchot St Peter Port Guernsey GY1 1GR
Investment Manager	International Fund Management Limited Sarnia House Le Truchot St Peter Port Guernsey GY1 1GR
Investment Adviser	Hadrian's Wall Capital Limited Quadrant House Floor 6, 4 Thomas More Square London E1W 1YW United Kingdom
Sponsor, Sole Financial Adviser and Bookrunner	Winterflood Securities Limited The Atrium Building Cannon Bridge House 25 Dowgate Hill London EC4R 2GA United Kingdom
Legal advisers to the Company as to English law	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA United Kingdom
Legal advisers to the Company as to Guernsey law	Carey Olsen Carey House Les Banques St Peter Port Guernsey GY1 4BZ
Legal advisers to Winterflood	CMS Cameron McKenna LLP Cannon Place 78 Cannon Street London EC4N 6AF United Kingdom

Auditors	Deloitte LLP Regency Court Glategny Esplanade St Peter Port Guernsey GY1 3HW
Reporting accountants	Deloitte LLP Regency Court Glategny Esplanade St Peter Port Guernsey GY1 3HW
Registrar	Capita Registrars (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH
Receiving Agent	Capita Registrars Limited Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Principal bankers to the Company	The Royal Bank of Scotland International Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey GY1 4BQ

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this prospectus	2 May 2017
Latest time and date for receipt of applications under the Initial Offer for Subscription	1.00 p.m. on 24 May 2017
Latest time and date for receipt of applications under the Initial Placing	1.00 p.m. on 25 May 2017
Publication of results of the Initial Placing and the Initial Offer for Subscription	26 May 2017
Initial Admission and dealings in C Shares commences	8.00 a.m. on 31 May 2017
CREST accounts credited in respect of the C Shares	31 May 2017
Despatch of definitive share certificates (as applicable)	week commencing 5 June 2017 (or as soon as possible thereafter)
Share Issuance Programme opens	31 May 2017
Subsequent Admission and crediting of CREST in respect of each Subsequent Placing and/or each Subsequent Offer for Subscription	8.00 a.m. on each day on which C Shares are issued pursuant to a Subsequent Placing and/or Subsequent Offer for Subscription
Despatch of definitive share certificates (as applicable) in respect of each Subsequent Placing and/or each Subsequent Offer for Subscription	approximately one week following admission of the relevant C Shares
Last date for a Subsequent Admission of C Shares issued pursuant to the Share Issuance Programme	1 May 2018*

* or such earlier date on which the Share Issuance Programme is fully utilised.

Notes:

1. Each of the times and dates in the above timetable is subject to change by the Company.
2. All times are London times unless stated otherwise.

INITIAL PLACING AND INITIAL OFFER FOR SUBSCRIPTION STATISTICS

Issue Price per C Share	100 pence
Target Gross Initial Proceeds*	80 million
Maximum number of C Shares to be issued pursuant to the Initial Placing and the Initial Offer for Subscription	100 million
Share Capital immediately following Initial Admission (assuming that the Company issues 80 million C Shares pursuant to the Initial Placing and the Initial Offer for Subscription)	80 million C Shares and 80,024,706 million Ordinary Shares
Minimum Gross Initial Proceeds	£15 million
Maximum Gross Initial Proceeds (assuming that the Company issues the Maximum number of Shares to be issued pursuant to the Initial Placing and the Initial Offer for Subscription)	£100 million
Estimated Net Asset Value per C Share (unaudited) at Initial Admission	98 pence

* The target size of the Initial Placing and the Initial Offer for Subscription is £80 million, with the actual size of the Initial Placing and the Initial Offer for Subscription subject to investor demand. The number of C Shares to be issued pursuant to the Initial Placing and the Initial Offer for Subscription, and therefore the Gross Initial Proceeds, are not known as at the date of this document but will be notified by the Company via an RIS announcement prior to Initial Admission.

The Initial Placing and the Initial Offer for Subscription are conditional upon the Minimum Net Proceeds (being the minimum Gross Initial Proceeds of £15 million less the expenses of the Company in connection with the Initial Placing and the Initial Offer for Subscription) being raised. This condition can only be waived through the publication of a supplementary prospectus by the Company.

SHARE ISSUANCE PROGRAMME STATISTICS

Maximum size of the Share Issuance Programme	200 million C Shares
Share Issuance Programme Price	100 pence
Estimated opening Net Asset Value per C Share (unaudited) issued pursuant to the Share Issuance Programme	98 pence

DEALING CODES

ISIN – Ordinary Shares	GG00BYMYC345
SEDOL – Ordinary Shares	BYMYC34
Ticker – Ordinary Shares	HWSL
ISIN – C Shares issued pursuant to the Initial Issue	GG00BDD98Q61
SEDOL – C Shares issued pursuant to the Initial Issue	BDD98Q6
Ticker – C Shares issued pursuant to the Initial Issue	HWSC

PART 1

INFORMATION ON THE COMPANY

1. INTRODUCTION

The Company was incorporated on 27 April 2016 in Guernsey. It is registered with the Commission as a registered closed-ended collective investment scheme.

The Company has appointed Hadrian's Wall Capital Limited as its Investment Adviser and International Fund Management Limited as its Investment Manager and AIFM for the purposes of the AIFM Directive. Further information on the Investment Adviser and Investment Manager is set out in Part 3 of this prospectus.

The Company invests primarily in UK Loans secured by a range of assets, including real estate, plant and machinery and trade receivables, to provide capital to under-served segments brought about by ongoing financial disintermediation.

2. INVESTMENT OPPORTUNITY

The opportunity for the Company to source and fund transactions consistent with its risk and return objectives is driven principally by capital constraints placed upon large financial institutions by the regulatory authorities. The banking and insurance sectors are highly regulated and have been increasingly so since the financial crisis of 2008. These regulations, particularly capital requirements, impact the strategies of both banks and insurance companies. The sector is, as described in Part 2 of this document, highly concentrated and focused on standardised products.

Consequently, there are opportunities for other market participants, including the Company, to focus on various market segments that are not targeted by larger institutions.

Investments outside the lending parameters of the large banks and other institutional investors can, in the opinion of the Investment Adviser, generate significant relative value. Since such investments do not fit within the lending and strategic framework of mainstream credit institutions, financing of such investments can create value opportunities for other providers who are willing to assume the risks associated with such lending. As a result, alternative providers of finance have expanded to meet the financing needs of these segments. These alternative finance providers represent a broad range of market participants which, depending on the market segment, can range from hedge funds and private equity-backed investment companies to peer-to-peer lenders. These providers have generally focused on the large business loan, unsecured consumer and small business segments of the market rather than the secured SME loan segment.

The Company, using a targeted investment strategy, focuses on market segments which are, and in the opinion of the Investment Adviser will continue to be, under-served by the mainstream banking sector for the structural reasons described above. In particular, the Company's lending and investment activities are primarily focused on the secured SME lending market within the UK. The Investment Adviser believes that this market segment continues to be under-served due to the combination of relatively modest individual loan size and the need for skilled credit analysis, which has caused other alternative lenders to focus their efforts elsewhere. Through a combination of skilled investment analysis, the experience of the Investment Adviser's investment team and a focus on under-served lending segments, the Company believes that it is well positioned to continue to capitalise on this opportunity.

3. INVESTMENT OBJECTIVE, INVESTMENT POLICY AND INVESTMENT RESTRICTIONS

Investment objective

The Company's investment objective is to provide Shareholders with regular, sustainable dividends and to generate capital appreciation through exposure, directly or indirectly, to primarily secured loans originated across a variety of channels, assets and industry segments.

The Investment Adviser is responsible for advising on the implementation of the Company's investment objective and its team of highly experienced investment professionals have over 145 years of combined experience in asset and other forms of finance. Further details of their investment experience are set out in Part 3 of this document.

Investment policy

The Company invests in Loans, which are predominantly secured upon a variety of asset types. The types of Loans that the Company targets includes the following:

- *General commercial Loans to businesses:* This type of lending may be secured against a range of business assets, including, but not limited to, real estate, plant and machinery, inventory, trade receivables and intellectual property rights.
- *Equipment finance:* The Company may finance equipment, including agricultural equipment, aircraft, industrial and manufacturing machinery, marine vessels, power generation and vehicles. Such Loans may be structured as equipment leases, as hire purchase contracts or as other types of Loans and will typically be secured against the equipment.
- *Specialised Financial Services:* There are a number of regional financial services companies providing finance to small businesses for general corporate purposes, capital improvements, and other business purposes. The Company may finance portfolios or loans, leases or other financial assets originated by such financial services companies that provide contractual revenue streams from the underlying borrowers.

In addition, any Loans made by the Company may be secured by personal, group company or other third party guarantees. The Company treats Loans where there is both recourse to unencumbered assets and a negative pledge in relation to those assets as being secured. The Company may make Loans which are secured on other assets that the Investment Adviser considers appropriate.

The Company may, from time to time, make unsecured Loans, subject to the limits set out under the heading "Asset class and other limits" below.

While the Company's investments are predominantly direct Loans, where it is appropriate to do so, investments may also be documented in other forms (for example, bonds, participation agreements, loan participations, syndicated loans and hybrid instruments) which provide investment characteristics that are comparable to the types of Loans described above. Such alternatively documented investments are subject to the criteria and limits (on a look-through basis, if applicable) as are applicable to direct Loans. In addition, the Company may make other types of investment (for example, in equity or profit-linked instruments) subject to the limits set out below.

Loans in which the Company invests may pay cash interest or may be structured so that interest payments accrue until the final payment date, which is typical for certain types of Loans.

The Company typically sources Loans through Originators and does not intend to originate Loans itself. However, the Company may invest in Loans that are not sourced through Originators, for example, in the event that it is approached by a potential borrower or other party in relation to a transaction.

The Company currently anticipates that all Originators will be based in the UK. Where the Company is party to equipment lease transactions, the equipment lessor may not be in the UK and the leased assets (for example, aircraft or marine vessels) may be used outside the UK. Other assets against which the Company makes Loans are usually within the UK (but without imposing any restriction on the Company). Loans are generally denominated in Sterling, although the Company reserves the right to make Loans denominated in other currencies, subject to the limits set out below.

Asset class and other limits

The Company is subject to the following investment limits, as a percentage of the NAV (measured at the time of investment):

Maximum single investment:	10 per cent.
Maximum exposure to a single borrower or group:	10 per cent.
Maximum exposure to Loans sourced through a single Originator:	40 per cent.
Maximum proportion of unsecured Loans:	10 per cent.
Maximum proportion of Loans (in aggregate) sourced through non-UK Originators or denominated in currencies other than Sterling:	10 per cent.
Maximum investment in assets other than Loans and other instruments with comparable characteristics:	10 per cent.

Borrowings

The Company may utilise borrowings for share buybacks and short term liquidity purposes. The Company does not currently anticipate using borrowings for investment purposes (except on a short term-basis where it expects to raise additional equity which will be used to repay such debt), but reserves the right to do so. The Company's borrowings shall not, in aggregate, exceed 33 per cent. of the Company's Net Asset Value at the time of drawdown, although in the normal course any use of gearing would not be expected to exceed 20 per cent. of the Company's Net Asset Value at the time of drawdown.

Hedging

Investments are expected to be denominated in Sterling, although up to 10 per cent. of the Company's Portfolio relative to the NAV (at the time any relevant non-Sterling investment is made) may be denominated in a currency other than Sterling. If the Company extends a Loan in a currency other than Sterling, the Company intends to hedge the Loan to Sterling under an external hedging derivative arrangement with an external financier, to the extent that it is economically practicable in the judgement of the Investment Adviser to do so.

Investment restrictions

The Company complies with the investment restrictions set out below and will continue to do so for so long as they remain requirements of the FCA:

- neither the Company nor any of its subsidiaries will conduct any trading activity which is significant in the context of its group as a whole;
- the Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with the published investment policy; and
- not more than 10 per cent. of the gross assets of the Company at the time an investment is made will be invested in other closed-ended investment funds which are listed on the Official List, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed closed-ended investment funds.

The Directors do not currently intend to propose any material changes to the Company's investment policy, save in the case of exceptional or unforeseen circumstances. As required by the Listing Rules, any material change to the Company's investment policy will be made only with the approval of the Shareholders.

In the event of any breach of the investment restrictions applicable to the Company, Shareholders will be informed of the remedial actions to be taken by the Company through an RIS announcement.

Cash management

The Company's principal use of cash (including the Net Initial Proceeds) will be to make investments in accordance with the Company's investment policy, as well as paying expenses related to the Initial Placing, the Initial Offer for Subscription and the Share Issuance Programme, ongoing operational expenses and payment of dividends to Shareholders.

The Company may from time to time have surplus cash. Any surplus cash is temporarily invested in cash, cash equivalents, money market instruments, government securities and other short term investment grade securities pending more long-term investment of such sums in accordance with the Company's investment policy. The Company's investment policy does not impose any fixed requirements relating to the allocation of cash among various types of temporary investments, nor is there any limit on the amount of cash or cash equivalents that the Company may hold. The temporary investments that the Company makes will almost certainly have yields that are significantly lower than the Company's target yield.

4. THE INVESTMENT MANAGER AND THE INVESTMENT ADVISER

The Investment Manager is International Fund Management Limited, part of the PraxisIFM Group, one of the largest independently owned financial services groups based in the Channel Islands. The head office is in Guernsey. The Investment Manager is a Guernsey licensed investment manager and has a strong track record in providing principal management and risk advisory services to funds and investment managers since 2006.

The Investment Adviser is an independent investment adviser and is authorised and regulated in the UK by the FCA. The Investment Adviser specialises in advising with respect to debt investments.

5. INVESTMENT STRATEGY

The Company's investment policy and restrictions and the operational policies of the Investment Manager and the Investment Adviser are intended to ensure appropriate Loan origination procedures and prudent credit and risk management. The Company focuses on Loans secured against physical collateral and other assets made to borrowers with sufficient cash flows to service their Loan repayments, thereby seeking to manage the Company's exposure to borrower defaults.

The Company's investment strategy involves a structured approach to credit underwriting, which typically includes the following focus areas:

- **Underlying business operations:** the extent to which the borrower has a business that generates, or in the short term is expected to generate, sufficient cash flow to meet its obligations.
- **Capitalisation:** the extent to which the borrower has access to sufficient capital to sustain itself if its results fall short of expectations.
- **Business philosophy:** whether the borrower has a practical and conservative approach to gearing and business strategy.
- **Security package:** the investment strategy is premised on the proposition that the Company will generally be a secured creditor and will have collateral or other assets against which it can enforce its rights, in order to mitigate potential losses. The Company considers a security package in its entirety, including legal rights and the potential value of the collateral in both normal and stressed market conditions.
- **Legal structure:** the Company seeks to ensure that its rights are appropriately documented in enforceable legal agreements and engages solicitors to advise it on each transaction.

The Company will seek to minimise its exposure to certain types of risks. In particular, the Company seeks to minimise its exposure to event risks that may result in low recovery rates or defaults caused or driven by exogenous factors.

The Investment Adviser expects individual transactions to range in value and, generally, the typical transaction value is expected to be up to £6,000,000. That said, the average transaction value may fluctuate based on the market opportunities and the Portfolio composition that the Investment Adviser believes will best achieve the Company's investment objectives.

The Company targets Loans with a maturity of three to five years and expects the majority of Loans to have maturities of two to seven years. While most Loans are expected to amortise to varying degrees, including full and partial amortisation, some Loans will not amortise, depending on the nature of the Loan and the security package. Expected changes in collateral value is a factor in setting required amounts of Loan amortisation.

The Company seeks to establish a Portfolio that is diversified across Originators, borrower industry and collateral type. The Investment Adviser will continue to seek to identify additional Originators and borrowers that meet the Company's investment objectives.

The Company intends to extend and/or acquire Loans in the UK through the Subsidiary. A company incorporated and registered under the laws of England and Wales has been established ("**Note Issuing Co**"). Note Issuing Co has issued a variable funding note to the Company and has utilised the funds raised by the issue of the variable funding note to finance, by way of a loan to the Subsidiary, the extension and/or acquisition of Loans by the Subsidiary. The variable funding note has been listed on The International Stock Exchange ("**TISE**") (formerly the Channel Islands Securities Exchange). The issued share capital of Note Issuing Co is held, indirectly, in accordance with the terms of a discretionary trust. The Company reserves the right to use alternative investment structures for some or all of its investments. In particular, Loans to borrowers outside the UK are unlikely to be made through the Subsidiary and may be made by the Company itself or using an alternative investment structure.

The Company, the Investment Manager and the Investment Adviser will seek to structure investments in the way that they consider to be in the best interests of Shareholders.

6. DIVIDEND AND DISTRIBUTIONS POLICY

The Company intends to distribute at least 85 per cent. of its distributable income earned in each financial year by way of dividends.

The Company will target an annualised dividend yield in respect of the Ordinary Shares of at least 6 per cent. of the IPO Price, being 100 pence per Ordinary Share, which is expected to grow over time. The Company will seek to pay dividends at a stable level and in order to do so may pass income on to Ordinary Shareholders in the form of dividends in a quarter subsequent to the quarter in which such income is received by the Company.

The Company has, to date, declared dividends of 0.2 pence per Ordinary Share in respect of the period ended 30 September 2016, 0.4 pence per Ordinary Share in respect of the period ended 31 December 2016 and 0.6 pence per Ordinary Share in respect of the period ended 31 March 2017. Dividends are expected to be declared in January, April, July and October of each year in respect of the preceding quarter.

There is no target dividend on the C Shares and the extent to which dividends, if any, are paid in respect of the C Shares will depend in part on the speed of deployment of the Net Initial Proceeds and the time to conversion of the C Shares.

Dividend payments to Shareholders will be subject to the Company being able to satisfy the solvency test, as defined under the Companies Law, immediately after payment of such dividend.

Distributable income not paid to Shareholders by way of dividends may be reinvested in accordance with the Company's investment policy with the intention of increasing the Company's NAV.

The Company will target a total return of approximately 7 to 8 per cent. per annum.

7. CAPITAL STRUCTURE

The Company's capital structure currently consists of Ordinary Shares. The Company's issued share capital on Initial Admission will comprise Ordinary Shares and C Shares.

Ordinary Shares

The Ordinary Shares carry the right to receive all dividends declared by the Company or the Directors, subject to the rights attaching to any C Shares in issue (as described below).

On a winding-up, provided the Company has satisfied all of its liabilities and subject to the rights conferred by any C Shares in issue at that time to participate in the winding-up (as described below), the holders of Ordinary Shares are entitled to all of the surplus assets of the Company.

Holders of Ordinary Shares are entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share held.

The Ordinary Shares are in registered form, have been admitted to the premium listing segment of the Official List and are traded on the London Stock Exchange's main market for listed securities.

C Shares

C Shares are a transient class of shares: the assets representing the net proceeds of any issue of C Shares will be maintained, managed and accounted for as a separate pool of capital of the Company until those C Shares convert into Ordinary Shares (which will occur once at least 85 per cent. of the net proceeds attributable to the relevant tranche of C Shares (or such other percentage as the Directors and Investment Adviser shall agree) have been invested in accordance with the Company's investment policy (or, if earlier, nine months after the date of issue of the C Shares)). On such conversion, each holder of C Shares will receive such number of Ordinary Shares as equals the number of C Shares held by it multiplied by the Net Asset Value per C Share and divided by the Net Asset Value per Ordinary Share, in each case as at a date shortly prior to conversion.

C Shares will carry the right to receive all dividends resolved by the Directors to be paid out of the pool of assets attributable to those C Shares.

On a winding-up, provided the Company has satisfied all of its liabilities, the holders of C Shares will be entitled to any surplus assets of the Company attributable to those C Shares.

Holders of C Shares will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each C Share held.

C Shares will be issued in registered form and applications will be made in conjunction with any issue of C Shares for those C Shares to be admitted to the premium listing segment of the Official List and to trading the London Stock Exchange's main market for listed securities.

Allocation of investment opportunities between the Ordinary Shares and the C Shares

Investment opportunities may be allocated between the Ordinary Shares and the C Shares as the Investment Adviser considers appropriate. At any time at which the Company has outstanding debt attributable to the Ordinary Shares, and the C Share pool is not fully invested, investments may be transferred from the Ordinary Share pool to the C Share pool in return for cash in order for such cash to be used to repay such outstanding indebtedness.

8. FURTHER ISSUES OF SHARES

Further issues of Ordinary Shares and any issue of C Shares, in each case for cash, are subject to the pre-emption rights conferred on existing shareholders pursuant to the Articles save to the extent that those rights have been disapplied by a special resolution of the Company.

At the date of this document, the Directors have an unutilised authority to issue for cash, on a non-pre-emptive basis, up to, in aggregate 250 million (i) new Ordinary Shares pursuant to the 2016 Placing

Programme and (ii) C Shares, which will expire at the Company's first annual general meeting, which is expected to take place in November 2017.

The Directors anticipate seeking a new authority at the annual general meeting to issue C Shares and/or Ordinary Shares for cash on a non-pre-emptive basis. The terms of such authority will be determined at the relevant time having regard, amongst other matters, to the number of C Shares that remain available for issue under the Share Issuance Programme and any other capital raising plans of the Company.

In addition, the Directors anticipate seeking annual authority to issue for cash, on a non-pre-emptive basis, new Ordinary Shares equivalent to at least 10 per cent. of the Ordinary Shares in issue at the relevant time. When the relevant provisions of the new Prospectus Regulation come into force, the threshold, over a 12 month period, for further issues of securities without the requirement to publish a prospectus will be increased from "less than 10%" to "less than 20%" of the number of securities already admitted to trading on the same regulated market. The Company may therefore, in due course, consider seeking an increased authority equivalent to up to 20 per cent of the Ordinary Shares in issue at the relevant time.

Unless authorised by Shareholders, the Company will not issue further Ordinary Shares or new C Shares for cash on terms that would dilute the Net Asset Value per Ordinary Share.

9. SHARE BUYBACKS AND DISCONTINUATION RESOLUTION

9.1 *Share buybacks*

The Directors have authority to purchase up to 14.99 per cent. of the Ordinary Shares in issue immediately following the IPO, being 11,995,703 Ordinary Shares. This authority will expire at the first annual general meeting of the Company or, if earlier, 18 months from the date on which the resolution conferring the authority was passed. The Directors intend to seek renewal of the share buyback authority from Shareholders at each annual general meeting.

In the ordinary course of business, the Directors would expect (but provide no commitment to do so) to exercise their discretion to repurchase Ordinary Shares if the discount to Net Asset Value at which the Ordinary Shares trade is persistently in excess of 5 per cent. in normal market conditions. The Directors will consider a number of factors in determining whether to exercise such discretion, including (1) the Company having sufficient liquidity and cash available for buybacks; (2) any share buybacks not having a negative impact on the Company's investment portfolio; and (3) satisfaction of the solvency test under the Companies Law at the relevant time.

Accordingly, any share buybacks will, at all times, be subject to the Directors' discretion and the Board's belief that they would be in the best interests of Shareholders as a whole at the relevant time, and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

Any purchase of Shares will be in accordance with the Articles, the Companies Law and the Listing Rules. Purchases of Shares will only be made through the market for cash at prices below the last published NAV per Share. Any Shares purchased may be cancelled or held in treasury (in accordance with the Articles) by the Company at the Board's discretion.

9.2 *Discontinuation Resolution*

The Company is intended to have an indefinite life and the Articles do not provide for a scheduled winding-up. However, at every fifth annual general meeting, the Board will propose a special resolution that the Company should cease to continue as presently constituted (a "**Discontinuation Resolution**"). In the event that a Discontinuation Resolution is passed, the Board will be required to formulate proposals to be put to Shareholders within four months to wind up or otherwise reconstruct the Company, having regard (to the extent applicable) to the illiquid nature of the Company's underlying assets. Any such proposals may incorporate arrangements which enable investors who wish to continue to be exposed to the Portfolio to maintain some or all of their existing exposure.

10. NET ASSET VALUE

At as 27 April 2017 (being the latest practicable date prior to the publication of this document), the unaudited Net Asset Value (cum-income) of the Company was £78.04 million and the unaudited Net Asset Value (cum-income) per Ordinary Share was 97.52 pence.

11. VALUATION OF THE COMPANY AND NET ASSET CALCULATIONS

The Administrator, in conjunction with the Investment Adviser, calculates the Net Asset Value per Ordinary Share and will calculate the Net Asset Value per C Share (if C Shares are in issue) as at the end of each month. The figures are announced as soon as possible on a Regulatory Information Service and by publication on www.londonstockexchange.com. The Company may delay public disclosure of the Net Asset Value to avoid prejudice to its legitimate interests, provided that such delay would not be likely to mislead the public and the Company has put in place appropriate measures to ensure the confidentiality of that information.

The Board may determine the Company shall temporarily suspend the publication of the Net Asset Value per Ordinary Share or the Net Asset Value per C Share when the prices of any investments owned by the Company cannot be promptly or accurately ascertained. The Directors may also temporarily suspend the calculation, and publication, of the Net Asset Value during a period when, in the opinion of the Directors:

- there are political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, and disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company's business is not reasonably practicable without this being materially detrimental to the interests of Shareholders or if, in the opinion of the Board, the Net Asset Value cannot be fairly calculated;
- there is a breakdown of the means of communication normally employed in determining the calculation of the Net Asset Value; or
- it is not reasonably practicable to determine the Net Asset Value on an accurate and timely basis.

Any suspension in the calculation of the Net Asset Value per Ordinary Share or the Net Asset Value per C Share will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs.

However, in view of the nature of the Company's proposed investments, the Board does not currently envisage any circumstances in which the publication of such valuations will be suspended.

The unaudited Net Asset Value and the Net Asset Value per Ordinary Share or the Net Asset Value per C Share will be calculated by the Administrator (on the basis of information provided by the Investment Adviser) on a monthly basis, as described below. The NAV is published on a cum-income and ex-income basis.

The Net Asset Value is the value of all assets of the Company less its liabilities to creditors (including provisions for such liabilities) determined in accordance with the Association of Investment Companies' valuation guidelines and in accordance with IFRS.

All Loans and receivables will be accounted for on trade date and at acquisition. Loans are valued at the initial loan amount or at the purchase consideration paid if acquired from a third party.

Thereafter, where Loans are to be held to maturity they will be valued at amortized cost using the Effective Interest Rate ("EIR") method. The EIR method spreads the expected net income from a Loan over its expected life. The EIR is the rate of interest that, at inception, exactly discounts the future cash payments and receipts from the Loan to the initial carrying amount.

Loans advanced will be assessed by the Investment Adviser, in accordance with the credit policy of the Investment Adviser, for indications of impairment during and at the end of each reporting period. Evidence of impairment may include, but not limited to: (a) significant difficulty of the borrower to service the Loan; (b) breach of contract, such as default or delinquency in interest or principal payments; or (c) increased probability that a borrower will enter bankruptcy or financial reorganisation.

Observable changes in economic conditions or changes in forecasted default or delinquency in interest or principal payments based on the Investment Adviser's past experience will be considered as well.

The level of impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated cash flows, after giving effect to any collateral. The carrying amount is reduced directly by the applied impairment loss. Changes in the level of impairment are recognised in profit or loss within the statement of comprehensive income, although if in a subsequent period the previously recognised impairment loss is reversed the sum reversed is not more than that which is required to ensure that the carrying amount of the Loan advance is not more than what the amortised cost would have been had the impairment not been recognised.

Where Loans are impaired they will be held at fair value. In these cases, the Investment Adviser will use a discounted cash flow analysis to calculate the present value of the future expected loss-adjusted cash flows at a market discount rate based on observable inputs for similar investments. These changes in fair value will result in unrealised gains and loss in the profit and loss account until actual losses are incurred.

Any of the Company's investments which are marketable securities quoted on an investment exchange will be valued at the relevant bid-price at the close of business on the calculation date, provided that the market for these securities is liquid or that, in the Investment Adviser's view, the market price substantially reflects the value assigned to these securities by investors. Any investments which are unlisted equities will be valued at fair value as determined by the Investment Adviser at the date of measurement relative to comparable instruments and using a methodology based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments.

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

12. MEETINGS, ACCOUNTS AND REPORTS TO SHAREHOLDERS

The first annual general meeting of the Company will be held not later than October 2017 in Guernsey and thereafter annual general meetings of the Company will be held each year in Guernsey. Other general meetings may be convened from time to time by the Directors by sending notices to Shareholders at their registered addresses or by Shareholders requisitioning such meetings in accordance with Guernsey law, and will be held in Guernsey.

The first accounting period of the Company will run until 30 June 2017 and accounting periods will end on 30 June in each year. The audited annual accounts will be published within four months of the year end to which they relate. Unaudited half-yearly reports, made up to 31 December in each year, will be published within three months thereof. The audited annual accounts and half-yearly reports will also be available at the registered office of the Company and the Administrator and on the Company's website. The Company has adopted International Financial Reporting Standards.

13. TAXATION

Details of the taxation of the Company and a general guide to certain tax issues relating to the holding or disposing of Shares for Shareholders who are resident in the UK or Guernsey is set out in Part 9 of this document and your attention is drawn to that section. The statements in that section are intended as a general, non-exhaustive summary and do not constitute tax advice. Prospective investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK or Guernsey are strongly advised to consult their professional advisers immediately.

14. FURTHER INFORMATION

Prospective investors should read the whole of this document, which provides additional information on the Company, the Initial Placing, the Initial Offer for Subscription and the Share Issuance Programme, and not rely on summaries or individual parts only. In particular, the attention of prospective investors is drawn to the section headed “Risk Factors”, and to Part 10 of this document, which contains further additional information on the Company.

15. NON-MAINSTREAM POOLED INVESTMENTS

The Board notes the rules of the FCA on the promotion of non-mainstream pooled investments set out in Chapter 4.12 of the FCA’s Conduct of Business Sourcebook (the “**NMPI Rules**”). The Board confirms that it intends to conduct the Company’s affairs so that the Shares will be “excluded securities” under the NMPI Rules. On that basis, the Shares would not amount to non-mainstream pooled investments and, accordingly, promotion of the Company’s shares would not be subject to the FCA’s restriction on promotion of non-mainstream pooled investments.

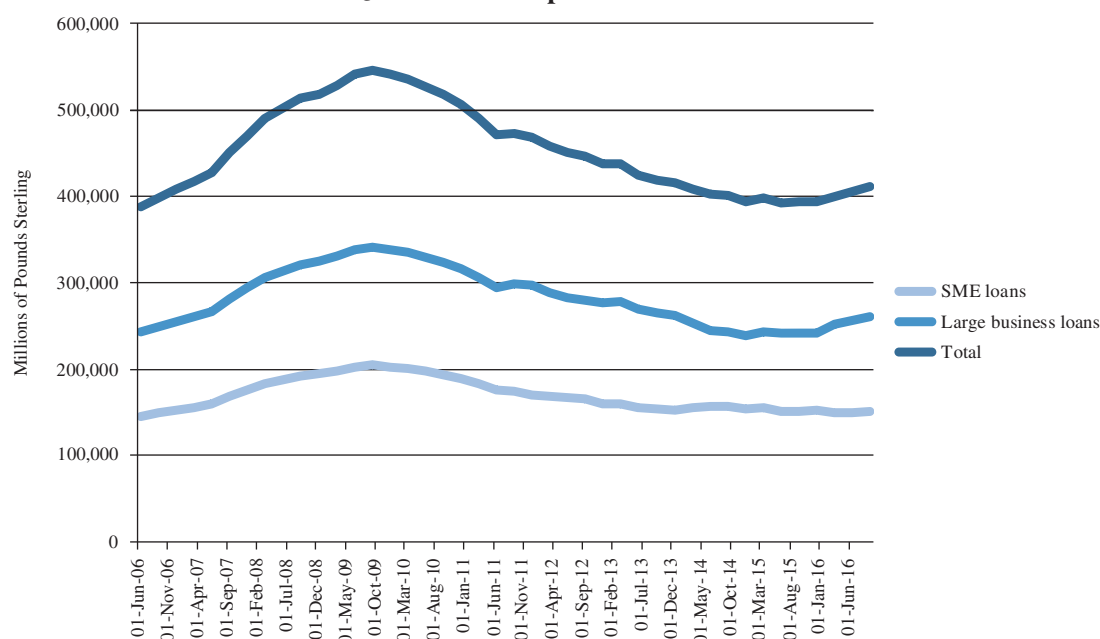
PART 2

LENDING MARKET OVERVIEW

The UK lending and financing market for small and mid-sized companies consists of several different sources of finance. The principal sources of finance for SMEs consists of bank lending, lease finance and non-bank lending. In addition, many modest size projects can be financed with some form of project finance scheme.

The banking sector provides the largest source of finance for these companies, currently in excess of £150 billion outstanding. The aggregate amount of lending (excluding overdrafts) by banks to SME and large businesses in the UK is shown below:¹

**Monetary institution loans outstanding to non financial businesses
June 2006 to Sept 2016**



In addition to bank funding, there are a number of other sources of finance for SME companies. One common source of funding is the leasing market. Businesses lease many kinds of equipment and leasing is an alternative to bank borrowing. According to the Finance Lease Association, its members provided £29 billion of finance to the business sector in 2015. This is measured on a new business basis; if the average life of equipment was assumed to be 3 years, £29 billion would represent £87 billion of financing outstanding.

Another source of finance for companies is factoring, which tends to be used by smaller businesses. Aggregate funding through factoring in the UK totalled £376 billion in 2015². Assuming a 30 day collections period, this represents average outstanding funding of over £30 billion.

The online alternative finance marketplace, sometimes referred to as the peer-to-peer market also provides finance to SMEs and other companies. According to Nesta, online alternative finance provided £2.2 billion of funding to SMEs in 2015.

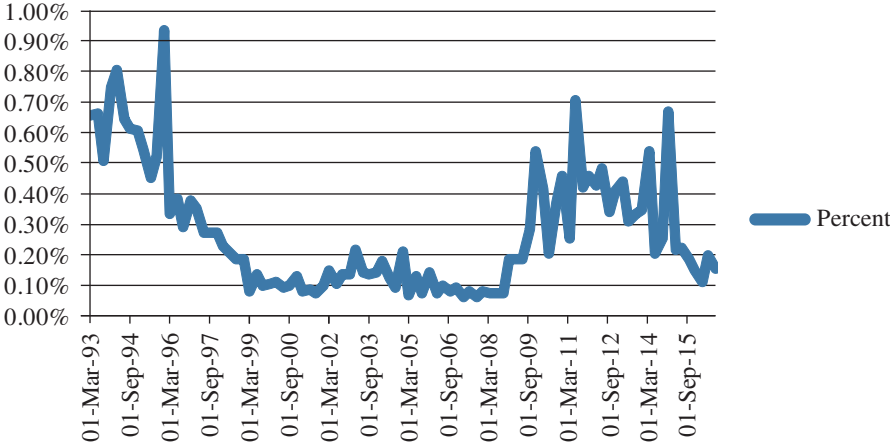
1 **Source:** Bank of England (“BoE”) data. The BoE defines SME as annual turnover of less than £25 million. BoE data series RPQZ8YB, RPQZ8YC, RPQZ8YD began in June 2011 and the data is interpolated backwards in this chart using data published by the Department of Business Innovation & Skills in “Evaluating Changes in Bank Lending to UK SMEs over 2001-12 – Ongoing Tight Credit? Econometric analyses using data from the UK Survey of SME Finances and the SME Finance Monitor, April 2013”.

2 **Source:** FCI Annual Review 2016.

In summary, the SME market targeted by the Company, which also includes some businesses that the Company considers to be SMEs but which have revenue greater than £25 million, represents an aggregate market greater than £200 billion.

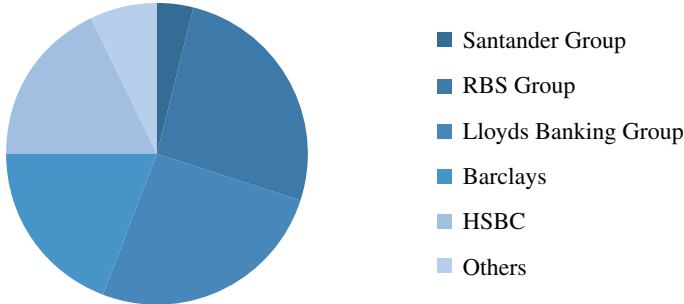
Historically, losses in the corporate lending sector have been relatively low. According to the Bank of England³, write-offs by UK resident banks and building societies of loans to private non-financial corporations are generally below 0.50% per annum. As can be seen from the chart below, losses are correlated with economic cycles, but the absolute levels are low at all points of the economic cycle. This performance illustrates the stability of corporate lending to the traditional core bank lending sectors:

UK resident monetary institution write offs to private non-financial corporations



Within the corporate lending market, an important factor impacting competition is the degree of concentration in the banking industry. SME lending, which is dominated by bank lending, is very concentrated, as illustrated below⁴.

