THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.

This document comprises a prospectus relating to P2P Global Investments PLC (the ''Company'') prepared in accordance with the Prospectus Rules. This document has been approved by the FCA and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

Applications have been made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares of the Company 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 will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 30 May 2014. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be at the sole risk of the parties concerned. The Ordinary Shares are not dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

The Company and each of the Directors, whose names appear on page 36 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Ordinary Shares are only suitable for investors: (i) who understand and are willing to assume the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Ordinary Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment.

Prospective investors should read this entire document and, in particular, the section headed ''Risk Factors'' when considering an investment in the Company.

P2P GLOBAL INVESTMENTS PLC

(Incorporated in England and Wales with company no. 8805459 and registered as an investment company under section 833 of the Companies Act 2006)

PLACING AND OFFER OF UP TO 20 MILLION ORDINARY SHARES AT £10 PER ORDINARY SHARE TO RAISE UP TO £200 MILLION[1]

ADMISSION TO THE PREMIUM SEGMENT OF THE OFFICIAL LIST OF THE UK LISTING AUTHORITY AND TO TRADING ON THE MAIN MARKET OF THE LONDON STOCK EXCHANGE

Investment Manager

Marshall Wace LLP

Sub-Manager

Eaglewood Capital Management LLC

Sponsor, Broker and Placing Agent

Liberum Capital Limited

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1 The Directors have reserved the right, in consultation with Liberum, to increase the size of the Issue to up to 23 million Ordinary Shares if overall demand exceeds 20 million Ordinary Shares, with any such increase being announced through a Regulatory Information Service.

Liberum, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and for no one else in relation to Admission and the Issue and the other arrangements referred to in this document. Liberum will not regard any other person (whether or not a recipient of this document) as its client in relation to Admission and the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to Admission or the Issue, the contents of this document or any transaction or arrangement referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum by FSMA or the regulatory regime established thereunder, Liberum does not make any representation express or implied in relation to, nor accepts any responsibility whatsoever for, the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares or the Issue. Liberum accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might have in respect of this document or any other statement.

The Ordinary 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 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 US Investment Company Act of 1940, as amended (the ''US Investment Company Act''), and the recipient of this document will not be entitled to the benefits of that Act. This document must not be distributed into the United States or to US Persons. Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of these securities or determined if this document is truthful or complete. Any representation to the contrary is a US criminal offence.

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Ordinary Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or Liberum. The Ordinary Shares have not been, and will not be, registered under the securities laws, or with any securities regulatory authority of, any member state of the EEA other than the United Kingdom or any province or territory of Australia, Canada, the Republic of South Africa or Japan. Subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered, sold, taken up or delivered in, into or from any member state of the EEA other than the United Kingdom, Australia, Canada, the Republic of South Africa or Japan or to or for the account or benefit of any national, resident or citizen or any person resident in any member state of the EEA other than the United Kingdom, Australia, Canada, the Republic of South Africa or Japan. This document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves of and observe any restrictions.

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Summary

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

Section A – Introduction and warnings		
Element	**Disclosure Requirement**	**Disclosure**
A.1.	Warning	This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating 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 such securities.
A.2.	Subsequent resale of securities or final placement of securities through financial intermediaries	The Company consents to the use of this Prospectus by financial intermediaries in connection with the subsequent resale or final placement of securities by financial intermediaries. The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this Prospectus is given commences on 19 May 2014 and closes at 5.00 p.m. on 27 May 2014, unless closed prior to that date. **Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.**

Section B – Issuer		
Element	**Disclosure Requirement**	**Disclosure**
B.1.	Legal and commercial name	P2P Global Investments PLC
B.2.	Domicile and legal form	The Company was incorporated in England and Wales on 6 December 2013 with registered number 8805459 as a public company limited by shares under the Act. The principal legislation under which the Company operates is the Act.
B.3.	Current operations	Not applicable. The Company has not yet commenced operations.
B.4.a	Known trends affecting the issuer	In the UK, peer-to-peer lending was subject to increased regulation with effect from 1 April 2014. The Company currently holds an interim permission from the FCA for consumer credit regulated activities. The Company will, between 1 August 2015 and

		31 October 2015, be required to seek full authorisation from the FCA to carry on consumer credit regulated activities. The current market in which the Company will participate is competitive and rapidly changing. The Company may face increasing competition for access to loans as the peer-to-peer lending industry continues to evolve.
B.5.	Group description	Not applicable. The Company is not part of a group.
B.6.	Major shareholders	As at the date of this document, insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights. All Shareholders have the same voting rights in respect of the share capital of the Company. 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.
B.7.	Key financial information	Not applicable. The Company has been newly incorporated and has no historical financial information.
B.8.	Key *pro forma* financial information	Not applicable. No *pro forma* financial information is included in this document.
B.9.	Profit forecast	Not applicable. No profit forecast or estimate made.
B.10.	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The Company has been newly incorporated and has no historical financial information.
B.11.	Insufficiency of working capital	Not applicable. The Company is of the opinion that, taking into account the Minimum Net Proceeds, the working capital available to it is sufficient for its present requirements, that is for at least 12 months from the date of this document.
B.34.	Investment objective and policy	The Company's investment objective is to provide Shareholders with an attractive level of dividend income and capital growth through exposure to investments in alternative finance and related instruments. The Company will invest in consumer loans, SME loans, advances against corporate trade receivables and/or purchases of corporate trade receivables (''Credit Assets'') which have been originated via Platforms. The Company will typically seek to invest in Credit Assets with targeted net annualised returns of 5 to 15 per cent. The Company will seek to purchase Credit Assets directly (via Platforms) and will also invest in Credit Assets indirectly via other investment funds (including those managed by the Investment Manager, the Sub-Manager or their affiliates) that it deems suitable with a view to enhancing Shareholder returns and providing diversification of the Company's assets. The Company's investments in Credit Assets may be made through subsidiaries of the Company. The Company may also invest (in aggregate) up to 5 per cent. of Gross Assets (at the time of investment) in the listed or unlisted securities issued by one or more Platforms. This restriction shall not apply to any consideration paid by the Company for the issue to it of any convertible securities by a Platform. However, it will apply to

		any consideration payable by the Company at the time of exercise of any such convertible securities or any warrants issued by a Platform. The Company will invest across various Platforms, asset classes, geographies (primarily US and Europe) and credit risk bands in order to ensure diversification and to seek to mitigate concentration risks. The following investment limits and restrictions shall apply to the Company, to ensure that the diversification of the Company's portfolio is maintained and that concentration risk is limited: *Platform restrictions* Once the proceeds of the Issue are fully invested, and subject to the following, the Company will not invest more than 33 per cent. of Gross Assets via any single Platform. This limit may be increased to 66 per cent. of Gross Assets via any single Platform, provided that where this limit is so increased in respect of any Platform the Company does not invest an amount which is greater than 25 per cent. (by value) of the total loan origination of the preceding calendar year through such Platform. *Asset class and geographic restrictions* No single loan acquired by the Company will be for a term longer than 5 years. No single trade receivable asset acquired by the Company will be for a term longer than 180 days. The Company will not invest more than 20 per cent. of Gross Assets, at the time of investment, via any single investment fund investing in Credit Assets. The Company will not invest, in aggregate, more than 60 per cent. of Gross Assets, at the time of investment, in other investment funds that invest in Credit Assets. The Company will not invest more than 10 per cent. of its Gross Assets, at the time of investment, in other listed closed-ended investment funds, whether managed by the Investment Manager or not, 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 following restrictions apply, in each case at the time of investment by the Company, to both Credit Assets acquired by the Company directly and on a look-through basis to any Credit Assets held by another investment fund in which the Company invests: No single consumer loan acquired by the Company shall exceed 0.25 per cent. of Gross Assets. No single SME loan acquired by the Company shall exceed 5.0 per cent. of Gross Assets. No single trade receivable asset acquired by the Company shall exceed 5.0 per cent. of Gross Assets. The following restrictions apply, in each case once the net proceeds of the Issue are fully invested, to both Credit Assets acquired by the Company directly and on a look-through basis to any Credit Assets held by another investment fund in which the Company invests: At least 10 per cent. (but not more than 75 per cent.) of Gross Assets will be maintained in consumer Credit Assets, not more than 50 per cent. of Gross Assets will be maintained in SME Credit Assets and not more than 50 per cent. of Gross Assets will be maintained in trade receivable assets.

		The Company will maintain at least 10 per cent. of Gross Assets in Credit Assets in Europe and at least 10 per cent. of Gross Assets in Credit Assets in the United States. *Other restrictions* The Company may invest in cash, cash equivalents and fixed income instruments for cash management purposes and with a view to enhancing returns to Shareholders or mitigating credit exposure. However, the Company will only invest in fixed income instruments of investment grade. The Company will not invest in CLOs or CDOs.
B.35	Borrowing limits	Borrowings may be employed at the level of the Company and at the level of any investee entity (including any other investment fund in which the Company invests or any special purpose vehicle ("SPV") that may be established by the Company in connection with obtaining leverage against any of its assets). The Company itself may borrow (through bank or other facilities) up to 33 per cent. of Net Asset Value (calculated at the time of draw down under any facility that the Company has entered into). The aggregate leverage of the Company and any investee entity (on a look-through basis) shall not exceed 1.5 times Net Asset Value. In the future, the Company may seek to securitise all or parts of its portfolio of Credit Assets and may establish one or more SPVs in connection with any such securitisation.
B.36.	Regulatory status	As an investment trust, the Company is not regulated as a collective investment scheme by the Financial Conduct Authority. However, it is subject to the Listing Rules, Prospectus Rules and the Disclosure and Transparency Rules and the rules of the London Stock Exchange. The Company currently holds an interim permission from the FCA for consumer credit regulated activities.
B.37.	Typical investor	The Issue is designed to be suitable for institutional investors and professionally-advised private investors seeking exposure to alternative finance investments and related instruments, including P2P loans. The Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in Ordinary Shares in the Issue.
B.38.	Investment of 20 per cent. or more of gross assets in single underlying asset or collective investment undertaking	Not applicable. The Company will not invest more than 20 per cent. of its gross assets in a single underlying asset or in one or more collective investment undertakings which may in turn invest more than 20 per cent. of gross assets in other collective investment undertakings.
B.39.	Investment of 40 per cent. or more of gross assets in another collective investment undertaking	Not applicable. The Company will not invest more than 40 per cent. of its gross assets in another collective investment undertaking.

B.40	Applicant's service providers	Investment Manager The Company's investment manager is Marshall Wace LLP (''MW LLP''). MW LLP, with the assistance of principals and employees of Eaglewood Europe LLP (''Eaglewood Europe'') who have been seconded to MW LLP, will be responsible for the management of the assets of the Company in accordance with the terms of the Management Agreement. Eaglewood Europe is a newly established limited liability partnership incorporated under the laws of England and Wales and it is indirectly majority owned and controlled by Marshall Wace Holdings Limited, the ultimate parent company of MW LLP. Eaglewood Europe currently intends to seek its Part IV permission under FSMA for, *inter alia*, the regulated activity of managing an AIF. It is intended that the Management Agreement will be novated to Eaglewood Europe in due course, but in any event not before Eaglewood Europe receives this permission. Under the terms of the Management Agreement, the Investment Manager is entitled to a management fee and a performance fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. The management fee is payable monthly in arrears and is at the rate of 1/12 of 1.0 per cent. per month of Net Asset Value (the ''Management Fee''). For the period from Admission until the date on which 90 per cent. of the net proceeds of the Issue have been invested or committed for investment, directly or indirectly, in Credit Assets, the value attributable to any assets of the Company other than Credit Assets held for investment purposes (including any cash) will be excluded from the calculation of Net Asset Value for the purposes of determining the Management Fee. Where there are C Shares in issue, the Management Fee will be charged on the net assets attributable to the Ordinary Shares and the C Shares respectively. To seek to avoid fee layering, if at any time the Company invests in or through any other investment fund or special purpose vehicle and a management fee or advisory fee is charged to such investment fund or special purpose vehicle by the Investment Manager, the Sub-Manager or any of their affiliates, the value of such investment will be excluded from the calculation of Net Asset Value for the purposes of determining the Management Fee. The Investment Manager may charge a fee based on a percentage of gross assets (such percentage not to exceed 1.0 per cent.) to any entity which is within the Company's group, provided that such entity employs leverage for the purpose of its investment policy or strategy. *Performance fee* The Investment Manager is also entitled to a performance fee calculated by reference to the movements in the Adjusted Net Asset Value since the end of the Calculation Period (as defined below) in respect of which a performance fee was last earned or Admission if no performance fee has yet been earned (the ''High Water Mark''). The performance fee will be calculated in respect of each twelve month period starting on 1 January and ending on 31 December in each calendar year (a ''Calculation Period''), save that the first Calculation Period shall be the period commencing on Admission and ending on 31 December 2014 and provided further that if at the

		end of what would otherwise be a Calculation Period no performance fee has been earned in respect of that period, the Calculation Period shall carry on for the next 12 month period and shall be deemed to be the same Calculation Period and this process shall continue until a performance fee is next earned at the end of the relevant period. The performance fee will be a sum equal to 15 per cent. of such amount (if positive) and will only be payable if the Adjusted Net Asset Value at the end of a Calculation Period exceeds the High Water Mark. In the event that C Shares are in issue, the Investment Manager shall be entitled to a performance fee in respect of the net assets referable to the C Shares on the same basis as summarised above. A Calculation Period shall be deemed to end on the date of their conversion into Ordinary Shares. *Trail commissions* The Investment Manager has agreed that Qualifying Investors are entitled to receive a trail commission. The trail commission will be calculated and paid annually in arrears by the Investment Manager out of the Management Fee. Sub-Manager The Investment Manager has, pursuant to the Sub-Management Agreement, delegated certain of its responsibilities and functions, including its discretionary management of the Company's portfolio of Credit Assets, to the Sub-Manager, Eaglewood Capital Management LLC. The Sub-Manager is an affiliate of the Investment Manager. The Sub-Manager is a Delaware limited liability company and is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended. Sponsor and Placing Agent Liberum has agreed to act as sponsor to the Issue. Liberum has agreed to use its reasonable endeavours to procure subscribers for Ordinary Shares at the Issue Price pursuant to the Placing. In consideration for its services in relation to the Issue and conditional upon completion of the Issue, Liberum will be paid a commission of up to 1.5 per cent. of the value of the Ordinary Shares issued pursuant to the Issue at the Issue Price. In addition, the Company will pay Liberum a sponsor fee of £120,000 (exclusive of VAT). Administrator and External Valuer Citco Fund Services (Ireland) Limited has been appointed as the administrator of the Company. The Administrator is responsible for the Company's general administrative functions, such as the calculation of the Net Asset Value and maintenance of the Company's accounting records. Under the terms of the Administration Agreement, the Administrator is entitled to an administration fee of 0.05 per cent. per annum of Net Asset Value, subject to a minimum monthly fee of £5,000. Under the terms of the External Valuer Agreement, the Company has appointed the External Valuer to provide valuation services in respect of any Designated Investments.

