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AcenciA Debt Strategies Limited

(an authorised closed-ended collective investment scheme incorporated in Guernsey as a non-cellular company limited by shares with registered number 43787)

RECOMMENDED PROPOSALS FOR VOLUNTARY WINDING-UP SUSPENSION AND CANCELLATION OF LISTING ON THE OFFICIAL LIST

and

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice of an extraordinary general meeting of AcenciA Debt Strategies Limited to be held at Sarnia House, Le Truchot, St. Peter Port, Guernsey GY1 1GR at 10 a.m. on 29 December 2017 is set out at the end of this document. To be valid, the accompanying Form of Proxy for use by Shareholders at the meeting should be completed and returned to Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible and in any event so as to arrive not later than 10 a.m. on 27 December 2017.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in this document and the section entitled "Action to be taken by Shareholders" in paragraph 10 of Part I of this document.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

27 December 2017	10 a.m.	Latest time for receipt of Forms of Proxy
28 December 2017	6.00 p.m.	Deadline for lodging any transfers of Shares through CREST
29 December 2017	7:30 a.m.	Suspension of listing on the Official List and trading on the Main Market
29 December 2017	10 a.m.	Extraordinary General Meeting and appointment of Joint Liquidators
By 31 March 2018		Payment of initial cash distribution

All references to times of day in this Circular are to Guernsey time unless otherwise stated. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to the UK Listing Authority and the London Stock Exchange and to Shareholders by an announcement through a Regulatory Information Service.

DEFINITIONS

The following definitions apply throughout this Circular and in the accompanying Form of Proxy, unless the context otherwise requires:

"2017 Winding-up Resolution"	the meaning given in paragraph 2 of Part I of this document
"Articles"	the articles of incorporation of the Company
"Board" or "Directors"	the board of directors of the Company and "Director" shall mean any one of them
"Business Day"	the meaning given in Appendix 1 (Relevant Definitions) of the Listing Rules
"certificated" or "certificated form"	not in uncertificated form
"Chairman"	William Scott
"Circular"	this document
"Company"	Acencia Debt Strategies Limited, an authorised closed-ended collective investment scheme incorporated under the laws of Guernsey with registered number 43787
"CREST Member"	a person who has been admitted to Euroclear as a member (as defined in the Regulations)
"CREST Participant"	a person who, in relation to CREST, is a participant (as defined in the Regulations)
"CREST Sponsor"	a CREST Participant who is admitted to CREST as a CREST sponsor, being a sponsor (as defined in the Regulations)
"CREST Sponsored Member"	a Crest Member who is admitted to CREST as a sponsored member
"CREST"	the computerised settlement system for paperless settlement of trades and holdings of uncertificated shares administered and operated by Euroclear UK & Ireland Limited
"Delisting"	the meaning given in paragraph 6 of Part I of this document
"Delisting Resolution"	the meaning given in paragraph 6 of Part I of this

	document
"Euroclear"	Euroclear UK & Ireland Limited
"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of the Company to be held at Sarnia House, Le Truchot, St. Peter Port, Guernsey GY1 1GR at 10 a.m. on 29 December 2017 (notice of which is set out in the Notice of Extraordinary General Meeting), or any reconvened meeting following any adjournment thereof
"Financial Conduct Authority" or "FCA"	the United Kingdom Financial Conduct Authority and any successor regulatory authority thereto
"Form of Proxy"	the form of proxy accompanying this Circular for use in connection with the EGM
"Irrevocable Undertakings"	the irrevocable undertakings given by Saltus, Sandalwood and the Sandalwood Director to vote in favour of the Resolutions
"Joint Liquidators"	the meaning given in paragraph 5 of Part I of this document
"Liquidation Resolutions"	the meaning given in paragraph 5 of Part I of this document
"Listing Rules"	the listing rules of the Financial Conduct Authority
"London Stock Exchange"	the London Stock Exchange plc
"Main Market"	the London Stock Exchange's main market for listed securities
"Notice of Extraordinary General Meeting"	the notice of extraordinary general meeting of the Company to be held at Sarnia House, Le Truchot, St. Peter Port, Guernsey GY1 1GR, at 10 a.m. on 29 December 2017 set out in Part II of this Circular
"Official List"	the official list of the United Kingdom Listing Authority
"Ordinary Resolution"	a resolution of the Shareholders present (in person or by proxy) and voting at a general meeting of the Company to be passed by a simple majority
"Proposals"	the proposals detailed in this circular, comprising (i) the voluntary winding-up of the Company pursuant

to the 2017 Winding-up Resolution; (ii) the appointment of the Joint Liquidators and approval of their remuneration pursuant to the Liquidation Resolutions; and (iii) approval of the Delisting pursuant to the Delisting Resolution