**Volume Shares of Business Loans
England and Wales
Q1 2013**



In the Investment Adviser’s opinion, industries characterised by such a high degree of concentration share certain characteristics which are generally favourable for the Company’s strategy. First, it is the Investment Adviser’s view, such concentration and the attendant economies of scale can lead to a standardisation of products as firms seek to process transactions more efficiently and benefit from economies of scale. Second,

3 Source: BoE Data series RPQB8YK and RPQTFHB.

4 Source: Department for Business Innovation & Skills; BIS Research Paper No.270, May 2016. SMEs defined for the purpose of this chart as businesses with fewer than 249 employees.

the Investment Adviser also believes that it leads to reduced innovation and new product development by such firms.

The Investment Adviser believes that within the overall SME loan market, it can apply its skills and experience to focus on transactions that meet the risk return objectives of the Company. The distinctive approach that the Investment Adviser brings to its investment process is its combination of:

- fundamental corporate credit analysis;
- collateral and security package analysis; and
- structured finance skills and experience,

the combination of which allows the Investment Adviser to focus on transactions that are outside of the core target markets of the banking sector. The Investment Adviser believes its strategy to focus on bespoke funding solutions to clients is a sustainable model which will achieve the targeted risk and return objectives of the Company.

PART 3

THE INVESTMENT MANAGER AND THE INVESTMENT ADVISER

1. THE INVESTMENT MANAGER

The Investment Manager is International Fund Management Limited, part of the PraxisIFM Group, one of the largest independently owned financial services groups based in the Channel Islands. The Investment Manager is a Guernsey licensed investment manager and has a strong track record in providing portfolio management and risk management services to funds and investment managers since 2006. The Investment Manager currently provides services to 15 funds with an aggregate asset value in excess of US\$2.3 billion.

2. THE INVESTMENT ADVISER

2.1 *Introduction*

The Investment Adviser is an independent investment adviser, incorporated in England and Wales on 25 March 2010 with registered number 07203454. Its commercial and legal name is Hadrian's Wall Capital Limited. The Investment Adviser is a wholly-owned subsidiary of Hadrian's Wall Capital AG, which was formed by Marc Bajer in 2010. The Investment Adviser is authorised and regulated in the UK by the FCA.

2.2 *Key personnel of the Investment Adviser*

The Investment Adviser has a team of six investment professionals. The principals of the Investment Adviser (Marc Bajer and Michael Schozer) have had a personal working relationship with one another dating from 1995. Biographical details of the principals of the Investment Adviser who will be actively involved in the activities of the Company are set out below.

Mr Marc Bajer (*Chief Executive Officer*)

Mr Bajer founded Hadrian's Wall Capital in 2010. He began his career with Kidder Peabody in 1979 in the Fixed Income Trading & Sales division. In 1982 he entered the Financial Derivatives Division where he spent several years developing financial futures and options hedging, trading and balance sheet management strategies for institutional investors and banking institutions. In early 1986 Mr Bajer joined Morgan Stanley's Fixed Income Division where he rose to head the MBS Agency and Private Label origination team. This role included institutional client management, origination, collateral sourcing and structuring of GNMA, FNMA, FHLMC, CMOs and Private Label MBS and CMBS transactions. In 1996 he joined Bear Stearns where he had a similar role to that at Morgan Stanley.

In 1998 Mr Bajer joined Barclays Capital in London where he became responsible for the origination, structuring, execution, marketing, pricing and distribution of Structured Finance products within the Structured Capital Markets Division. In 2000 he joined Commerzbank Securities where he became the Global co-Head of Debt and Structured Capital Markets and joined the Management Committee of the firm. He was responsible for six separate departments within this division: Portfolio Credit Risk Management and financing of approximately £2.75 billion of structured finance assets; Structured Capital Markets; Debt Capital Markets; Syndicated loans and Acquisition Finance with a £1.0 billion portfolio.

In 2005 he was hired as the CEO of Assured Guaranty UK Limited where he was made responsible for the EMEA and Asia-Pacific businesses of Assured Guaranty. Mr Bajer was responsible for supervision and management of front, middle and back office functions, including: client management, origination, credit review, credit approval, pricing and execution. He was also responsible for regulatory and compliance functions, statutory and regulatory filings, communication and interaction with regulatory supervisors as well as accounting, audit, business planning, personnel and strategic planning. Mr Bajer's division originated over \$20 billion of credit risk assets from 2005 to 2009 onto the Assured Guaranty balance sheet, none of which suffered losses during the credit crisis.

Mr Michael Schozer (*Chief Investment Officer*)

Mr Schozer joined Hadrian's Wall Capital as a partner in 2011. In his time with Hadrian's Wall Capital, Mr Schozer has been actively involved in the establishment of the Aviva Investors Hadrian Wall Capital Fund I. Prior to joining Hadrian's Wall Capital, from December 2003 to December 2009 Mr Schozer was President of Assured Guaranty Corporation ("AGC"). AGC was the principal operating company of Assured Guaranty Limited (NYSE: AGO) until the acquisition of Financial Security Assurance Holdings Limited by AGO in July 2009.

In 2003, AGC was a AAA/Aa2/NR financial guarantor owned by Ace Limited whose principal business was financial guarantee reinsurance and credit derivatives. AGO was spun off in an IPO in April 2004. AGC's business consists of insuring municipal bonds, asset backed securities and writing credit derivatives. AGC had approximately 180 employees, including a UK insurance subsidiary, a UK Class D financial services company and an Australian representative office. AGC had net par insured of \$130 billion and an investment portfolio of \$2.8 billion as of December 2009.

Mr Schozer established the credit processes, underwriting approach and risk tolerance for the company. AGC was the only financial guarantor to avoid the leveraged mortgage risk (ABS CDOs) which significantly contributed to losses throughout the financial sector during the financial crisis. AGC successfully navigated the credit crisis, generating significant new business volumes while positioning the \$130 billion credit portfolio to withstand the difficult market environment with manageable losses. This success is illustrated by both the comparatively modest losses incurred by AGC and its rapid return to profitability, as well as the performance of AGO's stock price relative to its publicly traded peers, Ambac (ABK) and MBIA (MBI).

During the global financial crisis, Mr Schozer was active in working with regulators and legislators in connection with the regulation of credit derivatives, financial guaranty insurance and rating agencies. Prior to joining AGC, Mr Schozer was with Ambac Assurance Corporation, where he was Managing Director of the Structured Finance and Credit Derivatives business from 1996 to 2003. Mr Schozer started this business which included leases of large equipment such as aircraft, municipal leases of transportation equipment and power generation, financing insurance companies, collateralised loan obligations and credit derivatives. He was a member of Ambac's Senior Credit Committee and established a Class A UK financial services company.

Previously, Mr Schozer was within the Debt Capital Markets group of Barclays Bank from 1992 to 1996 in the interest rate and currency derivatives team as well as the structured products group. His other experience includes IBJ Schroder Bank, Ernst & Young and KPMG.

Details of the Investment Advisory Agreement are set out in paragraph 10.3 of Part 10.

PART 4

INVESTMENT PROCESS, PORTFOLIO OVERVIEW AND INVESTMENT PIPELINE

1. INVESTMENT PROCESS

The Investment Adviser undertakes a multi-faceted approach to investment opportunities which typically includes the following factors: (i) sector credit analysis; (ii) sourcing; (iii) investment credit analysis; (iv) servicing; and (v) risk management and surveillance.

1.1 *Sector credit analysis*

In each asset sector in which the Company operates, the Investment Adviser will develop an analysis of the risk factors in that sector. This will include an identification of risk factors and mitigants to the risks. This will generally include an assessment of the macro-economic factors affecting that sector and a definition of the criteria within that sector that meet the investment criteria of the Company.

1.2 *Sourcing*

The Company will generally invest in Loans originated by Originators. While varying in certain ways, Originators source investment opportunities directly or indirectly from individual borrowers via their own origination efforts, which may represent a mix of traditional loan officers and/or online systems. Originators generally arrange the Loans. The Company will seek to maintain and develop ongoing relationships with a selected number of Originators who, in the opinion of the Investment Adviser, have demonstrated an ability to originate high quality Loans with attractive credit metrics.

Although the Company generally intends to use Originators and does not intend to originate Loans itself, the Company may invest in Loans that are not sourced through third parties, for example, in the event that the Company, the Investment Manager or the Investment Adviser is approached by a potential borrower or other party in relation to a transaction or that are otherwise originated by the Investment Adviser. Originators are generally paid a fee by the borrower at the financial close of the Loan, which may be capitalised in the Loan balance.

Originators and borrowers will primarily be in the United Kingdom. The Investment Adviser will perform the appropriate due diligence on prospective Originators and borrowers, which will generally include site visits and reviews of sample documentation. This due diligence may include, depending on the nature of the borrower and subject to the extent of the Originator's role, an assessment of any of the following: (i) management and the robustness of its business model; (ii) its credit approach, which may include its investment evaluation approach, credit models and historical default data; (iii) its procedures and policies; (iv) its ability to implement its procedures and policies; (v) its IT infrastructure and data integrity; (vi) its ability to provide data in a secure manner; and (vii) documentation and controls processes.

1.3 *Investment evaluation*

The Investment Adviser analyses each financing opportunity.

In evaluating every loan, the Investment Adviser undertakes an analysis of the business fundamentals of the prospective borrower, including its historical and projected performance. This process will generally include the review of prior financial performance, meeting with management to understand their business and business plans, and an assessment of the industry in which the prospective borrower operates.

A credit analysis is undertaken using several analytical credit-scoring models to generate a probability of default at the borrower level.

The collateral package is evaluated, generally on a standalone basis under a base case and a stress case. The base case collateral assessment is based on normal market conditions. In the event of a borrower default and the Company taking enforcement action with respect to the collateral, the proceeds from the sale of the collateral would be compared with the expected loan amount, including accrued interest, to generate a loss given default. This loss given default, combined with the probability of default, generates an expected loss figure which, in turn, is the basis for risk grading of transactions.

In addition to this base case analysis, the Investment Adviser evaluates the potential investment on a stress case. This stress analysis may include varying combinations of stress to the borrower's business plan, stress to the collateral value and stress to the market conditions in which the collateral is enforced upon. The results of this stress analysis are included in the credit assessment in determining whether to make the investment.

The Company may enter into loans that are secured against pools of smaller assets, such as loans, leases, contracted revenue streams and other measurable and documented cash flows. These investments are generally structured in a form consistent with other pooled asset transactions. The underlying assets (such as loans, leases and factoring agreements) in such transactions are ones that the Company would be permitted to fund directly to the end borrower pursuant to the Company's investment guidelines and, for exposure reporting purposes, are reported on a look-through basis. In addition, the asset portfolio is generally held in a separate legal entity (such as a special purpose vehicle ("SPV") or a trust). The cash flows arising from these assets will generally flow directly from the underlying borrower to that SPV or other legal entity.

The key analytical considerations evaluated by the Investment Adviser in relation to these investments generally include the following:

- operational risk review;
- collateral composition and historical performance;
- transaction capital structure and priority of payments; and
- legal structure.

For each investment, the Investment Adviser evaluates the risk related to the borrowers, other parties involved and the characteristics of the proposed collateral. The Investment Adviser then performs an operational risk review of the key parties involved in the origination and servicing of the underlying assets. This operational risk review provides insight into the factors that impact the performance of the underlying assets.

The Investment Adviser then analyses the proposed financial structure under various cash flow stress scenarios to determine the ability of the transaction to repay the related loan. The transaction's legal structure will also be reviewed to assess whether all necessary steps have been taken to protect the Company's interest in the assets.

The credit enhancement for these transactions is designed to be robust and multi-faceted and generally includes overcollateralisation of assets, excess spread, corporate guarantees of the primary counterparty and financial covenants of the SPV and/or primary counterparty. The Company reports collateralisation as an advance rate as regards qualifying collateral. For these purposes, qualifying collateral means the loans or other assets in the underlying pool of assets held by the SPV. Therefore, if the Company has advanced a loan in respect of which its exposure is equal to 80 per cent of the qualifying collateral in the underlying pool, the "advance rate" would be 80 per cent. However, this loan structure generally gives rise to additional "overcollateralisation", in that the loans or other assets held by the SPV would generally be "overcollateralised" themselves, as the SPV's exposure in relation to such loans will usually be less than the value of the assets against which those loans are secured. For example, if the Company has made an investment with an advance rate of 80 per cent against a portfolio of loans and the SPV in turn holds loans with an LTV of 70 per cent, the

Company's exposure would be equal to 56 per cent of the value of the underlying collateral. However, in line with market reporting practices, the exposure is reported by the Company as an 80 per cent advance rate.

The Company generally has security over all collateral pledged by the underlying borrower in respect of the Loan, either directly or indirectly. Direct security typically takes the form of a direct pledge from the borrower for the benefit of the Company and/or its subsidiaries. Indirect security may take a variety of forms, for example, security pledged to an intermediate security trust and/or security trustee or collateral effectively obtained through other means, such as a negative pledge in favour of the Company.

1.4 ***Servicing***

Every investment by the Company requires Loan servicing. Servicing may include, depending on the specific asset type, one or more of the following: billing and direct debit or standing order mandates, monitoring the timeliness of payments, review of requests for Loan agreement waivers and consents, collection procedures, regular verification and inspection of collateral and related security interests and reporting of Loan performance. Servicing fees are generally paid by the borrower in addition to any interest payable on the Loan.

Some Originators service Loans after initial closing and provide performance monitoring and remediation services. Depending on the specific asset type and its servicing requirements, servicing may be performed by some combination of the relevant Originator, Third Party Servicers and/or the Investment Adviser. Several Third Party Servicers may perform different aspects of servicing with respect to an individual Loan.

When the Originator is also providing Loan servicing, the Investment Adviser will conduct due diligence on those servicing capabilities as part of its due diligence on the Originator. The Investment Adviser will conduct such due diligence on Third Party Servicers as it considers appropriate in the circumstances, e.g., the Investment Adviser would not typically conduct operational due diligence on a UK clearing bank providing direct debit and payments services. Depending on the specific asset type and the servicing required for it, Originators who provide servicing may be required to have back-up servicers.

1.5 ***Risk management and surveillance***

The Investment Adviser will conduct ongoing monitoring of each investment. As part of the investment evaluation process, a written surveillance plan will be provided for each Originator or individual transaction, as the case may be. The surveillance plan will include the reporting process and responsibilities for ongoing data reporting, including information, reports and analysis provided by Loan servicers.

The surveillance plans will include, inter alia, review frequency, verification of assets with criteria, regular compliance testing and reconciliation of reporting from Originators and Loan servicers. All assets will be categorised into risk classes that reflect current performance. These categories are:

- (a) Categories 1-6 Performing: the Loan is performing;
- (b) Category 7 Special Mention (or Watch): the Loan has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the institution's credit position at some future date. Watch assets are not adversely classified and do not expose the institution to sufficient risk to warrant adverse classification;

- (c) Category 8 Substandard: the Loan is inadequately protected by the current paying capacity of the obligor or of the collateral pledged, if any. Loans so classified must have a well-defined weakness or weaknesses that jeopardise the liquidation of the debt. They are characterised by the distinct possibility of some loss if the deficiencies are not corrected;
- (d) Category 9 Doubtful: the Loan reflects all weaknesses inherent in substandard, AND collection/liquidation in full, on the basis of currently existing conditions, is highly questionable or improbable. Specific pending factors may strengthen credit; treatment as loss deferred until exact status can be determined; and
- (e) Category 10 Loss: Loans classified Loss are uncollectible and of such little value that continuance as a bankable asset is not warranted. This classification does not mean that the Loan has absolutely no recovery or salvage value but rather that it is not practical or desirable to defer writing off the asset even though partial recovery may occur in the future.

2. PORTFOLIO OVERVIEW

Closed and committed loan transactions

As of the date of this document, the Company has allocated a total of £74.8 million in closed and committed loan transactions and currently has approximately £3.3 million of capital available to commit to new loan transactions.

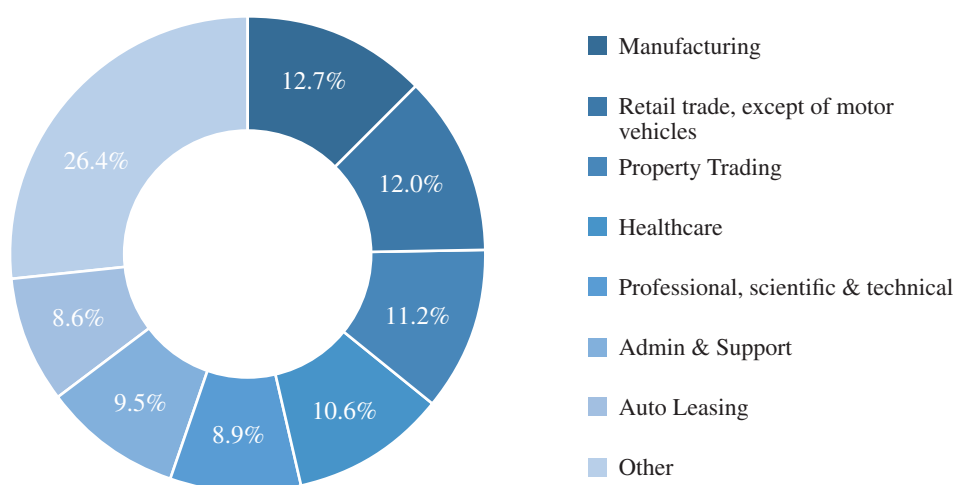
The Company has closed loan transactions representing £58.1 million, and has entered into commitments to fund further loans with an approximate aggregate value of £16.7 million, which are detailed later in this section.

The table below shows the loan characteristics of the Company's closed loan transactions:

Number of Loans	399
Largest Loan	6,500,000
Weighted average gross yield	8.86%
Original Weighted average life	4.0 years
Weighted average LTV	76.8%

The loan portfolio of the Company as at the date of this Prospectus is diversified across sectors as follows:

Industry Breakdown – April 2017



The six loans larger than £1,500,000 in the Portfolio are listed below:

<i>Borrower industry</i>	<i>Initial Loan amount (£)</i>	<i>Proportion of total assets</i>	<i>Initial WAL</i>	<i>Initial LTV</i>
Property Trading	6,500,000	8.3%	3.0 years	52%
Retail	5,535,000	7.3%	4.7 years	71%
Auto Leasing	5,000,000	6.4%	5.0 years	93%
Manufacturing	3,200,000	4.1%	4.1 years	91%
Social Housing	2,340,000	3.0%	4.9 years	74%
Commercial Property	1,700,000	2.2%	2.0 years	61%
Total	<u>24,275,000</u>	<u>31.1%</u>		

The Company has invested in two loans that are secured against underlying loans.

<i>Underlying loan type</i>	<i>Aggregate exposure (£)</i>	<i>Number of Loans</i>	<i>Initial WAL</i>	<i>Advance rate</i>
SME loans	16,300,000	338	3.0 years	81%
SME factoring agreements	14,000,000	52	5.0 years	80%

In addition, the Company has entered into commitments in relation to three transactions with an approximate aggregate value of £16.7 million. Committed transactions are those in relation to which the Company and the borrower have agreed a term sheet and have executed a commitment letter. Solicitors have been engaged and are preparing the loan documentation. The Company considers the capital associated with committed transactions to be unavailable for other investments.

As at the date of this document, the Company has entered into commitments in relation to the following transactions:

<i>Transaction amount (approximate)</i>	<i>Transaction description</i>
£5,678,000	Anaerobic digestion project finance company
£7,175,000	Finance lease for energy generation equipment
£3,800,000	Refinance of energy generating equipment

Committed transactions are subject to certain conditions which generally include completion of due diligence and execution of final documentation. There is no certainty that the Company will enter into any of the committed transactions, although transactions typically proceed to close once a commitment letter has been entered into and, as noted above, the capital allocated to the relevant transactions is unavailable for other investments once committed.

Pipeline

In addition, the Company has a pipeline of further transactions in respect of which it is engaged in discussions with potential borrowers but in relation to which no commitments have been entered into.

The Investment Adviser considers the following transactions to be in its active pipeline as at the date of this Prospectus:

Transaction Description

Financing of mobile telephone and IT value added servicer provider
 General corporate loan for specialty engineering company
 Production equipment for agricultural producer
 Construction equipment lease financing for large contractor
 Specialist care homes for housing association
 Secured loan for factoring agreements
 Secured loan for leasing focused specialty finance company
 Energy generation refinancing
 Financing of specialty asset leases

The aggregate amount of the transactions referred to above exceeds £50 million. All of the transactions above are subject to, amongst other things, agreement as to terms and conditions, completion of due diligence by the Company and entry into satisfactory transaction documentation. There is therefore no certainty that the Company will enter into any of the transactions listed above. That notwithstanding, the Net Initial Proceeds will be used to enter into loan transactions in the Company’s pipeline (either those loans noted above or such other opportunities that arise consistent with the Company investment policy), and it is expected that the Net Initial Proceeds will be deployed within a period of approximately six to nine months from Initial Admission.

Overview of material investments

Set out below is summary information of the material investments of the Company (excluding loans that are secured against underlying loans, which are set out separately below this section) in order of size of the initial loan amount:

Property trading loan

Borrower Type	Property trading company
Initial Loan Amount	£6,500,000
Initial LTV	52%

The borrower is a fast-track residential property-trading company that has established a successful track record of purchasing houses in short order. This time frame provides a benefit to sellers who may wish to sell their houses faster than the typical home sales cycle time. The property trading company will agree an immediate cash price to purchase the home thereby providing a quick settlement to the seller. Upon purchase, the properties are held by an SPV for the benefit of the Company until they are sold. The Company’s security interest is perfected through a mortgage. The collateral package supporting the loan includes the title to the properties, the related mortgages and cash from property sales.

Retailer loan

Borrower Type	Retail business
Initial Loan Amount	£5,535,000
Initial LTV	71%

The borrower is highly experienced operator of service stations. The loan funds three service stations with mini market retail businesses. Each of the three service stations is the only service station in their sections of their respective villages. Each service station is profitable with readily identifiable market values. The collateral package includes a mortgage on each of the properties and a security interest in other assets. The properties are cross-collateralised.

Auto leasing loan

Borrower Type	Auto leasing company
Initial Loan Amount	£5,000,000
Initial LTV	93%

The borrower specialises in short-term car hire of less than 12 months. The loan is to fund the acquisition of new vehicles, on the basis that they will be rented out for 12 months or less. The borrower is highly experienced in the auto-leasing sector. The loan is made to an SPV which holds title to the autos and enters into the auto leases with the lessees. The collateral package supporting the loan consists of several components, including the autos themselves, the auto leases, excess spread on the lease portfolio, overcollateralisation of the lease portfolio and agreements with a creditworthy counterparty to absorb the residual risk on the vehicles at the end of the lease term.

Manufacturer loan

Borrower Type	Manufacturer
Initial Loan Amount	£3,200,000
Initial LTV	91%

The borrower is a company with a management team of highly experienced individuals in the specialty metal parts business. This loan funded the acquisition of the specialty metals company in connection with a management buy-in. The company has been involved since the 1970s in the manufacturing and exporting of petrochemical, construction and steel industry high quality grade specialty metal parts, principally steel and titanium. The company has a strong management team with strong historical financial performance. The collateral package includes a mortgage on the company's premises, equipment, inventory and other assets.

Social care loans

Borrower Type	Social care company
Initial Loan Amount	£2,340,000
Initial LTV	74%

Borrower Type	Social care company
Initial Loan Amount	£1,385,000
Initial LTV	75%

Borrower Type	Social care and student housing company
Initial Loan Amount	£1,385,000
Initial LTV	75%

The sponsor is a seasoned specialist property investor affiliated with a Housing Association that provides social care for local councils. The Company has extended three loans to three separate companies that provide specialised social services to local councils through a Housing Association. The Housing Association specialises in the provision of specialist care homes to adults with disabilities and learning difficulties. The properties have been developed to fit the needs of such tenants and the requirements of the local councils. Each of the properties is let to the Housing Association on a 25 year CPI linked lease. One facility, which is located near a university, also contains student accommodations that are accessed through a separate entrance.

The collateral package includes the Housing Association agreements and the properties. In addition, the properties are cross-collateralised and guaranteed by the sponsor.

Commercial property loan

Borrower Type	Commercial property company
Initial Loan Amount	£1,700,000
Initial LTV	59%

This loan financed the acquisition of a commercial property in administrative receivership due to a loan-to-value covenant breach. During the receivership, vacancy rates in this grade B commercial property with a good city centre location rose as tenancies lapsed with an attendant decrease in the rent roll. In addition to the mortgage on the property, additional collateral is provided by a mortgage on a separate unencumbered commercial property and a security interest in an unencumbered residential property.

Set out below is summary information of the two Loans that are secured against underlying loans:

Pool of SME Loans

Borrower Type	Various SMEs
Number of Loans	338
Initial WAL	3 years
Advance Rate	81%
Aggregate Originator Exposure	£16,300,000

The SME loans within this pool of assets are fully amortising term loans to SME companies. Each of the loans in this pool could be extended directly by the Company under its investment policy. The Company has elected to finance these loans as a pool and has applied a multi-layered collateral structure to improve the Company’s risk profile.

The security package consists of several related elements. First, all of the loans are held in an SPV through which the cash associated with the loans flow. The SPV isolates the cash flows securing the Loan from the asset originator. Second, the amount advanced against the underlying loans is less than the face value of such loans, which provide overcollateralisation vis-a-vis the Company’s Loan. Third, the interest income generated by the underlying loans is greater than the interest due to the Company, which generates excess spread. The asset originator guarantees all of the obligations under the loan agreement, including all amounts due to the Company. Finally, all of the loans are cross-collateralised within the SPV. Hence, the Company is protected from defaults on individual underlying loans by all of these credit protections.

Pool of factoring receivables

Borrower Type	Various SME companies
Number of Loans	49
Initial WAL	5 years
Advance Rate	80%
Aggregate Originator Exposure	£14,000,000

The loans within this pool of assets are working capital financing facilities to SME companies. Each of the facilities in this pool could be extended directly by the Company under its investment policy. The Company has elected to finance these loans in the form of a pool and has applied a multi-layered credit enhanced approach to improve the Company’s risk profile.

The borrower is a regional specialist factoring company with a strong track record since its inception, over seven years ago, by asset-based lending specialists with many years of experience in the sector. The security package consists of several related elements. The Company is protected by overcollateralisation in respect of each funding of receivables. The receivables related to each factoring agreement are purchased according to a strict set of criteria, with defined advance rates and a high level of debtor verification. All the cash from the SME’s receivables flow through the collections account, not just the approved receivables that are used to set the level of funding. The factoring agreements are full recourse to the SME. Excess spread, in form of discounts, provides additional credit support. Cash reserves are held in the SPV funding account and the originator guarantees the loan.

PART 5

DIRECTORS, MANAGEMENT AND ADMINISTRATION

1. THE BOARD

The Board has overall responsibility for the Company's activities. The Directors, all of whom are non-executive and independent of the Investment Manager and Investment Adviser, are as follows:

David Warr, *non-executive chairman, age 63*

David is a Fellow of the Institute of Chartered Accountants in England and Wales, having qualified in 1976. He became a partner of Reads & Co, a Guernsey-based firm of Chartered Accountants in 1981 and helped develop it into a broadly based financial services business which was sold in 1999. David's experience spans audit, consultancy and trust work, but he now focuses primarily on Non-Executive Directorships and is currently on the Board of the following London Stock Exchange-listed companies:

- Threadneedle UK Select Trust Limited (Non-Executive Chairman)
- Acorn Income Fund Limited
- Breedon Group PLC
- Aberdeen Frontier Markets Investments Company Limited

David is also active in the charitable field and is the Co-Founder & Vice-Chairman of The Guernsey Community Foundation LBG. David Warr is a Guernsey resident.

Paul Craig, *non-executive director, age 47*

Paul Craig is a Portfolio Manager at Old Mutual Global Investors. Paul has over 20 years of investment experience, including 10 years at Exeter Investment Group, 6 years at New Star Asset Management, where he was a director of the asset management subsidiary, and 6 years as a Director of Multi-Manager at Henderson Global Investors. During the past 18 years, Paul's focus has been multi-manager products with an emphasis on closed-ended funds. Paul is a non-executive director of Ground Rents Income Fund plc and an Associate of the UK Society for Investment Professionals. Paul Craig is a UK resident.

John Falla, *non-executive director, age 55*

John Falla is a Chartered Accountant and holds a BSc Hons degree in Property Valuation and Management from The City University, London. He is a Chartered Fellow of the Chartered Institute for Securities and Investment having been awarded their diploma. He is a non-executive director of a number of London listed companies including SQN Asset Finance Income Fund Limited and NB Private Equity Partners Limited.

John trained with Ernst & Young in London before moving to their Corporate Finance Department. On returning to Guernsey he worked for an international bank before launching The Channel Island Stock Exchange, which is expected to become TISE, as a member of the Market Authority. In 2000 John joined the Edmond de Rothschild Group in Guernsey and provided corporate finance advice to clients including open and closed-ended investment funds, and institutions with significant property interests. He was a director of a number of Edmond de Rothschild group operating and investment companies. John Falla is a Guernsey resident.

Nigel Ward, *non-executive director, age 60*

Nigel Ward has over 40 years' experience in international investment markets, credit and risk analysis, portfolio management, corporate and retail banking, corporate governance, compliance and the managed funds industry. He is an independent non-executive chairman or director on the board of several offshore funds and companies. These include listings on the premium segment of the Official List of the UK Listing Authority, the Alternative Investment Market, the Specialist Fund Segment and TISE.

Nigel's non-executive director investment mandate experience includes distressed debt, European SME private debt, ground rents, agricultural land, student accommodation, equity income and UK activist equity. Nigel was a founding Commissioner of the Guernsey Police Complaints Commission, and is an Associate of the Institute of Financial Services, a member of the Institute of Directors and holder of the Institute of Directors Diploma in Company Direction. Nigel Ward is a Guernsey resident.

2. CORPORATE GOVERNANCE

UK Corporate Governance Code

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

The Company is a member of the AIC. The Company seeks to comply with the AIC Code, and in accordance with the AIC Code will thereby meet its obligations in relation to the UK Corporate Governance Code and the associated disclosure requirements of the Listing Rules.

The GFSC's Finance Sector Code of Corporate Governance (the "**Code**") applies to the Company. The GFSC has stated in the Code that companies which report against the UK Corporate Governance Code or the AIC Code are deemed to meet the requirements of the Code, and need take no further action. Accordingly, as the Company will report against the AIC Code, it will be deemed to meet the requirements of the Code.

Board committees

Audit and Risk committee

The audit and risk committee is chaired by John Falla with Nigel Ward and David Warr as members. The Board considers that John's experience makes him suitably qualified to chair the audit and risk committee. The audit and risk committee meets no less than three times a year and, if required, meetings can also be attended by the Investment Manager, the Investment Adviser, the Administrator and the Auditor by invitation.

The audit and risk committee is responsible for reviewing the half-year and annual financial statements before their submission to the Board. In addition, the audit and risk committee is specifically charged under its terms of reference to advise the Board on the terms and scope of the appointment of the Auditor, including its remuneration, independence, objectivity and reviewing with the Auditor the results and effectiveness of the audit, and in ensuring that the Company's annual report and financial statements are fair, balanced and understandable.

The audit and risk committee is also responsible for oversight and advice to the Board on the current risk exposures and future risk strategy of the Company.

Nomination and Remuneration committee

The nomination and remuneration committee is made up of at least three Directors and comprises David Warr, John Falla and Nigel Ward. The nomination and remuneration committee is chaired by Nigel Ward and meets at least once a year at an appropriate time in the reporting cycle.

The nomination and remuneration committee is responsible for considering and making recommendations to the board in respect of appointments to the Board, the Board committees and the chairmanship of the Board committees. It is also responsible for keeping the structure, size and composition of the Board under regular review, and for making recommendations to the Board with regard to any changes necessary. The nomination and remuneration committee also considers succession planning, taking into account the skills and expertise that will be needed on the board in the future. Other duties included in the terms of reference are:

- determining and monitoring a policy on remuneration;

- engaging, where necessary, with remuneration consultants; and
- reporting responsibilities.

Management Engagement Committee

The Management Engagement committee is made up of at least three Directors and comprises David Warr, John Falla and Nigel Ward. The committee is chaired by David Warr and meets at least once a year at an appropriate time in the reporting cycle.

The committee is responsible for considering and making recommendations to the board in respect of the assessment and performance of the key services providers, reviewing relevant agreements and engagement of third parties.

3. THE INVESTMENT MANAGER

The Company has appointed International Fund Management Limited, part of the PraxisIFM Group, to act as its Investment Manager. The Investment Manager has responsibility for managing the Company's portfolio.

The PraxisIFM Group's head office is in Guernsey. The Investment Manager is a Guernsey licensed investment manager and has a strong track record in providing principal management and risk advisory services to funds and investment managers since 2006. The Investment Manager currently provides services to 15 funds with an aggregate asset value in excess of US\$2.3 billion.

PraxisIFM is one of the largest independent financial services groups in the Channel Islands and is listed on The International Stock Exchange. It has revenues of over £31 million and administers in excess of US\$42 billion of assets. PraxisIFM employs over 300 staff over ten offices located around the world and can offer private and corporate clients an increased and comprehensive range of fiduciary and fund administration services.

The Investment Manager has a number of outsourced relationships whereby it appoints advisers to manage fund assets. The Investment Manager is responsible for reviewing in depth the adviser's credentials, recommendation processes, risk analysis and ratings, businesses, systems, portfolio construction, adherence to investment policy and disclosures to ensure they are suitable for the role as appointed. More recently the Investment Manager has been appointed as risk manager to a number of UCITs funds reporting to the board on key risks such as portfolio, liquidity, operational, credit and counterparty risk. The Investment Manager also assists with investor reporting and the oversight of all parties to the fund.

The board of the Investment Manager have years of experience in the fund industry through board positions and senior fund roles in the provision of services to those funds. The board have worked with a variety of alternate asset strategies including but not limited to debt, private equity and equity long/short strategies. The Investment Manager's board of directors is as follows:

Chris Hickling (43) is the Managing Director and is the primary contact for the Company in relation to the AIFM risk management function and private placement obligations.

Mr Hickling was educated and qualified as a Chartered Accountant in New Zealand and came to Guernsey in 1998. Mr Hickling's fund and risk management experience started when he joined Close Fund Services Limited in 2001 where he became Operations Director in 2005. During this period Mr Hickling reviewed their fund clients documenting structure and process in order to implement new operational procedures leading to a more focused risk based approach for the business. Reviews included the specific areas of pricing, NAV production, pricing risks and dealing with the fund advisers on a frequent basis. These funds included asset types such as, but not limited to, property, debt, repos, fund of funds, sovereign debt and private equity. During this time Mr Hickling also implemented a risk management program for Close's largest fund client.

In August 2007, Mr Hickling joined Investec Administration Services Limited which was subsequently sold to Praxis as part of Investec's sale of the business in 2009 and all clients moved with the acquisition.

Mr Hickling's role moved from operations to managing director of the Investment Manager in 2011 in order to focus primarily on current management roles and developing future opportunities in the areas of fund management, risk management and AIFMD/UCIT's solutions.

Mr Hickling continues to sit on a number of fund and general partner boards and oversees all management services undertaken by the Investment Manager including adherence to distribution rules and investor reporting.

Chris Gambrell (50) sits on the board of the Investment Manager and has a strong investment and fund background.

He is the founder of the Praxis Funds Group (which later became part of the PraxisIFM Group). His previous eight years was as Operations and Finance Director at Close Fund Services. During his tenure at Praxis Funds Group and Close Fund Services, Mr Gambrell has worked with numerous listed funds with several investing into debt, including but not limited to Ashmore, CypressTree, Fair Oaks and the United Bank of Kuwait. Prior to Close, he assisted in the establishment of the offshore Unigestion funds group, including their fund management and fund of hedge funds structures. Previously Mr Gambrell qualified as a Chartered Accountant with KPMG. Mr Gambrell has served on numerous client fund and fund management boards and has significant experience in various asset classes types such as property, private equity, hedge funds and debt.