		Company Secretary Capita Registrars Limited has been appointed as the company secretary of the Company. The Company Secretary provides the general secretarial functions required by the Act and is responsible for the maintenance of the Company's statutory records. Under the terms of the Company Secretarial Agreement, the Company Secretary is entitled to an annual fee of £45,000, plus VAT and disbursements. Registrar Capita Asset Services has been appointed as the Company's registrar to provide share registration services. Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.25 per Shareholder account per annum, subject to a minimum fee of £2,500 per annum (exclusive of VAT). Depositary Deutsche Bank Luxembourg S.A. has been appointed as the Company's depositary for the purposes of the AIFM Directive. Under the terms of the Depositary Agreement, the Depositary is entitled to a fee of up to 0.025 per cent. per annum of Net Asset Value, subject to a minimum monthly fee of £3,000 (exclusive of VAT). Subject to the terms of the AIFM Directive and the Depositary Agreement, the Depositary is entitled to delegate its custody and safe-keeping functions. It is intended that title to the Company's assets will ordinarily be registered or held directly in the name of the Company or a wholly-owned SPV and that the Company will generally not invest in financial instruments that are required to be held in custody within the meaning of Article 21(8)(a) of the AIFM Directive. Notwithstanding such intention, there is the possibility that investments in such financial instruments may be made and/or applicable law or regulations from time to time in force may require title to some or all of the Company's assets to be registered in the name of the Depositary or its delegates. In such event, the Depositary may wish to delegate its safekeeping function with respect to such asset(s) to one or more sub-custodians (who may be an affiliate of the Depositary) and may wish to enter an arrangement to contractually discharge itself of liability. Investors will be informed of any such arrangements, and any increase to the depositary fees charged as a result, in accordance with the disclosure requirements under the AIFM Directive. Any fees and expenses of a sub-custodian will be payable by the Company in addition to the fees charged by the Depositary. Broker Liberum has been appointed as corporate broker to the Company. Under the terms of the Broker Agreement, Liberum is entitled to a fee of £50,000 per annum (exclusive of VAT).
B.41.	Regulatory status of investment manager and depositary	The Investment Manager is authorised and regulated by the FCA. The Depositary is authorised and regulated by the Commission de Surveillance du Secteur Financier of Luxembourg (the ''CSSF'').
B.42.	Calculation and publication of Net Asset Value	The unaudited Net Asset Value per Ordinary Share will be calculated by the Administrator on a monthly basis. Such calculations will be published monthly, on a cum-income and ex-income basis, through a Regulatory Information Service and will be available through the Company's website.

B.43.	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44.	No financial statements have been made up	As at the date of this document, the Company has not yet commenced operations and no financial statements have been made up.
B.45.	Portfolio	The Company has not commenced operations and so has no portfolio as at the date of this document. On or shortly following Admission, the Company will acquire a portfolio of loans to US and UK SME borrowers from MW Eaglewood Management Limited. These loans have been or will be entered into by MW Eaglewood Management Limited through Funding Circle (US) and Funding Circle (UK). The aggregate principal amount of such loans will not exceed US$5,000,000 in the case of US SME loans through Funding Circle (US) and £2,000,000 in the case of UK SME loans through Funding Circle (UK).
B.46.	Net Asset Value	Not applicable. The Company has not commenced operations and so has no Net Asset Value as at the date of this document.

Section C – Securities		
Element	**Disclosure Requirement**	**Disclosure**
C.1.	Type and class of securities	Ordinary Shares of nominal value £0.01 each. The ISIN of the Ordinary Shares is GB00BLP57Y95. The SEDOL of the Ordinary Shares is BLP57Y9. The ticker for the Ordinary Shares is P2P.
C.2.	Currency denomination of Ordinary Shares	Sterling
C.3.	Details of share capital	Set out below is the issued share capital of the Company as at the date of this document: *Nominal Value (£)* — *Number* Management Shares 50,000 50,000 Ordinary Shares 0.01 1 The Management Shares will be paid up in full on Admission and redeemed out of the proceeds of the Issue. The Ordinary Share is fully paid up.
C.4.	Rights attaching to the Ordinary Shares	The holders of the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares. The holders of Ordinary Shares shall be entitled to all of the Company's remaining net assets after taking into account any net assets attributable to any C Shares in issue. The Ordinary Shares shall carry the right to receive notice of, attend and vote at general meetings of the Company. The consent of the holders of Ordinary Shares will be required for the variation of any rights attached to the Ordinary Shares. The Company has no fixed life but, pursuant to the Articles, an ordinary resolution for the continuation of the Company will be proposed at the annual general meeting of the Company to be held in 2019 and, if passed, every five years thereafter. Upon any such

		resolution not being passed, proposals will be put forward to the effect that the Company be wound up, liquidated, reconstructed or unitised.
C.5.	Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Ordinary Shares.
C.6.	Admission	Application has been made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares now being offered 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 will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 30 May 2014.
C.7.	Dividend 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 intends to pay its first dividend in November 2014 in respect of the period to 30 September 2014. Thereafter, the Company intends to pay dividends on a quarterly basis with dividends declared in December, March, June and September and paid in February, May, August and November in each year. Once the proceeds of the Issue are fully invested in Credit Assets, the Company will target an annualised dividend yield of at least 6 to 8 per cent. of the Issue Price per Ordinary Share. It is the intention of the Board to move towards a policy of balancing the quarterly dividend payments as soon as the revenue reserve position of the Company permits this approach. Investors should note that the target dividend, including its declaration and payment dates, is a target only and not a profit forecast. The Company intends to arrange, following Admission, a dividend reinvestment plan that gives Shareholders the opportunity to use any cash dividends to buy Ordinary Shares through a special dealing arrangement.

Section D – Risks		
Element	**Disclosure Requirement**	**Disclosure**
D.1.	Key information on the key risks that are specific to the Company and its industry	● There can be no guarantee that the investment objective of the Company will be achieved or that the Company's portfolio of investments will generate the rates of return referred to in this document. There is no guarantee that any dividends will be paid in respect of any financial year or period. ● The Company has no employees and is reliant on the performance of third party service providers. ● The Company is reliant on the effective operation of the Investment Manager's and the Sub-Manager's IT systems for the loan acquisition process. Any IT systems failure could have a material adverse effect on the ability to acquire and realise investments. ● The Company may borrow money for investment purposes, which exposes the Company to risks associated with borrowings. ● Loans acquired through Platforms are subject to risks of borrower default. The default history for loans is limited and actual defaults may be greater than indicated by historical data.

		● The P2P industry in the UK faced increased regulation from 1 April 2014. These and any future regulatory changes may result in interruptions in operations, increased costs and reduced returns to the Company. The Company will, between 1 August 2015 and 31 October 2015, be required to seek full authorisation from the FCA to carry on consumer credit regulated activities. Any failure to obtain authorisation may have an adverse impact on the Company's future ability to invest in UK consumer loans. ● The Company, in common with other Platform lender members, may be exposed to the following risks relating to compliance and regulation of the Platforms and the Company in the United States: – Federal and state regulators could subject the Platforms and their lender members, such as the Company, to legal and regulatory examination or enforcement action. – Non-compliance with laws and regulations may impair the Platforms' ability to arrange or service borrower member loans, which could impact the Company's ability to purchase loans or Notes or receive payments on the loans or Notes it has already purchased. – Potential characterisation of loan marketers and other originators as lenders may have a material adverse effect on the Company. ● Any change in the Company's tax status or in taxation legislation or practice generally could adversely affect the value of the investments held by the Company, or the Company's ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders.
D.3.	Key information on the key risks that are specific to the Ordinary Shares	● The value of the Ordinary Shares and the income derived from those shares (if any) can fluctuate and may go down as well as up. The Ordinary Shares may trade at a discount to NAV. ● It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares. ● If the Directors decide to issue C Shares or further Ordinary Shares, the proportions of the voting rights held by Shareholders may be diluted. ● Dividend payments on the Ordinary Shares are not guaranteed. ● Changes in tax law may reduce any return for investors in the Company.

Section E – Offer		
Element	**Disclosure Requirement**	**Disclosure**
E.1.	Proceeds and expenses of the issue	The net proceeds of the Issue are dependent on the level of subscriptions received pursuant to the Issue. Assuming gross proceeds of the Issue are £200 million, the net proceeds will be approximately £197 million. The costs and expenses of the Issue have been capped at 1.5 per cent. of the gross proceeds and will not therefore exceed £3 million, assuming gross proceeds of the Issue are £200 million.

		If the Minimum Net Proceeds are raised, the expenses of the Issue will be approximately £1.5 million.
E.2.a.	Reasons for the Issue, use of proceeds and estimated net amount of proceeds	The Board, as advised by the Investment Manager, believes that there are attractive opportunities for the Company to deliver value for Shareholders through exposure to alternative finance investments and related instruments, including P2P loans. The estimated net proceeds of the Issue are £197 million, assuming that target gross proceeds of £200 million are raised. The Directors intend to use the net proceeds of the Issue to acquire investments in accordance with the Company's investment objective and policy.
E.3.	Terms and conditions of the Issue	The Ordinary Shares are being made available under the Issue at the Issue Price. The Placing will close at 5.00 p.m. on 27 May 2014 (or such later date as the Company and Liberum may agree). If the Placing is extended, the revised timetable will be notified through a Regulatory Information Service. Applications under the Issue must be for shares with a minimum subscription amount of £1,000. The Issue is conditional upon: (a) admission of the Ordinary Shares to be issued pursuant to the Issue to the Official List and to trading on the main market of the London Stock Exchange occurring on or before 8.00 a.m. (London time) on 30 May 2014 (or such time and/or date as the Company and Liberum may agree, being not later than 20 June 2014); (b) the Placing Agreement becoming unconditional in all respects (save for conditions relating to Admission) and not having been terminated in accordance with its terms before Admission; and (c) the Minimum Net Proceeds being raised.
E.4.	Material interests	Not applicable. There are no interests that are material to the Issue and no conflicting interests.
E.5.	Name of person selling securities	Not applicable. No person or entity is offering to sell Ordinary Shares as part of the Issue.
E.6.	Dilution	Not applicable. No dilution will result from the Issue.
E.7.	Estimated expenses charged to the investor by the issuer	Not applicable. Other than in respect of expenses of, or incidental to, Admission and the Issue which the Company intends to pay out of the proceeds of the Issue, there are no commissions, fees or expenses to be charged to investors by the Company under the Issue.

Risk Factors

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

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

RISKS RELATING TO THE COMPANY AND ITS INVESTMENT STRATEGY

The Company may not meet its 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's investment objective includes the aim of providing Shareholders with a dividend income. There is no guarantee that any dividends will be paid in respect of any financial year or period. The ability to pay dividends is dependent on a number of factors including the level of income returns from the Company's portfolio of investments. There can be no guarantee that the Company's portfolio of investments will achieve the target rates of return referred to in this document or that it will not sustain any capital losses through its investments.

The Company has no operating history

The Company was incorporated on 6 December 2013. The Company has not commenced operations and has no operating history. No historical financial statements or other meaningful operating or financial data upon which prospective investors may base an evaluation of the likely performance of the Company have been prepared. An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective and that the value of an investment in the Company could decline substantially as a consequence.