"Regulations"	the Uncertificated Securities (Guernsey) Regulations, 2009
"Regulatory Information Service"	any of the regulatory information services set out in Appendix 3 of the Listing Rules
"Resolutions"	together the 2017 Winding-up Resolution, the Liquidation Resolutions and the Delisting Resolution
"Saltus"	Saltus Partners LLP which is the investment sub-manager to the Company
"Sandalwood"	Sandalwood Securities, Inc which is the investment adviser to the Company
"Sandalwood Director"	Martin J. Gross, being the sole director of Sandalwood
"Shareholders"	the holders of the Shares and "Shareholder" means anyone of them
"Shares"	the ordinary shares of no par value in the capital of the Company
"Special Resolution"	a resolution of the Shareholders present (in person or by proxy) and voting at a general meeting of the Company to be passed by a majority of not less than 75 per cent.
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"uncertificated" or "in uncertificated form"	recorded on the Company's share register as being held in uncertificated form, title to which, by virtue of the Regulations, is to be transferred by means of CREST

PART I

LETTER FROM THE CHAIRMAN

Acencia Debt Strategies Limited

(an authorised closed-end collective investment scheme incorporated in Guernsey as a non-cellular company limited by shares with registration number 43787)

Directors:

William Scott (*Chairman*)
Richard Battey
William Simpson

Registered Office:

PO Box 296
Sarnia House
Le Truchot
St. Peter Port
Guernsey
GY1 4NA

28 September 2017

Dear Shareholders

2017 winding-up proposals and Delisting

1 Introduction

In September 2014, the Board recommended to Shareholders certain continuation proposals for the Company, which were approved. As part of those continuation plans, the Shareholders approved amendments to the Articles requiring the Directors to call a general meeting of Shareholders in September 2017 at which they would propose an ordinary resolution to approve the voluntary winding-up of the Company with effect from 31 December 2017.

Accordingly, the purpose of this document is to call the Extraordinary General Meeting at which an ordinary resolution will be proposed to approve the voluntary winding-up of the Company with effect from 29 December 2017, along with other resolutions to approve matters in connection with the winding-up of the Company and its Delisting. It is not practical to convene a meeting on 31 December as the last business day of 2017 is 29 December 2017.

2 Background

Since the launch of the Company in 2005, the Board has put a series of reorganisation proposals to Shareholders, all of which have been approved.

Most recently in September 2014 the Board put forward proposals for the continuation of the Company, which were approved by Shareholders and which included a requirement to call a general meeting of Shareholders in September 2017 for the Company to be wound up with effect from 31 December 2017, with votes on such resolution (the “**2017 Winding-up Resolution**”) to be decided by way of a poll. Under the terms of the approved proposals, if

not less than 25 per cent. of the votes cast on the poll were to be in favour of the 2017 Winding-up Resolution, they would be deemed to have one more vote than the aggregate number of votes cast against the 2017 Winding-up Resolution, such that the 2017 Winding-up Resolution would be passed by a simple majority.

Under Guernsey law the Company's winding up commences on the date on which the 2017 Winding-up Resolution is passed and at such time it will be necessary to suspend the Company's listing on the Official List. For that reason, the EGM is being held on the last business day of 2017 to enable Shareholders to be able to trade their shares for as long as possible. However, notice of the EGM is being given in September 2017 under cover of this Circular to give Shareholders as much notice of the proposed winding-up as possible.

3 Current trading position

The Company's interim report and accounts for the six months ended 30 June 2017 can be found at www.acencia.co.uk.

4 2017 Winding-up Resolution and Irrevocable Undertakings

The Company has received irrevocable undertakings to attend the EGM (in person or by proxy) and to vote in favour of the 2017 Winding-up Resolution (and the Resolutions generally) from Saltus, Sandalwood and the Sandalwood Director representing in aggregate approximately 29.87 per cent. of the issued share capital of the Company. Accordingly, irrespective of how the votes in respect of any Shares held by other Shareholders are cast, the 2017 Winding-up Resolution will be passed on 29 December 2017.

5 Appointment of Joint Liquidators

The Notice of Extraordinary General Meeting contains an ordinary resolution to approve the appointment of Linda Maree Johnson and Ashley Charles Paxton of KPMG Channel Islands Limited as joint liquidators of the Company (the "**Joint Liquidators**"), conditional upon the passing of the 2017 Winding-up Resolution and an ordinary resolution to approve the Joint Liquidators' remuneration (together, the "**Liquidation Resolutions**").

In the Board's opinion, the remuneration to be payable to the Joint Liquidators is fair and reasonable in light of the services to be provided to the Company by the Joint Liquidators and having taken into account the proposed remuneration of other insolvency practitioners approached by the Company with a view to acting as liquidator.