Janine Lewis (51) sits on the board of the Investment Manager and has extensive experience in the funds industry.

Mrs Lewis joined the Praxis Group in 2009 as a result of the acquisition of Investec Administration Services Limited. She has over 30 years' experience in the finance industry working with both private and corporate clients. She has worked in the funds industry for over 20 years and has particular expertise in property, structured products and private equity funds. Mrs Lewis is an Associate of the Institute of Chartered Secretaries.

Shaun Robert (42) sits on the board of the Investment Manager and has in excess of 25 years experience within the Funds arena.

Mr Robert has extensive front to back experience throughout Fund Administration, Transfer Agency, Fund Custody, Trustee and AIFMD Depository lines of business, dealing with many fund structures including ICC's, PCC's Investment Company's and Unit Trusts, across a wide range of strategies such as Hedge Funds, Funds or Funds, Fund of Hedge Funds, Debt, Bond and Equity Funds.

Mr Robert's previous positions have been Fund Administration Manager with Close Fund Services Limited, Deputy Head of Credit Suisse Fund Administration (Guernsey) Limited and Head of J.P. Morgan Custody Services (Guernsey) Limited. He has also held prescribed positions as recognised by the Guernsey Financial Services Commission for over 10 years, including Directorships and MLRO positions.

Mr Robert is a Member of the Chartered Institute for Securities and Investments and has previously sat on the Guernsey Investment Fund Association Custodian and Depository Sub Committee.

Details of the Investment Management Agreement are set out in paragraph 10.2 of Part 10.

4. THE ADMINISTRATOR AND THE SUBSIDIARY ADMINISTRATOR

The Administrator of the Company is Praxis Fund Services Limited (a company incorporated in Guernsey on 13 April 2005 with registered number 43046) and the Subsidiary Administrator is PraxisIFM Fund Services (UK) Limited (a company incorporated in England and Wales on 19 November 2015 with registered number 09879916).

Praxis Fund Services Limited and Praxis IFM Fund Services (UK) Limited are part of the PraxisIFM group of companies. Both the Administrator and the Subsidiary Administrator provide a range of administration services including fund formation, project management, corporate governance and company secretarial

services, transaction administration, accounting and financial reporting, safe custody of documentation, shareholder services and shareholder reporting.

The Administrator employs qualified members of relevant professional disciplines.

Details of the Administration Agreement are set out in paragraph 10.4 of Part 10. Details of the Subsidiary Administration Agreement are set out in paragraph 10.5 of Part 10.

5. SAFEKEEPING OF ASSETS

Under the terms of the Administration Agreement and the Subsidiary Administration Agreement, the Administrator and the Subsidiary Administrator provide safekeeping services in relation to original loan, security and similar documents.

6. THE REGISTRAR

The Company has appointed Capita Registrars (Guernsey) Limited to act as the Company's registrar pursuant to the Registrar Agreement. The Registrar is responsible for providing registration services to the Company and maintaining the necessary books and records (such as the Company's register of Shareholders). Details of the Registrar Agreement are set out in paragraph 10.6 of Part 10 of this document.

7. THE RECEIVING AGENT

The Company has appointed Capita Registrars Limited to act as the Company's receiving agent for the purposes of the Initial Offer for Subscription and any Subsequent Offer for Subscription pursuant to the Receiving Agent Agreement. Details of the Receiving Agent Agreement are set out in paragraph 10.7 of Part 10 of this document.

8. MATERIAL RELATIONSHIPS; CONFLICTS OF INTEREST

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

Save as set out below, none of the Directors has any conflict of interest or potential conflicts of interest between any duties to the Company and his/her private interests and/or any other duties.

Paul Craig is a Portfolio Manager at Old Mutual Global Investors which, as at 27 April 2017 (being the latest practicable date prior to the publication of this prospectus), was the registered holder of approximately 24.99 per cent of the Ordinary Shares in issue as at that date.

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

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

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

9. FEES AND EXPENSES OF THE COMPANY

The Company may incur transaction costs for the purposes of evaluating and structuring potential investments. Such transaction costs may include, inter alia, fees charged by appraisers, due diligence firms, legal firms and accounting firms. Typically, these costs are for the account of the borrower, however, to the extent that are not for the account of the borrower, they form part of the overall transaction costs that are capitalised at the point of recognition and are taken into account by the Investment Adviser when pricing a transaction. To the extent any such costs are not paid by a borrower or capitalised in connection with an individual transaction, they are for the account of the Company.

The Company may incur costs in connection with the making of a Loan, the on-going monitoring of transactions, and exercising its rights and remedies in connection with Loans. These costs may include, but are not limited to, fees to banks for payments services, fees for trusts and other entities through which the Company holds its Loans or collateral, legal fees, costs of repossession and resale of collateral and court fees.

The Group's ongoing operational expenses include fees payable under the Investment Management Agreement, the Investment Advisory Agreement, the Administration Agreement, the Subsidiary Administration Agreement, the Registrar Agreement, Directors' fees and expenses, audit costs, the fees of the Company's broker, expenses of publishing reports, notices and proxy materials to Shareholders, expenses of convening and holding meetings of Shareholders, costs of preparing, printing and/or filing all reports and other documents relating to the Company, expenses of making any capital distributions, insurance premia in respect of directors' and officers' liability insurance for members of the Board, fees of the Commission, London Stock Exchange fees and associated ongoing fees.

The Company will also incur, directly or indirectly, costs and expenses in relation to the establishment, management and administration of any investment entities and structures that it uses to make and hold investments. These include the Subsidiary and Note Issuing Co, as referred to in section 5 of Part 1, together with any other investment structure that is established from time to time.

PART 6

THE INITIAL PLACING AND INITIAL OFFER FOR SUBSCRIPTION

1. INTRODUCTION

The Company is targeting Gross Initial Proceeds of £80 million, with the potential to raise up to £100 million pursuant to the Initial Placing and the Initial Offer for Subscription, subject to investor demand. Neither the Initial Placing nor the Initial Offer for Subscription is being underwritten.

The actual number of C Shares to be issued pursuant to the Initial Placing and the Initial Offer for Subscription, and therefore the actual Gross Initial Proceeds, are not known to the Company as at the date of this document, but will be notified by the Company via an RIS announcement prior to Initial Admission.

The Net Initial Proceeds would be £78.4 million, on the assumption that the Gross Initial Proceeds are £80 million.

Winterflood has agreed to use its reasonable endeavours to procure Placees pursuant to the Initial Placing on the terms and subject to the conditions set out in the Placing Agreement.

The terms and conditions which shall apply to any subscription for C Shares procured by Winterflood pursuant to the Initial Placing are set out in Part 12 of this document. Each Placee will agree to be bound by the Articles once the C Shares that the Placee has agreed to subscribe for pursuant to the Initial Placing have been acquired by the Placee.

Details of the Placing Agreement are set out in paragraph 10.1 of Part 10 of this document. The Initial Placing and the Initial Offer for Subscription are conditional, amongst other things, on:

- Initial Admission occurring on or before 8.00 a.m. (London time) on 31 May 2017 (or such later date as the Company and Winterflood may agree, being not later than 8.00 a.m. (London time) on 14 June 2017);
- the Placing Agreement having become unconditional in all respects (save for conditions relating to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission; and
- the Minimum Net Proceeds being raised.

In the event that the conditions are not met, the Initial Placing and the Initial Offer for Subscription will lapse and all proceeds will be returned to investors. The condition that the Minimum Net Proceeds will be raised can only be waived through the publication by the Company of a supplementary prospectus.

2. SCALING BACK AND ALLOCATION

The maximum number of C Shares available under the Initial Placing and the Initial Offer for Subscription is 100 million. In the event that aggregate applications for C Shares under the Initial Placing and the Initial Offer for Subscription exceed 100 million C Shares or such lesser amount that the Directors determine, in their absolute discretion at the time of closing the Initial Placing and the Initial Offer for Subscription, it will be necessary to scale back applications under the Initial Placing and/or the Initial Offer for Subscription. In such an event, applications under the Initial Placing and the Initial Offer for Subscription will be scaled back at Winterflood's discretion (in consultation with the Company, the Investment Manager and the Investment Adviser) and thereafter no further commitments will be accepted and the Initial Placing and the Initial Offer for Subscription will be closed.

The Initial Placing and the Initial Offer for Subscription are not being made on a pre-emptive basis. However, in the event that there are excess applications pursuant to any such issue of C Shares such that applications need to be scaled back, it is the intention of Winterflood (in consultation with the Company, the Investment

Manager and the Investment Adviser), to prioritise existing shareholders, where reasonably practicable, when allocating C Shares pursuant to such issue.

The Company will notify investors of the number of C Shares in respect of which their application has been successful, and the results of the Initial Placing and the Initial Offer for Subscription will be announced by the Company by way of an announcement through a Regulatory Information Service, on or around 26 May 2017.

3. THE INITIAL OFFER FOR SUBSCRIPTION

The Initial Offer for Subscription will open on 2 May 2017 and the latest time for receipt of the Initial Offer Application Forms will be 1.00 p.m. on 24 May 2017. Initial Admission is expected to occur and unconditional dealings in the C Shares issued pursuant to the Initial Placing and the Initial Offer for subscription expected to commence at 8.00 a.m. on 31 May 2017.

The terms and conditions of applications under the Initial Offer for Subscription are set out in Part 13 of this prospectus and the Application Form for the Initial Offer for Subscription is included in Part 16 of this prospectus. The terms and conditions should be read carefully before an application is made. Prospective investors should consult their respective stockbrokers, bank managers, solicitors, accountants or other independent financial advisers if they are in doubt. Initial Offer for Subscription Application Forms, accompanied by a cheque or duly endorsed banker's draft, should be returned by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 1.00 p.m. on 24 May 2017.

Applications under the Initial Offer for Subscription must be for a minimum subscription amount of £1,000 and thereafter in multiples of £1,000 or such lower amounts as Winterflood and the Company may agree.

4. INVESTOR PROFILE

Typical investors in the Company pursuant to the Initial Placing and the Initial Offer for Subscription are expected to be institutional and sophisticated investors and professionally-advised private investors seeking exposure to secured direct lending investments. The C Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may want to consult an independent financial adviser who specialises in advising on the acquisition of shares before subscribing for C Shares.

5. THE PLACING AGREEMENT

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

The Placing Agreement provides for Winterflood to be paid a commission by the Company in respect of the Shares to be allotted pursuant to the Initial Placing and the Initial Offer for Subscription. Any commissions received by Winterflood may be retained, and any C Shares subscribed for by Winterflood may be retained or dealt in by it, for its own benefit.

Further details of the terms of the Placing Agreement are set out in paragraph 10.1 of Part 10 of this document.

6. COSTS OF THE INITIAL PLACING AND THE INITIAL OFFER FOR SUBSCRIPTION

The costs of the Initial Placing and the Initial Offer for Subscription will, provided that the Initial Placing is completed, be borne out of the proceeds of the Initial Placing and the Initial Offer. The total costs of the Initial Placing and the Initial Offer (including any commission) would be £1.6 million, assuming that the Gross Initial Proceeds are £80 million.

7. INITIAL ADMISSION

Applications will be made to the UK Listing Authority and the London Stock Exchange for all of the C Shares issued pursuant to the Initial Placing and the Initial Offer for Subscription to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.

It is expected that Initial Admission will become effective and that dealings in the C Shares to be issued pursuant to the Initial Placing and the Initial Offer for Subscription will commence at 8.00 a.m. on 31 May 2017.

The C Shares will be issued in registered form and may be held in certificated or uncertificated form. No temporary documents of title will be issued. Dealings in C Shares in advance of the crediting of the relevant stock account shall be at the risk of the persons concerned. It is expected that CREST accounts will be credited on 31 May 2017 in respect of C Shares held in uncertificated form and definitive share certificates in respect of Shares held in certificated form will be despatched by normal post during the week commencing 5 June 2017.

8. SETTLEMENT

Initial Placing

Payment for C Shares issued under the Initial Placing will be made through CREST in accordance with settlement instructions to be notified to Placees by Winterflood. In the case of those Placees not using CREST, monies received by Winterflood will be held in a segregated client account pending settlement.

To the extent that any placing commitment is rejected in whole or in part, any monies received will be returned without interest at the risk of the Placee.

The Company does not propose to accept multiple subscriptions. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is being made. Multiple applications or suspected multiple applications on behalf of a single client are liable to be rejected.

Initial Offer for Subscription

Payment for C Shares issued under the Initial Offer for Subscription may be made through CREST, by electronic/bank transfer or by cheque to the Receiving Agent.

9. CERTIFICATES AND CREST

CREST is a paperless settlement procedure operated by Euroclear enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of C Shares under the CREST system. The Company has applied for the C Shares to be admitted to CREST with effect from Initial Admission in respect of the C Shares issued under the Initial Placing and the Initial Offer for Subscription and it is expected that such C Shares will be admitted with effect from that time. Accordingly, settlement of transactions in the C Shares following Initial Admission may take place within the CREST system if any Shareholder so wishes.

It is expected that the Company will arrange for Euroclear to be instructed to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to C Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

The transfer of C Shares out of the CREST system following the issue of C Shares should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form.

10. USE OF PROCEEDS

All of the Net Initial Proceeds will be invested in accordance with the Company's investment policy, save to the extent retained for working capital purposes and subject to the availability of sufficient investment opportunities.

11. OVERSEAS INVESTORS

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, C Shares under the Initial Placing and/or the Initial Offer for Subscription in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company.

The Company has elected to impose the restrictions described below on the Initial Placing and the Initial Offer for Subscription and on the future trading of the C Shares so that the Company will not be required to register the offer and sale of the C Shares under the Securities Act and will not have an obligation to register as an investment company under the US Investment Company Act and related rules and also to address certain ERISA, Internal Revenue Code and other considerations.

The C Shares have not been, nor will be, registered under the Securities Act or under the securities legislation of any state or other political sub-division of the United States and the C Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act). There will be no public offer of the C Shares in the United States. The C Shares are being offered and sold outside the United States to non-US Persons in reliance on the exemption from registration provided by Regulation S under the Securities Act. Moreover, the Company has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of the US Investment Company Act. The C Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S to: (i) a person outside the United States and not known by the transferor to be a US Person, by prearrangement or otherwise; or (ii) the Company or a subsidiary thereof.

12. MONEY LAUNDERING

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

The Company and its agents, the Administrator, the Registrar and Winterflood reserve the right to request such information as is necessary to verify the identity of the prospective Shareholder and (if any) the underlying prospective beneficial owner of the C Shares. In the event of delay or failure by the prospective Shareholder to produce any information required for verification purposes, the Directors, in consultation with Winterflood, may refuse to accept a subscription for C Shares.

13. CONVERSION OF C SHARES

The Net Initial Proceeds and the investments made with the Net Initial Proceeds will be accounted for and managed as a separate pool of assets until the date on which at least 85 per cent. of the Net Initial Proceeds (or such other percentage as the Directors and Investment Adviser shall agree) have been invested in accordance with the Company's investment policy (or, if earlier, nine months after the date of issue of the relevant C Shares).

The Conversion Ratio (as defined in paragraph 1.1.3 of Part 8 of this document) will then be calculated (calculated to four decimal places (with 0.00005 being rounded upwards)) and the relevant C Shares will convert into a number of Ordinary Shares calculated by reference to the net assets per share then attributable to the relevant C Shares compared to the net assets per share at the same time attributable to the Ordinary Shares then in issue.

Full details of the method of conversion are contained in Part 8 of this document and an example of how the Conversion mechanism would operate is set out below.

Subject to the Articles and the Companies Law, the Directors may in their absolute discretion from time to time decide the manner in which the C Shares are to be converted.

Following Conversion, the investments which were attributable to the C Shares will be merged with the Company’s existing portfolio of investments. The new Ordinary Shares arising on Conversion of the C Shares will rank pari passu, subject to the terms of the Articles, with the Ordinary Shares then in issue.

Example of Conversion Mechanism

The following example is provided for the purpose of illustrating the basis on which the number of Ordinary Share, arising on Conversion will be calculated. The example is not, and is not intended to be, a profit forecast or forecast of the number of Ordinary Shares which will arise on Conversion.

The example illustrates the number of Ordinary Shares which would arise in respect of the Conversion of 10,000 C Shares held at the Conversion Time, using assumed Net Asset Values attributable to the C Shares and the existing Ordinary Shares as at the Calculation Time. The assumed Net Asset Value per Ordinary Share is the Net Asset Value at the close of business on 27 April 2017 (being the latest practicable date prior to the publication of this document), being 97.52 pence per Ordinary Share. The assumed Net Asset Value per C Share is calculated on the basis that there are no returns on the Net Initial Proceeds in the period from Initial Admission to the Calculation Time.

	<i>Example</i>
Number of C Shares subscribed	10,000
Amount subscribed	£10,000
Net Asset Value per C Share at the Calculation Time	98.00 pence
Net Asset Value per Ordinary Share at the Calculation Time	97.52 pence
Conversion Ratio	1.0049
Number of new Ordinary Shares arising on Conversion	10,049

14. DILUTION

The shareholding of a Shareholder who does not acquire any C Shares pursuant to the Initial Issue will be diluted by approximately 56 per cent. as a result of such Initial Issue. This assumes the Initial Issue is fully subscribed and a Conversion Ratio using the Net Asset Value per Ordinary Share of 97.52 pence (being the unaudited Net Asset Value per Ordinary Share (cum-income) as at 27 April 2017 (being the latest practicable date before the publication of this document) and a Net Asset Value per C Share of 98.00 pence (being the expected initial Net Asset Value per C Share at Initial Admission assuming the Initial Issue is fully subscribed).

Thus, as an illustration, a Shareholder who holds 1% of the issued Ordinary Share capital before Conversion would hold 0.44 per cent. of the Ordinary Share capital after Conversion. These percentages are provided for illustrative purposes only and the extent of such dilution will depend on the number of C Shares issued and respective Net Asset Value of the Ordinary Shares and the C Shares on the Calculation Date, as determined in accordance with the rights attaching to the C Shares.

PART 7

THE SHARE ISSUANCE PROGRAMME

1. INTRODUCTION

The Company has instituted the Share Issuance Programme under which the Board has discretion to issue up to 200 million C Shares. The maximum number of C Shares available under the Share Issuance Programme should not be taken as an indication of the number of C Shares finally to be issued. The allotment and issue of C Shares under the Share Issuance Programme is at the discretion of the Directors. The Share Issuance Programme is intended to be flexible and allotments and issuances may take place at any time prior to the final closing date of 1 May 2018.

The terms and conditions which shall apply to any subscription for C Shares pursuant to a Subsequent Placing are set out in Part 12 of this document and the terms and conditions of applications which shall apply in respect of any Subsequent Offer for Subscription are set out in Part 13 of this document. Each Placee or Offeree will agree to be bound by the Articles once the C Shares that the Placee or Offeree has agreed to subscribe for pursuant to such Subsequent Placing or Subsequent Offer for Subscription have been acquired by the Placee or Offeree.

Each allotment and issue of C Shares pursuant to a Subsequent Placing or Subsequent Offer for Subscription is conditional, amongst other things, on:

- Admission of the C Shares issued pursuant to such Subsequent Placing or Subsequent Offer for Subscription; and
- a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules and the Placing Agreement becoming wholly unconditional in respect of such Subsequent Issue (save as regards Subsequent Admission itself) and not having been terminated in accordance with its terms prior to the relevant Subsequent Admission.

In circumstances in which these conditions are not fully met, the relevant issue of Shares pursuant to the Share Issuance Programme will not take place and all proceeds will be returned to investors.

2. BACKGROUND TO, REASONS FOR AND BENEFITS OF THE SHARE ISSUANCE PROGRAMME

The Company wishes to have the flexibility to issue further C Shares so as to raise additional capital for the Company without causing cash drag for Ordinary Shareholders.

C Shares will be issued pursuant to the Share Issuance Programme when the Directors consider that it is in the best interests of Shareholders to do so and to address continuing demand for investment in the Company.

The Directors believe that the issue of C Shares pursuant to the Share Issuance Programme should yield the following principal benefits:

- to raise additional capital for investment in accordance with the Company's investment policy;
- grow the Company, thereby spreading operating costs over a larger capital base which should reduce the total expense ratio; and
- upon conversion into Ordinary Shares improve liquidity in the market for the Ordinary Shares.

3. INVESTOR PROFILE

Typical investors in the Company pursuant to the Share Issuance Programme are expected to be institutional and sophisticated investors and professionally-advised private investors seeking exposure to secured direct lending investments. The C Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who

have sufficient resources to bear any loss which may result from such an investment. Such investors may want to consult an independent financial adviser who specialises in advising on the acquisition of shares before subscribing for C Shares.

4. THE SHARE ISSUANCE PROGRAMME

The Share Issuance Programme will open immediately following Initial Admission and is expected to close on 1 May 2018 (or any earlier date on which it is fully subscribed). The maximum number of C Shares to be issued pursuant to the Share Issuance Programme is 200 million.

C Shares issued under the Share Issuance Programme may be issued pursuant to a Subsequent Placing and/or a Subsequent Offer for Subscription. The allotment and issue of C Shares under the Share Issuance Programme is at the discretion of the Directors. Allotments and issuances may take place at any time prior to the final closing date of 1 May 2018. An announcement of each allotment and issue pursuant to a Subsequent Placing will be released through an RIS. It is anticipated that dealings in C Shares issued pursuant to the Share Issuance Programme will commence not more than 4 Business Days after the trade date for the relevant Subsequent Placing and/or Subsequent Offer for Subscription. Whilst it is expected that all C Shares allotted and issued pursuant to a Subsequent Placing and/or Subsequent Offer for Subscription will be issued in uncertificated form, if any C Shares are issued in certificated form it is expected that share certificates would be despatched approximately one week after the relevant Subsequent Admission. No temporary documents of title will be issued.

Each tranche of C Shares issued pursuant to the Share Issuance Programme will be deemed to be a separate tranche of shares. The Directors may, if they so decide, designate each tranche of C Shares in such manner as they see fit in order that each tranche of C Shares can be identified.

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

The Share Issuance Programme is not being underwritten and, as at the date of this document, the actual number of C Shares to be issued under the Share Issuance Programme is not known. The number of C Shares available under the Share Issuance Programme should not be taken as an indication of the number of C Shares finally to be issued.

So far as the Directors are aware, as at the date of this document, no Directors (or existing Shareholders) intend to make a commitment for C Shares under the Share Issuance Programme.

Applications will be made to the London Stock Exchange for the C Shares issued pursuant to the Share Issuance Programme to be admitted to trading on the London Stock Exchange's main market for listed securities. All C Shares issued pursuant to the Share Issuance Programme will be issued conditionally on such Subsequent Admission occurring.

The Company expects that, prior to any Subsequent Issue of C Shares, any C Shares previously issued will have converted to Ordinary Shares in accordance with the mechanism described in Part 8 of this document. However, this will not necessarily be the case and the Company reserves the right to issue C Shares when a previous tranche of C Shares remains in issue. In such circumstances the tranches of C Shares will be treated as two separate pools of assets which are managed independently, each of which will convert into Ordinary Shares when the Calculation Time in respect of that tranche of C Shares has arisen.

The Share Issuance Programme will be suspended at any time when the Company is unable to issue C Shares pursuant to the Share Issuance Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion. The Share Issuance Programme may resume when such conditions cease to exist.

Details of the Placing Agreement are set out in paragraph 10.1 of Part 10 of this document.

5. TERMS AND CONDITIONS OF ANY SUBSEQUENT PLACING

The terms and conditions which shall apply to any subscriber for C Shares pursuant to any Subsequent Placing are contained in Part 12 of this prospectus.

6. TERMS AND CONDITIONS OF ANY SUBSEQUENT OFFER FOR SUBSCRIPTION

The Company may also offer C Shares to investors in the UK as part of the Share Issuance Programme pursuant to a Subsequent Offer for Subscription. Potential participants in any Subsequent Offer for Subscription should be aware of the terms and conditions include in Part 13 of this Prospectus as well as any relevant application forms which will be set out in an information booklet relating to such Subsequent Offer for Subscription published by the Company at the time of such Subsequent Offer for Subscription.

7. COSTS OF THE SHARE ISSUANCE PROGRAMME

The costs of the Share Issuance Programme, including the commissions payable to Winterflood in respect of any C Shares issued pursuant to the Share Issuance Programme, will not exceed two per cent of the total proceeds of any Subsequent Placing or Subsequent Offer for Subscription and will be borne out of the proceeds of any such Subsequent Placing or Subsequent Offer for Subscription.

8. SETTLEMENT

Subsequent Placing

Payment for C Shares issued under the Share Issuance Programme will be made through CREST in accordance with settlement instructions to be notified to Placees or Offerees by Winterflood. In the case of those subscribers not using CREST, monies received by Winterflood will be held in a segregated client account pending settlement.

To the extent that any placing commitment or offer is rejected in whole or in part, any monies received will be returned without interest at the risk of the Placee or the Offeree.

The Company does not propose to accept multiple subscriptions. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is being made. Multiple applications or suspected multiple applications on behalf of a single client are liable to be rejected.

Subsequent Offer for Subscription

Payment for C Shares issued under the Subsequent Offer for Subscription may be made through CREST, by electronic/bank transfer or by cheque to the Receiving Agent.

9. CERTIFICATES AND CREST

CREST is a paperless settlement procedure operated by Euroclear enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of C Shares under the CREST system. The Company will apply for the C Shares issued pursuant to any Subsequent Placing and/or any Subsequent Offer for Subscription to be admitted to CREST with effect from the relevant Subsequent Admission and it is expected that such C Shares will be admitted with effect from that time. Accordingly, settlement of transactions in the relevant C Shares following each Subsequent Admission may take place within the CREST system if any Shareholder so wishes.

It is expected that the Company will arrange for Euroclear to be instructed to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to C Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

The transfer of C Shares out of the CREST system following the issue of C Shares should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be

exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form.

10. USE OF PROCEEDS

The total net proceeds of the Share Issuance Programme will depend on the number of C Shares issued pursuant to it. The Directors intend to invest the net proceeds in accordance with the Company's investment policy.

11. SCALING BACK AND ALLOCATION

The maximum number of C Shares available under the Share Issuance Programme is 200 million. In the event that aggregate applications for C Shares under a Subsequent Issue exceeds 200 million C Shares or such lesser amount that the Directors determine, in their absolute discretion at the time of closing the Subsequent Issue, it will be necessary to scale back applications under the Subsequent Issue. In such an event, applications under the Subsequent Issue will be scaled back at the Winterflood's discretion (in consultation with the Company, the Investment Manager and the Investment Adviser) and thereafter no further commitments will be accepted and the Subsequent Issue will be closed.

Any Subsequent Placing and/or Subsequent Offer for Subscription will not be made on a pre-emptive basis. However, in the event that there are excess applications pursuant to any such issue of C Shares such that applications need to be scaled back, it is the intention of Winterflood (in consultation with the Company, the Investment Manager and the Investment Adviser), to prioritise existing shareholders, where reasonably practicable, when allocating C Shares pursuant to such Subsequent Issue.

The Company will notify investors of the number of C Shares in respect of which their application has been successful, and the results of the Subsequent Issue will be announced by the Company by way of an announcement through a Regulatory Information Service.

12. OVERSEAS INVESTORS

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, C Shares under the Share Issuance Programme in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company.

The Company has elected to impose the restrictions described below on the Share Issuance Programme and on the future trading of the C Shares so that the Company will not be required to register the offer and sale of the C Shares under the Securities Act and will not have an obligation to register as an investment company under the US Investment Company Act and related rules and also to address certain ERISA, Internal Revenue Code and other considerations.

The C Shares have not been, nor will be, registered under the Securities Act or under the securities legislation of any state or other political sub-division of the United States and the C Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act). There will be no public offer of the C Shares in the United States. The C Shares are being offered and sold outside the United States to non-US Persons in reliance on the exemption from registration provided by Regulation S under the Securities Act. Moreover, the Company has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of the US Investment Company Act. The C Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S to: (i) a person outside the United States and not known by the transferor to be a US Person, by prearrangement or otherwise; or (ii) the Company or a subsidiary thereof.

13. MONEY LAUNDERING

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

The Company and its agents, the Administrator, the Registrar and Winterflood reserve the right to request such information as is necessary to verify the identity of the prospective Shareholder and (if any) the underlying prospective beneficial owner of the C Shares. In the event of delay or failure by the prospective Shareholder to produce any information required for verification purposes, the Directors, in consultation with Winterflood, may refuse to accept a subscription for C Shares.

14. DILUTION

The percentage holding of a Shareholder will be diluted to the extent that C Shares are issued pursuant to the Share Issuance Programme and any such Shareholder does not participate in the Subsequent Placing and/or the Subsequent Offer for Subscription.

PART 8

DETAILS OF THE C SHARES

1. C SHARES

1.1.1 *General*

An issue of C Shares is designed to overcome the potential disadvantages for both existing and new investors which could arise out of a conventional fixed price issue of further Ordinary Shares for cash.

In particular, the basis upon which the C Shares will convert into Ordinary Shares is such that the number of New Ordinary Shares will reflect the relative investment performance and value of the pool of new capital attributable to the relevant C Shares up to the Calculation Time, as compared to the assets attributable to the Existing Ordinary Shares at that time and, as a result, neither the net asset value attributable to the Existing Ordinary Shares nor the net asset value attributable to the C Shares will be adversely affected by Conversion.

The C Shares will convert into ordinary shares on the basis of the Conversion Ratio.

The Conversion Ratio will be calculated as at the Calculation Time.

1.1.2 *Terms of the C Shares*

The rights and restrictions attaching to the C Shares are set out in the Articles and are summarised below.

1.1.3 *Definitions*

The following definitions apply for the purposes of this Part 8 of this document in addition to, or (where applicable) in substitution for, the definitions applicable elsewhere in this document.

“**C Share Surplus**” means 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.

“**Conversion Ratio**” is A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

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

and

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

and where:

“C” is the net asset value of the relevant tranche of C Shares as at the Calculation Time.

“D” is the amount which (to the extent not otherwise deducted in the calculation of “C”) in the Directors’ opinion fairly reflects the amount of liabilities and expenses of the Company attributable to the relevant tranche of C Shares at the Calculation Time.

“E” is the number of the relevant tranche of C Shares in issue at the Calculation Time.

“F” is the net asset value of the ordinary shares as at the Calculation Time.

“G” is the amount which (to the extent not otherwise deducted in the calculation of “F”) in the Directors’ opinion fairly reflects the amount of the liabilities and expenses of the Company at the Calculation Time (including, for the avoidance of doubt, the full amount of all dividends declared on the ordinary shares but not paid), less the amount of “D”.

“H” is the number of ordinary shares in issue at the Calculation Time.

“**Existing Ordinary Shares**” means the ordinary shares in issue immediately prior to the Conversion Time.

“**New Ordinary Shares**” means the ordinary shares arising on the conversion of the C Shares.

“**Share Surplus**” means the net assets of the Company less the C Share Surplus.

1.1.4 *Issues of C Shares*

Subject to the Companies Law (and every other order in council, statutory instrument, regulation or order for the time being in force concerning companies registered under the Companies Law) and in accordance with the Articles, the Directors shall be authorised to issue C Shares on such terms as they determine provided that such terms are consistent with the provisions of the Articles.

Each tranche of C Shares, if in issue at the same time, shall be deemed to be a separate class of shares. The Directors may, if they so decide, designate each tranche of C Shares in such manner as they see fit in order that each tranche of C Shares can be identified.

1.1.5 *Dividend and pari passu ranking of C Shares, New Ordinary Shares and Deferred Shares*

The holders of C Share(s) 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, 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.

Subject as provided in the following sentence, the New Ordinary Shares shall rank in full for all dividends and other distributions declared, made or paid after the Conversion Time and otherwise pari passu with ordinary shares in issue at the Conversion Time. For the avoidance of doubt, New Ordinary Shares shall not be entitled to any dividends or distributions which are declared prior to the Conversion Time but made or paid after the Conversion Time.

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 below) of the Company.

1.1.6 *Rights as to capital*

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 holders shall, on such a winding up or a return of capital (otherwise than on a purchase or redemption 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 holders 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.

1.1.7 *Voting and transfer*

The C Shares shall carry the right to receive notice of, attend and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as those applying to other holders of equity securities as set out in the Articles. The C Shares shall be transferable in the same manner as the other equity shares in the Company. The Deferred Shares shall not be transferable and shall not carry any rights to receive notice of, attend or vote at any general meeting of the Company.

1.1.8 *Redemption*

At any time prior to Conversion, the Company may, at its discretion, redeem all or any of the C Shares of a particular class then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may determine (subject, where applicable, to the facilities and procedures of CREST) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holders of the relevant class of C Shares.

The Deferred Shares arising from Conversion (to the extent that any are in issue and extant) may, subject to the provisions of the Companies Law (and every other order in council, statutory instrument, regulation or order for the time being in force concerning companies registered under the Companies Law), be redeemed at the option of the Company at any time following Conversion for an aggregate consideration of 1 pence for all such Deferred Shares, and for such purposes any Director is authorised as agent on behalf of each holder of Deferred Shares, in the case of any share in certificated form, to execute any stock transfer form, and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of each holder of Deferred Shares who shall be bound by them.

The Company shall not be obliged to issue share certificates to the holders of Deferred Shares.

1.1.9 *Class consents and variation of rights in relation to the Company*

Without prejudice to the generality of the Articles for as long as there are C Shares in issue, the consent of the holders of the C Shares as a class shall be required for, and accordingly the special rights attached to the C Shares shall be deemed to be varied, inter alia, by:

- (a) any alteration to the Memorandum or the Articles which directly or indirectly affects the rights attaching to the C Shares as set out in the Articles; or
- (b) any alteration, increase, consolidation, division, subdivision, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company (other than on Conversion and/or redemption of the Deferred Shares all as provided for in the Articles); or
- (c) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company or any other right to subscribe or acquire share capital of the Company; or
- (d) the passing of any resolution to wind up the Company.

1.1.10 *Assets attributable to C Shares*

Until Conversion, and without prejudice to its obligations under the Companies Law:

- (a) the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares can, at all times, be separately identified and separate cash accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares;
- (b) the assets attributable to the C Shares shall have allocated such proportion of the expenses or liabilities of the Company as the Directors fairly consider to be attributable to the C Shares including, without prejudice to the generality of the foregoing, those liabilities specifically identified in the definition of "Conversion Ratio" above; and
- (c) the Company shall give appropriate instructions to its investment adviser and its administrator to manage the Company's assets so that such undertaking can be complied with by the Company.

1.1.11 *Conversion of C Shares*

C Shares shall be converted into New Ordinary Shares and, where appropriate, Deferred Shares at the Conversion Time in accordance with the provisions set out below.

The Directors shall procure that:

- (a) the Company (or its delegate) calculates, within two Business Days after the Calculation Time, the Conversion Ratio as at the Calculation Time and the number of New Ordinary Shares to which each holder of C Shares shall be entitled on Conversion; and
- (b) chartered accountants appointed by the Company shall be requested to certify, within three Business Days after the Calculation Time, that such calculations:
 - (i) have been performed in accordance with the Articles; and
 - (ii) are arithmetically accurate,

whereupon such calculations shall become final and binding on the Company and all holders.

The Directors shall procure that, as soon as practicable following such certificate, an announcement is made to a Regulatory Information Service advising holders of C Shares of:

- (a) the Conversion Time;
- (b) the Conversion Ratio; and
- (c) the aggregate number of New Ordinary Shares to which holders of the C Shares are entitled on Conversion.

On Conversion each C Share shall automatically convert into such number of New Ordinary Shares and, where relevant, Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed, the number of New Ordinary Shares equals the number of C Shares in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole New Ordinary Share).

The Directors may in their absolute discretion from time to time decide the manner in which the C Shares are to be converted, subject to the provisions of the Articles and the Companies Law (and every other order in council, statutory instrument, regulation or order for the time being in force concerning companies registered under the Companies Law).

The Directors may, where the Conversion Ratio is greater than one, in order to facilitate Conversion, provide for the profits or reserves (of any type whatever) attributable to the C Shares to be capitalised and applied in paying up in full such number of New Ordinary Shares arising pursuant to Conversion as exceeds the number of C Shares immediately prior to the Calculation Time and allot such shares,

credited as fully paid up, to the persons holding C Shares immediately prior to the Conversion Time pro rata to their holdings of C Shares immediately prior to the Conversion Time.