The effects of both normal market fluctuations and the current global economic crisis may impact the Company's business, operating results or financial condition

These are factors which are outside the Company's control and which may affect the volatility of underlying asset values and the liquidity and the value of the Company's portfolio of investments. Changes in economic conditions in the US, UK and Europe where the Company will predominantly invest (for example, interest rates and rates of inflation, industry conditions, competition, political and diplomatic events, unemployment, consumer spending, consumer sentiment and other factors) could substantially and adversely affect the Company's prospects.

Borrowing risk

Borrowings may be employed at the level of the Company and at the level of any investee entity (including any other investment fund in which the Company invests or any special purpose vehicle ("SPV") that may be established by the Company in connection with obtaining leverage against any of its assets).

The Company itself may borrow (through bank or other facilities) up to 33 per cent. of Net Asset Value (calculated at the time of draw down under any facility that the Company has entered into).

Prospective investors should be aware that, whilst the use of borrowings should enhance the Net Asset Value of the Ordinary Shares when the value of the Company's underlying assets is rising, it will, however, have the opposite effect where the underlying 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 Company will pay interest on its borrowings. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates.

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

The Company may also invest in other investment funds that employ gearing with the aim of enhancing returns to investors. Where an investment fund employs gearing, shares, limited partnership interests or units in such investment funds will rank after such borrowings and should these investment funds' assets fall in value, their ability to pay their investors may be affected.

The Company has no employees and is reliant on the performance of third party service providers

The Company has no employees and the Directors have all been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive function. In particular, the Investment Manager, the Sub-Manager, the Depositary, the Administrator, the Loan Administrator and the Registrar will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company.

The past performance of other investments managed or advised by the Investment Manager or the Sub-Manager cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its investment policy. The success of the Company will depend *inter alia* on the Investment Manager's and the Sub-Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. This, in turn, will depend on the ability of the Investment Manager and the Sub-Manager to apply their investment processes in a way which is capable of identifying suitable investments for the Company to invest in. There can be no assurance that the Investment Manager or the Sub-Manager will be able to do so or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or avoid investment losses.

The Company is reliant on the performance of the Investment Manager's and the Sub-Manager's IT systems to facilitate the loan acquisition process

The Investment Manager has developed its own bespoke software and infrastructure to facilitate the loan acquisition process through direct API connectivity with certain Platforms. The Company will be reliant on the functionality of such systems. Any failure of the IT systems developed and maintained by the Investment Manager could have a material adverse effect on the ability to acquire and realise investments and therefore impact the Company's results of operations.

The Investment Manager will be reliant upon attaining data feeds directly from the Platforms via an API connection. Any delays or failures could impact operational controls and the valuation of the portfolio. While the Investment Manager has in place systems to continually monitor the performance of these IT systems, there can be no guarantee that issues will not arise that may require attention from a specific Platform. Any such issues may result in processing delays. To seek to mitigate this risk the Investment Manager has put in place, with each Platform through which the Company intends to invest shortly after Admission, a defined process and communication standard to support the exchange of data. The Investment Manager will also seek to put such agreements in place with any other Platforms through which the Company may invest.

Technology complications associated with lost or broken data fields as a result of Platform-level changes to API protocols may impact the Company's ability to receive and process the data received from the Platforms.

The Sub-Manager relies extensively on computer systems and proprietary programs to evaluate and purchase member loans, to monitor its portfolios and to generate reports that are critical to oversight of the Eaglewood Funds' activities. In addition, certain of the Eaglewood Funds' and the Sub-Manager's operations interface with or depend on systems operated by third parties, and the Sub-Manager may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including those caused by computer ''worms,'' viruses and power failures. Such failures could cause the

evaluation and purchase of member loans to fail, lead to inaccurate accounting, recording or processing of transactions relating to member loans, and cause inaccurate reports, which may affect the Sub-Manager's ability to monitor investments and risks as well as its ability to deploy capital. Any such defect or failure could cause the Company to suffer financial loss, the disruption of its business, regulatory intervention or reputational damage.

The Company may experience fluctuations in its operating results

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of the investments made by the Company, changes in the amount of interest paid in respect of loans in the portfolio, changes in the Company's operating expenses and the operating expenses of the Investment Manager and Sub-Manager, the degree to which the Company encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Ordinary Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period.

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 likelihood that the Company's results of operations will be materially adversely affected.

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

The Company is subject to laws and regulations enacted by 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 closed-ended investment companies. The Company must comply with the Listing Rules for premium listed equity securities and the Disclosure and Transparency Rules.

Any change in the law and regulation affecting the Company may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment policy and on the value of the Company and the Ordinary Shares.

Currency risk

The assets of the Company will be invested in Credit Assets which are denominated in US Dollars, Euros, Sterling or other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Company intends to hedge currency exposure between Sterling and any other currency in which the Company's assets may be denominated, in particular US Dollars and Euros. There can be no assurances or guarantees that the Company will successfully hedge against such risks.

Valuation risk

The Company's investments will be largely unquoted Credit Assets and the valuation of such investments will involve the Investment Manager exercising judgement. There can be no guarantee that the basis of calculation of the value of the Company's investments used in the valuation process will reflect the actual value on realisation of those investments. The Investment Manager is entitled to receive a management fee for its services to the Company which is based, in part, on the value of the Company's investments. This creates a potential conflict of interest as the Investment Manager will be involved in the valuation of the Company's investments.

US Investment Company Act

Because the Company's proposed business involves the identification and investment in loans and securities related to loans, it is possible that, in the future, the Company will meet the technical definition of an ''Investment Company'' under the US Investment Company Act of 1940, as amended (Investment Company Act). Investment Companies must register with the SEC and comply with an on-going strict regime of regulations. The Company believes it qualifies for numerous exemptions from registration as an Investment Company, including a jurisdictional

paradigm essentially exempting non-US entities. Although the Issue is not being made in the United States and qualifies as an offshore transaction under US securities laws, US investors may nevertheless invest in the Company on the secondary market. While the Company believes it to be unlikely, because of the character of its future assets and US activities which may attract US investors, it is possible that the SEC determines that the Company must register and operate as an Investment Company, which will be costly, time-consuming and potentially hinder the Company's investment activities and investment returns. This risk may be compounded because of the proposed level of investment of the net proceeds of the Issue in the US, and because US regulators may view the peer-to-peer market with disfavour.

FATCA

TO ENSURE COMPLIANCE WITH UNITED STATES TREASURY DEPARTMENT CIRCULAR 230, EACH PROSPECTIVE INVESTOR IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF US TAX ISSUES HEREIN IS NOT INTENDED TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY A PROSPECTIVE INVESTOR FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PROSPECTIVE INVESTOR UNDER APPLICABLE TAX LAW; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF TREASURY DEPARTMENT CIRCULAR 230) OF THE OFFER TO SELL ORDINARY SHARES BY THE COMPANY; AND (C) A PROSPECTIVE INVESTOR IN ORDINARY SHARES SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT ADVISOR.

US source payments to the Company may be subject to withholding as a result of the Foreign Account Tax Compliance Act (''FATCA'') provisions of the US Hiring Incentives to Restore Employment Act. In addition, if the Company enters into a FATCA Agreement (as defined below) then in certain instances the Company may be required to withhold on distributions it makes to Shareholders. FATCA is a new US law aimed at foreign financial institutions (''FFIs'') and other financial intermediaries to prevent tax evasion by US citizens and residents through use of offshore accounts. For purposes of the FATCA rules and regulations, the Company expects that it will be treated as a FFI.

If the Company were treated as a FFI, then unless the Company enters into an agreement (a ''FATCA Agreement'') with the US tax authorities (the Internal Revenue Service, or ''IRS'') or is a Reporting FI under the UK-US IGA (both defined below), the Company will be subject to a 30 per cent. withholding tax on payments of certain US source income (including interest and dividends) that it receives after 30 June 2014 and on gross proceeds that it receives after 31 December 2016 from the sale or other disposition of property that can produce US source interest or dividends. In addition, unless the Company enters into a FATCA Agreement or is a Reporting FI under the UK-US IGA (as discussed below), the Company may be subject to withholding tax, depending on future guidance provided by the IRS, on certain non-US source payments that it receives after 31 December 2016 from other non-US financial institutions acting in the capacity of withholding agents pursuant to FATCA. The Company expects that it will receive US source income that would be subject to withholding under FATCA and may receive gross proceeds from the sale or other disposition of property that can produce US source interest or dividends. Therefore, unless the Company enters into a FATCA Agreement or is a Reporting FI under the UK-US IGA (as discussed below), the Company expects that it would be subject to withholding under FATCA.

On 12 September 2012, the US Department of Treasury and the UK HMRC signed the ''UK-US Agreement to Improve International Tax Compliance and to Implement FATCA'' (the ''UK-US IGA''). Under the UK-US IGA, a FFI that is resident in the UK (a ''Reporting FI'') would not be subject to withholding under FATCA for any US source payments it receives nor would it be required to withhold any tax under FATCA or the UK-US IGA on any payments it makes (unless the Reporting FI is subject to a separate special taxation regime). The Reporting FI would be required to comply with the terms of the UK-US IGA including registration requirements with the IRS and requirements to identify, and report certain information on, accounts held by US persons owning, directly or indirectly, an equity or debt interest in the Company (other than equity and debt interests that are regularly traded on an established securities market), and report on accounts held by certain other persons or entities to HMRC.

If the Company is not a Reporting FI, and the Company entered into a FATCA Agreement then the Company may be required to withhold US tax on certain non-US source payments (which may

include dividends or other distributions made by the Company) that it makes after 31 December 2016 to any non-US financial institution (for example, to an investor's non-US investment broker holding the Ordinary Shares on their behalf) if such non-US financial institution has not entered into a FATCA Agreement (and is not otherwise deemed to comply with FATCA). If such non-US financial institution enters into a FATCA Agreement, the non-US financial institution will not be subject to withholding under FATCA but, as a result of entering into a FATCA Agreement, may be required to comply with the withholding obligations described above.

The Company expects that it will be treated as a Reporting FI pursuant to the US-UK IGA and that it will comply with the requirements under the UK-US IGA. However, there can be no assurance that the Company will be treated as a Reporting FI, or that it would in the future not be subject to withholding tax under FATCA or the UK-US IGA or required to deduct withholding tax under FATCA or the UK-US IGA. If the Company becomes subject to a withholding tax as a result of FATCA or any similar laws, or is required to withhold on distributions made to Shareholders, the return on investment of some or all Shareholders may be materially adversely affected.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the UK-US IGA, all of which are subject to change and any of which may be implemented in materially different form. All prospective investors and Shareholders should consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Company.

RISKS RELATING TO COMPLIANCE AND REGULATION OF P2P PARTICIPANTS

Risks relating to compliance and regulation of P2P participants in the UK

On 1 April 2014, the regulation of the consumer credit market transferred from the Office of Fair Trading to the FCA, including responsibility for regulating peer-to-peer lending platforms.

The Company currently holds an interim permission from the FCA for its consumer credit regulated activities. The Company will be required, between 1 August 2015 and 31 October 2015, to seek full authorisation from the FCA.

Although the Company intends to apply for full authorisation within the application period specified above, if the Company were to fail to obtain authorisation from the FCA, its future ability to invest in loans to UK consumer borrowers would be curtailed as the Company would no longer be authorised to carry on the regulated activity of entering into a regulated credit agreement as a lender.

If the Company could not invest in further UK consumer loans, this may adversely affect the overall returns to the Company from its portfolio of investments and the Company may be required to seek Shareholder approval for an amendment to its investment policy to, for example, invest a higher proportion of its assets in SME or trade receivables Credit Assets. However, failure to obtain FCA authorisation would not impact the Company's ability to invest in consumer loans in the US and in other European jurisdictions and if there were a sufficient level of suitable consumer Credit Assets available for investment in these jurisdictions the Company would not need to seek an amendment to its investment policy.

In respect of UK consumer loans in which the Company has invested prior to requiring full FCA authorisation, the Company will have advanced funds in respect of those loans whilst holding the correct regulatory approval (being interim permission). Additional activities relating to loan servicing, such as debt administration, for which authorisation is required, are not in any event carried out by the Company but instead by the Platforms or their agents. The Company would, however, still be carrying on the regulated activity of exercising the rights of a lender in respect of its existing investments in UK consumer loans. The Company would face uncertainty of its treatment by the FCA in the event it failed to obtain full authorisation. The Company may be required to wind down its regulated activities if it failed to obtain full FCA authorisation and there can be no guarantee that the Company would be able to continue to hold its existing investments in UK consumer loans. The FCA may require the Company to sell its existing UK consumer loans. Any such decision of the regulator would be based on the specific circumstances of the Company at the time, including the timescale for winding-down its regulated activities and any concerns about debt collection processes. The Company may seek to sell or assign its existing UK consumer loans to a third party. However, any such sale or assignment would be subject to the Company being able to find a buyer or assignee for the loans and, at present, there is no secondary exchange operated by the UK consumer Platforms for the sale of whole consumer loans. In addition, any sale or

assignment of the loans would also be subject to, and may be restricted by, the terms of the governing loan agreements. In the event of a sale or assignment of the Company's portfolio of UK consumer loans, the Company would no longer hold those investments to maturity and would not therefore receive its expected interest on those loans following sales or assignments.