Once the Joint Liquidators have been appointed, under the Companies Law the powers of the Directors will cease (unless otherwise sanctioned by an ordinary resolution of the Shareholders or by the Joint Liquidators) and the Joint Liquidators will assume responsibility for the liquidation of the Company, including the payment of fees, costs and expenses, the discharge of the liabilities of the Company, and the distribution of the remaining assets.

6 Delisting from the London Stock Exchange

The "**Delisting Resolution**" is a Special Resolution and will be proposed at the EGM conditionally upon the passing of the 2017 Winding-up Resolution. As a Special Resolution,

at least 75 per cent. of the votes cast must be in favour in order for the Delisting Resolution to be passed. Subject to the passing of the Delisting Resolution, the Board intends to apply to both the Financial Conduct Authority for the cancellation of the premium listing of the Company on the Official List (“**Delisting**”) and to the London Stock Exchange to cancel the admission to trading of its shares on the Main Market, to take effect on completion of the liquidation of the Company (which is expected to take place on or about 1 June 2018). Pending such formal cancellation it is anticipated that the FCA will suspend the Company’s listing with effect from market opening at 7:30 a.m. on 29 December 2017 and the Shares will be disabled in CREST at the start of business on 29 December 2017. Accordingly, in order to be valid, any transfers of Shares through CREST must be lodged before 6.00 p.m. on 28 December 2017. The last day for dealings in the Shares on the London Stock Exchange on a normal rolling two business day settlement basis will be Friday 22 December 2017. After Friday 22 December 2017, dealings should be for cash settlement only and will be registered in the normal way if the transfer, accompanied by documents of title, is received by the Company’s registrars by close of business on 28 December 2017.

The last day of trading is therefore expected to be 28 December 2017.

Shareholders should consult their own independent financial advisers and/or broker should they wish to consider selling their Shares in the market prior to suspension and/or cancellation becoming effective.

7 Implications of the proposed winding-up of the Company

On the basis of the Irrevocable Undertakings received by the Company, in excess of 25 per cent. of the entire issued share capital of the Company will be voted in favour of the 2017 Winding-up Resolution, meaning the voluntary winding-up of the Company will commence on 29 December 2017. Accordingly, the Board will, on or before 30 September 2017, place redemption notices on all of the Company’s underlying investments in respect of which it has not already done so. By this process the Board intends to enable the Joint Liquidators to make a substantial distribution of cash to Shareholders as soon as reasonably practicable in the liquidation and anticipates that substantially all of the Company’s assets will be distributed to Shareholders during the first quarter of 2018.

While there may be some amounts, for example residual illiquid positions (if any) and audit hold back amounts, which will take longer to return, the Board does not anticipate that these will be material. The precise timing of any final cash distribution to Shareholders is uncertain, but it is hoped that it would be before the end of June 2018.

Pending the EGM the Company will continue to report its net asset value per Share to Shareholders on a monthly basis.

8 Costs

It is currently anticipated that the costs incurred in relation to the proposals set out in this document, including professional advice and the Joint Liquidators’ fees, will amount to approximately £90,000. For the avoidance of doubt, this figure excludes the fees and

expenses of service providers in the ordinary course of business up to the date of the Joint Liquidators' appointment in accordance with the terms of their engagement.

9 Risks associated with the Proposals

Shareholders should note the following:

- the quantum and timings of distributions to Shareholders referred to in this Circular are indicative only, and distributions will be made solely at the discretion of the Joint Liquidators and subject to the prior satisfaction of the Company's creditors;
- the actual amount available for distribution to Shareholders will depend upon the realisation value of the Company's investments during the winding-up process. The Company's assets may not be realised at their reported or expected price, and the Company may not be able to realise some of its investments for any value at all; and
- the maintenance of the Company as an ongoing listed and traded vehicle for at least part of the period during which its portfolio is realised will entail administrative, legal and listing costs, which will decrease the amount ultimately available for distribution to Shareholders.

10 Action to be taken by Shareholders

Notice of the Extraordinary General Meeting, including the full text of the Resolutions, as detailed in this letter, is set out in Part II of this Circular. Accompanying this Circular is a Form of Proxy for use in connection with the EGM.

Shareholders who are unable to attend but who wish to vote at the EGM must submit a Form of Proxy as soon as possible and in any event so that it is received not later than 48 hours before the time appointed for the EGM. Completion and return of the Form of Proxy will not prevent Shareholders from attending and voting in person at the EGM, should they wish to do so.

If you have any queries please contact Capita Asset Services on 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge) or if you are calling from overseas on +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. Capita Asset Services are open between 9.00am - 5.30pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals set out in this document nor give any financial, legal or tax advice.