The New Ordinary Shares arising upon Conversion shall be divided amongst the former holders of C Shares pro rata according to their respective former holdings of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to New Ordinary Shares, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is authorised as agent on behalf of the former holders of C Shares, in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of the former holders of any C Shares who shall be bound by them. Forthwith upon Conversion, any certificates relating to the C Shares shall be cancelled and the Company shall issue to each such former holder of C Shares new certificates in respect of the New Ordinary Shares which have arisen upon Conversion unless such former holder of any C Shares elects to hold its New Ordinary Shares in uncertificated form.

The Company will use its reasonable endeavours to procure that, upon Conversion, the New Ordinary Shares are admitted to the Main Market of the London Stock Exchange.

The Directors are authorised to effect such and any conversions and/or consolidations and/or subdivisions and/or combinations of the foregoing (or otherwise as appropriate) as may have been or may be necessary from time to time to implement the conversion mechanics for C Shares set out in the Articles.

1.1.12 *Deferred Shares*

Deferred Shares shall only be issued on Conversion of C Shares. The provisions of the Articles as to dividends, voting and entitlements on winding-up after conversion and redemption of the Deferred Shares are summarised above.

PART 9

TAXATION

1. INTRODUCTION

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

THE FOLLOWING SUMMARY IS NO SUBSTITUTE FOR LEGAL OR TAX ADVICE AND IS NOT A GUARANTEE TO ANY INVESTOR OF THE TAX RESULTS OF INVESTING IN THE COMPANY. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN PROFESSIONAL ADVISERS AS TO THE PARTICULAR TAXATION EFFECTS ON THEIR PARTICIPATION IN THE COMPANY.

2. GUERNSEY TAXATION

The Company

The Company has applied for and been granted exemption from liability to income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 (as amended) by the Director of Income Tax in Guernsey for the current calendar year. Exemption must be applied for annually and will be granted, subject to the payment of an annual fee, which is currently fixed at £1,200, provided the Company qualifies for exemption under the applicable legislation. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify for exempt company status for the purposes of Guernsey taxation.

As an exempt company, the Company is and will be treated as if it were not resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising or accruing in Guernsey, other than from a relevant bank deposit, other exempt bodies or shares in Guernsey companies. It is not expected that the Company will have any liability to tax on Guernsey source income.

Taxation of Shareholders

Provided the Company maintains its exempt status, Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm for these purposes) will suffer no deduction of tax by the Company from any distributions payable by the Company but the Company may be required to provide details of distributions made to Guernsey resident Shareholders to the Director of Income Tax in Guernsey, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment.

Receipt of a gross distribution from the Company by a Guernsey resident Shareholder may give rise to an income tax liability in Guernsey, depending on the Shareholder's circumstances and subject to any available reliefs.

Guernsey resident Shareholders should suffer no liability to Guernsey tax on disposal of Shares in the Company, provided those Shares are only held for investment purposes.

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in Shares, with details of the interest.

Shareholders resident outside Guernsey will not be subject to any withholding or other tax in Guernsey in respect of distributions paid in relation to any Shares owned by them or on the disposal of their holding of Shares.

Capital Taxes and Stamp Duty

Guernsey currently does not levy taxes upon capital inheritances, capital gains (with the exception of a dwellings profit tax, which is currently suspended) gifts, sales or turnover, nor are there any estate duties, save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey (which required presentation of such a grant). No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of Shares.

EU Savings Tax Directive

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into agreements with EU Member States on the taxation of savings income. However, paying agents located in Guernsey are not required to operate the measures on payments made by closed-ended investment companies.

However, on 10 November 2015 the Council of the European Union repealed the EU Savings Directive (2003/48/EC) (the “**EU Savings Tax Directive**”), from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States (subject to ongoing requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Tax Directive and the Common Reporting Standard in the EU under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

Guernsey is in the process of seeking confirmation from each EU Member State that the repeal of the EU Savings Tax Directive suspends the equivalent agreements that the EU Member States have with Guernsey. It is anticipated that all EU Member States will ultimately give this confirmation. Guernsey is also intending to suspend domestic EU Savings Tax Directive legislation with effect from 1 January 2016 (whilst retaining the relevant provisions to enable reports for 2015 to be made), although this process may be delayed pending the outcome of discussions with the Austrian authorities (as the EU Savings Tax Directive ceased to apply to Austria after 31 December 2016).

United States-Guernsey Intergovernmental Agreement

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the United States (“**US-Guernsey IGA**”) regarding the implementation of FATCA. Under FATCA and legislation enacted in Guernsey to implement the US-Guernsey IGA, certain disclosure requirements will be imposed in respect of certain Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents or citizens of the United States, unless a relevant exemption applies. Certain due diligence obligations will be imposed. Where applicable, information that will need to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The Company will be required to report this information each year in the prescribed format and manner as per local guidance.

Under the terms of the US-Guernsey IGA, Guernsey resident financial institutions that comply with the due diligence reporting requirements of Guernsey’s domestic legislation will be treated as compliant with FATCA and, as a result, should not be subject to FATCA withholding on payments they receive and should not be required to withhold under FATCA on payments they make. If the Company does not comply with these obligations, it may be subject to a FATCA deduction on certain payments to it of US source income (including interest and dividends) and proceeds from the sale of property that could give rise to US source interest or dividends (from 1 January 2019). The US-Guernsey IGA is implemented through Guernsey’s domestic legislation in accordance with guidance that is published in draft form.

Under the US-Guernsey IGA, securities that are “regularly traded” on an established securities market, such as main market of the London Stock Exchange, are not considered financial accounts and are not subject to reporting. For these purposes, Shares will be considered “regularly traded” if there is a meaningful volume of trading with respect to the Shares on an ongoing basis. Notwithstanding the foregoing, from 1 January 2016, a Share will not be considered “regularly traded” and will be considered a financial account if the Shareholder is not a financial institution acting as an intermediary. Such Shareholders will be required to provide information to the Company to allow it to satisfy its obligations under FATCA, although it is expected that whilst a Share is held in uncertificated form through CREST, the holder of that Share will likely be a financial institution acting as an intermediary. Shareholders that own the Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under FATCA.

Common Reporting Standard

On 13 February 2014, the Organisation for Economic Co-operation and Development released the “Common Reporting Standard” (“**CRS**”) designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed the multilateral competent authority agreement (“**Multilateral Agreement**”) that activates this automatic exchange of FATCA-like information in line with the CRS. Since then further jurisdictions have signed the Multilateral Agreement and in total over 100 jurisdictions have committed to adopting the CRS. Many of these jurisdictions have now adopted the CRS with effect from either 1 January 2016 or 1 January 2017.

Early adopters who signed the Multilateral Agreement (including Guernsey) have pledged to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018.

Under the CRS and legislation enacted in Guernsey to implement the CRS with effect from 1 January 2016, certain disclosure requirements will be imposed in respect of certain Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. Certain due diligence obligations will also be imposed. Where applicable, information that would need to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The Company will be required to report this information each year in the prescribed format and manner as per local guidance. The CRS is implemented through Guernsey’s domestic legislation in accordance with guidance that is published in draft form that will be supplemented by guidance issued by the Organisation for Economic Co-operation and Development.

Under the CRS, there is currently no reporting exemption for securities that are “regularly traded” on an established securities market, although it is expected that whilst a Share is held in uncertificated form through CREST, the holder of the Share will likely be a financial institution acting as an intermediary. Shareholders that own the Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under the CRS.

All prospective investors should consult with their own tax advisers regarding the possible implications of FATCA, the CRS and any other similar legislation and/or regulations on their investment in the Company.

If the Company fails to comply with any due diligence and/or reporting requirements under Guernsey legislation implementing the US-Guernsey IGA and/or the CRS then the Company could be subject to (in the case of the US-Guernsey IGA) US withholding tax on certain US source payments, and (in all cases) the imposition of financial penalties introduced pursuant to the relevant implementing regulations in Guernsey. Whilst the Company will seek to satisfy its obligations under the US-Guernsey IGA and the CRS and associated implementing legislation in Guernsey to avoid the imposition of any financial penalties under Guernsey law, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of

the Shareholders (if any). There can be no assurance that the Company will be able to satisfy such obligations.

Request for Information

The Company reserves the right to request from any Shareholder or potential investor such information as the Company deems necessary to comply with FATCA, any agreement with the US Internal Revenue Service in relation to FATCA from time to time in force, or any obligation arising under the implementation of any applicable regime, including the CRS, and the automatic exchange of information with any relevant competent authority.

3. UNITED KINGDOM TAXATION

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Shares. The following statements are based on current UK legislation and what is understood to be the current practice of HMRC as at the date of this document, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident (and in the case of individual Shareholders domiciled) for UK tax purposes in (and only in) the UK, who hold their Shares as an investment, and who are the absolute beneficial owners of both their Shares and any dividends paid on them (for these purposes, such Shareholders being in the case of an individual, a “**UK Individual Shareholder**” and in the case of a Shareholder within the charge to UK corporation tax, a “**UK Corporate Shareholder**”).

The Company

Tax residence

The Directors intend to conduct the management and control of the affairs of the Company in such a way that it should not be resident in the UK for UK tax purposes. Additionally, for so long as the Company is an “AIF” within the meaning given in regulation 3 of the Alternative Investment Fund Management Regulations 2013 and is authorised or registered in Guernsey or has its registered office in Guernsey, then in accordance with section 363A of the Taxation (International and Other Provisions) Act 2010, the Company should not be regarded as resident in the UK for direct tax purposes (i.e. income tax, corporation tax and capital gains tax).

Accordingly, on the basis that the Company is not resident in the UK and provided that the Company does not carry on a trade in the UK (whether or not through a branch, agency or permanent establishment situated therein), the Company will not be subject to corporation tax, nor will it be subject to income tax other than on any UK source income.

Shareholders

Taxation of chargeable gains

A disposal of Shares by a Shareholder who is resident in the UK for UK tax purposes or who is not so resident but carries on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains, depending on the Shareholder’s circumstances and subject to any available exemption or relief.

In addition, an individual Shareholder who ceases to be tax resident in the UK for a period of five years or less may, on re-establishing UK tax residence, be subject to capital gains tax in respect of disposals which occurred in the period of non-residence.

For UK Individual Shareholders, capital gains tax at the rate of 10 per cent (for basic rate taxpayers) or 20 per cent (for higher or additional rate taxpayers) will be payable on any gain. UK Individual Shareholders may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which for the 2017-18 tax year exempts the first £11,300 of gains from tax) depending on their circumstances.

For UK Corporate Shareholders any gain will be within the charge to corporation tax at a rate of 19 per cent. for the 2017-18 tax year. UK Corporate Shareholders will benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index.

The conversion of C Shares into Ordinary Shares at the Conversion Time should be treated as a reorganisation of share capital and accordingly should not constitute a disposal of the C Shares for the purposes of capital gains tax. The Ordinary Shares arising on the conversion should be treated as acquired at the same time as, and with the same base cost as, the C Shares.

Taxation of dividend income – UK Individual Shareholders

UK Individual Shareholders will be liable to income tax in respect of dividends or other income distributions of the Company. A UK Individual Shareholder will generally benefit from an allowance in the form of an exemption from tax for the first £5,000 of dividend income received in the relevant tax year (the “**Dividend Allowance**”). Any dividends above the Dividend Allowance will be taxable at 7.5 per cent (to the extent it falls within an individual’s basic rate band), 32.5 per cent (to the extent it falls within an individual’s higher rate band) or 38.1 per cent (to the extent it falls within an individual’s additional rate band) for the 2017-18 tax year. Dividend income of individuals in tax exempt arrangements such as ISAs should be exempt.

Taxation of dividend income – UK Corporate Shareholders

Unless the recipient is a “small company” (as to which see below), UK Corporate Shareholders will not be subject to corporation tax on dividends paid by the Company on the Shares so long as the dividends fall within an exempt class and certain conditions are met. Although it is likely that dividends paid by the Company on the Shares would qualify for exemption from corporation tax, it should be noted that the exemptions are not comprehensive and are subject to anti-avoidance rules. Dividends that are not exempt will be subject to corporation tax at a rate of 19 per cent for the 2017-18 tax year.

UK Corporate Shareholders which are “small companies” (as that term is defined in section 931S of the Corporation Tax Act 2009) will be liable to corporation tax (at a rate of 19 per cent for the 2017-18 tax year) on dividends paid by the Company on the Shares as the Company is not resident in a “qualifying territory” for the purposes of the legislation contained in the Corporation Tax Act 2009.

Withholding tax

The Company will not be required to withhold UK tax at source from any dividends or redemption proceeds payable to Shareholders.

Stamp duty and Stamp Duty Reserve Tax (“SDRT”)

No UK stamp duty or SDRT will arise on the issue of C Shares.

No UK stamp duty will be payable on a transfer of Shares, provided that no instruments effecting or evidencing the transfer (or matters or things done in relation to the transfer) are executed in the UK and no matters or actions relating to the transfer are performed in the UK.

Provided that the Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Shares are not paired with shares issued by a company incorporated in the UK, any agreement to transfer the Shares will not be subject to UK SDRT.

Individual Savings Accounts (“ISAs”) and Small Self Administered Schemes (“SSASs”)/Self-Invested Personal Pensions (“SIPPs”)

C Shares acquired pursuant to the Initial Placing will not be eligible to be held in an ISA. C Shares acquired pursuant to the Initial Offer for Subscription, or any Subsequent Offer for Subscription, and in the secondary market should be eligible for inclusion in an ISA, subject to the applicable subscription limits. Investors resident in the UK who are considering acquiring C Shares pursuant to the Initial Offer for Subscription and/or any Subsequent Offer for Subscription and/or in the secondary market are recommended to consult

their own tax and/or investment advisers in relation to the eligibility of the C Shares for ISAs and SSAS/SIPPs.

The annual ISA investment allowance is £20,000 for the 2017-18 tax year.

Other United Kingdom tax considerations

UK Offshore Fund Rules

As set out above in the section “RISK FACTORS – 6. RISKS RELATING TO TAX AND REGULATION – UK offshore funds rules”, the Directors have been advised that the Company should not be, and the shares in the Company should not be shares in, an “offshore fund” for the purposes of UK taxation, although the Company does not make any commitment to investors that it will not be treated as an offshore fund.

Accordingly, Shareholders who are liable to UK tax on disposal of Shares should not be liable to income tax or corporation tax on income in respect of any gain on disposal of the Shares. Shareholders should instead be subject to tax on chargeable gains as referred to above. Further, for so long as the Company is not an offshore fund, the “bond fund” rules should not apply such that the Shares should not be treated as creditor loan relationships for corporate Shareholders as set out in section 490 of the Corporation Tax Act 2009, and distributions on the Shares should not be treated as interest for income tax purposes for individual Shareholders as set out in section 754 of the Income Tax (Trading and Other Income) Act 2005.

Controlled Foreign Companies

If the Company is controlled by UK residents such that it would be a “Controlled Foreign Company” for UK tax purposes, UK Corporate Shareholders having an interest in the Company, such that 25 per cent or more of the Company’s profits for an accounting period could be apportioned to them, may be liable to corporation tax in respect of their share of the Company’s profits in accordance with the provisions of Part 9A of the Taxation (International and Other Provisions) Act 2010.

Transfer of assets abroad

The attention of UK Individual Shareholders is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the UK and may render them liable to income tax in respect of undistributed income of the Company.

Attribution of Gains to Persons Resident in the United Kingdom

If the Company would be a “close company” for UK tax purposes if resident in the UK, in certain circumstances, a portion of capital gains made by the Company can be attributed to a Shareholder who holds, alone or together with associated persons, more than 25 per cent of the Shares.

Transactions in securities

The attention of Shareholders is drawn to the provisions of (in the case of UK Individual Shareholders) Chapter 1 of Part 13 of the Income Tax Act 2007 and (in the case of UK Corporate Shareholders) Part 15 of the Corporation Tax Act 2010, which give powers to HMRC to cancel tax advantages derived from certain transactions in securities.

If any Shareholder is in doubt as to their taxation position, they are strongly recommended to consult an independent professional adviser without delay.

PART 10

ADDITIONAL INFORMATION

1. THE COMPANY

- 1.1 The Company was incorporated with liability limited by shares in Guernsey under the Companies Law with registered number 61955 on 27 April 2016 under the name Hadrian's Wall Secured Investments Limited. The Company is regulated by the Commission and registered as a registered closed-ended collective investment scheme pursuant to the POI Law. The Company's legal and commercial name is Hadrian's Wall Secured Investments Limited.
- 1.2 The Company is domiciled in Guernsey. The registered office and principal place of business of the Company is at Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR. The address of the Company's corporate website is www.hadrianswallcapital.com/hwsil. The telephone number of the Company's registered office is +44(0) 1481 737600. The business address of each of the Directors is the registered office of the Company.
- 1.3 The Company's accounting period ends on 30 June each year, with the first year ending on 30 June 2017.
- 1.4 The principal legislation under which the Company operates (and under which the Shares are/will be created) is the Companies Law together with the ordinances and regulations made under the Companies Law. The liability of the Company's members is limited.
- 1.5 The Company is neither regulated nor authorised by the FCA. The Company is subject to the Listing Rules, the Prospectus Rules and the Disclosure Guidance and Transparency Rules and MAR. As at the date of this document, the Company is regulated by the GFSC as a registered closed-ended collective investment scheme under the POI Law and the RCIS Rules. The Subsidiary was registered with the FCA under the Money Laundering Regulations 2007 (SI2007 No. 2157) with effect from 5 May 2016.
- 1.6 The Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.
- 1.7 The Group does not have any employees.
- 1.8 The Company has one subsidiary, being the Subsidiary, and the Company and the Subsidiary together comprise the Group. As at the date of this prospectus, the directors of the Subsidiary are Ronald Miao, an employee of the Investment Adviser, and Anthony Lee, an employee of the Subsidiary Administrator. The Subsidiary was incorporated in England and Wales under the Companies Act 2006 (UK) on 24 April 2016 with registered number 10144063. The Company holds the entire issued share capital of the Subsidiary. The Company has no parent undertakings, associated companies (aside from the Subsidiary) and the Group neither owns nor leases any premises.
- 1.9 The Company does not have, nor will it be establishing, any share incentive scheme in relation to the Board or any personnel of any third party service providers.
- 1.10 Deloitte LLP has been the only auditor of the Company since its incorporation. The annual report and financial statements of the Company are prepared according to IFRS and in accordance with the requirements of the Companies Law.
- 1.11 The Company has no fixed life.

2. SHARE CAPITAL

- 2.1 The share capital of the Company consists of an unlimited number of ordinary shares of no par value which may be issued as ordinary shares, B shares or C shares.

- 2.2 The Company issued one Ordinary Share upon incorporation on 27 April 2016 at the IPO Price, which was held by the subscriber to the Memorandum, International Fund Management Limited, on trust for the Investment Adviser, and was transferred pursuant to the 2016 Placing and Offer for Subscription.
- 2.3 On 20 June 2016, 80,024,705 Ordinary Shares were issued at 100 pence per share pursuant to the 2016 Placing and Offer for Subscription.
- 2.4 As at 27 April 2017 (being the latest practicable date prior to the publication of this document), there were 80,024,706 Ordinary Shares in issue.
- 2.5 The C Shares will be capable of being held in uncertificated form. In the case of C Shares held in uncertificated form, the Articles permit the holding and transfer of C Shares under CREST. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Directors will apply for the C Shares to be admitted to CREST. The records in respect of C Shares held in uncertificated form will be maintained by Euroclear and the Registrar.
- 2.6 The C Shares to be issued pursuant to the Initial Placing and the Initial Offer for Subscription will be allotted and issued in accordance with the Company's Articles conditional upon Initial Admission, pursuant to a resolution of the Board to be passed prior to Initial Admission.
- 2.7 The C Shares will be denominated in Sterling.
- 2.8 As at the date of this document:
- (a) no person has voting rights that differ from those of other Shareholders;
 - (b) the Company does not have in issue any Shares not representing share capital;
 - (c) the Company does not hold any treasury shares and no Shares are held by, or on behalf of, the Company;
 - (d) no Shares have been issued otherwise than as fully paid;
 - (e) the Company has no outstanding convertible securities, exchangeable securities or securities with warrants;
 - (f) there are no acquisition rights and/or obligations over the unissued share capital of the Company and the Company has given no undertaking to issue Shares other than in accordance with the Articles and this document;
 - (g) no capital of the Company is under option or is agreed, conditionally or unconditionally, to be put under option; and
 - (h) there are no restrictions on the transfer of Shares other than the restrictions described in the Articles (see paragraph 5 below), including (without limitation) that the Board may refuse to register a transfer of shares which might result in: (i) the Company incurring a liability in connection with being required to register as an "investment company" under the U.S. Investment Company Act; (ii) the Company losing an exemption from the requirement to register as an investment company under the U.S. Investment Company Act; (iii) the assets of the Company being deemed to be assets of an ERISA Plan Investor; or (iv) the offer and sale being subject to registration under the Securities Act, and that the Board may require the transfer of shares by a person believed to be an ERISA Plan Investor.

2.9 Pursuant to a written resolution of the subscriber to the Company's Memorandum dated 31 May 2016:

- (a) the Directors have been granted general authority to purchase in the market up to 14.99 per cent. of the Ordinary Shares in issue immediately following the IPO. The Directors intend to seek annual renewal of this authority from the Shareholders at the Company's annual general meetings. In the event that the Board decides to repurchase Ordinary Shares, purchases will only be made through the market for cash at prices (taking account of the expenses of purchases) not exceeding the latest reported Net Asset Value per Ordinary Share and the maximum price to be paid per Share must not be more than the higher of (a) five per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made, or (b) the higher of the last independent trade or the highest current independent bid for the Ordinary Shares, and purchases must be made in accordance with the Companies Law, which provides among other things that any such purchase is subject to the Company passing the solvency test contained in the Companies Law at the relevant time; and
- (b) it was resolved to disapply the pre-emption rights contained in the Articles in respect of:
- (i) the issue of up to, in aggregate, 250 million (i) Ordinary Shares pursuant to the 2016 Placing Programme and (ii) C Shares;
- (ii) the issue of such number of Ordinary Shares as is equal to 10 per cent. of the number of Ordinary Shares in issue immediately following the IPO; and
- (iii) the sale of any Ordinary Shares held in treasury,
- such authority extending until the conclusion of the first annual general meeting of the Company.

3. MAJOR INTERESTS

3.1 As at 27 April 2017 (being the latest practicable date prior to the publication of this document), the Company had received the following notifications of interests, directly or indirectly, in three per cent. or more of the voting rights attaching to Ordinary Shares:

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>% of voting rights attaching to the issued Ordinary Shares</i>
Old Mutual Global Investors	20,000,000	24.99
Invesco Asset Management	20,000,000	24.99
Investec Wealth & Investment	15,648,030	19.55
Premier Asset Managers	8,681,250	10.85
City of Bradford Metropolitan DC	4,000,000	5.00
Alder Investment Management Ltd	3,000,000	3.75
Representative Body of the Church of Ireland	2,600,000	3.25

3.2 As at 27 April 2017 (being the latest practicable date prior to the publication of this document), the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

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

4. MEMORANDUM AND ARTICLES OF INCORPORATION

In addition to the rights of the holders of the C Shares and the Deferred Shares, which are summarised in Part 8 of this document, this paragraph 4 contains a summary of the provisions of the Memorandum and Articles:

4.1 *Objects*

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

4.2 *Voting rights*

Subject to any special rights or restrictions for the time being attached to any class of shares, every holder (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative or by proxy at a general meeting has, on a show of hands, one vote and, on a poll, one vote for every Share held by him.

4.3 *Restrictions on voting*

Unless the Board otherwise decides, a holder shall not be entitled to vote, either in person or by proxy, at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in 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 holder 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 in accordance with the Articles within 14 days.

4.4 *Dividends*

Subject to compliance with the Companies Law, the Board may at any time declare and pay such dividends and distributions to be paid to the holders in accordance with the procedures set out in the Companies Law and subject to any holder's rights attaching to their shares. The amount of dividends or distributions paid in respect of one class of shares may be different from that of another class. No dividend, distribution or other monies payable by the Company on or in respect of any Share shall bear interest as against the Company unless otherwise provided by the rights attaching to the Share.

The Directors may, if authorised by Shareholders by ordinary resolution, 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 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.

4.5 *Return of capital*

If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by law, divide among the holders 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 holders or different classes of holders. 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 holders as the liquidator, with the same sanction, thinks fit but no holders shall be compelled to accept any assets on which there is any liability.

4.6 *Variation of rights*

All or any of the rights attaching to a class of shares in the Company may be varied with the written consent of the holders of not less than three-fourths in number of the issued shares of the class (excluding any shares of the class held as treasury shares), or with the sanction of a special resolution passed at a separate class meeting of the holders of the relevant class. The quorum for the separate class meeting shall be two persons holding, or represented by proxy, not less than one-third in number of the issued shares of the relevant class (excluding any shares of the class held as treasury shares save that where the class has only one holder, the quorum shall be that holder).

4.7 *Transfer of shares*

Subject to the Articles (and the restrictions on transfer contained therein), a holder may transfer all or any of his Shares in any manner which is permitted by the Companies Law or in any other manner which is from time to time approved by the Board.

The Articles provide that the Board has power to implement such arrangements as it may, in its absolute discretion, think fit in order for Shares to be admitted to settlement by means of the CREST system. If the Board implements any such arrangements, no provision of the Articles will apply or have effect to the extent that it is in any respect inconsistent with:

- (a) the holding of Shares in uncertificated form;
- (b) the transfer of title to Shares by means of the CREST system; or
- (c) the CREST Regulations or the AO Rules.

Where the Shares are, for the time being, admitted to settlement by means of the CREST system such securities may be issued in uncertificated form in accordance with and subject to the CREST Regulations and the AO Rules. Unless the Board otherwise determines, Shares held by the same holder or joint holders in certificated form and uncertificated form will be treated as separate holdings. Shares may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject to the CREST Regulations and the AO Rules. Title to such of the Shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST system.

The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share in certificated form or uncertificated form subject to the Articles which is not fully paid or on which the Company has a lien provided that, in the case of a Share, this would not prevent dealings in the Shares from taking place on an open and proper basis on the London Stock Exchange.

In addition, the Board may decline to transfer, convert or register a transfer of any Share in certificated form or (to the extent permitted by the CREST Regulations or the AO Rules) uncertificated form: (a) if it is in respect of more than one class of shares; (b) if it is in favour of more than four joint transferees; (c) if applicable, if it is delivered for registration to the registered office of the Company or such other place as the Board may decide, not accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require; or (d) if the transfer is in favour of any Non-Qualified Holder.

If any Shares are owned directly, indirectly or beneficially by a person believed by the Board to be a Non-Qualified Holder, the Board may give notice to such person requiring him either: (i) to provide the Board within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder; or (ii) to sell or transfer his Shares to a person who is not a Non-Qualified Holder within 30 days (or such other period as the Directors consider reasonable) and within such period to provide the Board with satisfactory evidence of such sale or transfer and pending such sale or transfer, the Board may suspend the exercise of any voting or consent rights and rights to receive notice of or attend any meeting of the Company and any rights to receive dividends or other distributions with respect to such shares. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the

expiration of such 30 days, to have forfeited his shares. If the Board in its absolute discretion so determines, the Company may dispose of the shares at the best price reasonably obtainable and pay the net proceeds of such disposal to the former holder.

4.8 ***Pre-emption rights***

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of ordinary shares, which expression, for the purposes and only for the purposes of the pre-emption rights contained in the Articles (and the summary thereof in this paragraph) includes both Shares and C Shares. However, the Articles provide that the Company is not permitted to allot (for cash) ordinary shares or rights to subscribe for, or convert securities into, ordinary shares, unless it shall first have offered to allot to each existing holder of ordinary shares on the same or more favourable terms a proportion of those ordinary shares the aggregate value of which (at the proposed issue price) is as nearly as practicable equal to the proportion of the total Net Asset Value of the Company represented by the ordinary shares held by such shareholder. These pre-emption rights may be excluded and disapplied or modified by extraordinary resolution of the shareholders.

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

The Company may alter its share capital in accordance with the provisions in any manner permitted by the Companies Law.

4.10 ***General meetings***

4.10.1 *Annual general meetings*

The Board shall convene and the Company shall hold annual general meetings in accordance with the requirements of the Companies Law. The first annual general meeting of the Company must be held within 18 months of the date of the Company's incorporation. Thereafter, an annual general meeting must be held at least once in every calendar year, and in any event, no more than 15 months after the last annual general meeting. Annual General Meetings shall be held in Guernsey.

4.10.2 *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 be held in Guernsey. A general meeting shall also be convened by the Board on the requisition of holders who hold more than 10 per cent. of such capital of the Company as carries the right to vote at general meetings (excluding any capital held as treasury shares) pursuant to the provisions of the Companies Law or, in default, may be convened by such requisitions, as provided by the Companies Law. The Board shall comply with the provisions of the Companies Law regarding the giving and the circulation, on the requisition of holders, 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.

4.10.3 *Orderly conduct of meetings*

The Board may both prior to and during any general meeting make any arrangements and impose any restrictions which it considers appropriate to ensure the security and/or the orderly conduct of any such general meeting, including, without limitation, arranging for any person attending any such meeting to be searched, for items of personal property which may be taken into any such meeting to be restricted and for any person (whether or not a holder of the Company) who refuses to comply with any such arrangements or restrictions to be refused entry to or excluded from any such meeting.

4.10.4 *Notice of general meetings*

Subject to the provisions of the Companies Law, a general meeting (including an annual general meeting) shall be called by at least ten clear days' notice.

The notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted and the text of any proposed special resolutions and ordinary resolutions.

Notice of every general meeting shall be given to all holders other than any who, under the provisions of the Articles or the terms of issue of the shares which they hold, are not entitled to receive such notices from the Company, and also to the auditors (or, if more than one, each of them) and to each director (and alternate director, if any).

Every notice of meeting shall state with reasonable prominence that a holder entitled to attend, speak and vote at the meeting may appoint one or more proxies to attend, speak and vote at that meeting instead of him and that a proxy need not be a holder.

4.10.5 *Quorum*

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting which shall not be treated as part of the business of the meeting.

Except as otherwise provided by the Articles two persons entitled to attend and to vote on the business to be transacted, each being a holder present in person or by proxy or a duly authorised representative of a corporation which is a holder shall be a quorum. If within fifteen minutes from the time appointed for the commencement of the general meeting a quorum is not present, the meeting, if convened by or on the requisition of holders, shall be dissolved. In any other case, it shall stand adjourned to such other day (not being less than ten days later, excluding the day on which the meeting is adjourned and the day for which it is reconvened) and at such other time and place, as the board may decide. If at an adjourned meeting a quorum is not present within 15 minutes from the time fixed for holding the meeting or if during the meeting a quorum ceases to be present, the adjourned meeting shall be dissolved.

4.10.6 *Chairman*

The chairman of any general meeting shall be either:

- (a) the chairman of the Board;
- (b) in the absence of the chairman, or if the Board has no chairman, then the Board shall nominate one of their number to preside as chairman;
- (c) if neither the chairman of the Board nor the nominated director are present at the meeting then the directors present at the meeting shall elect one of their number to be the chairman;
- (d) if only one director is present at the meeting then he shall be chairman of the general meeting; or
- (e) if no directors are present at the meeting then the holders present in person or by proxy shall elect a chairman for the meeting by an ordinary resolution.

4.10.7 *Directors entitled to attend and speak*

Each 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.

4.10.8 *Adjournment*

The chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting at any time and to any place.

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

or place 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 holders may be unable to be present at the adjourned meeting.

4.10.9 *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; or
- (b) not less than five holders present in person or by proxy having the right to vote on the resolution; or
- (c) a holder or holders present in person or by proxy representing in aggregate not less than 10 per cent. of the total voting rights of all the holders 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 holder shall be as valid as if the demand were made by the holder himself.

4.10.10 *Taking a poll*

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

4.10.11 *Proxies*

A proxy need not be a holder. An instrument of proxy may be valid for one or more meetings.

4.10.12 *Form of proxy*

Subject to the provisions of the Companies Law, the instrument appointing a proxy shall be in any common form or in such other form as the directors may approve and (i) if in writing but not sent in electronic form, made under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of an officer or attorney duly authorised in that behalf, or (ii) if sent in electronic form by electronic means, submitted by or on behalf of the appointor and authenticated.

4.10.13 *Deposit of proxy*

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of that power or authority (if any) under which it is signed, or a copy of that power or authority certified notarially or in some other way approved by the directors shall:

- (a) in the case of an instrument in writing (including whether or not the appointment of a proxy is sent in electronic form, any such power of attorney or authority) be deposited at the office or such other place within Guernsey as may be specified by or on behalf of the Company for that purpose, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting;
- (b) in the case of an appointment transmitted in electronic form by electronic means, where received at an address which has been specified for the purpose of receiving documents or information in electronic form in, or by way of note to, the notice convening the meeting or in any instrument of proxy sent by or on behalf of the Company in relation to the meeting or in any invitation to appoint a proxy issued by or on behalf of the Company in relation to the meeting to be received at such an address

not less than 48 hours before the time appointed for holding the meeting or adjourned meeting;

- (c) in the case of a poll which is taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (d) in the case of a poll which is not taken at the meeting at which it is demanded but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director or some other person authorised by the Company.

No account shall be taken of any part of a day that is not a business day, as defined in the Companies Law.

In relation to any shares which are held in uncertificated form, the Board may from time to time permit appointments of a proxy to be made by electronic means in the form of an uncertificated proxy instruction.

4.10.14 *Notice of revocation of proxy*

Notice of the revocation of the appointment of a proxy may be given in any lawful manner which complies with the regulations (if any) made by the directors to govern the revocation of a proxy.

4.11 **Directors**

4.11.1 *Number*

Unless otherwise determined by ordinary resolution of the Company, the directors (other than alternate directors) shall not be less than two but there shall be no maximum number of directors.

4.11.2 *Remuneration*

The directors (other than any director who for the time being holds an executive office of employment with the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as determined by the directors. The aggregate of the fees shall not exceed £200,000 per annum (or such larger sum as the Company may, by ordinary resolution determine). Any fee 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 and about the 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.

4.11.3 *Retirement of directors by rotation*

- (a) At every annual general meeting any director:
 - (i) who has been appointed by the board since the previous annual general meeting;
 - (ii) who held office at the time of the two preceding annual general meetings and who did not retire at either of them; or
 - (iii) who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting,shall retire from office and may offer himself for re-appointment by the members.
- (b) The names of the directors to retire by rotation shall be stated in the notice of the annual general meeting or in any document accompanying the notice. The directors to

retire on each occasion (both as to number or identity) shall be determined 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.

4.11.4 *Position of retiring directors*

A director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to continue to act, be re-appointed. If he is re-appointed he is treated as continuing in office throughout. If he is not re-appointed, he shall retain office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place or when a resolution to re-appoint the director is put to the meeting and lost.

4.11.5 *Removal of Directors*

The Company may by ordinary resolution, of which special notice has been given in accordance with the Statutes, remove any director before his period of office has expired notwithstanding anything in the Articles or in any agreement between him and the Company.

4.11.6 *Vacation of office of Director*

Without prejudice to the provisions of the Articles for retirement or removal, the office of a director shall be vacated:

- (a) if he ceases to be a director by virtue of any provision of the Statutes or is removed from office pursuant to the Articles;
- (b) if he is prohibited by law from being a director;
- (c) if he becomes bankrupt or he makes any arrangement or composition with his creditors generally;
- (d) if a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) if he is, or may be, suffering from mental disorder and in relation to that disorder either he is admitted to hospital for treatment or an order is made by a court (whether in Guernsey or elsewhere) for his detention or for the appointment of some person to exercise powers with respect to his property or affairs;
- (f) if for more than six months he is absent (whether or not an alternate director attends in his place), without special leave of absence from the board, from meetings of the board held during that period and the board resolves that his office be vacated;
- (g) if he serves on the Company notice of his wish to resign, in which event he shall vacate office on the service of that notice on the Company or at such later time as is specified in the notice; or
- (h) if he becomes resident in the United Kingdom for UK tax purposes and a majority of the directors would, if he were to remain a director, be resident in the United Kingdom for UK tax purposes.

4.11.7 *Power to appoint alternate Directors*

Each director may appoint another director or any other person who is willing to act as his alternate and may remove him from that office. The appointment as an alternate director of any person who is not himself a director shall be subject to the approval of a majority of the directors or a resolution of the board.

An alternate director shall be entitled to receive notice of all meetings of the board and of all meetings of committees of which the director appointing him is a member, to attend and vote at any such meeting at which the director appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at the meeting the provisions of the Articles shall apply as if he were a director.

Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director, but he shall count as only one for the purpose of determining whether a quorum is present.

4.11.8 *Quorum and voting requirements*

- (a) A director shall not vote on (or be counted in the quorum) in relation to any resolution of the board 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 but, 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 in which the Company is interested, those proposals may be divided and a separate resolution may be put in relation to each director and in that case each of the directors concerned (if not otherwise debarred from voting under Article 86.7) shall be entitled to vote (and be counted in the quorum) in respect of each resolution unless it concerns his own appointment or the termination of his own appointment.
- (b) 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:
 - (i) where the other directors resolve that the director concerned should be entitled to do so in circumstances where they are satisfied that the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (ii) in any of the following circumstances:
 - (A) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by the director or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
 - (B) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director has himself assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (C) 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 the director is or may be entitled to participate as a holder of securities or he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
 - (D) any contract in which the director is interested by virtue of his interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
 - (E) any contract concerning any other company in which the director is interested, directly or indirectly and whether as an officer, shareholder,

creditor or otherwise, unless the company is one in which he has a relevant interest and for this purpose:

- (1) a company shall be deemed to be one in which a director has a relevant interest if and so long as he (together with persons connected with him within the meaning of sections 252 to 255 of the UK Companies Act) to his knowledge holds an interest in shares (as determined pursuant to sections 820 to 825 of the UK Companies Act) representing 1 per cent. or more of any class of the equity share capital of that company (calculated exclusive of any shares of that class in that company held as treasury shares) or of the voting rights available to members of that company or if he can cause 1 per cent. or more of those voting rights to be exercised at his direction; and
 - (2) where a company in which a director is deemed for the purposes of this Article to have a relevant interest is materially interested in a contract, he shall also be deemed to be materially interested in that contract;
- (F) 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 him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
- (G) any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company and/or of any of its subsidiary undertakings and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates;
- (H) any contract concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death, or disability benefits scheme or employees' share scheme which relates both to directors and employees of the Company or any of its subsidiary undertakings and does not provide in respect of any director as such any privilege or advantage not accorded to employees to which the fund or scheme relates; and
- (I) any contract concerning the purchase or maintenance of insurance against any liability, for the benefit of persons including directors.

4.11.9 *Other conflicts of interest*

- (a) If a director is in any way, directly or indirectly, interested in a proposed contract with the Company or a contract that has been entered into by the Company, he must declare the nature and extent of that interest to the directors in accordance with the Statutes.
- (b) Provided he has declared his interest in accordance with paragraph 4.11.9 (a), a director may:
 - (i) be party to, or otherwise interested in, any contract with the Company or in which the Company has a direct or indirect interest;
 - (ii) hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and upon such terms, including as to remuneration, as the board may decide, either in addition to or in lieu of any remuneration under any other provision of the Articles;

- (iii) act by himself or through a firm with which he is associated in a professional capacity for the Company or any other company in which the Company may be interested (otherwise than as auditor); and
- (iv) be or become a director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary company of the Company or any other company in which the Company may be interested.

4.11.10 *Conflicts of interest requiring board authorisation*

- (a) A “conflict of interest” means, in relation to any person, an interest or duty which that person has which directly or indirectly conflicts or may conflict with the interests of the Company or the duties owed by that person to the Company but excludes a conflict of interest arising in relation to a transaction or arrangement with the Company (to which the provisions summarised in paragraphs 4.11.8 and 4.11.9 above apply).
- (b) A director seeking authorisation in respect of a conflict shall declare to the Board the nature and extent of his interest in a conflict as soon as is reasonably practicable. The director shall provide the Board with such details of the relevant matter as are necessary for the Board to decide how to address the conflict together with such additional information as may be requested by the Board. Subject to compliance with any rules of the Guernsey Financial Services Commission to which the Company is subject and the Companies Law, the non-conflicted directors shall have authority to authorise any matter which gives rise to the conflict of interest concerned on such terms as they think fit. Any terms on which the matter in question is authorised may be varied by the non-conflicted directors from time to time and the non-conflicted directors may revoke such authority at any time insofar as it has not already been acted on.
- (c) A conflicted director shall not be entitled to any information which is relevant to the matter giving rise to the conflict of interest except to the extent authorised by the non-conflicted directors.
- (d) Where a matter giving rise to a conflict of interest is authorised by the non-conflicted directors, the conflicted director shall:
 - (i) be released from any duty to disclose to the Company any confidential information relating to the matter in question which he receives or has received from a third party;
 - (ii) save as otherwise determined by the non-conflicted directors, be released from any duty to attend or remain in attendance at a board meeting when the matter giving rise to a conflict of interest is due to be discussed; and
 - (iii) save as otherwise determined by the non-conflicted directors at the time when they authorise the matter, not be accountable to the Company for any benefit which he derives from such matter (excluding a benefit conferred on the director by a third party by reason of his being a director of the Company or by reason of his doing or not doing anything as a director of the Company).
- (e) Any confidential information which a conflicted director has received from the Company or in his capacity as a director of the Company shall not be disclosed by him to any third party except insofar as permitted by the non-conflicted directors.
- (f) The directors may authorise a matter which may give rise to a conflict on the part of a person who is proposed to be appointed as a director to the Board and any authorisation of such matter by the directors shall promptly be communicated to such person and shall apply to him on his appointment as a director.

- (g) A director shall not be regarded as having a conflict by reason of his also being a director of or holding any other position with another Group Company and the director shall not be in breach of any duty to the Company by reason of his disclosure of any information to the other Group Company or by anything done by the other Group Company including the exploitation of any property, information or opportunity following any such disclosure to it by the director. The directors may resolve that a specified company shall no longer be treated as a Group Company for the purposes of these provisions.

4.11.11 *Benefits*

Subject to the provisions of the Companies Law a director shall not be disqualified by his office from entering into any contract with the Company, either with regard to his tenure of any office or position in the management, administration or conduct of the business of the Company or as vendor, purchaser or otherwise. Subject to the interest of the director being duly declared, a contract entered into by or on behalf of the Company in which any director is in any way interested shall not be liable to be avoided; nor shall any director so interested be liable to account to the Company for any benefit resulting from the contract by reason of the director holding that office or of the fiduciary relationship established by his holding that office.

4.11.12 *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 and the Articles. No alteration of the Articles shall invalidate any prior act of the board which would have been valid if the alteration had not been made.

4.11.13 *Borrowing powers*

Subject to the provisions of the Companies Law and 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 the Company's undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities and to give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.11.14 *Indemnity of officers*

Insofar as the Companies Law allows, every present or former officer (other than an auditor) of the 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 directors 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 Companies Law in respect of any liability which would otherwise attach to such officer or former officer.

4.11.15 *Delegation to individual Directors*

The Board may entrust to and confer upon any director any of its powers, authorities and discretions (with power to sub-delegate) on such terms and conditions as it thinks fit and may revoke or vary all or any of them, but no person dealing in good faith shall be affected by any revocation or variation.

4.11.16 *Board meetings*

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

4.11.17 *Notice of board meetings*

Notice of a board meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in hard copy form to him at his last known address

or any other address given by him to the Company for this purpose or sent in electronic form to him at an address given by him to the Company for this purpose.

4.11.18 *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.

4.11.19 *Voting*

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes neither the chairman of the meeting nor any person shall have a second or casting vote.

4.11.20 *Telephone and video conference meetings*

A meeting of the board may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able:

- (a) to hear each of the other participating directors addressing the meeting; and
- (b) if he wishes, to address all of the other participating directors simultaneously, whether by conference telephone or by video conference or by any other form of communications equipment (whether in use when the Articles are adopted or developed subsequently) or by a combination of any such methods.

A meeting held in this way is deemed to take place at the place where the chairman of the meeting participates.

4.11.21 *Resolutions in writing*

Any director may propose a directors' written resolution and the secretary must propose a written resolution if a director so requests. A resolution in writing signed by all the directors who are entitled to notice of a meeting of the board, to attend such meeting and to vote on such resolution shall be as valid and effective as if it had been passed at a meeting of the board duly called and constituted provided that the number of directors signing the resolution is not less than the number of directors required for a quorum necessary for the transaction of the business of the board. The resolution may be contained in one document or in several documents in like form, each signed or approved by one or more of the directors concerned.

4.11.22 *Duration*

The Board will propose a special resolution at every fifth annual general meeting of the Company that the Company should cease to continue as presently constituted (a "**Discontinuation Resolution**"). In the event that a Discontinuation Resolution is passed, the Board shall formulate proposals to be put to holders within four months to wind up or otherwise reconstruct the Company. Any such proposals may incorporate arrangements which enable investors who wish to continue to be exposed to the Company's portfolio of assets to maintain some or all of their existing exposure.

4.12 *C Shares*

The rights attaching to the C Shares are separately described in Part 8 of this prospectus.

4.13 *B Shares*

The Company may from time to time issue redeemable shares of no par value ("**B Shares**").

B Shares may be issued only to existing holders of ordinary shares pro rata to their holdings of ordinary shares at the time of such issue. The Board may issue fractional B Shares. The B Shares shall be non-transferable and shall be redeemable at the option of the Board on such terms as the Board shall determine.

On a redemption of a B Share, the Board shall have the power to divide in specie the whole or any part of the assets of the relevant value (which shall be conclusively determined by the Board in good faith) of the Company and appropriate such assets in satisfaction of the redemption price and any other sums payable on redemption as provided in the Articles and provided any such appropriation does not materially prejudice the interests of the remaining members.

B Shares shall not carry any right to any dividends, any other income distributions, or any capital distributions of the Company other than as expressly permitted under the Articles. The B Shares shall not entitle any holder thereof to any surplus assets of the Company remaining after payment of all the creditors of the Company apart from a distribution in respect of any capital paid up on the B Shares which shall rank behind any amounts due in respect of other classes of shares and such distribution shall be distributed pro rata.

B Shares shall not carry any right to receive notice of, or attend or vote at, any general meeting of the Company or any right to vote on written resolutions of the Company.

5. DISCLOSURE OF BENEFICIAL INTERESTS

The provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules (as amended from time to time) (“**DTR 5**”) of the FCA Handbook (the “**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 would be required to notify the Company of the percentage of voting rights it holds as a holder of 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 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.

However, pursuant to the Articles, DTR 5 is deemed to apply to the Company as if the Company were an “issuer” whose “Home State” is in the United Kingdom, as such terms are defined in 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 in the Articles such thresholds would not apply to the Company.

In addition, the Board may serve notice on any holder requiring that holder to promptly provide the Company with any information, representations, certificates or forms relating to such holder (or its direct or indirect owners or account holders) that the Board determines from time to time are necessary or appropriate for the Company to: (a) satisfy any account or payee identification, documentation or other diligence requirements and any reporting requirements imposed under sections 1471 to 1474 of the Internal Revenue Code or the requirements of any similar laws or regulations to which the Company may be subject enacted from time to time by any other jurisdiction (“**Similar Laws**”); or (b) avoid or reduce any tax otherwise imposed by the Internal Revenue Code or Similar Laws (including any withholding upon any payments to such holder by the Company); or (C) permit the Company to enter into, comply with, or prevent a default under or termination of, an agreement of the type described in section 1471(b) of the Internal Revenue Code or under Similar Laws.

If any holder (a “**Defaulting Shareholder**”) is in default of supplying to the Company the information referred to above within the prescribed period (which shall not be less than 28 days after the service of the notice), the Defaulting Shareholder shall be deemed to be a Non-Qualified Holder, in which case the relevant provisions described in paragraph 4.7 above would apply.

6. 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. The Company has applied for the C Shares to be admitted to CREST and it is expected that the C Shares will be so admitted, and accordingly enabled for settlement in CREST, as soon as practicable after Initial Admission has occurred.

7. DIRECTORS' INTERESTS

7.1 David Warr and John Falla subscribed for an aggregate of 60,000 Ordinary Shares pursuant to the 2016 Placing and Offer for Subscription. As at 27 April 2017 (being the latest practicable date prior to the date of this document), insofar as it known to the Company, the interests of each Director (including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, the Director whether or not held through another party) in the share capital of the Company are as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>% of issued Ordinary Share capital as at the date of this document</i>
David Warr	50,000	0.06
John Falla	10,000	0.01

7.2 It has been agreed between the Company and the Directors that, provided that the aggregate gross proceeds of the Initial Issue and any Subsequent Issue exceed £40,000,000, each Director will be entitled to an additional fee in consideration of his services in connection with the Issue of £7,500, which will be settled by the issue of 7,500 C Shares to each Director credited as fully paid.

7.3 Save as disclosed in paragraphs 7.1 and 7.2 above, none of the Directors has any interest, whether beneficial or non-beneficial, in the issued share capital of the Company or the Subsidiary nor, so far as is known to the Directors, having made appropriate enquiries, does any person connected with them (which expressions shall be construed in accordance with the Companies Law and which includes for these purposes relevant personnel of the Investment Manager and the Investment Adviser).

7.4 There are no outstanding loans granted by the Company or the Subsidiary to any Director nor are there any guarantees provided by the Company or the Subsidiary for the benefit of any Director.

7.5 The Directors hold the following directorships and are partners in the following partnerships and have held the following directorships and have been partners in the following partnerships within the five years prior to the date of this document:

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
David Warr	Acorn Income Fund Limited	Bright Star Limited
	Aberdeen Frontier Markets Investment Company Limited	Crystal Amber Fund Limited
	Alvis Holdings Limited	The Defensive Strategies Fund Limited
	Bethill Group PLC	Gemini Holdings Limited
	Breedon Aggregates Limited	Guernsey Sports Commission LBG
	Central Way House Limited	Hemisphere Defensive HF (USD) Limited
	FRM Diversified Alpha Limited	Hemisphere Defensive HF PCC Limited
	The Guernsey Community Foundation LBG	LP (Alfreton) Limited
	The Horizon Fund PCC Limited	LP (Brentford) Limited
	Laurent Investments Limited	LP (Bristol) Limited
	Nightwatch Limited	LP (Cannock) Limited
	Pembroke Investments Limited	LP (Fleet) Limited
	Pembroke Investments (2015) Limited	LP (Havant) Limited
	Shoreham Investments Limited	LP (Hemel Hempstead) Limited
	Sunflowers Limited	LP (New Malden) Limited
	Threadneedle UK Select Trust Limited	LP (Northampton) Limited
	Unigestion SRI World Equity Fund Limited	LP (Tudor Street) Limited
	Unigestion Long/Short Global Opportunities Limited	LP (York) Limited
	Uni-Hedge Arbitrage IC Limited	Lunar Partnership (Alfreton) Limited
	Uni-Hedge CPP-UK IC Limited	Lunar Partnership (Bolton) Limited
	Uni-Hedge Concentrated Long/Short Equity IC Limited	Lunar Partnership (Brentford) Limited
	Uni-Hedge Defensive TT IC Limited	Lunar Partnership (Bristol) Limited
	Uni-Hedge Diversified IC Limited	Lunar Partnership (Cannock) Limited
	Uni-Hedge Global Equity FO IC Limited	Lunar Partnership (Hemel Hempstead) Limited
	Uni-Hedge GMT IC Limited	Lunar Partnership (New Malden) Limited
	Uni-Hedge ICC Limited	Lunar Partnership (Northampton) Limited
	Uni-Hedge Market Neutral IC Limited (formerly Uni-Hedge Global Equity IC Ltd)	Lunar Partnership (Scunthorpe) Limited
	Uni-Hedge Patrimoine IC Limited	Lunar Partnership (Tudor Street) Limited
	Uni-Hedge Top Macro Limited	Lunar Partnership (York) Limited
	The Uni-Hedge Trust – Diversified JPY Distribution Fund	Lunar Partnership Limited
	Uni-Hedge Vaudoise I IC Limited	Mid Europa Fund Management Limited
		Opportunities PCC Limited
		Schroder Real Estate Investment Trust Limited
		SREIT Holding Company Limited
		SREIT (No.2) Limited
		SREIT (Mid City) Limited
		SREIT Property Limited
		Unigestion (Guernsey) Limited
		Uni-Hedge Arbitrage Enhanced (EUR) IC Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
David Warr <i>(continued)</i>		Uni-Hedge Arbitrage Enhanced (USD) IC Limited Uni-Hedge Equity Insurance IC Limited Uni-Hedge GBF Alternative IC Limited Uni-Hedge Global Equity Dynamic (EUR) IC Limited Uni-Hedge Global Equity Dynamic (USD) IC Limited Uni-Hedge Global Equity PCC Limited Uni-Hedge Systematic Non-Trend IC Limited Uni-Hedge Tactical Trading ICX
Paul Craig	DIT Income Services Limited Ground Rents Income Fund plc The Diverse Income Trust plc	Aberdeen Emerging Markets Smaller Companies Limited F&C Barrow Hanley US Trust Limited Golden Prospect Precious Metals Limited The Healthcare REIT Limited
John Falla	Duet Real Estate Finance Limited SQN Asset Finance Income Fund Limited SQN Asset Finance (Guernsey) Limited SQN AFIF (AMBER) Limited SQN AFIF (BRONZE) Limited SQN AFIF (Cobalt) Limited SQN AFIF (Diamond) Limited Omnium Investments PCC Limited NB Private Equity Partners Limited NB PEP Investments LP Limited NB PEP Holdings Limited NB PEP Investments Limited Guernsey Yacht Club, LBG	Whitewood REFF Limited CBR Holding (Luxembourg) SA CTBR Holding Limited Edmond de Rothschild Securities (C.I.) Limited Edmond de Rothschild Holdings (C.I.) Limited Edmond de Rothschild Asset Management (C.I.) Limited West End of London Property Investment Company Limited WHC Limited Priquam Advisory Limited Treasury Investments (C.I.) Limited
Nigel Ward	Acorn Income Fund Limited AnaCap Credit Income Fund GP Limited AnaCap Credit Opportunities GP II Limited AnaCap Credit Opportunities II Limited AnaCap Credit Opportunities GP III Limited AnaCap Credit Opportunities III Limited AnaCap Group Holdings Limited AnaCap Investment Manager Limited BlueBay Direct Lending Fund I General Partner Limited	Africa Management Limited BSA 001 Limited BSA 002 Limited EHG PCC Limited Eidos Investments (Guernsey) Limited Gateway (Leeds) Ground Rents Limited Ground Rent Wealth General Partner Limited Ground Rent Wealth (Guernsey) Limited Masshouse Ground Rents Limited Midlands Ground Rents Limited North West Ground Rents Limited Postbox Ground Rents Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Nigel Ward <i>(continued)</i>	Braemar Agricultural Land Investments Limited Braemar Group PCC Limited Canaccord Genuity Wealth (International) Limited Crystal Amber Fund Limited Emerging Manager PCC Limited Fair Oaks Income Fund Limited Gresham House Investment Management (Guernsey) Limited	Premia Global PCC Limited Premier RENN Entrepreneurial Fund Limited Provaliant Asset Management Company Limited TMG 001 Limited TMG 002 Limited TMG 003 Limited TMG 004 Limited UKDI PCC Limited Yorkshire Ground Rents Limited

- 7.6 John Falla is a director of Duet Real Estate Finance Limited in respect of which liquidators were appointed on 15 March 2017 and which is being dissolved by way of a voluntary winding up pursuant to section 391 (b) of the Companies (Guernsey) Law, 2008 (as amended).
- 7.7 John Falla was also a director of Priquam Advisory Limited, which was dissolved by way of a voluntary winding up under the laws of Grand Cayman on 31 January 2014.
- 7.8 No Director has, within the period of five years preceding the date of this document:
- 7.8.1 had any convictions in relation to any fraudulent offences;
 - 7.8.2 been bankrupt or entered into an individual voluntary arrangement;
 - 7.8.3 been a director of any company at the time of receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;
 - 7.8.4 been a partner in a partnership at the time of any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
 - 7.8.5 had his assets the subject of any receivership or has been a partner of a partnership at the time of any assets thereof being the subject of a receivership; or
 - 7.8.6 been subject to any public incrimination and/or sanctions by any statutory or regulatory authority (including any designated professional body) or has ever 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 a company.
- 7.9 No director of the Investment Adviser has, within the period of five years preceding the date of this document:
- 7.9.1 had any convictions in relation to any fraudulent offences;
 - 7.9.2 been bankrupt or entered into an individual voluntary arrangement;
 - 7.9.3 been a director of any company at the time of receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;
 - 7.9.4 been a partner in a partnership at the time of any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
 - 7.9.5 had his assets the subject of any receivership or has been a partner of a partnership at the time of any assets thereof being the subject of a receivership; or
 - 7.9.6 been subject to any public incrimination and/or sanctions by any statutory or regulatory authority (including any designated professional body) nor has ever 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 a company.

8. DIRECTORS' APPOINTMENTS AND REMUNERATION

- 8.1 David Warr was appointed a non-executive Director and Chairman of the Company pursuant to a letter of appointment dated 31 May 2016. His appointment is terminable on three months' notice. The fee payable for his services as Chairman and non-executive Director is £40,000 per annum.
- 8.2 John Falla was appointed a non-executive Director and Chairman of the Audit and Risk Committee of the Company pursuant to a letter of appointment dated 31 May 2016. His appointment is terminable on three months' notice. The fee payable for his services as Chairman of the Audit and Risk Committee and non-executive Director is £35,000 per annum.
- 8.3 Paul Craig was appointed as a non-executive Director of the Company pursuant to letters of appointment dated 31 May 2016. His appointment is terminable on three months' notice. The fee payable for his services as non-executive Director is £30,000 per annum. Paul intends to donate his director's fees to one or more charitable causes.
- 8.4 Nigel Ward was appointed as a non-executive Director of the Company pursuant to letters of appointment dated 31 May 2016. His appointment is terminable on three months' notice. The fee payable for his services as non-executive Director is £30,000 per annum.
- 8.5 It has been agreed between the Company and the Directors that, provided that the aggregate gross proceeds of the Initial Issue and any Subsequent Issue exceed £40,000,000, each Director will be entitled to an additional fee in consideration of his services in connection with the Issue of £7,500, which will be settled by the issue of 7,500 C Shares to each Director credited as fully paid.
- 8.6 The maximum amount of remuneration payable to the Directors permitted under the Articles is £200,000 in aggregate in any financial year.
- 8.7 None of the Directors is entitled to any pension, retirement or similar benefits.
- 8.8 There are no existing or proposed service agreements or consultancy agreements between any of the Directors and the Company which cannot be terminated by the Company without payment of compensation within 12 months.
- 8.9 Other than the payment of benefits during the notice periods set out above, the Directors' letters of appointment provide for no benefits upon termination of their appointment.
- 8.10 There are no arrangements under which any Director has waived or agreed to waive future emoluments nor have there been any such waivers of emoluments during the period immediately preceding the date of this document.

9. SUBSIDIARIES

- 9.1 The Company holds 100 per cent. of the issued share capital of the Subsidiary, which was incorporated in England and Wales under the Companies Act 2006 (UK) on 24 April 2016 with registered number 10144063. The registered office of the Subsidiary is Mermaid House, 2 Puddle Dock, London, England EC4V 3DB.

10. MATERIAL CONTRACTS RELATING TO THE GROUP

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Group and are, or may be, material to the Group:

10.1 *The Placing Agreement*

In connection with the Initial Placing, Initial Offer for Subscription and the Share Issuance Programme, the Company, the Investment Adviser and Winterflood entered into the Placing Agreement on 2 May 2017. The Placing Agreement is conditional on, inter alia, Initial Admission taking place by not later than 8.00 a.m. on 31 May 2017 (or such later time and/or date as may be

specified by Winterflood, but being no later than 8.00 a.m. on 14 June 2017). The principal terms of the Placing Agreement are as follows:

- (a) Winterflood has agreed, as agent of the Company and subject to certain conditions that are typical for an agreement of this nature, to use its reasonable endeavours to procure Places for the C Shares at the relevant Issue Price or Share Issuance Programme Price (as applicable);
- (b) the Company has given certain warranties to Winterflood as to the accuracy of the information in this document and as to other matters relating to the Company. The Investment Adviser has also given warranties to Winterflood. The Company has also given an indemnity to Winterflood in respect of any losses or liabilities arising out of the proper performance by Winterflood of its duties under the Placing Agreement and the Investment Adviser has given an indemnity to Winterflood in respect of its obligations;
- (c) Winterflood may terminate the Placing Agreement before Initial Admission or any Subsequent Admission in certain circumstances, including for breach of the warranties referred to above; and
- (d) neither the Initial Placing nor the Share Issuance Programme is being underwritten.

Subject to the Placing Agreement becoming unconditional, Winterflood shall be entitled to a commission equal to two per cent. of the aggregate gross proceeds of the Initial Placing, the Initial Offer and the Share Issuance Programme less the costs payable in connection with the Initial Placing, the Initial Offer and the Share Issuance Programme including the value at the Issue Price of the C Shares (if any) issued to the Directors in consideration for their services in connection with the Initial Issue and any Subsequent Issue. Winterflood's commission (calculated in accordance with the preceding sentence) shall be capped at a maximum of 1.75% of the aggregate gross proceeds of the Initial Placing, Initial Offer and the Share Issuance Programme, when assessed on a cumulative basis, with any excess being retained by the Company for the benefit of the C Share tranche issued at the point where the commission cap is exceeded.

The Company has agreed to pay and/or reimburse to Winterflood all costs, charges and expenses arising in respect of the Initial Issue and/or the Share Issuance Programme and delivery of the C Shares to those persons becoming entitled to be registered as holders under the Initial Issue and the Share Issuance Programme, and the Company has agreed to pay or cause to be paid (together with any related value added tax) all costs, charges, fees and expenses of, in connection with, or incidental to, the Initial Issue, the Share Issuance Programme, Initial Admission, any Subsequent Admission or the other arrangements contemplated by the Placing Agreement.

The Placing Agreement is governed by English law.

10.2 *The Investment Management Agreement*

10.2.1 The Company and the Investment Manager have entered into the Investment Management Agreement, under which the Investment Manager has been given overall responsibility for the discretionary management of the Company's assets (including uninvested cash) (which may be held through the Subsidiary) in accordance with the Company's investment objectives and policy.

Powers and duties

10.2.2 The Investment Manager is responsible for the management of the Portfolio and for acting as the Company's AIFM, including the following services: (a) portfolio management; (b) risk management; (c) asset management and administration; (d) record keeping and reporting; (e) valuation; and (f) equity fund raising and marketing.

10.2.3 The Investment Manager has delegated all of its powers and obligations in relation to the provision of portfolio management and certain of its ancillary functions to the Investment Adviser pursuant to the Investment Advisory Agreement (discussed in further detail below).

Fees

- 10.2.4 The Investment Manager is entitled to receive a management fee which shall be calculated and accrue at a rate equivalent to, for so long as the Company's NAV is £150,000,000.00 or less, 0.10 per cent. of NAV per annum; for so long as the Company's NAV is £150,000,000.01 or more (but less than £250,000,000.00), 0.08 per cent. of NAV per annum; and for so long as the Company's NAV is £250,000,000.01 or more, 0.06 per cent. of NAV per annum, subject to an annualised minimum of £85,000 applied on a quarterly basis. The management fees are calculated without regard to VAT. If there is any VAT payable on the fees then this shall be added to the fee amount. The minimum investment management fee will be subject to an annual review on 1 May of each year, the first review commencing in May 2017. The investment management fees are payable quarterly in arrears.
- 10.2.5 The Investment Manager will charge £5,000 in relation to work undertaken in connection with the Issue.

Term and Termination

- 10.2.6 The Investment Management Agreement will be for an initial term of 18 months and thereafter will be terminable by either party on not less than six months' notice in writing.
- 10.2.7 The Investment Management Agreement may be terminated earlier by the Company with immediate effect if:
- (a) the Investment Manager commits a material breach of the Investment Management Agreement;
 - (b) the Investment Manager commits a breach of certain of its obligations under the Investment Management Agreement and fails to remedy such breach within 30 days of receiving notice requiring it to do so;
 - (c) any representation, warranty, certification or statement made by the Investment Manager under the Investment Management Agreement fails to be correct in any material respect when made, where such failure:
 - (i) has, or is reasonably likely to have, a material adverse effect on the Company; and
 - (ii) no correction is made within 30 days of the Investment Manager becoming aware, or receiving notice, of such failure;
 - (d) any proceedings by or against the Investment Manager are commenced under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws (including the presentation for a petition of the winding-up of the Investment Manager) or its affairs are declared to be en état de désastre; or a receiver, trustee, administrator, liquidator or other similar official is appointed in relation to the whole or any substantial part of the undertaking or assets of the Investment Manager; or the Investment Manager ceases or threatens to cease to carry on its business;
 - (e) an act occurs constituting fraud or criminal activity by the Investment Manager or its affiliates in the performance of its obligations under the Investment Management Agreement or any of its senior officers being indicted for a criminal offence in the performance of his or her investment management duties;
 - (f) the Company is required to do so by a competent regulatory authority or the Investment Manager ceases to be a person permitted by applicable laws to act as such;
 - (g) the Investment Manager breaches any provision of the Investment Management Agreement and such breach results in listing or trading of the Shares in the Official List and on the Main Market being suspended or terminated; or

(h) the Investment Adviser (or its affiliate or the Company itself) obtains any necessary authorisation to act as AIFM in respect of the Company.

10.2.8 The Investment Management Agreement may be terminated by the Investment Manager with immediate effect if (a) an order has been made or an effective resolution passed for the winding-up of the Company; or (b) a resolution is proposed by the Board or passed by shareholders which would make changes to the Company's investment policy such that the Investment Manager in its reasonable opinion can no longer meet the service standard requirements.

10.2.9 In addition, in the event that the Investment Manager has received notice that its appointment is to be terminated, a suspension period may commence during which no Investments shall be acquired or disposed of by the Investment Manager on behalf of the Company and no other portfolio management services shall be undertaken by the Investment Manager save to the extent required by applicable law or regulation (or as agreed to or directed by the Board).

Standard of Care

10.2.10 In managing the Portfolio, the Investment Manager has agreed: (a) to act honestly with due skill, care and diligence and fairly in conducting its duties; (b) to act in the best interests of the Company and its Shareholders; and (c) to perform its obligations under the Investment Management Agreement with the standard of care that could reasonably be expected of a professional investment manager and external non-EEA AIFM with requisite expertise, experience and resources.

Indemnities

10.2.11 The Investment Manager has the benefit of an indemnity from the Company in relation to liabilities incurred by the Investment Manager in the discharge of its duties other than those arising by reason of gross negligence, wilful misconduct or fraud of or by the Investment Manager or any of its directors, officers, employees and agents, or as a result of the Investment Manager's material breach of the Investment Management Agreement or the Investment Advisory Agreement.

Delegation

10.2.12 The Investment Manager has delegated its portfolio management (and certain other) responsibilities under the Investment Management Agreement to the Investment Adviser pursuant to the Investment Advisory Agreement. Delegation of these responsibilities does not relieve the Investment Manager of any of its duties or liabilities under the Investment Management Agreement (and provided that such delegation does not result in the Investment Manager being a letter-box entity within the meaning of AIFMD).

Conflicts of Interest

10.2.13 Whenever conflicts of interest arise in relation to the activities of the Investment Manager, including with regard to the allocation of investment opportunities to different clients, the Investment Manager will endeavour to ensure that such conflicts are identified, managed, resolved and any relevant investment opportunities allocated, fairly, in accordance with the Investment Manager's conflict of interest policy.

Governing Law

10.2.14 The Investment Management Agreement is governed by English law.

10.3 *The Investment Advisory Agreement*

10.3.1 The Investment Manager, the Company and the Investment Adviser have entered into the Investment Advisory Agreement, under which the Investment Manager has delegated its

portfolio management (and certain other ancillary) duties under the Investment Management Agreement to the Investment Adviser, subject to the terms and conditions set out in the Investment Advisory Agreement.

Delegation of portfolio management to the Investment Adviser

10.3.2 The Investment Adviser is required to provide the portfolio management services in relation to the Company (to the extent it is permitted under FSMA) as well as certain other ancillary services including providing the Investment Manager with:

- (a) support to enable the Investment Manager to fulfil its duties in relation to risk management;
- (b) asset management and administration services;
- (c) monthly reports in respect of the Portfolio and its management, including reports on:
 - (i) executed Portfolio transactions;
 - (ii) the current composition of the Portfolio and compliance with risk limits;
 - (iii) hedging transactions and counterparties;
 - (iv) borrowings by the Company; and
 - (v) investment of cash balances; and
- (d) advice in relation to valuation policies for calculating NAV and on the appropriateness of any hedging strategy proposed by advisers to the Company or the Investment Manager and shall assist where required in providing input for investor reports.

10.3.3 The Investment Manager shall have the right to instruct the Investment Adviser how to implement the Company's investment policy and to monitor how the Investment Adviser complies with it on an ongoing basis as described above.

Fees

10.3.4 Under the Investment Advisory Agreement the Investment Adviser will be entitled to a fee at a rate equal to 1 per cent. per annum of the value of the Company's invested assets (being the assets that have been invested in accordance with the Company's investment policy and includes undrawn portions of loans) until such time as 90 per cent. of the 2016 Net Initial Proceeds are invested, after which the fees payable to the Investment Adviser shall be equal to 1 per cent. per annum of the NAV. These fees shall be payable monthly in arrears. The fee is calculated without regard to VAT. If there is any VAT payable on the fee then this shall be added to the fee amount.

Term and termination

10.3.5 The Investment Advisory Agreement shall continue in force until terminated by any party on not less than twelve months' written notice, such notice not to be served until the third anniversary of the date of the Investment Advisory Agreement.

10.3.6 The Investment Advisory Agreement may be terminated earlier by the Investment Manager with immediate effect, if:

- (a) the Investment Adviser commits a material breach of the Investment Advisory Agreement (provided that the Investment Manager shall consult with the Company before so terminating);

- (b) a receiver, trustee, administrator, liquidator or other similar official is appointed in relation to the whole or any substantial part of the undertaking or the assets of the Investment Adviser; or
- (c) the Company or the Investment Manager is required by any regulatory authority to terminate the appointment of the Investment Adviser or the Investment Adviser ceases to be a person permitted by any applicable law (including FSMA) or regulation to act as such.

10.3.7 The Investment Advisory Agreement may be terminated earlier by the Investment Adviser with immediate effect, if:

- (a) the Investment Manager or the Company commits a material breach of the agreement;
- (b) an order has been made or an effective resolution passed for the winding-up of the Company;
- (c) a resolution is proposed by the Board or passed by Shareholders which would make changes to the Company's investment policy such that the Investment Adviser in its reasonable opinion can no longer meet the service standard requirements;
- (d) any proceedings by or against the Investment Manager are commenced under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws (including the presentation for a petition of the winding-up of the Investment Manager) or its affairs are declared to be en état de désastre; or a receiver, trustee, administrator, liquidator or other similar official is appointed in relation to the whole or any substantial part of the undertaking or assets of the Investment Manager; or the Investment Manager ceases or threatens to cease to carry on its business; or
- (e) the Investment Adviser becomes prohibited by any applicable law or regulation from performing its duties under the Investment Advisory Agreement.

10.3.8 If the Investment Manager's appointment under the Investment Management Agreement is terminated (or notice to terminate has been served), the Investment Adviser may require the Company either to appoint a replacement AIFM (and require such replacement AIFM to appoint the Investment Adviser as its delegate on similar terms to the Investment Advisory Agreement) or permit the Investment Adviser (if it has obtained the necessary authorisations) to act as AIFM in its own capacity. The Company may alternatively elect to become an internally managed fund (within the meaning of AIFMD) and appoint the Investment Adviser as its adviser on similar terms to the Investment Advisory Agreement.

10.3.9 If the Investment Adviser becomes duly authorised, it may give notice to the Company that it wishes to be appointed as AIFM of the Company. The Board will make such appointment, and terminate the Investment Management Agreement, if it considers such appointment to be in the best interests of the Company.

Fees and expenses on termination

10.3.10 On termination of the Investment Advisory Agreement any outstanding fees accrued but not paid to the Investment Adviser by the Company will be payable by the Company from the date of payment of the previous fees to the date of termination on a pro rata basis together with any applicable VAT.

Standard of Care

10.3.11 In managing the Portfolio, the Investment Adviser has agreed to (a) act honestly, with due skill, care and diligence and fairly, in conducting its duties under the Investment Advisory Agreement; (b) act in the best interests of the Company and its Shareholders in accordance with the applicable requirements of applicable laws and regulations; and (c) perform its

obligations under the Investment Advisory Agreement in accordance with the standard of care that could reasonably be expected of a professional investment adviser with the requisite expertise, experience and resources.