The FCA has created a new sourcebook called CONC which contains the detailed conduct requirements for consumer credit firms. This sets out detailed requirements on the Company in relation to its activities of lending under regulated consumer credit agreements and on the Platforms which facilitate such lending. As both the holder of an interim permission and as a fully authorised consumer credit firm that will, through certain Platforms, be lending to UK consumer borrowers, the Company is and will be subject to detailed requirements in relation to, *inter alia*, pre-contract disclosures to such borrowers and the content of loan agreements with those borrowers. Any failure to comply with such requirements may result in those agreements being unenforceable. In such circumstances, the Company may not be able to recover its investment in any such loan.

There is a new regulated activity of 'operating an electronic system in relation to lending'. The Platforms through which the Company invests must hold interim permission from the FCA for this activity. In due course, each Platform will be required to seek full authorisation from the FCA to continue its regulated activities. The FCA is introducing application periods, giving firms with interim permission a three-month window in which they must apply to the FCA for full authorisation. If any Platform through which the Company invests were to fail to obtain full authorisation, this may result in the Platform 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 Platform. 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 introduced new regulatory controls for Platform operators, including the application of conduct of business rules (in particular, around 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 Platforms' businesses and may result in interruption of operations by the Platforms or these Platforms seeking to pass increased regulatory compliance costs to their lender members, such as the Company, through the lender fees charged to them.

Risks relating to compliance and regulation of P2P participants in the US

The loan industry in the US is highly regulated

The loan industry in the US is highly regulated. The loans made through the US Platforms are subject to extensive and complex rules and regulations issued by various federal, state and local government authorities. These authorities also may impose obligations and restrictions on the Platforms' activities. In particular, these rules require extensive disclosure to, and consents from, applicants and borrowers, prohibit discrimination and may impose multiple qualification and licensing obligations on Platform activities. In addition, one or more US regulatory authorities may assert that the Company, as a lender member of the US Platforms, is required to comply with certain laws or regulations which govern the consumer or commercial (as applicable) loan industry. If the Company were required to comply with additional laws or regulations, this would likely result in increased costs for the Company and may have an adverse effect on its results or operations or its ability to invest in loans through the US Platforms. The Platforms' failure to comply with the requirements of applicable US rules and regulations may result in, among other things, the Platform (or its lender member) being required to register with governmental authorities and/or requisite licences being revoked, or loan contracts being voided, indemnification liability to contract counterparties, class action lawsuits, administrative enforcement actions and/or civil and criminal liability. Determining the applicability of and effecting compliance with such requirements is at times complicated by the Platforms' novel business model. Moreover, these requirements are subject to periodic changes. Any such change necessitating new significant compliance obligations could have an adverse effect on the Platforms' compliance costs and ability to operate. The Platforms would likely seek to pass through any increase in the Platforms' costs to the lender members such as the Company.

There are currently no known material risks that would result in the Platforms ceasing to exist. However, if the Platforms' ability to export the interest rates, and related terms and conditions,

permitted under an applicable state's law to borrowers in other states were determined to violate applicable lending laws, this could subject the Platforms to the interest rate restrictions, and related terms and conditions, of the lending laws of all US states. The result would be a complex patchwork of regulatory restrictions that could materially and negatively impact the Platforms' operations and potentially make them no longer able to operate, in which case they could terminate their business and all activities. This could have a material adverse effect on all lender members of the Platform because the volume of loans available to invest in would potentially be drastically reduced.

Different Platforms adhere to different business models, resulting in uncertainty as to the regulatory environment applicable to the Company. Funding Circle (US), for example, holds a California Finance Lender's license, and operates from California to make SME loans across the US. It complies with California's licensing requirements and usury limitations. However, other states could seek to regulate Funding Circle (US) or the Company (as lender member) on the basis that loans were made to SMEs located in such other state. In that case, loans made in that other state could be subject to the maximum interest rate limits of such jurisdiction, which could limit potential revenue for the Company. In addition, it could subject Funding Circle (US) or the Company to state licensing requirements.

Lending Club, on the other hand, follows a different model. All Lending Club loans are closed in the name of and are exclusively funded by WebBank, a Utah-chartered industrial bank organised under Title 7, Chapter 8 of the Utah Code and which has its deposits insured by the FDIC. WebBank has partnered with Lending Club to act as issuer, i.e. the true lender, of the Platform loans. Some US courts, when considering the validity of loans issued in third party lending arrangements involving banks and non-banks, only consider whether the loans issued were valid at inception. However, other US courts engage in an analysis to determine the true lender of the loans. To the extent that either Lending Club or the Company (as lender member) is deemed to be the true lender in any jurisdiction, loans made to borrowers in that jurisdiction would be subject to the maximum interest rate limits of such jurisdiction, and Lending Club and/or the Company (as lender member) could be subject to state licensing requirements. Any such requirement would likely have an adverse effect on the Sub-Manager's ability to continue to invest in loans through Lending Club and therefore affect the returns to the Company.

US state licensing requirements

The Company is not currently required to hold a licence in connection with the acquisition of loans as a lender member through the US Platforms. However, one or more states could take the position that Platform lender members are required to be licensed. Lender members becoming licensed could subject lender members to a greater level of regulatory oversight by state government as well as cause lender members to incur additional costs. If unable to obtain any required licences, lender members could be required to cease investing in loans issued to borrowers in the states in which they are not licensed.

Risk of the Company being deemed the true lender

The risk that either the Platforms or the Company (as lender member) is deemed the true lender in any jurisdiction exists with respect to loans made to both consumers and businesses. US courts have rarely analysed questions regarding true lenders in the context of business loans. Although it is expected that US courts' true lender analysis would be the same for both consumer and business loans, additional uncertainty exists as to how US courts would analyse questions regarding true lenders in a business loan context.

Although the Directors are not currently aware that any state regulators have taken the position that the Platforms are the actual providers of loans to borrower members, any action undertaken by state regulators to assert such a position could have a material adverse effect on the lending model utilised by the US P2P industry and, consequently, the ability of the Company to pursue a significant part of its investment strategy in the US.

A civil action is currently pending against WebBank, the bank that issues the loans for Lending Club, in federal district court for the District of Utah, alleging, among other claims, violations of California consumer protection laws for WebBank's participation in a lending arrangement involving Bill Me Later, Inc., in which Bill Me Later, Inc. purchases the receivables and services loans issued to consumers by WebBank. If successful, this action could have a material adverse effect on

Lending Club's ability to make loans and could consequently have a material adverse effect on the Company.

Additionally, eBay Inc., which owns Bill Me Later, Inc., disclosed on its 10-Q filing with the Securities and Exchange Commission dated 18 October 2013 that it is co-operating with the Consumer Financial Protection Bureau's Civil Investigative Demands it received on 7 August 2013, for testimony and documentation relating to the acquisition, management and operation of the Bill Me Later, Inc. business, including its products and services, advertising, loan origination, customer acquisition, servicing, debt collection and complaints handling practices. Any determination that the Bill Me Later, Inc. business does not properly comply with laws and regulations could have a material adverse effect on WebBank, as a participant in Bill Me Later, Inc.'s business. It also could suggest that lending models similar to that of Bill Me Later, Inc., such as Lending Club's lending model, in which third parties (such as the Company) purchase loans originated by WebBank, do not properly comply with laws and regulations. If true, this could subject Lending Club to fines, penalties, or other regulatory action that could have a material adverse effect on the Platforms. The Platforms could also be forced to comply with the lending laws of all US states, which may not be feasible and could result in Lending Club ceasing to operate. Any increase in cost or regulatory burden on Lending Club could have a material adverse effect on the Company.

Specifically, an adverse ruling in the Bill Me Later, Inc. matter could undermine the basis of Lending Club's business model and could result ultimately in Lending Club or its lender members being characterised as a lender, which as a consequence would mean that additional US consumer protection laws would be applicable to the borrower member loans originated on the Lending Club Platform, investments in which are acquired by the Company. For example, the borrower member loans could be voidable or unenforceable. In addition, Lending Club or its lender members could be subject to claims by borrower members, as well as enforcement actions by regulators. Even if Lending Club were not required to cease operation with residents of certain states or to change its business practices to comply with applicable laws and regulations, Lending Club or its lender members could be required to register or obtain, and maintain, licences or regulatory approvals in all 50 US states at substantial cost. If Lending Club were subject to fines, penalties, or other regulatory action, or ceased to operate, this could have a material adverse effect on the Company and its investments in Lending Club.

The Company may contract with other US consumer Platforms which follow the Lending Club model, which will result in the Company having the same risks relative to such other US Platforms as are described above with respect to Lending Club.

Fair Debt Collection Practices Act

The US federal Fair Debt Collection Practices Act (FDCPA) provides guidelines and limitations on the conduct of third party debt servicers in connection with the collection of consumer debts. In order to ensure compliance with the FDCPA, the Platforms often contract with professional third party debt collection agencies to engage in debt collection activities. The Consumer Financial Protection Bureau, the US federal agency now responsible for administering the FDCPA, is engaged in a comprehensive rulemaking regarding the operation of the FDCPA which likely will affect the obligations of sellers of debt to third parties, as well as change other regulatory requirements. Any such changes could have an adverse effect on any US Platforms following the Lending Club model and therefore on the Company as a lender member.

Privacy and Data Security Laws

The US federal Gramm-Leach-Bliley Act (GLBA) limits the disclosure of non-public personal information about a consumer to non-affiliated third parties and requires financial institutions to disclose certain privacy policies and practices with respect to its information sharing with both affiliates and non-affiliated third parties. A number of states have enacted privacy and data security laws requiring safeguards on the privacy and security of consumers' personally identifiable information. Other federal and state statutes deal with obligations to safeguard and dispose of private information in a manner designed to avoid its dissemination. Privacy rules adopted by the US Federal Trade Commission implement the GLBA and other requirements and govern the disclosure of consumer financial information by certain financial institutions, ranging from banks to private investment funds. US Platforms following the Lending Club model generally have privacy policies that conform to these GLBA and other requirements. In addition, such US Platforms have policies and procedures intended to maintain Platform participants' personal information securely and dispose of it properly. The Platforms do not and the Company will not sell or rent such

information to third parties for marketing purposes. Through its participation in the Platforms, the Company will obtain non-public personal information about loan applicants, as defined in GLBA, and intends to conduct itself in compliance with, and as if it is subject to the same limitations on disclosure and obligations of safeguarding and proper disposal of non-public personal information. In addition, the Company could be subject to state data security laws, depending on whether the information the Company obtains is considered non-public personally identifiable information under those state laws. Any violations of state data security laws by the Company could subject it to fines, penalties, or other regulatory action on a state-by-state basis, which, individually or in the aggregate, could have a material adverse effect on the Company due to the compliance costs related to any violations as well as costs to ensure compliance with such laws on an on-going basis. Additionally, any violations of the GLBA by the Company could subject it to regulatory action by the US Federal Trade Commission, which could require the Company to, *inter alia*, implement a comprehensive information security and reporting program and to be subject to audits on an on-going basis.

OFAC and Bank Secrecy Act

In co-operation with WebBank, the US Platforms implement the various anti-money laundering and screening requirements of applicable US federal law. The Company will not be able to control or monitor the compliance of WebBank or the Platforms with these regulations. Moreover, in the Company's participation with the Platforms, it will be subject to compliance with OFAC (Office of Foreign Assets Control), the USA PATRIOT Act and Bank Secrecy Act regulations applicable to all businesses, which for the Company will generally involve co-operation with US authorities in investigating any purported improprieties. Any material failure by any of WebBank, the Platforms or the Company to comply with OFAC and other similar anti-money laundering restrictions or in connection with any investigation relating thereto could result in additional fines or penalties that, depending on the violations, could amount to US$1,000 to US$25,000 per violation. Such fines or penalties could have a material adverse effect on the Company directly, for amounts owed for fines or penalties, or indirectly, as a negative consequence of the decreased demand for loans from the Platforms as a result of any such adverse publicity and other reputation risks associated with any such fines and penalties assessed against the Platforms or WebBank.

RISKS RELATING TO THE INVESTMENT MANAGER AND THE SUB-MANAGER

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

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

The Investment Manager, the Sub-Manager and their affiliates may provide services to other clients which could compete directly or indirectly with the activities of the Company and may be subject to conflicts of interest in respect of its activities on behalf of the Company

The Investment Manager, the Sub-Manager and their affiliates are involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager and the Sub-Manager manage funds other than the Company and may provide investment management, investment advisory or other services in relation to these funds or future funds which may have similar investment policies to that of the Company.

The Investment Manager, the Sub-Manager and their affiliates may carry on investment activities for other accounts in which the Company has no interest. The Investment Manager, the Sub-Manager and their affiliates may also provide management services to other clients, including other collective investment vehicles. The Investment Manager, the Sub-Manager and their affiliates may give advice and recommend securities to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company, even though their investment policies may be the same or similar.

As a registered investment adviser, the Sub-Manager is subject to examination by the US Securities Exchange Commission

The Sub-Manager is registered as an investment adviser under the Investment Advisers Act of 1940. The Sub-Manager is required to adhere to certain US rules and regulations applicable to such registered advisers and is subject to examination by the US Securities Exchange Commission. As an entity regulated in the US, the activities of the Sub-Manager with respect to the investments by the Company in the US may be subject to a greater or different degree of regulatory restriction than those of the Investment Manager. In addition, should the Sub-Manager be subjected to examination by US regulatory authorities, such examination may interfere with the daily operations of the Sub-Manager.