11 Consent

Each of the Joint Liquidators has given and not withdrawn their consent to the issue of this document with the inclusion of their name and the reference to them in the form and context in which they appear.

12 Recommendation

In the Board's unanimous opinion, the Proposals are in the best interests of Shareholders as a whole. Accordingly the Board unanimously recommends Shareholders to vote in favour of all of the Resolutions to be proposed at the Extraordinary General Meeting (as they intend to do in respect of their own Shares, representing approximately 0.01 per cent. of the issued share capital).

Yours faithfully,

William Scott
Chairman

PART II

NOTICE OF EXTRAORDINARY GENERAL MEETING

ACENCIA DEBT STRATEGIES LIMITED

(the "Company")

(an authorised closed-ended collective investment scheme incorporated in Guernsey as a non-cellular company limited by shares with registration number 43787)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the Company will be held at Sarnia House, Le Truchot, St. Peter Port, Guernsey GY1 1GR at 10 a.m. on 29 December 2017 for the purpose of considering and, if thought fit, passing resolutions 1 to 3 below as Ordinary Resolutions and resolution 4 as a Special Resolution.

Words and expressions defined in the Circular to Shareholders of the Company dated 28 September 2017 shall, save where the context otherwise requires, bear the same meanings in this notice of extraordinary general meeting.

ORDINARY RESOLUTIONS

1. THAT pursuant to article 39 of the Company's articles of incorporation, the voluntary winding-up of the Company be and is approved with effect immediately upon the passing of this resolution.
2. THAT conditional upon the passing of resolution 1 above, Linda Maree Johnson and Ashley Charles Paxton of KPMG Channel Islands Limited, Gategny Court, Gategny Esplanade, St. Peter Port, Guernsey GY1 1WR (the "**Joint Liquidators**") be and are hereby appointed as liquidators of the Company with immediate effect with power to act jointly and severally for the purposes of the winding-up of the Company with all powers conferred on them by the Companies Law, the Articles or by this resolution.
3. THAT the Joint Liquidators' remuneration for acting as liquidators of the Company is fixed in accordance with the engagement letter and terms of business issued by KPMG Channel Islands Limited in respect of the proposed liquidation of the Company.

SPECIAL RESOLUTION

4. THAT subject to the passing of resolution 1 above, the cancellation of the admission of the Shares to the Official List and to trading on the Main Market be and is hereby approved.

By Order of the Board

28 September 2017

Registered office:
Sarnia House
Le Truchot
St. Peter Port
Guernsey
GY1 1GR

Notes:

1. A member of the Company entitled to attend and vote at the EGM may appoint a proxy or proxies to attend and, on a poll, vote thereat instead of him. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed and must be returned to Capita Asset Services at the address on the form to arrive not later than 10 a.m. on 27 December 2017.
3. Pursuant to Regulation 41 of the Uncertificated Securities (Guernsey) Regulations, 2009, the Company has specified that to be entitled to attend and vote at the meeting (and for the purpose of determining the number of votes they may cast), members must be entered on the register of members at close of business on 27 December 2017, if the meeting is adjourned then, to be so entitled, members must be entered on the register of members at 10 a.m. on the day two days before the time fixed for the adjourned meeting, or, if the Company gives notice of the adjourned meeting, at any other time specified in that notice.
4. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST proxy instruction) must be properly authenticated in accordance with Euroclear UK & Ireland's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (**ID RA 10**) by 10 a.m. on 27 December 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
5. CREST Members and, where applicable, their CREST Sponsors, or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST personal member, or CREST Sponsored Member, or has appointed a voting service provider, to procure that his CREST Sponsor or voting service provider(s) (take(s)), such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST Members and, where applicable, their CREST Sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations, 2009.

PART III

ADDITIONAL INFORMATION

Documents available for Inspection

Copies of the following documents are available for inspection at the registered office of the Company (which is also the place of the Extraordinary General Meeting) at the offices of Praxis Fund Services Limited, PO Box 296, Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 4NA during normal business hours of any Business Day until the conclusion of the Extraordinary General Meeting:

- the Company's articles of incorporation;
- this document;
- the Irrevocable Undertakings; and
- the consent of the Joint Liquidators referred to at paragraph 11 of Part I of this document.

A copy of this Circular has been submitted to the National Storage Mechanism and will shortly be available for inspection at: www.morningstar.co.uk/uk/NSM. A copy of this Circular will also be available on the Company website at: <http://www.acencia.co.uk>.

Guernsey Regulatory Notification

It is proposed that the Guernsey Financial Services Commission will be notified of the Proposals and requested to suspend the Company's registration as a registered closed-ended collective investment scheme with effect from 29 December 2017. It is anticipated that such registration will be cancelled upon the completion of the Company's liquidation.