Indemnities

10.3.12 The Investment Adviser has the benefit of an indemnity from the Company in relation to liabilities incurred by the Investment Adviser in the discharge of its duties other than those arising by reason of gross negligence, wilful misconduct or fraud of or by the Investment Adviser or any of its directors, officers, employees and agents, or as a result of the Investment Adviser's material breach of the Investment Advisory Agreement.

Conflicts of Interest

10.3.13 Whenever conflicts of interest arise in relation to the activities of the Investment Adviser, including with regard to the allocation of investment opportunities to different clients, the Investment Adviser will endeavour to ensure that such conflicts are identified, managed, resolved and disclosed and any relevant investment opportunities allocated fairly in accordance with the Investment Adviser's conflict of interest policy.

Governing Law

10.3.14 The Investment Advisory Agreement is governed by English law.

10.4 ***The Administration Agreement***

The Administrator has been appointed, pursuant to the Administration Agreement, to provide certain accounting, company secretarial, safekeeping and administration services to the Company.

Under the terms of the Administration Agreement, the Administrator will receive an annual fee for its services which will initially be charged at 0.075 per cent. per annum of NAV up to a total NAV of £150 million, reducing to 0.06 per cent. per annum of NAV for that part of the NAV (if any) between £150-250 million, reducing further to 0.05 per cent. per annum of NAV for that part of the NAV (if any) in excess of £250 million. The administration fee may be varied by agreement between the parties and will be subject to a minimum annual fee of £75,000 plus disbursements and a fee for company secretarial services based on time-costs.

The Administrator will charge £7,500 in relation to work undertaken in connection with the Issue.

The Administration Agreement contains provisions whereby the Company indemnifies and holds harmless the Administrator from and against any and all "Claims" (as defined in the Administration Agreement) against the Administrator resulting or arising from the Company's breach of the Administration Agreement and, in addition, any third party Claims relating to or arising from or in connection with the Administration Agreement or the services contemplated therein except to the extent that any such Claims have resulted from the negligence, fraud, wilful default or breach of the Administration Agreement on the part of the Administrator.

The Administration Agreement is terminable, inter alia, (a) upon either party giving the other three months' written notice; or (b) immediately upon the occurrence of certain events including the insolvency of the Company or the Administrator, the Administrator no longer being permitted or qualified to perform its obligations or either party committing a material breach of the Administration Agreement.

10.5 ***The Subsidiary Administration Agreement***

The Subsidiary Administrator has been appointed, pursuant to the Subsidiary Administration Agreement, to provide certain administration services to the Subsidiary.

Under the terms of the Subsidiary Administration Agreement, the Subsidiary Administrator will receive an annual fee for its services of £35,000 per annum for so long as the Subsidiary holds up to 150 Loans and £42,500 per annum for so long as the Subsidiary holds between 150 and 200 Loans. A review of the fees payable to the Administrator will be undertaken in respect of any period during which the Subsidiary holds more than 200 Loans. The Subsidiary Administrator shall also be entitled to a fee of £12,500 per director, per annum for the provision of director services to the Subsidiary.

The Subsidiary Administration Agreement contains provisions whereby the Subsidiary indemnifies and holds harmless the Subsidiary Administrator from and against any and all “Claims” (as defined in the Subsidiary Administration Agreement) against the Subsidiary Administrator resulting or arising from the Subsidiary’s breach of the Subsidiary Administration Agreement and, in addition, any third party Claims relating to or arising from or in connection with the Subsidiary Administration Agreement or the services contemplated therein except to the extent that any such Claims have resulted from the negligence, fraud, wilful default or breach of the Subsidiary Administration Agreement on the part of the Subsidiary Administrator. Further, the liability of the Subsidiary Administrator to the Subsidiary under the Subsidiary Administration Agreement is limited (in the absence of fraud) to an amount equal to the higher of (i) two times’ the total fees paid to the Subsidiary Administrator in the relevant calendar year; and (ii) £100,000.

The Subsidiary Administration Agreement is terminable, inter alia, (a) upon either party giving the other three months’ written notice; or (b) immediately upon the occurrence of certain events including the insolvency of the Subsidiary or the Subsidiary Administrator, the Subsidiary Administrator no longer being permitted or qualified to perform its obligations or either party committing a material breach of the Subsidiary Administration Agreement.

10.6 *The Registrar Agreement*

The Registrar has been appointed pursuant to the Registrar Agreement to provide certain share registration and online services to the Company. The Registrar Agreement provides for the payment by the Company of the fees and charges of the Registrar.

Under the Registrar Agreement, the Registrar is entitled to receive a minimum agreed fee of £5,500 per annum in respect of basic registration, together with any additional registrar activity not included in such basic registration services.

The Registrar 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 Registrar Agreement. In addition, any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Registrar 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 Registrar Agreement is terminable, inter alia, (a) upon three months’ written notice in the event of a disagreement regarding any increase in the Registrar’s fees; (b) upon service of written notice if the other party commits a material breach of its obligations under the Registrar 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.

10.7 *The Receiving Agent Agreement*

The Receiving Agent has been appointed pursuant to the Receiving Agent Agreement to provide certain share registration and online services to the Company. 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 fees in relation to the Initial Offer for Subscription and/or any Subsequent Offer for Subscription including (a) a processing fee of £7.10 in relation to each application received under the Initial Offer for Subscription and/or any Subsequent Offer for Subscription, subject to a minimum aggregate fee of £5,500 (plus VAT and disbursements); and (b) various other fees for services concerning administration of the Initial Offer for Subscription and/or any Subsequent Offer for Subscription.

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 also 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, except to the extent such losses are determined to have resulted solely from the negligence, fraud or wilful default of the indemnified party seeking the indemnity.

10.8 *The 2016 Placing Agreement*

In connection with the 2016 Placing and Offer for Subscription and the 2016 Placing Programme, the Company, the Directors, the Investment Adviser and Winterflood entered into a placing agreement on 31 May 2016 (the "**2016 Placing Agreement**"). The principal terms of the 2016 Placing Agreement are as follows:

- (a) Winterflood agreed, as agent of the Company and subject to certain conditions that are typical for an agreement of this nature, to use their reasonable endeavours to procure places for the Ordinary Shares at the 2016 Placing Programme Price (as applicable);
- (b) the Company gave certain warranties to Winterflood as to the accuracy of the information in this document and as to other matters relating to the Company. The Directors and the Investment Adviser also gave certain warranties to Winterflood. The liability of the Directors in respect of the warranties given by them is limited as to amount and the time for bringing a claim. The Company gave an indemnity to Winterflood in respect of any losses or liabilities arising out of the proper performance by Winterflood of its duties under the Placing Agreement and the Investment Adviser gave an indemnity to Winterflood in respect of its obligations;
- (c) Winterflood may terminate the 2016 Placing Agreement before any Subsequent Ordinary Share Admission pursuant to the 2016 Placing Programme in certain circumstances, including for breach of the warranties referred to above; and
- (d) the 2016 Placing Programme is not underwritten.

Winterflood is entitled to a commission of 1.5 per cent. of the gross proceeds of Ordinary Shares issued under the 2016 Placing Programme (together with any related VAT).

The Company agreed to pay and/or reimburse to Winterflood all costs, charges and expenses arising in respect of the 2016 Placing Programme and delivery of the Ordinary Shares to those persons becoming entitled to be registered as holders under the 2016 Placing Programme, and the Company has agreed to pay or cause to be paid (together with any related value added tax) all costs, charges, fees and expenses of, in connection with, or incidental to the 2016 Placing Programme or the other arrangements contemplated by the Placing Agreement.

The Placing Agreement is governed by English law.

11. RELATED PARTY TRANSACTIONS

Except with respect to the appointment letters entered into between the Company and each Director and the Investment Management Agreement, neither the Company nor the Subsidiary has entered into any related party transaction since their respective date of incorporation.

12. WORKING CAPITAL

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, that is, for at least the next 12 months following the date of this document.

13. PROPERTY, PLANT AND EQUIPMENT

The Group has no existing or planned material tangible fixed assets.

14. CAPITALISATION AND INDEBTEDNESS

The following table shows the Group's capitalisation and gross indebtedness, in each case as at 31 March 2017 (which has been extracted from the unaudited accounting records of the Group as at 31 March 2017):

<i>Total current debt</i>	<i>As at</i> <i>31 March 2017 (£)</i>
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil
<i>Total non-current debt</i> <i>(excluding current portion of long-term debt) (£)</i>	<i>As at</i> <i>31 March 2017 (£)</i>
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil
<i>Shareholders' equity (£)</i>	<i>As at</i> <i>31 March 2017 (£)</i>
Ordinary Share capital	Nil
Legal reserve	Nil
Other reserves (share premium)	78,424,212

The following table shows the Group's net indebtedness as at 31 March 2017 (which has been extracted from the unaudited accounting records of the Group as at 31 March 2017):

<i>Net indebtedness</i>	<i>As at</i> <i>31 March 2017 (£)</i>
A Cash	45,154,234
B Cash equivalent	Nil
C Trading securities	Nil
D Liquidity (A)+(B)+(C)	45,154,234
E Current Financial Receivable	419,819
F Current bank debt	Nil
G Current portion of non-current debt	Nil
H Other current financial debt	110,793
I Current Financial Debt (F)+(G)+(H)	110,793
J Net Current Financial Indebtedness (I)-(E)-(D)	(45,463,260)
K Non-current bank loans	Nil
L Bonds issued	Nil
M Other non-current loans	Nil
N Non-current Financial Indebtedness (K)+(L)+(M)	Nil
O Net Financial Indebtedness (J)+(N)	(45,463,260)

15. LITIGATION

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had since the Company's or the Subsidiary's incorporation, a significant effect on the Group's financial position or profitability.

16. NO SIGNIFICANT CHANGE

During the period beginning on 1 January 2017 and ending on the date of this document the Company made 3 investments totalling £35.8 million, the Company's cash balance has reduced reflecting, for the most part, £23.2 million of loan commitment drawn, and the Company declared a dividend of 0.6 pence per Ordinary Share in respect of the period ended 31 March 2017.

Save as set out above, there has been no significant change in the financial or trading position of the Group since 31 December 2016, being the end of the period covered by the historical financial information.

17. MANDATORY OFFERS AND SQUEEZE OUT RULES

17.1 *Mandatory offers*

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

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

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

As at the date of this document there are not in existence any current mandatory takeover bids in relation to the Company.

17.2 *Squeeze-out rules*

The Companies Law provides that if an offer is made for the shares or any class of shares in the capital of a company and if, within 4 months after the date of such offer, the offer is approved by shareholders comprising 90 per cent. in value of the shares affected (excluding any shares held as treasury shares) then the offeror may, no later than two months after the expiration of those 4 months, send an acquisition notice to any dissenting shareholders informing them that it wishes to acquire their shares (an "**Acquisition Notice**"). Where an Acquisition Notice is given, the offeror is then entitled and bound to acquire those shares on the terms on which the original offer, approved by the shareholders comprising 90 per cent. in value of the shares affected, was made.

18. GENERAL

- 18.1 The Investment Adviser has given and not withdrawn its written consent to the issue of this prospectus with references to its name in the form and context in which such references appear. The Investment Adviser accepts responsibility for the information contained in the sections entitled “Investment Opportunity” and “Investment Strategy” in Part 1, the entirety of Part 2, section 2 of Part 3 and the entirety of Part 4 of this document and the other information attributed or pertaining to it in this document, and declares that, having taken all reasonable care to ensure that such is the case, such information is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.
- 18.2 The Investment Manager has given and not withdrawn its written consent to the issue of this prospectus with references to its name in the form and context in which such references appear. The Investment Manager accepts responsibility for the information attributed to it in this document, and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.
- 18.3 Winterflood has given and not withdrawn its written consent to the publication of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 18.4 The auditors of the Company are Deloitte LLP of Regency Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 3HW.
- 18.5 Under the Initial Placing and the Initial Offer for Subscription, on the basis that 80 million C Shares are to be issued, the net assets of the Company would increase by £78.4 million immediately after Initial Admission given that the expenses of the Initial Placing and the Initial Offer for Subscription will equal two per cent. of the Gross Initial Proceeds.
- 18.6 Certain information has been obtained from external publications and third parties and is sourced in this document where that information is included. The Company and the Investment Adviser each confirm that this information has been accurately reproduced and, so far as the Company and the Investment Adviser are aware and are able to ascertain from information published by applicable third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Unless otherwise stated, such information has not been audited.
- 18.7 The publication or delivery of this document shall not under any circumstances imply that the information contained in this document is correct as at any time subsequent to the date of this document or that there has not been any change in the affairs of the Company since that date.

19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR, United Kingdom from the date of this document until the date one month from the date of Initial Admission:

- (a) the Memorandum and Articles;
- (b) the audited interim financial statements for the period ended 31 December 2016; and
- (c) this document.

PART 11

FINANCIAL INFORMATION INCORPORATED BY REFERENCE

The Company has prepared audited interim financial statements in accordance with IFRS for the period from the date of incorporation to 31 December 2016 which were audited by Deloitte LLP and whose report was unqualified (the “**Interim Accounts**”).

Selected financial information set out below from the Interim Accounts is incorporated into the Prospectus by reference. Information in the Interim Accounts that is not incorporated by reference is either not relevant to investors or covered elsewhere in this Prospectus.

Information incorporated by reference

The information set out below and relating to the Company is incorporated by reference and is available online at www.hadrianswallcapital.com/hwsil and is available at the address referred to in paragraph 1.2 of Part 10 of this Prospectus.

<i>Information incorporated by reference</i>	<i>Page references in the Interim Accounts</i>
Summary information	3
Chairman’s Statement	4-5
Investment Adviser’s Report	6-7
Board of Directors	8
Statement of Directors’ Responsibilities	9-10
Principal Risks and Uncertainties	11-12
Independent Auditor’s Report	13
Consolidated Statement of Comprehensive Income	14
Consolidated Statement of Changes in Equity	15
Consolidated Statement of Financial Position	16
Consolidated Statement of Cash Flows	17
Notes to the Consolidated Financial Statements	18-33
Management and Administration	34

PART 12

TERMS AND CONDITIONS OF APPLICATIONS UNDER THE INITIAL PLACING AND/OR ANY SUBSEQUENT PLACING

IMPORTANT INFORMATION FOR PLACEES ONLY

1. INTRODUCTION

- 1.1 Each Placee which confirms its agreement to the Company and Winterflood to subscribe for C Shares under either the Initial Placing or a Subsequent Placing will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 The Company and/or Winterflood may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) sees fit.

2. AGREEMENT TO SUBSCRIBE FOR SHARES

- 2.1 Conditional on, amongst other things: (i) in respect of the Initial Placing only, Initial Admission occurring and becoming effective by 8.00 a.m. on or prior to 31 May 2017 (or such later time and/or date, not being later than 14 June 2017, as specified by Winterflood); (ii) in respect of a Subsequent Placing only, admission of the Shares issued pursuant to the relevant Subsequent Placing occurring and becoming effective by 8.00 a.m. on or prior to the date agreed by the Company and Winterflood in respect of that Subsequent Placing; (iii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before the date of the Initial Placing or the relevant Subsequent Placing (as applicable); and (iv) Winterflood confirming to the Placees their allocation of C Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those C Shares allocated to it by Winterflood at the Issue Price or Share Issuance Programme Price (as applicable). To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.
- 2.2 Applications under the Initial Placing and each Subsequent Placing under the Share Issuance Programme must be for a minimum subscription amount of £1,000.
- 2.3 Any commitment to acquire C Shares under the Initial Placing and/or any Subsequent Placing agreed orally with Winterflood, as agent for the Company, will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and Winterflood, to subscribe for the number of C Shares allocated to it and comprising its placing confirmation on the terms and subject to the conditions set out in this Part 12 and in a contract note (the “**Contract Note**”) and in accordance with the Articles in force as at the date of Initial Admission. Except with the consent of Winterflood, such oral commitment will not be capable of variation or revocation after the time at which it is made.
- 2.4 Each Placee’s allocation of C Shares under the Initial Placing and/or any Subsequent Placing will be evidenced by a Contract Note confirming: (i) the number of C Shares that such Placee has agreed to acquire; (ii) the aggregate amount that such Placee will be required to pay for such C Shares; and (iii) settlement instructions to pay Winterflood, as agent for the Company. The provisions as set out in this Part 12 will be deemed to be incorporated into that Contract Note.
- 2.5 If the Minimum Net Proceeds are not raised, the Initial Placing will lapse and all proceeds will be returned to Placees.

3. PAYMENT FOR SHARES

- 3.1 Each Placee undertakes to pay the Issue Price or Share Issuance Programme Price (as applicable) for the C Shares issued to the Placee in the manner and by the time directed by Winterflood. In the event of any failure by any Placee to pay as so directed and/or by the time required by Winterflood, the relevant Placee's application for C Shares may, at the discretion of Winterflood, either be accepted or rejected and, in the former case, paragraph 3.2 below shall apply.
- 3.2 Each Placee is deemed to agree that if it does not comply with its obligation to pay the relevant Issue Price or Share Issuance Programme Price for the C Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and Winterflood elects to accept that Placee's application, Winterflood may sell all or any of the C Shares allocated to the Placee on such Placee's behalf and retain from the proceeds an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such C Shares on such Placee's behalf.
- 3.3 Settlement of transactions in the C Shares following Initial Admission will take place in CREST but Winterflood reserves the right in its absolute discretion to require settlement in certificated form if, in its opinion, delivery or settlement is not possible or practicable within the CREST system within the timescales previously notified to the Placee (whether orally, in the Contract Note or otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

4. REPRESENTATIONS AND WARRANTIES

By agreeing to subscribe for C Shares under either the Initial Placing or a Subsequent Placing, each Placee which enters into a commitment to subscribe for Shares will (for itself and for any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to undertake, represent and warrant to each of the Company, Winterflood, the Investment Adviser and the Registrar that:

- 4.1 in agreeing to subscribe for Shares under the Initial Placing or a Subsequent Placing, it is relying solely on this document and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the C Shares, the Initial Placing or any Subsequent Placing. It agrees that none of the Company, Winterflood, the Investment Adviser, the Investment Manager or the Registrar, nor any of their respective officers, agents, employees or affiliates, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- 4.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for C Shares under the Initial Placing or a Subsequent Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, Winterflood, the Investment Adviser, the Investment Manager or the Registrar or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Initial Placing and/or any Subsequent Placing;
- 4.3 it has carefully read and understands this document in its entirety and acknowledges that it is acquiring C Shares on the terms and subject to the conditions set out in this Part 12 and in the Contract Note and the Articles as in force at the date of Initial Admission or the Subsequent Placing (as applicable);
- 4.4 the price payable per C Share is payable to Winterflood on behalf of the Company in accordance with the terms of these terms and conditions and in the Contract Note;

- 4.5 it has the funds available to pay for in full the C Shares for which it has agreed to subscribe and that it will pay the total subscription amount in accordance with the terms set out in these terms and conditions and as set out in the Contract Note on the due time and date;
- 4.6 it has not relied on Winterflood or any person affiliated with Winterflood in connection with any investigation of the accuracy of any information contained in this document;
- 4.7 it acknowledges that the content of this document is exclusively the responsibility of the Company and the Directors and neither Winterflood nor any person acting on its behalf nor any of its affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Initial Placing or a Subsequent Placing based on any information, representation or statement contained in this document or otherwise;
- 4.8 it acknowledges that no person is authorised in connection with the Initial Placing or any Subsequent Placing to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by Winterflood, the Company or the Investment Adviser;
- 4.9 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- 4.10 it accepts that none of the C Shares have been or will be registered under the securities laws, or with any securities regulatory authority of, the United States, any member state of the EEA other than the United Kingdom, Australia, Canada, the Republic of South Africa or Japan (each a “**Restricted Jurisdiction**”). Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Restricted Jurisdiction unless an exemption from any registration requirement is available;
- 4.11 if it is within the United Kingdom, it is (a) a person who falls within (i) Articles 49(2)(A) to (D) or (ii) Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the “**Order**”) or is a person to whom the Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Shares may be lawfully offered under that other jurisdiction’s laws and regulations and (b) a qualified investor (as such term is defined in section 86(7) of FSMA);
- 4.12 if it is a resident in the EEA (other than the United Kingdom), it is (a) a qualified investor within the meaning of the law in the relevant EEA State implementing Article 2(1)(i), (ii) or (iii) of the Prospectus Directive and (b) if the Relevant Member State has implemented the AIFMD, that it is a person to whom the C Shares may lawfully be marketed to under the applicable implementing legislation (if any) of the Relevant Member State;
- 4.13 in the case of any C Shares acquired by an investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, (i) the Shares acquired by it in the Initial Placing and/or Subsequent Placings have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of Winterflood has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those C Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- 4.14 if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Initial Placing or any Subsequent Placing (for the purposes of this Part 12, each a “**Placing Document**”) constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for C Shares pursuant to the Initial Placing

or any Subsequent Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and C Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

- 4.15 it does not have a registered address in, and is not a citizen, resident or national of a Restricted Jurisdiction or any jurisdiction in which it is unlawful to make or accept an offer of the C Shares and it is not acting on a non-discretionary basis for any such person;
- 4.16 if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for C Shares under the Initial Placing or relevant Subsequent Placing and will not be any such person on the date any such Initial Placing or Subsequent Placing (as applicable) is accepted;
- 4.17 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and you acknowledge and agree that no Placing Document is being issued by Winterflood in its capacity as an authorised person under section 21 of FSMA and they may not therefore be subject to the controls which would apply if they were made or approved as financial promotion by an authorised person;
- 4.18 it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the C Shares in, from or otherwise involving, the United Kingdom;
- 4.19 it is aware of the provisions of the Criminal Justice Act 1993 regarding insider dealing and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with any obligations imposed by such statutes;
- 4.20 unless, it is otherwise expressly agreed with the Company and Winterflood in the terms of any particular placing it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document nor any other Placing Document to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- 4.21 it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading "United States Purchase and Transfer Restrictions" in paragraph 5 below;
- 4.22 no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the C Shares or possession of the Prospectus (and any supplementary prospectus issued by the Company), in any country or jurisdiction where action for that purpose is required;
- 4.23 it acknowledges that neither Winterflood nor any of its respective affiliates nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing or any Subsequent Placing or providing any advice in relation to the Initial Placing or any Subsequent Placing and participation in the Initial Placing or relevant Subsequent Placing is on the basis that it is not and will not be a client of Winterflood and that Winterflood does not have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Initial Placing or Subsequent Placing (as applicable);
- 4.24 that, save in the event of fraud on the part of Winterflood, none of Winterflood, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of Winterflood's role as sole financial adviser and bookrunner or otherwise in connection with the Initial Placing or any Subsequent Placing and that

where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;

- 4.25 it acknowledges that where it is subscribing for C Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the C Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (iii) to receive on behalf of each such account any documentation relating to the Initial Placing or Subsequent Placing (as applicable) in the form provided by the Company and/or Winterflood. It agrees that the provision of this paragraph shall survive any resale of the C Shares by or on behalf of any such account;
- 4.26 it irrevocably appoints any Director and any director of Winterflood to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the C Shares for which it has given a commitment under the Initial Placing or Subsequent Placing (as applicable), in the event of its own failure to do so;
- 4.27 it accepts that if the Initial Placing or relevant Subsequent Placing does not proceed or the relevant conditions to the Placing Agreement are not satisfied or the C Shares for which valid application are received and accepted are not admitted to trading on the Main Market of the London Stock Exchange for any reason whatsoever then none of Winterflood or the Company or the Investment Adviser, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.28 in connection with its participation in the Initial Placing or Subsequent Placing (as applicable) it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 (SI 2007 No. 2157) in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) subject to the Guernsey AML Requirements; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 4.29 it acknowledges that due to anti-money laundering requirements, Winterflood, the Administrator, the Registrar and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Winterflood and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify Winterflood and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;
- 4.30 that they are aware of, have complied with and will at all times comply with their obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- 4.31 it acknowledges and agrees that information provided by it to the Company, the Administrator or the Registrar will be stored on the Registrar's and the Administrator's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection Law and other relevant data protection legislation which may be applicable, the Registrar and the Administrator are required to

specify the purposes for which they will hold personal data. The Registrar and the Administrator will only use such information for the purposes set out below (collectively, the “**Purposes**”), being to:

- (a) process its personal data (including sensitive personal data) as required by or in connection with its holding of C Shares, including processing personal data in connection with credit and money laundering checks on it;
 - (b) communicate with it as necessary in connection with its affairs and generally in connection with its holding of C Shares;
 - (c) provide personal data to such third parties as the Administrator or Registrar may consider necessary in connection with its affairs and generally in connection with its holding of Shares or as the Data Protection Law may require, including to third parties outside the Bailiwick of Guernsey or the European Economic Area;
 - (d) without limitation, provide such personal data to the Company, Winterflood or the Investment Adviser and their respective associates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the European Economic Area; and
 - (e) process its personal data for the Administrator’s internal administration;
- 4.32 in providing the Registrar and Administrator with information, it hereby represents and warrants to the Registrar and Administrator that it has obtained the consent of any data subjects to the Registrar and Administrator and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the purpose set out in paragraph 4.31). For the purposes of this document, “data subject”, “personal data” and “sensitive personal data” shall have the meanings attributed to them in the Data Protection Law;
- 4.33 Winterflood and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them;
- 4.34 the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Winterflood and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the C Shares are no longer accurate, it shall promptly notify Winterflood and the Company;
- 4.35 where it or any person acting on behalf of it is dealing with Winterflood, any money held in an account with Winterflood on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the Financial Conduct Authority which therefore will not require Winterflood to segregate such money, as that money will be held by Winterflood under a banking relationship and not as trustee;
- 4.36 any of its clients, whether or not identified to Winterflood, will remain its sole responsibility and will not become clients of Winterflood for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.37 it accepts that the allocation of C Shares shall be determined by Winterflood, in its absolute discretion (following consultation with the Company, the Investment Manager and the Investment Adviser) and that they may scale down any Initial Placing or Subsequent Placing commitments for this purpose on such basis as they may determine;
- 4.38 time shall be of the essence as regards its obligations to settle payment for the C Shares and to comply with its other obligations under the Initial Placing or Subsequent Placing (as applicable);
- 4.39 it authorises Winterflood to deduct from the total amount subscribed under the Initial Placing or Subsequent Placing (as applicable) the aggregation commission (if any) (calculated at the rate agreed

with the Placee) payable on the number of C Shares allocated under the Initial Placing or Subsequent Placing;

- 4.40 in the event that a supplementary prospectus is required to be produced pursuant to section 87G FSMA and in the event that it chooses to exercise any right of withdrawal pursuant to section 87(Q)(4) FSMA, such Placee will immediately re-subscribe for the C Shares previously comprising its Initial Placing commitment;
- 4.41 the commitment to subscribe for C Shares on the terms set out in these terms and conditions will continue notwithstanding any amendment that may in the future be made to the terms of the Initial Placing or to any Subsequent Placing and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of the Initial Placing and/or any Subsequent Placing; and
- 4.42 it is capable of being categorised as a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook.

5. UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS

Unless it is otherwise expressly agreed with the Company and Winterflood in the terms of any particular placing, by participating in the Initial Placing and/or a Subsequent Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for C Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, Winterflood, the Investment Adviser and the Registrar that:

- 5.1 it is not a US Person, is not located within the United States, is acquiring the C Shares in an offshore transaction meeting the requirements of Regulation S and is not acquiring the C Shares for the account or benefit of a US Person;
- 5.2 it acknowledges that the C Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the Securities Act;
- 5.3 it acknowledges that the Company has not registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act;
- 5.4 unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Part 4 of subtitle B of fiduciary responsibility or prohibited transaction Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the Internal Revenue Code, including an individual retirement account, that is subject to Section 4975 of the Internal Revenue Code; or (iii) an entity whose underlying assets include the assets of any such "employee benefit plan" or "plans" by reason of ERISA or the Plan Assets Regulation, or otherwise (including certain insurance company general accounts) for the purposes of Section 4.6 of ERISA or Section 4975 of the Internal Revenue Code. In addition, if an investor is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or Section 4975 of the Internal Revenue Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- 5.5 that if any C Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

“HADRIAN’S WALL SECURED INVESTMENTS LIMITED (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS. FURTHER, NO PURCHASE, SALE OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE UNLESS SUCH PURCHASE, SALE OR TRANSFER WILL NOT RESULT IN THE ASSETS OF THE COMPANY CONSTITUTING “PLAN ASSETS” WITHIN THE MEANING OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) OR THE PLAN ASSETS REGULATION;”

- 5.6 if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the C Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which: (a) will not require the Company to register under the US Investment Company Act; and (b) will not result in the assets of the Company constituting “plan assets” within the meaning of ERISA or the Plan Assets Regulation;
- 5.7 it is purchasing the C Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the C Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;
- 5.8 it acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person’s status under the US federal securities laws and to require any such person that has not satisfied the Company that the holding of C Shares by such person will not violate or require registration under the US securities laws to transfer such C Shares or interests in accordance with the Articles;
- 5.9 it acknowledges and understands the Company is required to comply with FATCA and the CRS and that the Company will follow FATCA’s and the CRS’s extensive reporting and withholding requirements. The Placee agrees to provide the Company at the time or times prescribed by applicable law and at such time or times reasonably requested by the Company such information and documentation prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under FATCA and the CRS or any obligation arising under the implementation of any applicable intergovernmental agreement, including the US-Guernsey IGA and the Multilateral Agreement, relating to FATCA, the CRS or the automatic exchange of information with any relevant competent authority;
- 5.10 it is entitled to acquire the C Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the C Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, Winterflood, the Investment Adviser or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Issue or its acceptance of participation in the Initial Placing and/or Subsequent Placings (as applicable);
- 5.11 it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation

or offering materials concerning the C Shares to or within the United States or to any US Persons, nor will it do any of the foregoing; and

- 5.12 if it is acquiring any C Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

The Company, Winterflood, the Investment Adviser and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements. If any of the representations, warranties, acknowledgements or agreements made by the investor are no longer accurate or have not been complied with, the investor must immediately notify the Company.

6. SUPPLY OF INFORMATION

If Winterflood, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for C Shares under the Initial Placing and/or any Subsequent Placing, such Placee must promptly disclose it to them.

7. MISCELLANEOUS

- 7.1 The rights and remedies of the Company, Winterflood, the Investment Adviser and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 7.2 On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Initial Placing and the Subsequent Placings will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 7.3 Each Placee agrees to be bound by the Articles once the C Shares, which the Placee has agreed to subscribe for pursuant to the Initial Placing and/or the relevant Subsequent Placing, have been acquired by the Placee. The contract to subscribe for Shares under the Initial Placing or Subsequent Placing (as applicable) and the appointments and authorities mentioned in this document and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Winterflood, the Company and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against Placee in any other jurisdiction.
- 7.4 In the case of a joint agreement to subscribe for C Shares under the Initial Placing or a Subsequent Placing, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 7.5 Winterflood and the Company expressly reserve the right to modify the Initial Placing and/or any Subsequent Placing (including, without limitation, their timetable and settlement) at any time before allocations are determined. The Initial Placing and each Subsequent Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in paragraph 10.1 of Part 10 of this document.

PART 13

TERMS AND CONDITIONS OF APPLICATIONS UNDER THE INITIAL OFFER FOR SUBSCRIPTION AND/OR ANY SUBSEQUENT OFFER FOR SUBSCRIPTION

1. INTRODUCTION

If you apply for C Shares under either the Initial Offer for Subscription or any Subsequent Offer for Subscription, you will be agreeing with the Company, Winterflood and the Receiving Agent as set out in this Part 13.

2. OFFER TO ACQUIRE C SHARES UNDER THE INITIAL OFFER FOR SUBSCRIPTION OR ANY SUBSEQUENT OFFER FOR SUBSCRIPTION

Your application must be made on either the Application Form attached at Part 16 of this document or, in respect of any Subsequent Offer for Subscription, such other Application Form as may be published by the Company at the time of such Subsequent Offer for Subscription. By completing and delivering an Application Form, you, as the applicant, and, if you complete an Application Form on behalf of another person or a corporation, that person or corporation:

- (a) offer to subscribe for the number of C Shares specified in section 1 of your Application Form (or such lesser number for which your application is accepted) at the Issue Price on the terms, and subject to the conditions, set out in this document (including this Part 13) and the Memorandum of Incorporation and Articles of the Company;
- (b) agree that, in consideration of the Company and/or Winterflood agreeing that they will not, prior to Initial Admission, offer for subscription any C Shares to any person other than by means of the procedures referred to in this document, your application may not be revoked until after 2 May 2017 and shall not be revoked after Initial Admission and that this paragraph 2(a) of this Part 13 shall constitute a collateral contract between you, the Company and/or Winterflood which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by the Receiving Agent of your Application Form;
- (c) warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to have any C Shares applied for in uncertificated form credited to a CREST account or to receive a share certificate for any C Shares applied for in certificated form or to enjoy or receive any rights in respect of such C Shares unless and until you make payment in cleared funds for such C Shares (and any associated aggregated commission) and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Company and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to issue such C Shares and may issue them to some other person(s), in which case you will not be entitled to any refund or payment in respect thereof (other than the refund to you at your risk of any proceeds of the remittance, once honoured, which accompanied your Application Form, without interest);
- (d) agree that the crediting to a CREST account of any C Shares in uncertificated form to which you may become entitled may be delayed by, and that any share certificate in respect of any C Shares in certificated form to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled and monies returnable may be retained by, the Receiving Agent:
 - (i) pending clearance of your remittance;

- (ii) pending investigation of any suspected breach of the warranties contained in sub-paragraphs 6(a), (b), (f), (h) or (i) of this Part 13 or any other suspected breach of the terms and conditions of application set out in this Part 13; or
 - (iii) pending any verification of identity which is, or which the Company or the Receiving Agent considers may be, required for the purposes of its money laundering obligations under the Money Laundering Regulations; and
 - (iv) any interest accruing on such retained monies shall accrue to and for the sole benefit of the Company;
- (e) agree, on the request of the Company and/or Winterflood, to disclose promptly in writing to them such information as the Company and/or Winterflood may request in connection with your application and authorise the Company, Winterflood and the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
 - (f) agree that, if evidence of identity satisfactory to the Company, and/or the Receiving Agent is not provided to the Receiving Agent within a reasonable time in the opinion of Winterflood following a request therefor, the Company or Winterflood may terminate the agreement with you to issue C Shares and, in such case, the C Shares which would otherwise have been issued to you may be re-issued and your application monies will be returned to the bank or other account on which the cheque or other remittance accompanying the application was drawn without interest and at your risk;
 - (g) agree that you are not applying on behalf of a person engaged in money laundering;
 - (h) undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certificated by a solicitor or notary) is enclosed with your Application Form;
 - (i) undertake to pay interest at the rate described in paragraph 3.3 of this Part 13 if the remittance accompanying your Application Form is not honoured on first presentation;
 - (j) authorise the Receiving Agent to credit the CREST account specified in section 5 of the Application Form with the number of C Shares for which your application is accepted or, if that section is not completed, send a definitive certificate in respect of the number of C Shares for which your application is accepted by post to your address (or that of the first-named applicant) as set out in your Application Form;
 - (k) agree that, in the event of any difficulties or delays in the Initial Admission, or any Subsequent Admission, of the C Shares to CREST or the use of CREST in relation to the Initial Offer for Subscription, or any Subsequent Offer for Subscription, the Company and/or Winterflood may agree that all of the C Shares should be issued in certificated form;
 - (l) authorise the Receiving Agent to send a crossed cheque for any monies returnable (without interest) by post to your address (or that of the first-named applicant) as set out in your Application Form;
 - (m) confirm that you have read and complied with paragraph 8 of this Part 13;
 - (n) consent to the processing of personal data given in relation to your application and acknowledge and accept that information provided by you to the Company, Receiving Agent or Administrator will be stored on the Receiving Agent's, the Registrar's and the Administrator's computer system and manually. You acknowledge and agree that for the purposes of the Data Protection Law and other relevant data protection legislation which may be applicable, the Receiving Agent, the Registrar and the Administrator are required to specify the purposes for which they will hold personal data. The

Receiving Agent, the Registrar and the Administrator will only use such information for the purposes set out below (collectively, the “**Purposes**”), being to:

- (i) process your personal data (including sensitive personal data) as required by or in connection with your holding of C Shares, including processing personal data in connection with credit and money laundering checks on you;
- (ii) communicate with you as necessary in connection with your affairs and generally in connection with your holding of C Shares;
- (iii) provide personal data to such third parties as the Administrator, the Registrar or Receiving Agent may consider necessary in connection with your affairs and generally in connection with your holding of C Shares or as the Data Protection Law may require, including to third parties outside Guernsey or the European Economic Area;
- (iv) without limitation, provide such personal data to the Company, Winterflood, the Investment Manager, the Administrator, the Receiving Agent, the Registrar and their respective associates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the European Economic Area; and
- (v) process your personal data for the Administrator’s, the Receiving Agent’s or the Registrar’s internal administration.