RISKS RELATING TO THE COMPANY'S PORTFOLIO

Competition and portfolio concentration risks

The current market in which the Company will participate is competitive and rapidly changing. The Company and the Investment Manager have entered into agreements with each of Funding Circle (UK), RateSetter, Zopa and Crossflow in relation to, *inter alia*, the deployment of part of the Company's capital shortly after Admission. The Company also intends to invest part of the net proceeds of the Issue into the Eaglewood Funds. Accordingly, the Directors believe that the Company will be able to invest the proceeds of the Issue within 6 to 9 months of Admission. However, there can be no guarantee that the Company will be able to secure terms in relation to the deployment of its capital through any other Platforms. Furthermore, there is a risk that the Company will not be able to deploy its capital, re-invested capital and interest of the proceeds of any future capital raisings in a timely or efficient matter given the increased demand for suitable Credit Assets. The rate of deployment of such capital would be contingent on the availability of suitable inventory at that time.

The Company may face increasing competition for access to Credit Assets as the peer-to-peer lending industry continues to evolve. The Company may face competition from other institutional lenders such as fund vehicles and commercial banks that are substantially larger and have considerably greater financial, technical and marketing resources than the Company. In the US, there are a number of private funds, commercial banks and managed accounts which have already deployed capital in the P2P lending space. Other institutional sources of capital may enter the market in both the UK and US. These potential competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Investment Manager or the Sub-Manager. There can be no assurance that the competitive pressures the Company faces will not erode the Company's ability to deploy capital and thus impact the financial condition and results of the Company.

The Company intends to continue to build relationships with and enter into agreements with additional Platforms. However, if there are not sufficient qualified loan requests through any Platform, the Company may be unable to deploy its capital in a timely or efficient manner. In such event, the Company may be forced to invest in cash, cash equivalents, or other assets that fall within its investment policy that are generally expected to offer lower returns than the Company's target returns from investments in Credit Assets.

In the event that the number of Platforms through which the Company invests were to be limited in number, whether due to termination of existing agreements or failure to secure terms with other Platforms, the Company may be subject to certain risks associated with the concentration of its portfolio. A smaller universe of Platforms through which to acquire Credit Assets increases the risks associated with those Platforms changing their arrangements with respect to, *inter alia*, their underwriting and credit models, borrower acquisition channels and quality of debt collection procedures in such a way as to make them unsuitable for investment by the Company. In any event, material portfolio concentration risks related to asset class, geography or risk tolerances will be mitigated through diversification of investments in accordance with the Company's stated investment policy.

The following risks are specific to the Company's proposed investments in loans:

Risk of borrower default

The ability of the Company to earn revenue is completely dependent upon payments being made by the borrower of the loan acquired by the Company through a Platform. The Company (as a

lender member) will receive payments under any loans it acquires through a Platform only if the corresponding borrower through that Platform (borrower member) makes payments on the loan.

Consumer loans are unsecured obligations of borrower members. They are not secured by any collateral, not guaranteed or insured by any third party and not backed by any governmental authority in any way. The Platforms and their designated third party collection agencies may be limited in their ability to collect on loans. The Company must rely on the collection efforts of the Platforms and their designated collection agencies and will have no direct recourse against borrower members, will not be able to obtain the identity of the borrower members in order to contact a borrower about a loan and will otherwise have no ability to pursue borrower members to collect payment under loans. In addition, in the case of five years loans on US consumer Platforms, after the final maturity date, the Platform may have no obligation to make any late payments to their lender members.

The Platform will retain from the funds received from the relevant borrower and otherwise available for payment to the Company any insufficient payment fees and the amounts of any attorney's fees or collection fees it, a third party service provider or collection agency imposes in connection with such collection efforts.

The return on the Company's portfolio of loans depends on borrower members fulfilling their payment obligations in a timely and complete manner. Borrower members may not view the lending obligations facilitated through a Platform as having the same significance as other credit obligations arising under more traditional circumstances, such as loans from banks. If a borrower neglects its payment obligations on a loan or chooses not to repay its loan entirely, the Company may not be able to recover any portion of its outstanding principal and interest under such loan.

All loans are credit obligations of individual borrowers and the terms of the borrower members' loans may not restrict the borrowers from incurring additional debt. If a borrower member incurs additional debt after obtaining a loan through a Platform, that additional debt may adversely affect the borrower's creditworthiness generally, and could result in the financial distress, insolvency or bankruptcy of the borrower. This circumstance could ultimately impair the ability of that borrower to make payments on its loan and the Company's ability to receive the principal and interest payments that it expects to receive on those loans. To the extent borrower members incur other indebtedness that is secured, such as a mortgage, the ability of the secured creditors to exercise remedies against the assets of that borrower may impair the borrower's ability to repay its loan or it may impair the Platform's ability to collect on the loan if it goes unpaid. Since consumer loans are unsecured, borrower members may choose to repay obligations under other indebtedness before repaying loans facilitated through a Platform because the borrowers have no collateral at risk. The Company will not be made aware of any additional debt incurred by a borrower, or whether such debt is secured.

Where a borrower member is an individual, if such a borrower with outstanding obligations under a loan dies while the loan is outstanding, the borrower's estate may not contain sufficient assets to repay the loan or the executor of the borrower's estate may prioritise repayment of other creditors. Numerous other events could impact a borrower's ability or willingness to repay a loan acquired by the Company, including divorce or sudden significant expenses, such as uninsured healthcare costs.

Identity fraud may occur and adversely affect the Company's ability to receive the principal and interest payments that it expects to receive on loans. A Platform may have the exclusive right and ability to investigate claims of identity theft and this creates a conflict of interest between the Company and such Platform. If a Platform determines that verifiable identity theft has occurred, that Platform may be required to repurchase the loan or indemnify the Company and in the alternative, if the Platform denies a claim under any identify theft guarantee, the Platform would be saved from its repurchase or indemnification obligations.

If a borrower member files for bankruptcy in any of the jurisdictions in which the Company may invest, a stay may go into effect that will automatically put any pending collection actions on hold and prevent further collection action absent court approval. It is possible that the borrower member's personal liability on its member loan will be discharged in bankruptcy. In most cases involving the bankruptcy of a borrower member with an unsecured loan, unsecured creditors, including the Company, will receive only a fraction of any amount outstanding on their loans, if anything.

The Company will not be protected from any losses it may incur from its investments in any loans resulting from borrower default by any insurance-type product operated by any of the Platforms through which it may invest.

Loan default rates may be affected by a number of factors outside the Company's control and actual default rates may vary significantly from historical observations

Loan default rates may be significantly affected by economic downturns or general economic conditions beyond the Company's control. In particular, default rates on loans may increase due to factors such as prevailing interest rates, the rate of unemployment, the level of consumer confidence, residential real estate values, the value of the US Dollar, Euros or Sterling, energy prices, changes in consumer spending, the number of personal bankruptcies, disruptions in the credit markets and other factors. The significant downturn in the global economy that occurred in the past several years caused default rates on consumer loans to increase, and a continuation of the downturn may result in continued high or increased loan default rates.

The default history for Credit Assets originated via Platforms is limited and actual defaults may be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations.

Service Members Civil Relief Act

US Federal law provides borrower members on active military service with rights that may delay or impair a Platform's ability to collect on a borrower member loan. The Service Members Civil Relief Act (''SCRA'') requires that the interest rate on pre-existing debts, such as member loans, be set at no more than 6 per cent. while the qualified service member or reservist is on active duty. A holder of a Note that is dependent on such a member loan, as the Company may be, will not receive the difference between 6 per cent. and the original stated interest rate for the member loan during any such period. This law also permits courts to stay proceedings and execution of judgments against service members and reservists on active duty, which may delay recovery on any member loans in default and, accordingly, payments on the Notes that are dependent on these member loans. If there are any amounts under such a member loan still due and owing to the Platform after the final maturity of the Notes that correspond to the member loan, the Platform will have no further obligation to make payments on the Notes to the Company, even if the Platform later receives payments after the final maturity of the Notes.

Platforms do not take military service into account in assigning loan grades to borrower member loan requests. In addition, as part of the borrower member registration process, Platforms do not request their borrower members to confirm if they are a qualified service member or reservists within the meaning of the SCRA. The SCRA is specific to the United States and therefore does not pose a risk for other jurisdictions in which the Company may invest.

Prepayment risk

Borrowers may decide to prepay all or a portion of the remaining principal amount due under a borrower loan at any time without penalty. In the event of a prepayment of the entire remaining unpaid principal amount of a borrower loan acquired by the Company, the Company will receive such prepayment but further interest will not accrue on such loan after the date of the prepayment. If the borrower prepays a portion of the remaining unpaid principal balance interest will cease to accrue on the prepaid portion, and the Company will not receive all of the interest payments that it expected to receive.

Limited secondary market and liquidity

Peer-to-peer loans generally have a maturity between 1 to 5 years. Investors acquiring P2P loans directly through Platforms and hoping to recoup their entire principal must generally hold their loans through maturity. In the US, a rudimentary secondary exchange is currently in place for fractional consumer loans through Foliofn, but this system is at present inefficient. In the UK, Funding Circle (UK) operates a secondary exchange for the sale of partial interests in SME loans but there can be no guarantee that the Company will be able to readily access liquidity on demand. There is also currently no formal secondary market operated by any of the Platforms through which the Company intends to invest shortly after Admission in relation to the sale of whole loans. Trade receivables and trade finance loans typically have short durations of 30 to 180 days and the Company intends to purchase these assets to hold to maturity. There is currently very limited liquidity in the secondary trading of these investments. Peer-to-peer loans are not at present listed

on any national or international securities exchange. Until an active secondary market develops, the Company will primarily adhere to a ''lend and hold'' strategy and will not necessarily be able to access significant liquidity. In the event of adverse economic conditions in which it would be preferable for the Company to sell certain of its Credit Assets, the Company may not be able to sell a sufficient proportion of its portfolio as a result of liquidity constraints. In such circumstances, the overall returns to the Company from its investments may be adversely affected.

Risks associated with the Platforms', the Investment Manager's and the Sub-Manager's credit scoring models

A prospective borrower is assigned a loan grade by a Platform based on a number of factors, including the borrower's credit score and credit history. Credit scores are produced by third-party credit reporting agencies based on a borrower's credit profile, including credit balances, available credit, timeliness of payments, average payments, delinquencies and account duration. This data is furnished to the credit reporting agencies by the creditors. A credit score or loan grade assigned to a borrower member by a Platform may not reflect that borrower's actual creditworthiness because the credit score may be based on outdated, incomplete or inaccurate reporting data. The Platforms seek to verify the majority, but not all, of the information obtained from most of their borrower members.

Additionally, it is possible that, following the date of any credit information received, a borrower member may have defaulted on a pre-existing debt obligation, taken on additional debt or sustained other adverse financial or life events.

Each of the Investment Manager and the Sub-Manager will be reliant on the borrower credit information provided to it by the Platforms which may be out of date or inaccurate. In addition, for consumer loans, neither the Investment Manager nor the Sub-Manager will have access to consolidated financial statements or other financial information about the borrowers and the information supplied by borrowers may be inaccurate or intentionally false. Unlike traditional lending, neither the Investment Manager nor the Sub-Manager will be able to perform any independent follow-up verification with respect to a borrower member, as the borrower member's name, address and other contact details remain confidential.

Because of these factors, the Investment Manager and the Sub-Manager may make investment decisions based on outdated, inaccurate or incomplete information.

The following risks are specific to the Company's proposed investments in corporate trade receivables:

The Company will seek to invest in trade receivables originated by Platforms and will therefore be subject to the Platforms' ability to sufficiently source deals that fall within the Investment Manager's and the Sub-Manager's investment and risk parameters. Limited origination of suitable trade receivables through the Platforms could have a negative impact on the Company's ability to deploy its capital and therefore impact the Company's expected returns.

The Company is subject to the Platforms' ability to monitor and curtail factoring fraud which typically stems from the falsification of invoice documents. False invoices can easily be created online to look like they have been issued by legitimate debtors or are otherwise created by legitimate debtors at inflated values. The Company's investment in trade receivables through Platforms is therefore reliant on the Platforms' ability to carry out appropriate due diligence on all parties involved such that no losses occur due to fraudulent activity.

The Company, the Investment Manager and the Sub-Manager will to some extent be reliant on the internal credit ratings by the Platform but may seek to carry out independent credit checks, where available, in relation to either the creditor or debtor. In the event of insolvency of any debtor where invoices have been purchased by the Company, the Company may only rank as unsecured creditor. Where invoices have been advanced, in the case of insolvency by the creditor, the debtor is made aware that the invoice has been advanced and is obliged to make payment to the Company. However, the Company will be subject to the risk of payment being delayed or not made.

Platforms that lend to corporations conduct due diligence but do not always conduct on-site visits to verify that the business exists and is in good standing. For this reason, the risk of fraud may be greater with corporate trade receivables.

The Platforms seek to validate that the debtor has received the goods or services and 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 directly impact the earnings of the Company on its investments in trade receivables.

The following risks are specific to the Company's proposed investments in the equity of Platforms:

These investments are expected to be in entities which are smaller companies. Smaller companies, in comparison to larger companies, often have a more restricted depth of management and higher risk profiles. Investors should not expect that the Company will necessarily be able to realise, within a period which they would otherwise regard as reasonable, its investments in such companies and any such realisations that may be achieved may be at considerably lower yields than expected.

The Company may invest in the listed or unlisted equity of any Platforms. Investments in unlisted equity, by their nature, involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed securities and therefore may be more difficult to realise.

In comparison with listed and quoted investments, unlisted companies are subject to further particular risks, including that they:

- may have shorter operating histories and smaller market shares, rendering them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a founder or small group of persons and, if any such persons were to cease to be involved in the management or support of such companies, this could have a material adverse impact on their business and prospects and the investment in them made by the Company; and
- generally have less predictable operating results and may require significant additional capital to support their operations, expansion or competitive position.

Investments which are unlisted at the time of acquisition may remain unlisted and may therefore be difficult to value and/or realise.

The following risks are specific to the Company's proposed investments in the Eaglewood Funds:

The Eaglewood Income Fund invests in consumer loans and the Eaglewood Small Business Fund invests in SME loans. Accordingly, any investment in these funds is subject to the same risks which apply to the Company's proposed direct investments in loans, set out above under the heading "*The following risks are specific to the Company's proposed investments in loans"*. In addition, an investment in the Eaglewood Income Fund and/or the Eaglewood Small Business Fund is subject to the following risks:

An investment in the Eaglewood Funds is a relatively illiquid investment because a limited partnership interest in the Eaglewood Funds is not generally transferable and the withdrawal rights of investors are restricted. In the event that the returns to the Company as an investor in the Eaglewood Funds were below those expected from such investments, the Company may be unable to transfer or withdraw its interest in the Eaglewood Funds which may in turn affect the overall returns to the Company, its ability to pay dividends and lead to volatility in the market price of the Ordinary Shares.

The Sub-Manager utilises leverage in investing the Eaglewood Funds' assets, including by borrowing funds and pledging the Eaglewood Funds' assets as collateral. The Eaglewood Income Fund is authorised to employ leverage up to 4.0 times its net asset value. The Eaglewood Small Business Fund may employ leverage against its assets as a means of enhancing returns, although its maximum leverage ratio may not exceed 1.5 times its net asset value without the prior written approval of its advisory board. While the use of leverage increases returns if a fund earns a greater return on the incremental investments purchased with leverage than it pays for such leverage, the use of leverage decreases returns if the fund fails to earn as much on such incremental investments as it pays for such funds. The effect of leverage may therefore result in a greater decrease in the net asset value of the fund than if the fund were not so leveraged. The Company, as an investor in these funds, will be exposed to these risks associated with gearing. In

addition, the Sub-Manager has elected to securitise the loans in the Eaglewood Income Fund's portfolio and may elect to securitise the loans in the Eaglewood Small Business Fund's portfolio, which may reduce the overall expected return obtained by investments in assets that are securitised versus those held to maturity.

An Eaglewood Fund might be considered to be engaged in a trade or business in the United States and, if so, a non-US investor, such as the Company, will be subject to federal income tax in the United States with respect to its share of the fund's income from such trade or business. In these circumstances, the Eaglewood Fund would be required to withhold and remit certain amounts to the US Internal Revenue Service and other tax authorities. Such action could have a material adverse effect on the Company's return from any investment in the Eaglewood Funds.

The Eaglewood Income Fund's success or failure is highly dependent on the success or failure of Lending Club. In the event Lending Club were not able to conduct its business successfully (including, without limitation, with respect to attracting borrower members, servicing member loans and remaining adequately capitalised) or if Lending Club were to experience a material adverse effect or a complete failure of its business, it would materially and adversely affect the performance of the Eaglewood Income Fund and its returns for investors, such as the Company. The success or failure of Eaglewood Income Fund is also dependent on the continuation of the arrangements which it has in place for the purchase of consumer loans from Lending Club.

For both tax and regulatory purposes, it is critical that the Eaglewood Income Fund be considered independent of Lending Club. The Sub-Manager and the general partner of Eaglewood Income Fund have taken steps to attempt to preserve the fund's independence as an arms-length entity separate and distinct from Lending Club, which independence is critical from both a tax and regulatory perspective. There is no guarantee, however, that the US Internal Revenue Service or other applicable taxing and/or regulatory authority will respect the fund's independence from Lending Club. If a taxing authority were to claim that the fund is not separate and independent from Lending Club, the fund and/or investors, including the Company, could be subjected to increased tax liability, which could impair the performance of the fund and negatively affect the value of the Company's limited partnership interests. Additionally, if a regulatory authority were to challenge the fund's independence from Lending Club, the fund could be subjected to substantial regulatory and licensing requirements, which could have a material adverse effect on the financial condition and performance of the fund and on the Sub-Manager's ability to implement its investment strategy and on its ability to generate returns for investors such as the Company.

The Eaglewood Small Business Fund's success or failure is highly dependent on the success or failure of the sources of commercial loans. In the event any such sources were not able to conduct its business successfully (including, without limitation, with respect to attracting loans for purchasers and borrowers, servicing commercial loans and remaining adequately capitalised) or if any such source were to experience a material adverse effect or a complete failure of its business, it could materially and adversely affect the performance of the fund due to the inability to generate returns for its investors, including the Company.

The following risks are specific to the Company's proposed investments in other fund vehicles:

The Company may invest in Credit Assets indirectly via other investment funds, including those managed by the Investment Manager, the Sub-Manager or their affiliates. As a participant in any such vehicle, the Company would bear, along with other participants, its *pro rata* share of the fees and expenses of that vehicle. These expenses and fees may be in addition to the fees and expenses which the Company bears directly in connection with its own operations. The existence of such additional fees and expenses may result in reduced returns to investors.

Any fund vehicles in which the Company invests may employ gearing. Accordingly, the Company will be subject to the risks associated with gearing in connection with such investments. Whilst gearing should enhance returns where the value of a fund's underlying assets is rising; it will have the opposite effect where the value of the underlying assets is falling.

RISKS RELATING TO CUSTODY

Any financial instruments of the Company that are required to be held in custody pursuant to the AIFM Directive shall be held in custody with the Depositary and/or its sub-custodians. Cash and matured fiduciary deposits may not be treated as segregated assets and might therefore not be segregated from the Depositary's or sub-custodian's own assets in the event of the insolvency or the opening of bankruptcy, moratorium, liquidation or reorganisation proceedings of the Depositary

or its sub-custodian (as the case may be). In such circumstances, the Company may suffer an irrecoverable loss in respect of such assets which could have a material adverse effect on the Company's financial performance.

RISKS RELATING TO TAXATION

Investment trust status

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

Overseas taxation

The Company may be subject to taxation under the tax rules of the jurisdictions in which it invests, including by way of withholding of tax from interest and other income receipts. Although the Company will endeavour to minimise any such taxes this may affect the level of returns to Shareholders.

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

Changes in tax legislation or practice, whether in the United Kingdom or in jurisdictions in which the Company invests, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, and affect the tax treatment for Shareholders of their investments in the Company (including rates of tax and availability of reliefs).

RISKS RELATING TO THE ORDINARY SHARES

General risks affecting the Ordinary Shares

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

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

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

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

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

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

such investor can effect such realisation and/or (iii) the price at which such Ordinary Shares trade in the secondary market.

The Ordinary Shares are subject to certain provisions that may cause the Board to refuse to register, or require the transfer of, Ordinary Shares

Although the Ordinary Shares are freely transferable, there are certain circumstances in which the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of or redeem the Ordinary Shares. These circumstances include where a transfer of Ordinary Shares would cause, or is likely to cause: (i) the assets of the Company to be considered ''plan assets'' of any Benefit Plan Investor; (ii) the Company to be required to register under the US Investment Company Act, or members of the senior management of the Company to be required to register as ''investment advisers'' under the Investment Advisers Act; (iii) the Company to be required to register under the US Exchange Act or any similar legislation, amongst others; or (iv) the Company to be unable to comply with its obligations under FATCA.

Dilution risk

The Directors have been authorised to issue up to 200 million C Shares and such number of Ordinary Shares as is equal to 10 per cent. of the Ordinary Shares in issue following the Issue. Any issue of C Shares or Ordinary Shares may dilute the voting rights of existing Shareholders.

Important Notices

General

This document should be read in its entirety before making any application for Ordinary Shares. Prospective Shareholders should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Investment Manager, the Sub-Manager, Administrator, Depositary, Loan Administrator or Liberum or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

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

All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum of Association and the Articles which investors should review. A summary of the Articles is contained in paragraph 3 of Part VI of this document under the section headed ''Articles of Association''.

The Company consents to the use of this Prospectus by financial intermediaries in connection with any subsequent resale or final placement of securities by financial intermediaries in the UK, the Channel Islands and the Isle of Man on the following terms: (i) in respect of the Intermediaries who have been appointed by the Company prior to the date of this Prospectus, as listed in paragraph 15 of Part VI of this Prospectus, from the date of this Prospectus; and (ii) in respect of Intermediaries who are appointed by the Company after the date of this Prospectus, a list of which appears on the Company's website, from the date on which they are appointed to participate in connection with any subsequent resale or final placement of securities and, in each case, until the closing of the period for the subsequent resale or final placement of securities by financial intermediaries at 5.00 p.m. on 27 May 2014, unless closed prior to that date.

The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this Prospectus is given commences on 19 May 2014 and closes at 5.00 p.m. on 27 May 2014, unless closed prior to that date (any such prior closure to be announced via a Regulatory Information Service).

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

The Company accepts responsibility for the information contained in this Prospectus with respect to any subscriber for Ordinary Shares pursuant to any subsequent resale or final placement of securities by financial intermediaries.

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

Data protection

The information that a prospective investor in the Company provides in documents in relation to a subscription for Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("personal data") will be held and processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom. Each prospective investor acknowledges and consents that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the prospective investor with information about other products and services provided by the Investment Manager, or its affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each prospective investor acknowledges and consents that where appropriate it may be necessary for the Company (or any third party, functionary, or agent appointed by the Company) to:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to provide services to prospective investors; and
- transfer personal data outside of EEA States to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors in the United Kingdom (as applicable).

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

Prospective investors are responsible for informing any third party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

Regulatory Information

The contents of this document are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment decisions or any other matter. Prospective investors must inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply to them as a result of the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares.

Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, taxation, accounting, regulatory, investment or any other related matters concerning the Company and an investment therein.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions. The Ordinary Shares may not be offered, sold, pledged or

otherwise transferred to (i) any US Person or a person acting for the account of a US Person or (ii) a Benefit Plan Investor.

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

Statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

Notice to prospective investors in the European Economic Area

The Ordinary Shares have not been, and will not be, registered under the securities laws, or with any securities regulatory authority of, any member state of the EEA other than the United Kingdom and subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered, sold, taken up or delivered in or into any member state of the EEA other than the United Kingdom.

The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions.

Statement regarding US taxation

TO ENSURE COMPLIANCE WITH UNITED STATES TREASURY DEPARTMENT CIRCULAR 230, EACH PROSPECTIVE INVESTOR IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF US TAX ISSUES HEREIN IS NOT INTENDED TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY A PROSPECTIVE INVESTOR FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PROSPECTIVE INVESTOR UNDER APPLICABLE TAX LAW; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF TREASURY DEPARTMENT CIRCULAR 230) OF THE OFFER TO SELL ORDINARY SHARES BY THE COMPANY; AND (C) A PROSPECTIVE INVESTOR IN ORDINARY SHARES SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT ADVISOR.

Forward-looking statements

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

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

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 10 of Part VI of this document.

Expected Timetable

	2014
Latest time and date for receipt of completed application forms from the Intermediaries in respect of the Intermediaries Offer	5.00 pm on 27 May
Latest time and date for commitments under the Placing	5.00 pm on 27 May
Publication of results of the Placing and the Intermediaries Offer	28 May
Admission and dealings in Ordinary Shares commence	30 May
CREST accounts credited with uncertified Ordinary Shares	30 May
Where applicable, definitive share certificates despatched by post in the week commencing*	9 June

Any changes to the expected timetable set out above will be notified by the Company through a Regulatory Information Service

All references to times in this document are to London times

**Underlying Applicants who apply to Intermediaries for Ordinary Shares under the Intermediaries Offer will not receive share certificates.*

Issue Statistics

Issue Price	£10 per Ordinary Share
Gross proceeds of the Issue*	£200 million
Estimated net proceeds of the Issue to be received by the Company*	£197 million
Expected Net Asset Value per Ordinary Share on Admission*	£9.85 per Ordinary Share

* Assuming that the Issue is subscribed as to £200 million. The costs of the Issue to be borne by the Company will not exceed 1.5 per cent. of the gross proceeds of the Issue.