In providing the Receiving Agent, the Registrar and the Administrator with information, you hereby represent and warrant to the Receiving Agent, the Registrar and the Administrator that you have obtained the consent of any data subject to the Receiving Agent and the Administrator and their respective associates holding and using their personal data for the purposes (including the explicit consent of the data subject for the processing of any sensitive personal data for the Purposes set out in paragraph (n)(i) above). For the purposes of this document, “data subject”, “personal data” and “sensitive personal data” shall have the meanings attributed to them in the Data Protection Law; and

- (o) agree that your Application Form is addressed to the Company.

3. ACCEPTANCE OF APPLICATIONS

3.1 In respect of those C Shares for which your application has been received and is not rejected, acceptance of your application shall be constituted, at the election of the Company, or Winterflood on behalf of the Company, either:

- (a) by notifying the FCA of the basis of allocation (in which case the acceptance will be on that basis); or
- (b) by notifying acceptance thereof to the Receiving Agent.

3.2 The basis of allocation will be determined by the Company in consultation with Winterflood. The right is reserved notwithstanding the basis so determined to reject in whole or in part and/or scale down any application. The right is also reserved to treat as valid any application not complying fully with the terms and conditions of application set out in this Part 13 or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with it in some other manner to apply in accordance with the terms and conditions of application in this Part 13. The Company reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received through the post after 1.00 p.m. on 24 May 2017 or which are received otherwise than in accordance with these terms and conditions of the Initial Offer for Subscription and/or any Subsequent Offer for Subscription.

- 3.3 The right is reserved to present all cheques for payment on receipt by the Receiving Agent to retain documents of title and surplus application monies pending clearance of successful applicant's cheques. The Company may require you to pay interest or its other resulting costs (or both) if any cheque accompanying your application is not honoured on first presentation. If you are required to pay interest, you will be obliged to pay the amount determined by the Company to be the interest on the amount of the cheque from the date on which the basis of allocation under the Initial Offer for Subscription or any Subsequent Offer for Subscription is publicly announced until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company plus two per cent. per annum.
- 3.4 The right is reserved to reject in whole or in part and/or to scale down or limit, any application.
- 3.5 The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than 1,000 C Shares, or applications which are more than 1,000 C Shares but not a multiple of 1,000 thereafter.

4. CONDITIONS

- 4.1 The contracts created by the acceptance of applications (in whole or in part) under the Initial Offer for Subscription will be conditional upon:
- (a) Initial Admission by 8.00 a.m. (London time) on or prior to 31 May 2017 (or such later time or date, not being later than 8.00 a.m. on 14 June 2017, as specified by Winterflood);
 - (b) the Placing Agreement becoming unconditional and the obligations of Winterflood thereunder not being terminated prior to Initial Admission; and
 - (c) the Minimum Net Proceeds being raised.
- 4.2 The contracts created by the acceptance of applications (in whole or in part) under any Subsequent Offer for Subscription will be conditional upon:
- (a) the relevant Subsequent Admission by 8.00a.m. (London time) on the date specified by the Company in respect of such Subsequent Offer for Subscription; and
 - (b) a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules and the Placing Agreement being wholly unconditional in respect of such Subsequent Issue (save as regards Subsequent Admission itself) and not having been terminated in accordance with its terms prior to the Subsequent Admission.
- 4.3 You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

5. RETURN OF APPLICATION MONIES

If any application is not accepted in whole, or is accepted in part only (as a result of any scaling back of any part of an application), or if any contract created by acceptance does not become unconditional (for example, in the event the Minimum Net Proceeds are not raised), the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in favour of the first-named applicant, by post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate non-interest bearing account.

6. WARRANTIES

By completing an Application Form, you:

- (a) warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person or corporation and that

such other person or corporation will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in this Part 13 and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;

- (b) warrant that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any such territory or jurisdiction and that you have not taken any action or omitted to take any action which will result in the Company, Winterflood or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Initial Offer for Subscription or any Subsequent Offer for Subscription (as applicable) in respect of your application;
- (c) confirm that, in making an application, you are not relying on any information or representations in relation to the Company other than those contained in this document and any supplementary prospectus issued by the Company prior to Initial Admission (on the basis of which alone your application is made) or any Subsequent Admission, in respect of a Subsequent Offer for Subscription, and, accordingly, you agree that no person responsible solely or jointly for this document or any part of it shall have any liability for any such other information or representation;
- (d) agree that, having had the opportunity to read this document, you shall be deemed to have had notice of all information and representations contained in it;
- (e) acknowledge that no person is authorised in connection with the Initial Offer for Subscription or any Subsequent Offer for Subscription to give any information or make any representation other than as contained in this document and any supplementary prospectus issued by the Company prior to Initial Admission or any Subsequent Admission (if in respect of a Subsequent Offer for Subscription) and, if given or made, any information or representation must not be relied upon as having been authorised by the Company or Winterflood;
- (f) warrant that you are not under the age of 18 on the date of your application;
- (g) agree that all documents and monies sent by post to, by or on behalf of the Company, Winterflood or the Receiving Agent will be sent at your risk and, in the case of documents and returned monies to be sent to you, may be sent to you at your address (or, in the case of joint applicants, the address of the first-named applicant) as set out in your Application Form;
- (h) warrant that you are not applying as, or as nominee or agent of, a person who is or may be a person mentioned in any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipt and clearance services); and
- (i) confirm that you have reviewed the restrictions contained in paragraph 2 of this Part 13 and warrant to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions in that paragraph.

7. MONEY LAUNDERING

7.1 You agree that, in order to ensure compliance with the Money Laundering Regulations, as amended, and any other regulations applicable thereto, the Company and/or Winterflood may, at its/their absolute discretion, require verification of identify from any person lodging an Application Form who either:

- (a) tenders payment by way of banker's draft or cheque or money order drawn on an account in the name of another person or persons (in which case verification of your identity may be required); or

- (b) appears to the Receiving Agent to be acting on behalf of some other person (in which case verification of or identity of any persons on whose behalf you appear to be acting may be required).
- 7.2 Failure to provide the necessary evidence or identity may result in application(s) being rejected or delays in the despatch of documents or CREST accounts being credited.
- 7.3 Without prejudice to the generality of this paragraph 7 of this Part 13, verification of the identity of applicants will be required if the aggregate value of the C Shares applied for, whether in one or more applications, exceeds €15,000 (or its Sterling equivalent, being approximately £12,750).

8. OVERSEAS INVESTORS

The attention of investors who are not resident in, or citizens of, countries other than the United Kingdom and Guernsey is drawn to the following:

- (a) the offer of C Shares under the Initial Offer for Subscription or any Subsequent Offer for Subscription to persons who are resident in, or citizens of, countries other than the United Kingdom and Guernsey may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for C Shares under the Initial Offer for Subscription or any Subsequent Offer for Subscription. It is the responsibility of all such persons receiving this document and/or wishing to subscribe for C Shares under the Initial Offer for Subscription or any Subsequent Offer for Subscription, to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities requiring to be observed and paying any issue, transfer or other taxes due in such territories;
- (b) no person receiving a copy of this document in any territory other than the United Kingdom or Guernsey may treat the same as constituting an offer or invitation to him, unless in the relevant territory such an offer can lawfully be made to him without compliance with any further registration or other legal requirements;
- (c) persons (including, without limitation, nominees and trustees) receiving this document should not distribute or send it to any U.S. person or in or into the United States, Canada, Australia or Japan, their respective territories or possessions or any other jurisdiction where to do so would or might contravene local securities laws or regulations; and
- (d) the Company reserves the right to treat as invalid any agreement to subscribe for C Shares pursuant to the Initial Offer for Subscription or any Subsequent Offer for Subscription if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

9. MISCELLANEOUS

- 9.1 To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the C Shares and the Initial Offer for Subscription or any Subsequent Offer for Subscription.
- 9.2 The rights and remedies of the Company, Winterflood and the Receiving Agent, pursuant to this Part 13 are in addition to any rights and remedies, which would otherwise be available to any of them, and the exercise or partial exercise of one will not prevent the exercise of others.
- 9.3 The Company reserves the right to delay the closing time of the Initial Offer for Subscription from 1.00 p.m. on 24 May 2017 by giving notice to the FCA. In this event, the revised closing time will be published in such manner as Winterflood, in consultation with the Company, determines subject, and having regard, to the Listing Rules, the Prospectus Rules and any other requirements of the FCA.

- 9.4 The Company may terminate the Initial Offer for Subscription or any Subsequent Offer for Subscription in its absolute discretion at any time prior to Initial Admission or any Subsequent Admission. If such right is exercised, the Initial Offer for Subscription or any Subsequent Admission will lapse and any monies will be returned to you without interest.
- 9.5 You agree that Winterflood is acting for the Company in connection with the Initial Offer for Subscription or any Subsequent Offer for Subscription and for no-one else and that Winterflood will not treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of C Shares or concerning the suitability of C Shares for you or otherwise in relation to the Initial Offer for Subscription and any Subsequent Offer for Subscription.
- 9.6 You authorise the Receiving Agent, Winterflood or any person authorised by any of them or the Company, as your agent, (without any obligation to do so) to do all things necessary to effect registration of any C Shares subscribed by you into your name(s) and authorise any representatives of the Receiving Agent or of Winterflood to execute and/or complete any document required therefor.
- 9.7 You agree that all applications, acceptances of applications and contracts resulting therefrom under the Initial Offer for Subscription or any Subsequent Offer for Subscription shall be governed by and construed in accordance with English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company, Winterflood or the Receiving Agent to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances and contracts in any other manner permitted by law or in any court of competent jurisdiction.
- 9.8 The dates and times referred to in this Part 13 may be altered by the Company so as to be consistent with the Placing Agreement (as the same may be altered from time to time in accordance with its terms).
- 9.9 Save where the context requires otherwise, terms used in this Part 13 bear the same meaning as where used elsewhere in this document.

10. JOINT APPLICANTS

If you make a joint application, you will not be able to transfer your C Shares into an ISA or SIPP. If you are interested in transferring your C Shares into an ISA or SIPP, you should apply in your name only.

If you do wish to apply jointly, you may do so with up to three other persons. Sections 3 and 4 of the Application Form must be completed by one applicant. All other persons who wish to join in the application must complete and sign section 7 of the Application Form.

Another person may sign on behalf of any joint applicant if that other person is duly authorised to do so under a power of attorney. The original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) must be enclosed for inspection. Certificates, cheques and other correspondence will be sent to the address set out in the first paragraph of the Application Form.

11. VERIFICATION OF IDENTITY

Verification of the identity of applicants will be required if the aggregate value of the C Shares applied for, whether in one or more applications, exceeds €15,000 (or its Sterling equivalent, being approximately £12,750).

12. INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS

Completed Application Forms should be returned, by post to or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by no later than 1.00 p.m. on 24 May 2017. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after 1.00 p.m. on 24 May 2017 may be rejected and returned to the first-named applicant.

PART 14

DEFINITIONS

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

“2016 Net Initial Proceeds”	the net initial proceeds of the 2016 Placing and Offer for Subscription
“2016 Placing and Offer for Subscription”	the placing and offer for subscription of new Ordinary Shares as described in the 2016 Prospectus
“2016 Placing Agreement”	has the meaning given to it in paragraph 10.8 of Part 10 of this prospectus
“2016 Placing Programme”	the placing programme in respect of new Ordinary Shares as described in the 2016 Prospectus
“2016 Placing Programme Price”	the price at which any Ordinary Shares will be issued or sold to placees under the 2016 Placing Programme, calculated by reference to the NAV per Ordinary Share at the time of the allotment together with a premium intended to cover the costs and expenses of such issue
“2016 Prospectus”	the prospectus dated 31 May 2016 and prepared by the Company in relation to the 2016 Placing and Offer for Subscription and the 2016 Placing Programme
“Administration Agreement”	the administration agreement dated 31 May 2016 between the Company and the Administrator, a summary of which is set out in paragraph 10.4 of Part 10 of this document
“Administrator”	Praxis Fund Services Limited and/or such other person or persons appointed as administrator by the Company from time to time
“Admission”	Initial Admission or Subsequent Admission, as applicable
“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 for the purposes of the AIFM Directive
“AIFM”	an alternative investment fund manager within the meaning of AIFMD
“AIFM Directive” or “AIFMD”	the EU Directive on Alternative Investment Fund Managers (Directive 2011/61/EC)
“AO Rules”	any rules issued by Euroclear as authorised operator of CREST
“Application Form”	an application form to subscribe for C Shares pursuant to the Initial Offer for Subscription as set out in Part 16 of this document or such other application form as may be published by the Company in respect of a Subsequent Offer for Subscription
“Articles”	the articles of incorporation of the Company adopted on 31 May 2016

“Audit and Risk Committee”	the audit and risk committee of the Company
“Auditor”	Deloitte LLP of Regency Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 3HW
“Board” or “Board of Directors”	the board of directors of the Company
“Business Day”	a day on which the London Stock Exchange and trading banks in each of London and Guernsey are open for business
“C Shares”	C shares in the capital of the Company with the rights set out in the Articles and as described in Part 8 of this document
“Calculation Time”	means the earliest of: <ul style="list-style-type: none"> (a) the close of business on the date, determined by the Directors, occurring not more than 10 Business Days after the day on which the investment adviser of the Company shall have given notice to the Directors that at least 85% of the net proceeds attributable to the relevant tranche of C Shares (or such other percentage as the Company’s investment adviser and the Directors shall agree) has been invested in accordance with the Company’s investment policy; (b) the close of business on the last Business Day prior to the day on which the Directors resolve that Force Majeure Circumstances have arisen; (c) the close of business on such date as the Directors may determine to enable the Company to comply with its obligations in respect of Conversion; and (d) the close of business on the Business Day falling nine calendar months after the issue date of the relevant tranche of C Shares.
“City Code”	the City Code on Takeovers and Mergers
“Companies Law”	the Companies (Guernsey) Law, 2008, as amended
“Company”	Hadrian’s Wall Secured Investments Limited (Guernsey registered company number 61955)
“Conversion”	means the conversion of C Shares into Ordinary Shares and, if applicable, Deferred Shares, as described in Part 8 of this prospectus
“Conversion Time”	means a time which falls after the Calculation Time and is the time at which the admission of the new Ordinary Shares arising on Conversion to trading on the main market of the London Stock Exchange becomes effective, being the opening of business on such Business Day as is selected by the Directors, provided that such day shall not be more than 20 Business Days after the Calculation Time
“CREST”	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
“CREST Regulations”	the Uncertificated Securities (Guernsey) Regulations, 2009
“CRS”	Common Reporting Standard

“Data Protection Law”	the Data Protection (Bailiwick of Guernsey) Law, 2001, as amended
“Deferred Shares”	means the redeemable deferred shares of no par value in the capital of the Company arising from Conversion
“Director”	a director of the Company from time to time
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
“EEA”	the European Economic Area
“EEA AIF”	either: (i) an AIF which is authorised or registered in a EEA member state under applicable national law; or (ii) an AIF which is not authorised or registered in an EEA member state, but has its registered office and/or head office in an EEA member state
“EEA AIFM”	an AIFM which has its registered office in an EEA member state
“ERISA”	The Employee Retirement Income Security Act of 1974, as amended
“ERISA Plan Investor”	a plan investor as defined by ERISA
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited
“European Commission”	the Commission of the EU
“Eurozone”	those member states of the EU which have adopted the Euro as their lawful currency
“FATCA”	the U.S. Foreign Account Tax Compliance Act 2010
“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
“Force Majeure Circumstances”	means any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable, notwithstanding that conversion of the C Shares into Ordinary Shares would not otherwise occur at such time
“FSMA”	the Financial Services and Markets Act 2000, as amended
“GFSC” or “Commission”	the Guernsey Financial Services Commission
“Gross Initial Proceeds”	the aggregate value of the C Shares issued pursuant to the Initial Placing and the Initial Offer for Subscription at the Issue Price
“Group”	the Company and the Subsidiary, and any other subsidiaries of the Company from time to time (as such term is defined in the Companies Law)
“Guernsey AML Requirements”	the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), ordinances, rules and regulations made thereunder, and the GFSC’s Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time)
“HMRC”	HM Revenue & Customs

“IFRS”	International Financial Reporting Standards (including International Accounting Standards)
“Initial Admission”	admission of the C Shares issued pursuant to the Initial Placing and Initial Offer for Subscription to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with the LSE Admission Standards and admission of those C Shares to listing on the premium segment of the Official List
“Initial Issue”	the Initial Placing and the Initial Offer for Subscription
“Initial Offer for Subscription” or “Initial Offer”	the offer for subscription of C Shares at the Issue Price
“Initial Offer Application Form”	an application to subscribe for C Shares pursuant to the Initial Offer for Subscription as contained in Part 16 of this document
“Initial Placing”	the placing of C Shares at the Issue Price, as described in Part 6 of this document
“Internal Revenue Code”	the Internal Revenue Code of 1986, as amended
“Investment Adviser”	Hadrian’s Wall Capital Limited (UK registered company number 07203454)
“Investment Advisory Agreement”	the investment advisory agreement dated 31 May 2016 between the Investment Adviser, the Investment Manager and the Company, a summary of which is set out in paragraph 10.3 of Part 10 of this document
“Investment Manager”	International Fund Management Limited, a limited liability company incorporated in Guernsey (registered number 17484) with its registered address at Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR
“Investment Management Agreement”	the investment management agreement dated 31 May 2016 between the Investment Manager and the Company, a summary of which is set out in paragraph 10.2 of Part 10 of this document
“IPO”	the initial public offer of the Company pursuant to which 80,024,706 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 20 June 2016
“IPO Price”	100 pence per Ordinary Share
“ISIN”	International Securities Identification Number
“Issue”	the issue of C Shares pursuant to the Initial Placing, the Initial Offer for Subscription and the Share Issuance Programme
“Issue Price”	100 pence per Share
“Listing Rules”	the listing rules made by the UK Listing Authority under section 73A of FSMA
“Loans”	debt financing made available to borrowers by the Company or an associated or affiliated entity of the Company (including, without limitation, the Subsidiary)

“London Stock Exchange” or “LSE”	the London Stock Exchange plc
“MAR”	Regulation (EU) No 596/2014 of the European Parliament and Council of 16 April 2014 on market abuse
“Member State”	a sovereign state which is a member of the European Union
“Memorandum”	the memorandum of incorporation of the Company
“Minimum Net Proceeds”	£14.7 million, being the minimum Gross Initial Proceeds of £15 million less the costs of the Initial Placing and the Initial Offer for Subscription
“Money Laundering Regulations”	the U.K. Money Laundering Regulations 2007, the Money Laundering Directive (Council Directive No. 91/308(EEC), the Criminal Justice (Proceeds of Crime) (Financial Services Businesses) Bailiwick of Guernsey) Regulations 2007 and the Handbook of Financial Services Business (in each case as amended from time to time and any other regulations applicable thereto)
“Multilateral Agreement”	the multi-lateral agreement signed on 29 October 2014 by fifty-one jurisdictions that activates automatic exchange of FATCA-like information in line with the CRS
“NAV” or “Net Asset Value”	the value of the assets of the Company less its liabilities
“Net Asset Value per Ordinary Share”	the net asset value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue
“Net Asset Value per C Share”	the Net Asset Value divided by the number of C Shares in issue
“Net Initial Proceeds”	the net proceeds of the Initial Placing and the Initial Offer for Subscription, being £78.4 million (assuming Gross Initial Proceeds of £80 million and the costs and expenses of the Initial Placing and Initial Offer for Subscription being equal to two per cent. of the Gross Initial Proceeds)
“Non-EEA AIF”	an AIF which is not an EEA AIF
“Non-EEA AIFM”	an AIFM which is not an EEA AIFM
“Non-Qualified Holder”	any person, as determined by the Board in its sole discretion, to whom a sale or transfer of C Shares, or in relation to whom the direct or beneficial holding of C Shares (whether directly or indirectly affecting such person, and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstances appearing to the Board to be relevant) would or might result in the Company incurring a liability to taxation or suffering any pecuniary, fiscal, administrative or regulatory or similar disadvantage, in connection with the Company being, or being required to register as, an “investment company” under the Investment Company Act, losing any exemptions under the Investment Company Act, or the assets of the Company being deemed to be assets of an ERISA Plan Investor
“Note Issuing Co”	HWSIL NoteCo Limited (UK registered company number 10288541) the background to which is set out in paragraph 5 of Part 1 of this document

“Offeree”	a person subscribing for C Shares pursuant to the Initial Offer for Subscription or any Subsequent Offer for Subscription
“Official List”	the Official List of the FCA
“Ordinary Shares”	ordinary shares of no par value in the capital of the Company with the rights set out in the Articles
“Ordinary Shareholder”	a holder of Ordinary Shares
“Originators”	firms who originate Loans and/or portfolios of Loans or other assets for the Company to invest in, and the origination of which may include, without limitation, sourcing the Loan, negotiating the terms and conditions, perfecting the security interest(s) and execution of the closing documentation provided, however, a party who refers or introduces a Loan to the Company and who provides no other services is not an Originator
“Placee”	a person subscribing for C Shares pursuant to the Initial Placing and/or any Subsequent Placing
“Placing Agreement”	the conditional placing agreement dated 2 May 2017 between the Company, Winterflood and the Investment Adviser, a summary of which is set out in paragraph 10.1 of Part 10 of this document
“POI Law”	the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended
“Portfolio”	the Company’s portfolio of assets from time to time
“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
“RCIS Rules”	the Registered Collective Investment Schemes Rules 2015
“Receiving Agent”	Capita Registrars Limited
“Receiving Agent Agreement”	the receiving agent agreement dated 2 May 2017 between the Receiving Agent and the Company, a summary of which is set out in paragraph 10.7 of Part 10 of this document
“Registrar”	Capita Registrars (Guernsey) Limited
“Registrar Agreement”	the registrar agreement dated 31 May 2016 between the Registrar and the Company, a summary of which is set out in paragraph 10.6 of Part 10 of this document
“Restricted Jurisdiction”	any jurisdiction (including, but not limited to, the United States, Canada, Japan, South Africa and Australia) where local laws or regulations may result in significant risk of civil, regulatory or criminal exposure if information and/or documents in connection with the Initial Placing and/or the Initial Offer for Subscription and/or the Share Issuance Programme is sent, or otherwise made available, to persons in those jurisdictions
“RIS” or “Regulatory Information Service”	a regulatory information service as defined in the Listing Rules
“Securities Act”	the United States Securities Act of 1933 (as amended)

“Servicer”	persons who handle the ongoing activity and performance monitoring of Loans, which includes, without limitation, cash payments, debt collection, perfection of security interests, maintenance and control over Loan documents (including Loan notes and security interests), performance monitoring, pursuit of late payments, Loan remediation, repossession and sale of collateral, which may include (without limitation) the relevant Originator, the Investment Adviser or a Third Party Servicer
“Share Issuance Programme”	the share issuance programme in respect of up to 200 million C Shares, as described in Part 7 of this document
“Share Issuance Programme Price”	100 pence per C Share
“Shares”	Ordinary Shares and/or C Shares as the context may require
“Shareholder”	a holder of Shares
“SMEs”	small to medium enterprises
“Subsequent Admission”	admission of the C Shares issued pursuant to any Subsequent Placing and/or Subsequent Offer for Subscription to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with the LSE Admission Standards and admission of those Shares to listing on the premium segment of the Official List
“Subsequent Issue”	a Subsequent Placing and/or a Subsequent Offer for Subscription
“Subsequent Offer for Subscription”	any offer for subscription of C Shares made pursuant to the Share Issuance Programme
“Subsequent Ordinary Share Admission”	admission of the Ordinary Shares issued pursuant to any placing of Ordinary Shares under the 2016 Placing Programme to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with the LSE Admission Standards and admission of those Ordinary Shares to listing on the premium segment of the Official List
“Subsequent Placing”	any placing of C Shares made pursuant to the Share Issuance Programme
“Subsidiary”	HWSIL Finance Co Limited (UK registered company number 10144063), being a wholly owned subsidiary of the Company as at the date of this document
“Subsidiary Administration Agreement”	the administration agreement dated 31 May 2016 between the Subsidiary and the Subsidiary Administrator, a summary of which is set out in paragraph 10.5 of Part 10 of this document
“Subsidiary Administrator”	PraxisIFM Fund Services (UK) Limited
“Takeover Panel”	the UK Panel on Takeovers and Mergers
“Third Party Servicers”	a person other than an Originator or the Investment Adviser who acts as a Servicer and may include, without limitation, banks and/or trust companies
“TISE”	The International Stock Exchange, formerly The Channel Islands Securities Exchange Authority Limited

“UK Corporate Governance Code”	the UK Corporate Governance Code published in September 2014 by the Financial Reporting Council
“UK Listing Authority” or “UKLA”	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
“United States” or “US” or “U.S.”	the United States of America, its states, territories and possessions, including the District of Columbia
“U.S. Investment Company Act”	the United States Investment Company Act of 1940, as amended
“VAT”	value added tax or any similar or replacement tax
“Winterflood”	Winterflood Securities Limited, acting through its division Winterflood Investment Trusts
“£” and “p”	respectively pounds and pence sterling, the lawful currency of the United Kingdom

PART 15

AIFMD DISCLOSURE

AIFMD

This Part 15 sets out important information about AIFMD and its application to the Investment Manager and the Company. AIFMD is a European Directive which regulates the management and marketing of an AIF by an AIFM within the EEA.

For the purposes of AIFMD, the Investment Manager is the non-EEA AIFM of the Company, which is a Non-EU AIF. This Appendix seeks to provide information in respect of the Company.

Marketing of the Company in the EEA

AIFMD permits EU member states to allow a non-EEA AIFM to market to investors, in their territory only, units or shares of Non-EU AIFs managed by a non-EEA AIFM, subject to complying with all the applicable disclosure requirements under AIFMD. An EU member state which permits an AIFM to actively market Non-EEA AIFs in its territory may be said to maintain a national private placement regime (“NPPR”). The Investment Manager may, in its sole discretion, and subject to complying with the requirements of the particular NPPR, market the Company in any EU member state which maintains a NPPR. However, at the date of this prospectus, the UK is the only jurisdiction where a NPPR notification has been made in respect of the Company. There is currently no intention to submit similar notifications or applications in any other EEA jurisdiction.

Under AIFMD, for each AIF marketed in the EU under a NPPR, the AIFM must make available to prospective investors in the AIF certain prescribed information before the investors invest in the AIF, as well as any material changes thereto. These are the disclosure requirements set out in Article 23 of AIFMD.

Purpose of this Part

This Part must be read together with the other Parts of this prospectus and has been included in this prospectus to comply with the Article 23 disclosure requirements in respect of the Company.

This Part cross-refers to, and must at all times be read in conjunction with, the other Parts of this prospectus.

DISCLOSURE REQUIREMENT

LOCATION OR DISCLOSURE OF REQUIREMENT

1. Description of the Company

(a) Investment strategy and objectives of the Company

Information on the investment strategy and objectives of the Company are outlined in sections 3 and 5 of Part 1 of this prospectus.

(b) and (c) Information on whether the Company is a feeder fund or a fund of funds

Not applicable: The Company is not a feeder fund nor a fund of funds.

(d) Types of assets in which the Company may invest

The types of assets in which the Company may invest are outlined in section 3 of Part 1 under the heading “Investment Policy” and section 1 of Part 4 of this prospectus.

(e) The investment techniques that the Company, or the Investment Manager on behalf of the Company, may employ and all associated risks

The investment techniques to be used by the Company are described in Parts 1 and 4 of this prospectus.

The section entitled “Risk Factors” (pages 16 to 32 inclusive) of this prospectus provides an overview of the risks involved in investing in the Company.

4. Service Providers

(a) The AIFM's Duties

The Investment Manager

International Fund Management Limited is the investment manager of the Company (the “**Investment Manager**”). The primary duties of the Investment Manager as AIFM is to provide investment management services (including portfolio management, risk management, monitoring and other services) to the Company in accordance with the terms of the Investment Management Agreement, details of which are set out in Part 10 of this prospectus.

(b) Depositary Duties

The Company has not appointed (and is not required to appoint) a depositary.

(c) Auditors and Other Service Providers' Duties

The Auditor

Deloitte LLP is the auditor of the Company (the “**Auditor**”). The Auditor will audit and report on the financial statements of the Company. The Auditor will conduct each audit in accordance with relevant accounting standards. The Auditor's engagement letter does not provide for any third party rights for investors.

The Investment Adviser

Under the terms of the Investment Advisory Agreement, the Investment Manager has appointed Hadrian's Wall Capital Limited as its investment adviser (the “**Investment Adviser**”).

The Investment Manager will delegate portfolio management functions to the Investment Adviser under the terms of the Investment Advisory Agreement but will remain responsible for general oversight and management of the Investment Adviser's activities and for risk management. Further details of the Investment Advisory Agreement are set out in Part 10 of this prospectus.

Details of other advisers and professionals are set out in sections 4 to 7 of Part 5 and Part 10 of this prospectus.

(d) Investors' Rights

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

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

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

The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of the Financial Services and Markets Act 2000

(which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result) (or equivalent legislation in any non-UK jurisdiction), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of the Financial Services and Markets Act 2000, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.

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

5. Professional Liability Risks

As a non-EEA AIFM, the Investment Manager is not required to hold regulatory capital as outlined in AIFMD.

6. Delegated Management Functions

The Investment Manager delegates portfolio management functions to the Investment Adviser under the terms of the Investment Advisory Agreement but remains responsible for general oversight and management of the Investment Adviser’s activities and for risk management.

Further details of the delegated functions are outlined in Part 10 of this prospectus.

Delegation of these responsibilities does not relieve the Investment Manager of any of its duties or liabilities under the Investment Management Agreement.

The Company has appointed the Administrator to perform certain administration functions covering accounting, company secretarial and administration services to the Company and including the maintenance of accounting and statutory records.

7. Valuation Procedure

The Investment Adviser shall advise the Investment Manager in relation to the valuation policies for calculating NAV. The Administrator, in conjunction with the Investment Adviser, calculates the Net Asset Value and the Net Asset Value per Share as at the end of each month (the first such calculation being as at 31 July 2016). These calculations are reported monthly to Shareholders. The Net Asset Value is announced as soon as possible on a Regulatory Information Service, by publication on the Company’s website, www.hadrianswallcapital.com/hwsil, and on www.londonstockexchange.com.

The valuation task is functionally independent from portfolio management.

The Board may determine that the Company shall temporarily suspend the publication of the Net Asset Value per Share when the prices of any investments owned by the Company cannot be promptly or accurately ascertained. However, in view of the nature of the Company's proposed investments, the Board does not currently envisage any circumstances in which the publication of such valuations will be suspended.

More information on the valuation procedure to be used by the Company is set out in Part 1 of this prospectus.

8. Liquidity Risk Management

Shareholders have no right of redemption and will usually have to rely on the existence of a liquid market in order to realise their investment.

9. Fees, Charges and Expenses

The costs and expenses (including irrecoverable VAT) of, and incidental to, the Initial Placing and Initial Offer for Subscription payable by the Company are expected to be 2 per cent of the Gross Initial Proceeds.

The fees and expenses payable to the Investment Manager are described in paragraph 10.3.4 of Part 10; and the fees and expenses payable to the Investment Adviser are described in paragraph 10.3.10 of Part 10 of this prospectus.

Other than in respect of expenses of, or incidental to, Initial Admission and the Initial Placing and the Initial Offer for Subscription, which the Company intends to pay out of the proceeds of the Initial Placing and the Initial Offer for Subscription, there are no commissions, fees or expenses to be charged to investors by the Company under the Initial Placing and Initial Offer for Subscription.

The costs and expenses of the Share Issuance Programme will depend on subscriptions received but it is expected that these costs will be covered by issuing such Shares at a premium to the prevailing cum-income Net Asset Value per C Share.

Fees, charges and expenses following Initial Admission are outlined in section 9 of Part 5 of this prospectus.

10. Fair Treatment

The following statements about fair treatment of investors supplements the statements made in Section 8 of Part 5 of this prospectus relating to conflicts of interest. The Investment Manager will seek to ensure that investors are treated fairly in a number of ways, including by ensuring that any preferential treatment granted by the Investment Manager to one or more investors does not result in an overall material disadvantage to other investors; by ensuring that its decision making procedures are applied fairly as between investors; by applying relevant policies and procedures (including its valuation policy and procedures) properly; by ensuring, to the extent within its power, that investors do not bear directly or indirectly fees, charges and expenses which are inappropriate in nature or amount; by complying with the rules and guidance of the GFSC (or equivalent) applicable to it and by conducting its activities honestly, fairly and with due skill, care and diligence.

11. Preferential Rights	Neither the Company nor the Investment Manager will offer side letters or will otherwise have the discretion to waive or modify the application of, or grant special or more favourable rights with respect to, any provision of this prospectus to the extent permitted by applicable law.
12. Issue and Sale of Units	<p>The terms and conditions under which investors can subscribe for C Shares under the Initial Placing are set out in Part 12 of this prospectus. The terms and conditions and application form to subscribe for C Shares under the Initial Offer for Subscription are set out in Parts 13 and 16 of this prospectus, respectively.</p> <p>As at 27 April 2017 (being the latest practicable date prior to the publication of this document) the unaudited Net Asset Value was £78.04 million and the unaudited Net Asset Value per Ordinary Share was 97.52 pence.</p>
13. to 15. Latest Net Asset Value and Historical Performance	The Company has commenced operations and historical financial information is included within this document. Please see the selected financial information at paragraph B.7 of the summary section of this prospectus.
16. Prime Brokerage	The Company does not intend to use prime brokers.
17. Article 23.4 and 23.5 Information	<p>The following information which is required to be disclosed under Articles 23.4 and 23.5 of AIFMD will, if and when relevant, be disclosed by way of a separate disclosure by the Investment Manager either in writing or by linking to the relevant part of the Investment Manager's website or by way of an update to this prospectus:</p> <ul style="list-style-type: none"> (i) the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature; (ii) any new arrangements for managing the liquidity of the Company; (iii) the current risk profile of the Company and the risk management systems employed by the Investment Manager to manage those risks; (iv) any changes to the maximum level of leverage which the Investment Manager may employ on behalf of the Company, as well as any changes to the right of re-use of collateral or any guarantee granted under any leveraging arrangement; and (v) the total amount of leverage employed by the Company.

PART 16

INITIAL OFFER FOR SUBSCRIPTION APPLICATION FORM

NOTES ON HOW TO COMPLETE THE APPLICATION FORM FOR THE INITIAL OFFER FOR SUBSCRIPTION

**Applications should be returned so as to be received by Capita Asset Services,
Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
by no later than 1.00 p.m. on 24 May 2017**

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

The helpline cannot provide advice on the merits of any proposals to invest in the Company nor give any financial, legal or tax advice.

In addition to completing and returning the Application Form to Capita Asset Services, you will also need to complete and return a Tax Residency Self Certification Form (CRS Form). The “individual tax residency self-certification – sole holding” form can be found at the end of this prospectus along with the relevant forms for Joint holdings or Corporate Entity holdings. Further copies can be requested from Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. The relevant CRS forms can also be downloaded from the Company’s website (which is www.hadrianswallcapital.com/hwsil).

It is a condition of the Application that (where applicable) a completed version of the relevant CRS form is provided with the Application Form before any Application can be accepted.

1. APPLICATION

Fill in (in figures) in Box 1 of the relevant Application Form the number of C Shares for which your application is made under the Initial Offer for Subscription. Your application under each Offer must be for a minimum of 1,000 C Shares and thereafter in multiples of 1,000. Financial intermediaries who are investing on behalf of clients should make separate applications for each client.

2. AMOUNT PAYABLE

Fill in (in figures) the total amount payable for the C Shares for which your application is made which is the number inserted in Box 1 of the relevant Application Form, multiplied by the Issue Price, being 100 pence per C Share. You should also mark in the relevant box to confirm your payment method, i.e. cheque, electronic bank transfer (CHAPS) or settlement via CREST.

3A. HOLDER DETAILS

Fill in (in block capitals) the full name(s) of each holder and the address of the first named holder.