Dealing Codes

The dealing codes for the Ordinary Shares are as follows:

ISIN	GB00BLP57Y95
SEDOL	BLP57Y9
Ticker	P2P

Directors, Investment Manager, Sub-Manager and Advisers

Directors	Stuart Cruickshank Michael Cassidy Simon King *all of the registered office below*
Registered Office	40 Dukes Place London EC3A 7NH United Kingdom Telephone: +44 (0)20 7954 9569
Sponsor, Broker and Placing Agent	Liberum Capital Limited Level 12, Ropemaker Place 25 Ropemaker Street London EC2Y 9LY United Kingdom
Investment Manager and AIFM	Marshall Wace LLP 13th Floor, The Adelphi Building 1-11 John Adam Street London WC2N 6HT United Kingdom Telephone: +44 (0)20 7316 2280
Sub-Manager	Eaglewood Capital Management LLC 28 West 44th Street, Suite 808 New York, NY10036 United States
Company Secretary	Capita Registrars Limited 1st Floor 40 Dukes Place London EC3A 7NH United Kingdom
Administrator and External Valuer	Citco Fund Services (Ireland) Limited Custom House Plaza, Block 6 International Financial Services Centre Dublin 1 Ireland
Registrar	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Depositary	Deutsche Bank Luxembourg S.A. 2, boulevard Konrad Adenauer L-1115 Luxembourg
English Legal Adviser to the Company	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH United Kingdom
US Legal Adviser to the Company	Pepper Hamilton LLP 3000 Two Logan Square Eighteenth and Arch Streets Philadelphia, PA 19103-2799 USA

English Legal Adviser to the Sponsor and Placing Agent	Travers Smith LLP 10 Snow Hill London EC1A 2AL United Kingdom
Auditors and Reporting Accountant	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH United Kingdom

Part I

Introduction to the Company and the P2P Lending Opportunity

The Company

The Company is a closed-ended investment company incorporated in England and Wales on 6 December 2013. The Company intends to carry on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

The Company's investment objective is to provide Shareholders with an attractive level of dividend income and capital growth through exposure to investments in alternative finance and related instruments.

The Company will invest in consumer loans, SME loans, advances against corporate trade receivables and/or purchases of corporate trade receivables (''Credit Assets'') which have been originated via Platforms. The Company will typically seek to invest in Credit Assets with targeted net annualised returns of 5 to 15 per cent.

The Company will seek to purchase Credit Assets directly (via Platforms) and will also invest in Credit Assets indirectly via other investment funds (including those managed by the Investment Manager, the Sub-Manager or their affiliates).

The Company may also invest in the listed or unlisted securities issued by one or more Platforms.

The Investment Manager and the Sub-Manager

Investment Manager

The Company's investment manager is Marshall Wace LLP. The Investment Manager is responsible for the discretionary management of the Company's portfolio of Credit Assets and other investments. The Investment Manager will be assisted in providing its services to the Company by principals and employees of Eaglewood Europe LLP (''Eaglewood Europe'') who have been seconded to MW LLP.

Eaglewood Europe currently intends to seek its Part IV permission under FSMA for, *inter alia*, the regulated activity of managing an AIF. It is intended that the Management Agreement will be novated to Eaglewood Europe in due course and that Eaglewood Europe will become the Company's investment manager, but in any event not before Eaglewood Europe receives this permission. Further information on the Investment Manager and Eaglewood Europe is set out in Part III of this document under the heading ''Investment Manager''.

The managing member of Eaglewood Europe is MW Eaglewood Management Limited (which currently holds a majority stake in Eaglewood Europe). MW Eaglewood Management Limited is majority owned by Marshall Wace Holdings Limited (which is the holding company of the various Marshall Wace operating entities).

Sub-Manager

On 30 April 2014, Marshall Wace Holdings Limited (via a subsidiary) acquired a controlling stake in Eaglewood Capital Management LLC, a SEC registered investment adviser. The Investment Manager has, pursuant to the Sub-Management Agreement, delegated certain of its responsibilities and functions, including its discretionary management of the Company's portfolio of Credit Assets, to the Sub-Manager. The Sub-Manager is the manager of the Eaglewood Funds (which invest in Credit Assets) and acts as investment adviser to a number of separate managed accounts which also invest in Credit Assets.

Initial investment pipeline

The Company and the Investment Manager have entered into agreements in relation to, *inter alia*, the deployment of part of the Company's capital following Admission with Funding Circle (UK), RateSetter, Zopa and Crossflow. Further information on these Platforms is set out below and details of the contractual arrangements with these Platforms is set out in the section headed ''Platform Agreements'' in Part II of this document. The Company and the Investment Manager will seek to enter into agreements with other Platforms in due course in relation to the deployment of the Company's capital.

The Company also intends to invest in the Eaglewood Funds following Admission. The Company intends to invest up to 20 per cent. of the net proceeds of the Issue in the Eaglewood Income

Fund, which invests in consumer loans through Lending Club's Platform, and up to 20 per cent. of the net proceeds of the Issue in the Eaglewood Small Business Fund. Further information on the Eaglewood Funds, which are managed by the Sub-Manager, is set out in the section headed ''Eaglewood Funds'' in Part II of this document.

In addition, on or shortly following Admission the Company will acquire a portfolio of SME loans which have been acquired prior to Admission by MW Eaglewood Management Limited. Prior to Admission, MW Eaglewood Management Limited will have acquired SME loans through: (i) the Funding Circle (US) Platform (up to a maximum aggregate principal amount of US$5,000,000); and (ii) the Funding Circle (UK) Platform (up to a maximum aggregate principal amount of £2,000,000). Further information on these loans to be assigned or novated to the Company on or shortly following Admission is set out in the section headed ''Acquisition of Funding Circle (US) and Funding Circle (UK) loans from MW Eaglewood Management Limited'' in Part II of this document.

Accordingly, the Directors believe that the net proceeds of the Issue will be fully invested within 6 to 9 months of Admission.

Introduction to the P2P lending industry

P2P lending is a concept whereby borrowers (also commonly referred to as ''borrower members'') and investors (also commonly referred to as ''lender members'') are matched via Platforms to originate credit transactions, resulting in the disintermediation of more traditional financial institutions. The business model, which originated in 2005 and is driven by financial technology, has begun to take market share from the more traditional lending operations of the large commercial banks. There has been a recent rise in the number of P2P exchanges globally.

In the traditional bank lending model, a decision to extend credit to an individual or business is not a binary decision made solely on the creditworthiness of the counterparty. Banks typically make decisions to extend credit based on a variety of exogenous factors which often results in a lack of credit risk-based pricing for the borrower. Some of the typical factors that may affect a bank's lending decisions and the price at which to extend credit are outlined below.

Banks typically operate on a large fixed cost basis, including personnel, branch infrastructure and administration. These costs can be a factor in the interest rates offered to their customers.

Bank regulation (in particular in Europe and the US) has also imposed restrictions on certain types of lending by banks to ensure that deposit taking institutions maintain defined capital and liquidity requirements to safeguard client deposits. As such, banks will typically make decisions on originating loans at least in part based on their own capital adequacy requirements in respect of risk weighted assets, as opposed to analysing the true creditworthiness of borrowers.

Through the emergence of e-commerce and big data processing, the online peer-to-peer lending model has developed efficient and effective ways to analyse and categorise credit risk across numerous asset classes. Big data optimisation is the technologically driven process that allows the Platforms to design underwriting models utilising high volumes of information obtained through third party sources, to make educated decisions on a borrower's creditworthiness.

The transparency and scale of information via credit ratings agencies in conjunction with online businesses that facilitate data analytics allows credit decisions and transactions to be made in an accurate, efficient and cost effective manner.

The P2P lending model

Overview

P2P marketplaces have evolved to help accommodate borrowers from various debt classes, including consumers, SMEs and corporates.

Focusing on high quality credit via a transparent and risk-based process, Platforms allow borrower members to obtain loans with interest rates that are often lower than those offered by commercial banks or credit card providers. Platforms also enable lender members to acquire loans with interest rates and credit characteristics that can offer attractive returns. As a result, investor and borrower members on Platforms commonly share the margin that a traditional banking intermediary would normally capture. The Platforms often charge fees to their lender members for the services provided, including screening borrower members for their eligibility and credit criteria, managing the supply and demand of the marketplace, and facilitating payments and debt collection.

P2P process

Platforms typically use multi-level credit and risk rating models to assess the creditworthiness of borrower members. Consumer Platforms typically focus on high quality borrowers, categorised as prime to super-prime by historic FICO-based or similar standards.

Certain Platforms provide upwards of 200 anonymised data fields on each borrower member which allows lender members to make educated decisions in their loan selection process.

Borrower members are required to submit detailed information about themselves, their employment status (in the case of consumer loans), their general finances and the purpose of their loan. Their applications are subject to detailed review and credit scoring by the Platforms. Many applications are automatically declined as a result of failing on one or more basic criteria, for example, insufficient credit scores, debt-to-income ratios that are too high, or, in the case of SMEs, insufficient trading history. The Platforms also obtain information and a credit assessment rating from one or more independent credit ratings agencies. Applications are then further reviewed through their underwriting process, which includes both identification and fraud checks. In the case of consumer loans, most employed borrowers and/or their employers are contacted individually in order to verify information provided. After accepting a loan application and classifying each loan into a credit grade and assigning an interest rate level or band, the Platform posts the loan request online for funding on an individual or pooled basis, depending on the Platform. As a result, investors then have the transparency through certain Platforms to acquire loans based on their desired borrower criteria and risk appetite.

Once a borrower receives funding and accepts a loan offer, the amortising loan is activated and principal and interest are paid down on a monthly basis for the specified loan term. Investor members earn the stated interest net of any Platform servicing fees and less any defaulted repayments.

Platform asset classes in the P2P lending market

The concept of the P2P lending marketplace has lent itself to a broad range of product offerings. Consumer debt, SME debt and corporate invoice receivables are some of the most developed products, with leading Platforms in each area seeing significant growth in recent years.

Consumer loans

The global P2P consumer loan business is a multi-billion dollar industry that matches retail borrowers with retail and institutional capital at rates that are competitive with those offered by traditional banks. As at 28 February 2014, the market size for outstanding US consumer debt was US$854 billion (Source: US Federal Reserve) and the EU market size for outstanding consumer debt to banks was US$757 billion. (Source: European Central Bank)

The cost effective origination model operated by Platforms allows certain consumers to borrow money at interest rates at which banks would generally not be able to cover their cost base. For example, in the US, certain consumer borrowers have the opportunity to obtain small loans of up to 5 year terms at interest rates below 7 per cent. per annum. For lenders, consumer Platforms offer net returns of 5 to 10 per cent. per annum, depending on the risk profile of their loan selection.

SME loans

The Platforms operating in this asset class focus on connecting institutional and retail capital to SMEs requiring debt finance. Generally, SMEs that are accepted as borrower members are established businesses. As at 28 February 2014, the outstanding balance of loans to SMEs in the UK was US$288 billion (Source: Bank of England). As at 30 September 2013, the outstanding balance of loans to small businesses in the US was US$580 billion (Source: US Small Business Administration).

The emergence of P2P SME loan Platforms in the UK, such as Funding Circle (UK), allows creditworthy SMEs to borrow money online at interest rates as low as 6 per cent. per annum. For lenders, the Funding Circle (UK) SME Platform offers the majority of investors net returns of 6 to 8 per cent. per annum.

Corporate invoice receivables

Invoice discounting, or factoring, has emerged as a lending asset class whereby a Platform enables advances to be made against invoices or purchases of invoice receivables. This form of

financing allows businesses seeking working capital to get advances on cash due from their customers. From a borrower's perspective, this form of short-term (typically 30 to 180 days) financing provides for a low cost way for the business to receive capital instead of an often more restrictive and/or more expensive banking facility. For some businesses, this form of invoice discounting did not previously exist in their jurisdiction or was offered at high rates, irrespective of the collateral or creditworthiness of the debtor.

In many cases, SMEs which sell goods or services to blue chip companies can receive advances against their invoices via P2P Platforms for an annualised discount factor of 8 to 20 per cent. of the face value of the invoice.

For those investing in trade receivables, this transaction allows them to effectively become short term creditors of blue chip companies, at annualised net rates of 8 to 10 per cent. or higher, whilst long term corporate debt on the same companies often trades at much lower yields.

During 2013, approximately US$3.1 trillion was advanced via the global invoice factoring industry.

Platforms in the US & UK

Set out below is an overview of some of the established Platforms in the US and UK through which the Company intends to invest (directly or indirectly through other investment funds) on or shortly after Admission. The Company and the Investment Manager have entered into Platform Agreements with each of Funding Circle (UK), Zopa, RateSetter and Crossflow in relation to the deployment of part of the Company's capital following Admission. In addition, the Company also intends to invest in the Eaglewood Income Fund, which invests in consumer loans through Lending Club's Platform, and to acquire from MW Eaglewood Management Limited certain SME loans originated through Funding Circle (US) and Funding Circle (UK).

Lending Club (US)

Lending Club is a US-based Platform for consumer lending that was established in 2007. It is the largest P2P loan platform globally, in terms of volume of loan origination, with loan origination over US$3.0 billion over the last 2 years and current quarterly origination reaching approximately US$791 million. Lending Club currently offers lenders average net annualised returns of 5.73 to 14.33 per cent., depending on credit grade (after fees and default losses) on their 3 to 5 year fully amortising loans with (across both 3 and 5 year loans) annualised lifetime default rates of 1.98 to 9.29 per cent. (Source: Lending Club website)

Funding Circle (US)

Formerly known as Endurance Lending Network, Funding Circle (US) was recently acquired by Funding Circle (UK) to help drive global expansion of its P2P SME business model. The business launched in 2012 by offering a fund product to investors focused on creditworthy borrowers. Funding Circle (US) is currently building out a formal P2P marketplace whereby it will offer investors the ability to pick and choose whole loans and partial loans across credit grades similar to those made available by its UK counterpart.