Applications may only be made by persons aged eighteen or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the relevant Application Form in section 4.

3B. CREST

If you wish your C Shares to be deposited in a CREST account in the name of the holders given in section 3A, enter in section 3B the details of that CREST account. Where it is requested that C Shares be deposited into a CREST account please note that payment for such C Shares must be made prior to the day such C Shares might be allotted and issued. It is not possible for an Applicant to request that C Shares be deposited in their CREST account on an against payment basis. Any Application Form received containing such a request will be rejected.

4. SIGNATURE

All holders named in section 3A must sign section 4 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

5. SETTLEMENT

(a) *Cheque/Banker's draft*

All payments by cheque or banker's draft must accompany your Application Form and be for the exact amount inserted in Box 2 of the relevant Application Form. Applications accompanied by a post-dated cheque will not be accepted. Your payment must relate solely to the relevant Application. No receipt will be issued. Your cheque or banker's draft must be made payable to Capita Registrars Limited re "Hadrian's Wall Secured Investments Limited Initial Offer for Subscription A/C" in respect of an Application and crossed "A/C Payee Only".

The cheque or banker's draft must be drawn in pounds sterling on an account at a bank branch in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided by any of those companies or committees, and must bear a United Kingdom bank sort code number in the top right hand corner. If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp. Cheques should be drawn on the personal account to which you have sole or joint title to the funds. Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the bank or building society has confirmed the name of the account holder by stamping and endorsing the cheque to such effect.

(b) *Electronic Bank Transfers*

For applicants who wish to send their subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 1.00 p.m. on 24 May 2017 to the bank account detailed below.

Applicants must ensure that in such payment they remit sufficient funds to cover any charges incurred by their bank.

Electronic Payment should be made in Sterling to the bank account below:

Sort Code: 15-10-00

Account Number: 32517687

IBAN No: GB68RBOS15100032517687

Swift No: RBOSGB2L

Account Name: Capita Registrars Ltd: RE: Hadrian's Wall Secured Investment Limited – Initial OFS CHAPS

The payment instruction relating to the electronic bank transfer must also include a unique reference field on the payment instruction, for example: MJ Smith 01234 5678910. The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying Application Form.

(c) ***CREST settlement***

The Company will apply for the C Shares issued pursuant to the Initial Offer for Subscription in uncertificated form to be enabled for CREST transfer and settlement with effect from the relevant date of Initial Admission (the **Relevant Settlement Date**). Accordingly, settlement of transactions in the C Shares will normally take place within the CREST system.

The Application Forms contain details of the information which the Company's registrars, Capita Asset Services, will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Capita Asset Services to match to your CREST account, Capita Asset Services will deliver your C Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your C Shares in certificated form should the Company, having consulted with Capita Asset Services, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by Capita Asset Services in connection with CREST.

The person named for registration purposes in your Application Form (which term shall include the holder of the relevant CREST account) must be: (a) the person procured by you to subscribe for or acquire the relevant C Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither Capita Asset Services nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. You will need to input the DVP instructions into the CREST system in accordance with your application. The input returned by Capita Asset Services of a matching or acceptance instruction to our CREST input will then allow the delivery of your C Shares to your CREST account against payment of the Issue Price per C Share through the CREST system upon the Relevant Settlement Date.

By returning your Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of C Shares to be made prior to 8.00 a.m. on 31 May 2017, against payment of the Issue Price per C Share. Failure by you to do so will result in you being charged interest at the rate of 2 percentage points above the then published bank base rate of a clearing bank selected by Capita Asset Services.

To ensure that you fulfil this requirement it is essential that you or your settlement agent/custodian follow the CREST matching criteria set out below:

Trade Date:	26 May 2017
Settlement Date:	31 May 2017
Company:	Hadrian's Wall Secured Investments Limited
Security Description:	C Shares of no par value
SEDOL:	BDD98Q6
ISIN:	GG00BDD98Q61

Should you wish to settle DVP, you will need to input your instructions to Capita Asset Services' Participant account RA06 by no later than 1.00 p.m. on 24 May 2017.

You must also ensure that you or your settlement agent/custodian has a sufficient “debit cap” within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

In the event of late CREST settlement, the Company, after having consulted with Capita Asset Services, reserves the right to deliver C Shares outside CREST in certificated form provided payment has been made in terms satisfactory to the Company and all other conditions in relation to the relevant Offer have been satisfied.

6. Reliable introducer declaration

Applications under an Offer with a value greater than €15,000 (approximately £12,750) will be subject to verification of identity requirements. This will involve you providing the verification of identity documents listed below UNLESS you can have the declaration provided at section 6 of the relevant Application Form given and signed by a firm acceptable to the Company (or any of its agents). In order to ensure your application is processed in a timely and efficient manner all Applicants are strongly advised to have the declaration provided in section 6 of the relevant Application Form completed and signed by a suitable firm.

If the declaration in section 6 cannot be completed and the value of your application under an Offer is greater than €15,000 (approximately £12,750) the documents listed below must be provided with the completed relevant Application Form, as appropriate, in accordance with internationally recognised standards for the prevention of money laundering. Notwithstanding that the declaration in section 6 has been completed and signed, the Company (or any of its agents) reserves the right to request of you the identity documents listed below and/or to seek verification of identity of each holder and payor (if necessary) from you or your bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application may be rejected or revoked. Where certified copies of documents are requested below, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

6A. For each holder being an individual enclose:

- (1) a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and
- (2) certified copies of at least two of the following documents which purport to confirm that the address given in section 3A is that person’s residential address: a recent gas, electricity, water or telephone (not mobile) bill (such utility bill must be no more than 3 months old and show the usage of the utility) – a recent bank statement – a council rates bill – or similar document issued by a recognised authority; and
- (3) if none of the above documents show their date and place of birth, enclose a note of such information; and
- (4) details of the name and address of their personal bankers from which the Company (or any of its agents) may request a reference, if necessary.

6B. For each holder being a company (a holder company) enclose:

- (1) a certified copy of the certificate of incorporation of the holder company; and
- (2) the name and address of the holder company’s principal bankers from which the Company (or any of its agents) may request a reference, if necessary; and
- (3) a statement as to the nature of the holder company’s business, signed by a director; and

- (4) a list of the names and residential addresses of each director of the holder company; and
- (5) for each director provide documents and information similar to that mentioned in 6A above; and
- (6) a copy of the authorised signatory list for the holder company; and
- (7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than five per cent. of the issued share capital of the holder company and, where a person is named, also observe 6C below and, if another company is named (hereinafter a beneficiary company), also observe 6D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

6C. *For each person named in 6B(7) as a beneficial owner of a holder company enclose documents and information similar to that mentioned in 6A(1) to 6A(4)*

6D. *For each beneficiary company named in 6B(7) as a beneficial owner of a holder company enclose:*

- (1) a certified copy of the certificate of incorporation of that beneficiary company; and
- (2) a statement as to the nature of that beneficiary company's business signed by a director; and
- (3) the name and address of that beneficiary company's principal bankers from which the Company (or any of its agents) may request a reference, if necessary; and
- (4) a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company. The Company (or any of its agents) reserves the right to ask for additional documents and information.

7. Contact details

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Company (or any of its agents) may contact with all enquiries concerning your application.

Ordinarily this contact person should be the person signing in section 4 on behalf of the first named holder. If no details are entered here and the Company (or any of its agents) requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS FOR THE INITIAL OFFER FOR SUBSCRIPTION

Completed Application Forms should be returned, by post (or by hand during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by no later than 1.00 p.m. on 24 May 2017 together with payment by cheque or duly endorsed banker's draft in full in respect of the Application except where payment is being made by electronic bank transfer or by CREST settlement.

If you post your Application Form(s), you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after the relevant dates specified above may be rejected.

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APPLICATION FORM FOR THE INITIAL OFFER FOR SUBSCRIPTION

For Office Use Only Log No.

Important: before completing this form, you should read the accompanying notes. To: Capita Asset Services, acting as Receiving Agent for Hadrian's Wall Secured Investments Limited

1. Application

I/We, the person(s) detailed in section 3A below, offer to subscribe for the number of fully paid C Shares specified in Box 1 in respect of the Initial Offer for Subscription at an issue price of 100 pence per C Share subject to the Terms and Conditions of Application set out in Part 13 of the Prospectus dated 2 May 2017 and subject to the Articles of Incorporation of the Company.

Box 1A No. of Shares

(Minimum subscription of 1,000 C Shares and then in multiples of 1,000).

2. Amount payable

(The number in Box 1 multiplied by the Issue Price, being 100 pence per C Share)

Payment Method:

Cheque

CHAPS

CREST Settlement

3A. Details of Holder(s) in whose Name(s) Shares will be issued (BLOCK CAPITALS)

Mr, Mrs, Miss, or Title

Forenames (in full)

Surname/Company Name:

Address (in Full)

Designation (if any)

Mr, Mrs, Miss, or Title

Forenames (in full)

Surname

Mr, Mrs, Miss, or Title

Forenames (in full)

Surname

Mr, Mrs, Miss, or Title

Forenames (in full)

Surname



3B. CREST details

(Only complete this section if C Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 3A).

CREST Participant ID

CREST Member Account ID

4. Signature(s) all holders must sign

First holder signature	Second holder signature
Name (Print)	Name (Print)
Dated:	Dated:
Third holder signature:	Fourth holder signature:
Name (Print)	Name (Print)
Dated:	Dated:

5. Settlement

(a) **Cheque/Banker’s Draft**

If you are subscribing for C Shares and paying by cheque or banker’s draft pin or staple to this form your cheque or banker’s draft for the exact amount shown in Box 2 made payable to Capita Registrars re “Hadrian’s Wall Secured Investments Limited Initial Offer for Subscription A/C”. Cheques and bankers payments must be drawn in sterling on an account at a bank branch in the UK and must bear a UK bank sort code number in the top right hand corner.

(b) **Electronic Bank Transfer**

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 1.00 p.m. on 24 May 2017. Please make payment to the bank account detailed below. Applicants must ensure that they remit sufficient funds to the account below to cover any charges incurred by their bank. Please enter below the sort code of the bank and branch you will be instructing to make such payment for value by 1.00 p.m. on 24 May 2017 together with the name and number of the account to be debited with such payment and the branch contact details.

Sort Code:	Account name:
Account number:	Contact name at branch and telephone number:

Electronic Payment should be made in Sterling to the bank account below:

Sort Code: 15-10-00
 Account Number: 32517687
 IBAN No: GB68RBOS15100032517687
 Swift No: RBOSGB2L
 Account Name: Capita Registrars Ltd: RE: Hadrian’s Wall Secured Investment Limited – Initial OFS CHAPS

The payment instruction relating to the electronic bank transfer must also include a unique reference field on the payment instruction, for example: MJ Smith 01234 5678910. The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying Application Form.

(c) **CREST Settlement**

If you so choose to settle your application within CREST, that is DVP, you or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of Shares to be made against payment of the Issue Price per C Share, following the CREST matching criteria set out below:

Trade Date:	26 May 2017
Settlement Date:	31 May 2017
Company:	Hadrian's Wall Secured Investments Limited
Security Description:	C Shares of no par value
SEDOL:	BDD98Q6
ISIN:	GG00BDD98Q61

Should you wish to settle DVP, you will need to input your instructions to Capita Asset Services' Participant account RA06 by no later than 1.00 p.m. on 24 May 2017.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

6. Reliable introducer declaration

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 6 of the notes on how to complete this Application Form.

The declaration below may only be signed by a person or institution (being a regulated financial services firm) (the firm) which is itself subject in its own country to operation of "customer due diligence" and anti-money laundering regulations no less stringent than those which prevail in Guernsey. Acceptable countries include Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, the Republic of South Africa, Spain, Sweden, Switzerland, the UK and the United States of America.

Declaration: To the Company and the Receiving Agent

With reference to the holder(s) detailed in section 3A, all persons signing at section 4 and the payor if not also the applicant (collectively the subjects) **WE HEREBY DECLARE:**

- (i) we operate in one of the above mentioned countries and our firm is subject to money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in Guernsey;
- (ii) we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
- (iii) each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
- (iv) we confirm the accuracy of the names and residential/business address(es) of the holder(s) given at section 3A and if a CREST Account is cited at section 3B that the owner thereof is named in section 3A;
- (v) having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the C Shares mentioned; and
- (vi) where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).



The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its officials.

Signed:

Name:.....

Position:
having authority to bind the firm.

Name of regulatory authority:

Firm's Licence number:.....

Website address or telephone number of regulatory authority:

STAMP of firm giving full name and business address.....

.....

7. Contact details

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Company (or any of its agents) may contact with all enquiries concerning this application. Ordinarily this contact person should be the (or one of the) person(s) signing in section 4 on behalf of the first named holder. If no details are entered here and the Company (or any of its agents) requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Name:.....

Position:

Daytime telephone no.....

Email address:.....

**Individual Tax Residency Self-Certification form
(Issuer is outside UK)**

Instructions for completion

The law requires Hadrian's Wall Secured Investments Limited ("the Company") to collect, retain and report certain information about their shareholders, including their tax residence. For this purpose, the shareholder is the person whose name appears on the share register. This may not necessarily be the same as the person who is entitled to dividends or the sale proceeds of the shares, for example where shares are held by a nominee.

- To enable the Company to comply with its obligation to report to the Director of Income Tax in Guernsey, who may then share it with other tax authorities, you are required to provide certain information, including your country of residence for tax purposes.
- Please complete the sections below as directed and provide any additional information requested.
- If your declared country/countries of residence or citizenship for tax purposes is not Guernsey and is either the US or is on the OECD list of countries which have agreed to exchange information (<http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>), the Company will be obliged to share this information with the Director of Income Tax in Guernsey who may then share it with other relevant local tax authorities.
- Failure to validly complete this form will result in you being reported onwards to the relevant local tax authority.
- Definitions of terms used in this form can be found in the Notes.

If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.

Please note:

If your address (or name) has changed from that shown on the form, then you must advise us separately. Any details you enter in the "Tax Residency Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Company with a new, updated, self-certification form within 30 days of such change in circumstances.

Joint Holders (if relevant)

All joint holders are treated as separate holders for these tax purposes and every joint holder is required to give an Individual Tax Residency Self-Certification. If any one or more is reportable, the value of the whole shareholding will be reported for that/those joint shareholder(s).

If we do not receive the self-certification from each joint shareholder, then the whole holding will be treated as undocumented and all holders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.



Hadrian's Wall Secured Investments Limited**Tax Residency Self-Certification – Individuals**
(Issuer is outside UK)**Part 1 – Identification of Individual Shareholder**

Name:	
Address:	

A. Please provide your Tax Residence Address (if different from address shown above)

House Name/Number	
Street/Road	
Town/City Name	
County	
Country	
Postal or ZIP Code	

B. Date of Birth **DD/MM/YY****Part 2a – Country/Countries of Residence for Tax Purposes**

Country of residence for tax purposes	Tax identification Number (see Definition)

Part 2b – US Person

Please mark the box ONLY if you are a US Person (see Definition)

Part 3 – Declarations and Signature

I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information.

I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances.

I certify that I am the shareholder (or am authorised to sign for the shareholder).

I acknowledge and am hereby notified by the Company that information regarding myself will (if so required by Guernsey legislation) be reported to the Director of Income Tax in Guernsey, and exchanged with the tax authority or authorities of another jurisdiction or jurisdictions in which I may be tax resident where that jurisdiction or those jurisdictions have entered into agreements to exchange financial account information with Guernsey.

If this relates to a joint holding: I also acknowledge that as a joint holder I may be reported to the relevant tax authority if all the other holders do not provide a Tax Residency Self-Certification.

I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.

Signature:			
Print Name:			
Date:		*Daytime telephone number	

* We will only make contact with you by phone if there is a question around the completion of the self-certification form.

If signing under a power of attorney, please also attach a certified copy of the power of attorney.

Notes – Definitions

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“The Common Reporting Standard”) <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/contains-definitions-for-the-terms-used-within-it>. However, the following definitions are for general guidance only to help you in completing this form.

If you have any questions about these definitions or require further details about how to complete this form then please contact your tax adviser. NOTHING IN THIS DOCUMENT CAN BE CONSIDERED TO BE TAX ADVICE.

“Country/Countries of residence for tax purposes”

You are required to list the country or countries in which you are resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a **tax identification number (TIN)**. Special circumstances (such as studying abroad, working overseas, or extended travel) may cause you to be resident elsewhere or resident in more than one country at the same time (dual residency). The country/countries in which you might be obliged to submit a tax return are likely to be your country/countries of tax residence. If you are a US citizen or hold a US passport or green card, you will also be considered tax resident in the US even if you live outside the US.

“Tax Identification Number or TIN”

The number used to identify the shareholder in the country of residence for tax purposes. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents. Depending on the country or jurisdiction these can include functional equivalent references such as a National Insurance number, social security number or resident registration number. Some jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions.

“US Person”

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.
- You are a ‘tax resident’ of the United States. You can become a tax resident under two rules: 1) The ‘substantial presence test’. This is a ‘day count test and based on the number of days you are in the US over a three year period and 2) The ‘green card’ test. A person who has obtained a ‘green card’ has been granted the right to lawful permanent residence in the United States.



Individual tax residency self-certification form – joint holding

Instructions for completion

The law requires Hadrian's Wall Secured Investments Limited ("the Company") to collect, retain and report certain information about their shareholders, including their tax residence. For this purpose, the shareholder is the person whose name appears on the share register. This may not necessarily be the same as the person who is entitled to dividends or the sale proceeds of the shares, for example where shares are held by a nominee.

- To enable the Company to comply with its obligation to report to the Director of Income Tax in Guernsey, who may then share it with other tax authorities; you are required to provide certain information, including your country of residence for tax purposes.
- Please complete the sections below as directed and provide any additional information requested.
- All joint holders are treated as separate shareholders for these tax purposes. If any one or more of them is reportable, the value of the whole shareholding will be reported for that/those joint shareholder(s).
- If you do not have all the required information about the other joint shareholder(s), please complete as much information as possible (including at least a current mailing address) and we will contact the other shareholder(s) direct.
- If we do not receive the necessary information, declaration and signature for each joint shareholder, the whole shareholding will be treated as undocumented and all shareholders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.
- If your declared country/countries of residence or citizenship for tax purposes is not Guernsey and is either the US or is on the OECD list of countries with which the UK has agreed to exchange information (<http://www.oecd.org/tax/exchange-of-tax-information/MCAA-Signatories.pdf>) the Company will be obliged to share this information with Director of Income Tax in Guernsey who may then share it with other relevant local tax authorities.
- Failure to validly complete this form will result in you being reported onwards to the relevant local tax authority.
- Definitions of terms used in this form can be found in the Notes.

If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.

Please note:

If your address (or name) has changed from that shown on the form, then you must advise us separately. Any details you enter in the "Tax Residency Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Company with a new, updated, self-certification form within 30 days of such change in circumstances.

Hadrian's Wall Secured Investments Limited**Individual tax residency self-certification form – joint holding****Part 1 – Identification of First Named Shareholder**

(Please ensure all relevant parts of this section are completed)

A. Name of shareholder:

Family Name or Surname(s)	
Title	
First or Given name	
Middle Name(s)	

B. Please provide the Residence Address (if different from address carrier above) House Name/Number	
Street/Road	
Town/City Name	
County	
Country	
Postal or ZIP Code	

C. Date of Birth DD/MM/YY**D. Country/Countries of Residence for Tax Purposes**

Country of residence for tax purposes	Tax Identification Number (see Definition)

E. US Person

Please mark the box ONLY if you are a US Person (see Definition)

F. Declarations and Signature

I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information.

I acknowledge and am hereby notified by the Company that information regarding myself will (if so required by Guernsey legislation) be reported to the Director of Income Tax in Guernsey, and exchanged with the tax authority or authorities of another jurisdiction or jurisdictions in which I may be tax resident where that jurisdiction or jurisdictions have entered into agreements to exchange financial account information with Guernsey.



I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances.

I confirm that I have provided details for all joint or multiple shareholder(s) and their details are completed in Parts 2, 3 and 4.

I certify that I am the shareholder (or am authorised to sign for the shareholder).

I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.

Signature:			
Print Name:			
Date:		*Daytime telephone number	

* We will only make contact with you by phone if there is a question around the completion of the self-certification form.

If signing under a power of attorney, please also attach a certified copy of the power of attorney.

Part 2 – Identification of 2nd name Joint Shareholder

(Please ensure all relevant parts of this section are completed)

A. Name of shareholder:

Family Name or Surname(s)	
Title	
First or Given name	
Middle Name(s)	

B. Mailing Address (PLEASE COMPLETE if different from the First Named Shareholder)

House Name/Number	
Street/Road	
Town/City Name	
County	
Country	
Postal or ZIP Code	

C. Current Residence Address (If different from Part B above)

House Name/Number	
Street/Road	
Town/City Name	
County	
Country	
Postal or ZIP Code	

D. Date of Birth DD/MM/YY

E. Part 2 – Country/Countries of Residence for Tax Purposes

Country of residence for tax purposes	Tax Identification Number (see Definition)

F. US Person

Please mark the box ONLY if you are a US Person (see Definition)

G. Declarations and Signature

I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information.

I acknowledge and am hereby notified by the Company that information regarding myself will (if so required by Guernsey legislation) be reported to the Director of Income Tax in Guernsey, and exchanged with the tax authority or authorities of another jurisdiction or jurisdictions in which I may be tax resident where that jurisdiction or jurisdictions have entered into agreements to exchange financial account information with Guernsey.

I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances.

I certify that I am the shareholder (or am authorised to sign for the shareholder).

I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.

Signature:			
Print Name:			
Date:		*Daytime telephone number	

* We will only make contact with you by phone if there is a question around the completion of the self-certification form.

If signing under a power of attorney, please also attach a certified copy of the power of attorney.

Part 3 – Identification of 3rd named Joint Shareholder

(Please ensure all relevant parts of this section are completed)

A. Name of shareholder:

Family Name or Surname(s)	
Title	
First or Given name	
Middle Name(s)	



B. Mailing Address (PLEASE COMPLETE if different from the First Named Shareholder)

House Name/Number	
Street/Road	
Town/City Name	
County	
Country	
Postal or ZIP Code	

C. Current Residence Address (If different from Part B above)

House Name/Number	
Street/Road	
Town/City Name	
County	
Country	
Postal or ZIP Code	

D. Date of Birth DD/MM/YY

E. Part 2 – Country/Countries of Residence for Tax Purposes

Country of residence for tax purposes	Tax Identification Number (see Definition)

F. US Person

Please mark the box ONLY if you are a US Person (see Definition)

G. Declarations and Signature

I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information.

I acknowledge and am hereby notified by the Company that information regarding myself will (if so required by Guernsey legislation) be reported to the Director of Income Tax in Guernsey, and exchanged with the tax authority or authorities of another jurisdiction or jurisdictions in which I may be tax resident where that jurisdiction or jurisdictions have entered into agreements to exchange financial account information with Guernsey.

I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances.

I certify that I am the shareholder (or am authorised to sign for the shareholder).

I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.

Signature:			
Print Name:			
Date:		*Daytime telephone number	

* We will only make contact with you by phone if there is a question around the completion of the self-certification form.

If signing under a power of attorney, please also attach a certified copy of the power of attorney.

Part 4 – Identification of 3rd named Joint Shareholder

(Please ensure all relevant parts of this section are completed)

A. Name of shareholder:

Family Name or Surname(s)	
Title	
First or Given name	
Middle Name(s)	

B. Mailing Address (PLEASE COMPLETE if different from the First Named Shareholder)

House Name/Number	
Street/Road	
Town/City Name	
County	
Country	
Postal or ZIP Code	

C. Current Residence Address (If different from Part B above)

House Name/Number	
Street/Road	
Town/City Name	
County	
Country	
Postal or ZIP Code	

D. Date of Birth

DD/MM/YY



E. Part 2 – Country/Countries of Residence for Tax Purposes

Country of residence for tax purposes	Tax Identification Number (see Definition)

F. US Person

Please mark the box ONLY if you are a US Person (see Definition)

G. Declarations and Signature

I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information.

I acknowledge and am hereby notified by the Company that information regarding myself will (if so required by Guernsey legislation) be reported to the Director of Income Tax in Guernsey, and exchanged with the tax authority or authorities of another jurisdiction or jurisdictions in which I may be tax resident where that jurisdiction or jurisdictions have entered into agreements to exchange financial account information with Guernsey.

I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances.

I certify that I am the shareholder (or am authorised to sign for the shareholder).

I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.

Signature:			
Print Name:			
Date:		*Daytime telephone number	

* We will only make contact with you by phone if there is a question around the completion of the self-certification form.

If signing under a power of attorney, please also attach a certified copy of the power of attorney.

Notes – Definitions

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“The Common Reporting Standard”) <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/> contains definitions for the terms used within it. However, the following definitions are for general guidance only to help you in completing this form.

If you have any questions about these definitions or require further details about how to complete this form then please contact your tax adviser. NOTHING IN THIS DOCUMENT CAN BE CONSIDERED TO BE TAX ADVICE.

“Country/Countries of residence for tax purposes”

You are required to list the country or countries in which you are resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a **tax identification number (TIN)**. Special circumstances (such as studying abroad, working overseas, or extended travel) may cause you to be resident elsewhere or resident in more than one country at the same time (dual residency). The country/countries in which you might be obliged to submit a tax return are likely to be your country/countries of tax residence. If you are a US citizen or hold a US passport or green card, you will also be considered tax resident in the US even if you live outside the US.

“Tax Identification Number or TIN”

The number used to identify the shareholder in the country of residence for tax purposes. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents. Depending on the country or jurisdiction these can include functional equivalent references such as a National Insurance number, social security number or resident registration number. Some jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions.

“US PERSON”

All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.

- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.
- You are a ‘tax resident’ of the United States. You can become a tax resident under two rules: 1) The ‘substantial presence test’. This is a ‘day count test and based on the number of days you are in the US over a three year period and 2) The ‘green card’ test. A person who has obtained a ‘green card’ has been granted the right to lawful permanent residence in the United States.



Entity tax residency self-certification form

Instructions for completion

The law requires Hadrian's Wall Secured Investments Limited ("the Company") to collect, retain and report certain information about their shareholders, including their tax residence. For this purpose, the shareholder (hereafter called the organisation) is the organisation whose name appears on the share register and may not necessarily be the same as the underlying person or organisation who is entitled to dividends or the sale proceeds of the shares, for example where shares are held by a nominee.

- To enable the Company to comply with its obligation to report to the Director of Income Tax in Guernsey, who may then share it with other tax authorities, your organisation is required to provide complete and accurate information on this form. It must provide details of any natural person(s) who is the controlling person(s) of the organisation.
- Please validly complete the sections below as directed and provide any additional information requested.
- If you do not have all the information about the controlling person(s) then please complete as much information as possible (including at least a current mailing address). All persons identified as a controlling person must complete an individual self-certification form.

Failure to complete this form will result in your organisation or controlling persons being reported to the Director of Income Tax in Guernsey as undocumented.

- Definitions of terms used in this form can be found in the Notes.
- If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.

Please note:

If your address (or name) has changed from that shown on the form, then you must advise us separately. Any details you enter in the "Tax Residency Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Company with a new, updated, self-certification form within 30 days of such change in circumstances.

Hadrian's Wall Secured Investments Limited

Entity tax residency self-certification form

Part 1 – Identification of Organisation: Name:

A. Please provide the Registered Office address

House Name/Number	
Street/Road	
Town/City Name	
County	
Country	
Postal or ZIP Code	

B. Tax Residence

Please specify the jurisdiction(s) in which your Organisation is resident for tax purposes and give the Tax Identification Number.

Country of residence for tax purposes	Tax Identification Number (see Definition)

Please note that if your organisation is a branch you should consider and complete this for the branch and not the legal entity.

Part 2 – Entity Type

1 Please provide the organisation's status by ticking ONE box from (a) to (g) below:

- (a) Financial Institution – Investment entity
- (i) An investment entity located in a Non-Participating Jurisdiction and managed by another Financial Institution;
- (Note: if ticking this box please also complete Part 3 below)
- (ii) Other investment entity (this includes non-reporting Financial Entities)
- (b) Financial Institution – Other Depository Institution, Custodial Institution or Specified Insurance Company
- (c) Active NFE – corporation that is publicly traded or a related entity of a publicly traded corporation
- (d) Active NFE – an International Organisation
- (e) Active NFE – Governmental entity including Central Bank
- (f) Active NFE – Other than (c)-(e)
- (g) Passive NFE (Note: if ticking this box please complete Part 3 below)



Part 3 – Controlling Persons of Organisation

If you have ticked boxes 1(a)(i) or 1(g) above, also complete the following table for each Controlling Person. Each Controlling Person must also complete an individual self-certification form.

Note: If there are no natural person(s) who exercise control of the organisation then the Controlling Person will be the natural person(s) who hold the position of senior managing official (see the definition of Controlling Person in the Notes).

Name	Residential Address	Date of birth (dd/mm/yyyy)	Country(ies) of tax residence	TIN (Please complete for each jurisdiction of tax residence)	Please mark the box ONLY if you are a US Person (see definition)

Part 3A – Controlling person types

You must select one number from the table below for each Controlling Person to indicate the type of Controlling Person

CP Type	✓	Description of Controlling Person
801		CP of legal person – ownership
802		CP of legal person – other means
803		CP of legal person – senior managing official
804		CP of legal arrangement – trust – settlor
805		CP of legal arrangement – trust – trustee
806		CP of legal arrangement – trust – protector
807		CP of legal arrangement – trust – beneficiary
808		CP of legal arrangement – trust – other
809		CP of legal arrangement – other – settlor-equivalent
810		CP of legal arrangement – other – trustee-equivalent
811		CP of legal arrangement – other – protector-equivalent
812		CP of legal arrangement – other – beneficiary-equivalent
813		CP of legal arrangement – other – other-equivalent

Part 4 – Declarations and Signature

I acknowledge that the information contained in this form and information regarding the Organisation and its shareholding may be reported to the Director of Income Tax in Guernsey and exchanged with tax authorities of another country or countries in which the Organisation may be tax resident where those countries have entered into Agreements to exchange financial account information.

I undertake to provide the Company with a suitably updated self-certification within 30 days of any change in circumstances, including changes to the circumstances of any Controlling Person, which causes the information contained herein to become incorrect.

I confirm that I have completed the attached details of Controlling Persons section which forms an integral part of this Declaration and have let the relevant people know that The Company may be writing directly to them in the near future seeking further information which they are obliged to provide.

I certify that I am authorised to sign for the shareholder to which this form relates.

I declare that all statements made in this self-certification (including the details of Controlling Persons section) are, to the best of my knowledge and belief, correct and complete.

Signature:			
Print Name:			
Capacity in which signing:			
Date:		*Daytime telephone number	

* We will only make contact with you by phone if there is a question around the completion of the self-certification form.

Notes – Definitions

These definitions are from the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“The Common Reporting Standard” or “CRS”) <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/>

If you have any questions about these definitions or require further detail then please contact your tax adviser. NOTHING IN THIS DOCUMENT CAN BE CONSIDERED TO BE TAX ADVICE.

“Active NFE” means any one or more of the following:

- (a) less than 50% of the NFE’s gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50% of the assets held by the NFE during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income;
- (b) the stock of the NFE is regularly traded on an established securities market or the NFE is a Related Entity of an Entity the stock of which is regularly traded on an established securities market;
- (c) the NFE is a Governmental Entity, an International Organisation, a Central Bank, or an Entity wholly owned by one or more of the foregoing;
- (d) substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an Entity does not qualify for this status if the Entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;



- (e) the NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFE does not qualify for this exception after the date that is 24 months after the date of the initial organisation of the NFE;
- (f) the NFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of a Financial Institution;
- (g) the NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution; or
- (h) the NFE meets all of the following requirements:
 - (i) it is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;
 - (ii) it is exempt from income tax in its jurisdiction of residence;
 - (iii) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
 - (iv) the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and
 - (v) the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisation, or escheat to the government of the NFE's jurisdiction of residence or any political subdivision

“Controlling Persons” means the term “controlling person” means a natural person who exercises control over an entity. This definition shall be interpreted in a manner consistent with the Financial Action Task Force Recommendations (as adopted in February 2012). In the case of a company, this includes such a person owning, directly or indirectly, 25% or more of the shares of the company. Where those natural persons meet the definition of a controlling person, including ownership through one or more intermediate companies, they should be included in the list of controlling persons provided. If the company official completing the controlling person's details cannot provide complete and accurate details they should attempt to obtain them, or state that fact and subsequently Hadrian's Wall Secured Investments Limited or its agent will write requesting them.

In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other person exercising ultimate effective control over the trust. In the case of a legal arrangement other than a trust, such term means person in equivalent or similar positions.

“Control” means “Control” over an Entity is generally exercised by the natural person(s) who ultimately has a controlling ownership interest in the Entity. Where no natural person(s) exercises control through ownership interests, the Controlling Person(s) of the Entity will be the natural person(s) who exercises control of the Entity through other means.

Where no natural person(s) is identified as exercising control of the Entity, the Controlling Person(s) of the Entity will be the natural person(s) who holds the position of senior managing official.

In the case of a trust, the Controlling Person means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary (ies) or class (es) of beneficiaries, or any other natural person(s) exercising ultimate effective control over the trust (including through a chain of control or ownership). The settlor(s), the trustee(s), the protector(s) (if any), and the beneficiary(ies) or class(es) of beneficiaries, must always be treated as Controlling Persons of a trust, regardless of whether or not any of them exercises control over the activities of the trust. In the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions.

“**Country/Countries of residence for tax purposes**” means the organisation is required to list the country or countries in which it is resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a tax identification number (TIN).

“**Custodial Institution**” means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others. An Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity’s gross income attributable to the holding of Financial Assets and related financial services equals or exceeds 20% of the Entity’s gross income during the shorter of: (i) the three-year period that ends on 31 December (or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or (ii) the period during which the Entity has been in existence.

“**Depository Institution**” means any Entity that accepts deposits in the ordinary course of a banking or similar business.

“**Entity**” means a legal person or a legal arrangement, such as a corporation organisation, partnership, trust or foundation.

“**Financial Institution**” means a “Custodial Institution”, a “Depository Institution”, an “Investment Entity”, or a “Specified Insurance Company”.

“**Investment Entity**” means any Entity that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:

- (a) Trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;
 - (i) Individual and collective portfolio management; or
 - (ii) Otherwise investing, administering, or managing Financial Assets or money on behalf of other persons; or
- (b) If the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described above the gross income of the Entity is primarily attributable to investing, reinvesting, or trading in Financial Assets.

An Entity is treated as primarily conducting as a business one or more of the activities described above, or an Entity’s gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the Entity’s gross income attributable to the relevant activities equals or exceeds 50% of the Entity’s gross income during the shorter of: (i) the three-year period ending on 31 December of the year preceding the year in which the determination is made; or (ii) the period during which the Entity has been in existence. The term “Investment Entity” does not include an Entity that is an Active NFE because it meets any of the criteria in subparagraphs (d) through (g) of the definition of Active NFE. This paragraph shall be interpreted in a manner consistent with similar language set forth in the definition of “financial institution” in the Financial Action Task Force Recommendations.

“**NFE**” means any Entity that is not a Financial Institution

“**Participating CRS jurisdiction**” For a list of Participating CRS jurisdictions, visit the OECD’s dedicated website for the CRS at:

<http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>



“Passive NFE” means any NFE that is not an Active NFE.

“Related Entity” means an entity is a Related Entity of another entity if either entity controls the other entity, or two entities are under common control. For this purpose control includes direct or indirect ownership of more than 50 per cent of the vote and value in an entity.

“Reportable Jurisdiction” means a jurisdiction with which an obligation to provide financial account information is in place.

“Specified Insurance Company” means any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a cash value insurance contract or an annuity contract.

“Tax Identification Number” means the number used to identify the shareholder in the country of residence for tax purposes. This could be the unique taxpayer reference number or company registration number or code. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents. Depending on the country or jurisdiction these can include functional equivalent references such as a national insurance number, social security number or resident registration number. Some jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions.

“US Person” means:

- (a) all US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen;
- (b) you can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens;
- (c) you are a ‘tax resident’ of the United States. You can become a tax resident under two rules: 1) The ‘substantial presence test’. This is a ‘day count test and based on the number of days you are in the US over a three year period and 2) The ‘green card’ test.

A person who has obtained a ‘green card’ has been granted the right to lawful permanent residence in the United States.