Funding Circle (UK)

Launched in 2010, Funding Circle (UK) was the first, and is now the leading, P2P SME Platform in the UK and globally in terms of volume of loan origination. The Platform has originated over £267 million of loans since inception. The loans have been funded by retail lenders, county councils, the Government-backed British Finance Partnership (£20 million lent from March 2013) and the Government-backed British Business Bank who have committed to lend £40 million from its £300 million investment programme. The Platform operates using a floored auction rate model offering weighted average expected net annualised returns to lenders of 6.1 per cent., since inception, after accounting for an expected weighted average lifetime default loss rate of 1.4 per cent. Funding Circle (UK) currently offers loans with terms up to 5 years to UK-based established SMEs. (Source: Funding Circle (UK) website).

Zopa (UK)

Zopa, founded in 2005, was the first P2P Platform worldwide and is currently the largest Platform in the UK with over £465 million in origination since inception. Its business focuses on matching high credit quality consumer borrowers in search of 2 to 5 year term loans with lenders, who can earn a current expected annualised net yield (after fees) of 4 per cent. and 5 per cent. on 3 and

5 year loans respectively. Loans originated through the Platform have an historic lifetime overall default loss rate of less than 0.61 per cent. (Source: Zopa website).

RateSetter (UK)

Founded in 2010, the business has emerged as one of the leading UK consumer Platforms, having originated over £212 million since launch. The current average expected annualised net yield (after fees) is 4.5 per cent. and 5.8 per cent. on 3 and 5 year loans respectively. Over the full term, RateSetter expects the bad debt rate on outstanding loans to be 1.6 per cent. (Source: RateSetter website).

Crossflow (UK)

Launched in September 2013, Crossflow operates a corporate invoice processing and financing Platform offering short term capital to companies that use Crossflow's transaction processing platform for processing invoice payments. Crossflow's technology automates the transaction flow from invoice processing, approval, payment, and settlement, back to finance providers. Credit rating information regarding the buyers and suppliers in the supply chain is supplemented by other third party data sources to provide the invoice financers with a suite of datasets to be used as part of their invoice selection process.

Default rates

Borrower default rates across Platforms are key variables that could impact the Company's future performance. The Investment Manager has undertaken substantial research into historical loss rates across each of the Lending Club, Zopa, RateSetter and Funding Circle (UK) Platforms in order to extrapolate forecasted default losses. These Platforms have exhibited improvements in default rates over time. The methodology and assumptions used by the Platforms to present historical default experience varies for different Platforms and certain Platforms have more limited performance data due to their short operating history, and accordingly past data may not reflect future developments. In order to evaluate expected net returns on loans, the Investment Manager applies what it considers to be a realistic, yet prudent, view on expected annualised loss rates by considering fully matured loans and loans that have sufficient performance history (namely those that are over 33 per cent. matured) to extrapolate expected lifetime of loan defaults based on default curves.

The regulatory environment

United Kingdom

On 1 April 2014, the regulation of the consumer credit market transferred from the Office of Fair Trading to the FCA, including responsibility for regulating peer-to-peer lending platforms. There is a new regulated activity of 'operating an electronic system in relation to lending' that covers the facilitation of lending and borrowing through electronic platforms. This new regulated activity covers the operation of the electronic platform, as well as other connected activities including, presenting the loan agreements to the lender and borrower, providing information to potential lenders about the financial standing of potential borrowers, collecting debts and administering the agreements facilitated by the Platform and providing credit information services (including credit repair). Certain of the Platforms operating in the UK through which the Company intends to invest must hold interim permission from the FCA for this activity. As part of its due diligence procedures, the Investment Manager will check that Platforms through which it invests are appropriately authorised. In due course, each relevant Platform will be required to seek full authorisation from the FCA to continue its regulated activities. The FCA is introducing application periods, giving firms with interim permission a three-month window in which they must apply to the FCA for full authorisation.

The FCA has also introduced new regulatory controls for Platform operators, including the application of conduct of business rules (in particular, around 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 Company currently holds an interim permission from the FCA for its consumer credit regulated activities. As the holder of an interim permission, the Company is required to comply with the FCA's Principles for Business and is subject to certain of the FCA's Systems and Controls (SYSC) guidance for consumer credit firms. The Company will, between 1 August 2015 and 31 October 2015, be required to seek full authorisation from the FCA. Once the Company is fully authorised, it

will also be subject to a number of other requirements applicable to other authorised firms, including the approved persons regime, the controllers regime, periodic reporting requirements and complaints reporting and publication rules.

The FCA has created a new sourcebook called CONC which contains the detailed conduct requirements for consumer credit firms. This sets out the detailed requirements on the Company in relation to its activities of lending under regulated consumer credit agreements and on the Platforms which facilitate such lending. As both the holder of an interim permission and as a fully authorised consumer credit firm that will, through certain Platforms, be lending to UK consumer borrowers, the Company is and will be subject to detailed requirements in relation to, *inter alia*, the content of loan agreements with those borrowers and pre-contract disclosures to such borrowers.

United States

Consumer lending in the US is highly regulated.

For consumer lending regulatory reasons in the US, Platforms following the Lending Club model operate differently to the UK Platforms. All loans on the Lending Club Platform are closed in the name of and are exclusively funded by WebBank, a Utah-chartered industrial bank organised under Title 7, Chapter 8 of the Utah Code and which has its deposits insured by the FDIC. It has partnered with Lending Club to act as issuer of the Platform's loans. WebBank is subject to supervision and examination by the Utah Department of Financial Institutions and the FDIC. Following loan closing and funding, WebBank sells each loan to Lending Club.

The US Platforms following the Lending Club model are required to hold consumer lending licences, collections licences or similar authorisations in some states. Such Platforms are subject to supervision and examination by the state regulatory authorities that administer the state lending laws. The licensing statutes vary from state to state and variously prescribe or impose recordkeeping requirements; restrictions on loan origination and servicing practices, including limits on finance charges and the type, amount and manner of charging fees; disclosure requirements; requirements that licensees submit to periodic examination; surety bond and minimum specified net worth requirements; periodic financial reporting requirements; notification requirements for changes in principal officers, stock ownership or corporate control; restrictions on advertising; and requirements that loan forms be submitted for review.

Funding Circle (US) operates differently to Lending Club. ELN Partners, LP, an affiliate of Funding Circle (US), holds a California Finance Lender's License and originates commercial loans to SMEs. It then sells those loans to institutional and accredited investors.

A US Platform takes one of the following actions with respect to each loan: (a) it holds it on its books and sells borrower payment dependent notes (''Notes''), to each investor who made a successful bid in relation to a borrower's loan request, with the cash flows on the Notes tracking the cash flows on the underlying borrower loan, or (b) in the case of Lending Club, certificates (''Certificates'') are issued by LC Trust I, a trust affiliated with Lending Club. Certificates are linked to interests in consumer loans which Lending Club has acquired from WebBank, or (c) it sells all rights, title and interest in the loan pursuant to a loan purchase agreement (''Loan Purchase Agreement'') to a single acquirer who becomes the sole investor in such loan.

The sale of Notes (described in (a) above) is the mechanism pursuant to which the Platform sells ''fractional loans'' to an investor (namely, where the investor holds, through the Notes, only a percentage of a particular loan). The Notes are registered as securities with the US Securities and Exchange Commission (''SEC''). As they are securities registered with the SEC, they may be sold by a holder via a secondary market.

The sale of Certificates (described in (b) above) through Lending Club is specific to lender member interest in LC Advisors, an SEC registered investment adviser that acts as the general partner for certain separately managed accounts offered by Lending Club. These Certificates, although linked to the acquisition of fractional interests in consumer loans similar to the Notes, are not registered with the SEC and accordingly may not be sold in the same way as Notes.

The sale pursuant to (c) above is the mechanism for the sale of ''whole loans'' to the acquirer. The whole loan programme is available only to institutional investors and they are not SEC registered securities.

In each of the above scenarios, the Platform services the borrower's loan, collects payments and makes distributions to the lender members in accordance with the terms of the Notes, Certificates or the Loan Purchase Agreement, as applicable.

In the US, the Company may acquire loans through various techniques, including the purchase of Notes, Certificates and the purchase of whole loans directly.

Part II

The Company

Investment objective

The Company's investment objective is to provide Shareholders with an attractive level of dividend income and capital growth through exposure to investments in alternative finance and related instruments.

Investment policy

The Company will invest in consumer loans, SME loans, advances against corporate trade receivables and/or purchases of corporate trade receivables (''Credit Assets'') which have been originated via Platforms. The Company will typically seek to invest in Credit Assets with targeted net annualised returns of 5 to 15 per cent.

The Company will seek to purchase Credit Assets directly (via Platforms) and will also invest in Credit Assets indirectly via other investment funds (including those managed by the Investment Manager, the Sub-Manager or their affiliates) that it deems suitable with a view to enhancing Shareholder returns and providing diversification of the Company's assets. The Company will generally only seek to invest via other investment funds where these enable investments in Credit Assets from Platforms that the Company either cannot gain direct access to or could only gain direct access to on less favourable terms than an investment via another investment fund. Although the Company may invest in other investment funds that are managed by the Investment Manager, the Sub-Manager or their affiliates, these other investment funds will not be part of the Company's group. The Company's investments in Credit Assets may be made through subsidiaries of the Company.

The Company may also invest (in aggregate) up to 5 per cent. of Gross Assets (at the time of investment) in the listed or unlisted securities issued by one or more Platforms. This restriction shall not apply to any consideration paid by the Company for the issue to it of any convertible securities by a Platform. However, it will apply to any consideration payable by the Company at the time of exercise of any such convertible securities or any warrants issued by a Platform.

The Company will invest across various Platforms, asset classes, geographies (primarily US and Europe) and credit risk bands in order to ensure diversification and to seek to mitigate concentration risks. The following investment limits and restrictions shall apply to the Company, to ensure that the diversification of the Company's portfolio is maintained and that concentration risk is limited:

Platform restrictions

Once the proceeds of the Issue are fully invested, and subject to the following, the Company will not invest more than 33 per cent. of Gross Assets via any single Platform. This limit may be increased to 66 per cent. of Gross Assets via any single Platform, provided that where this limit is so increased in respect of any Platform the Company does not invest an amount which is greater than 25 per cent. (by value) of the total loan origination of the preceding calendar year through such Platform.

Asset class and geographic restrictions

No single loan acquired by the Company will be for a term longer than 5 years. No single trade receivable asset acquired by the Company will be for a term longer than 180 days.

The Company will not invest more than 20 per cent. of Gross Assets, at the time of investment, via any single investment fund investing in Credit Assets. The Company will not invest, in aggregate, more than 60 per cent. of Gross Assets, at the time of investment, in other investment funds that invest in Credit Assets.

The Company will not invest more than 10 per cent. of its Gross Assets, at the time of investment, in other listed closed-ended investment funds, whether managed by the Investment Manager or not, 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 following restrictions apply, in each case at the time of investment by the Company, to both Credit Assets acquired by the Company directly and on a look-through basis to any Credit Assets held by another investment fund in which the Company invests:

No single consumer loan acquired by the Company shall exceed 0.25 per cent. of Gross Assets.

No single SME loan acquired by the Company shall exceed 5.0 per cent. of Gross Assets.

No single trade receivable asset acquired by the Company shall exceed 5.0 per cent. of Gross Assets.

The following restrictions apply, in each case once the net proceeds of the Issue are fully invested, to both Credit Assets acquired by the Company directly and on a look-through basis to any Credit Assets held by another investment fund in which the Company invests:

At least 10 per cent. (but not more than 75 per cent.) of Gross Assets will be maintained in consumer Credit Assets, not more than 50 per cent. of Gross Assets will be maintained in SME Credit Assets and not more than 50 per cent. of Gross Assets will be maintained in trade receivable assets.

The Company will maintain at least 10 per cent. of Gross Assets in Credit Assets in Europe and at least 10 per cent. of Gross Assets in Credit Assets in the United States.

Other restrictions

The Company may invest in cash, cash equivalents and fixed income instruments for cash management purposes and with a view to enhancing returns to Shareholders or mitigating credit exposure. However, the Company will only invest in fixed income instruments of investment grade.

The Company will not invest in CLOs or CDOs.

Borrowing policy

Borrowings may be employed at the level of the Company and at the level of any investee entity (including any other investment fund in which the Company invests or any special purpose vehicle (''SPV'') that may be established by the Company in connection with obtaining leverage against any of its assets).

The Company itself may borrow (through bank or other facilities) up to 33 per cent. of Net Asset Value (calculated at the time of draw down under any facility that the Company has entered into).

The aggregate leverage of the Company and any investee entity (on a look-through basis) shall not exceed 1.5 times Net Asset Value.

In the future, the Company may seek to securitise all or parts of its portfolio of Credit Assets and may establish one or more SPVs in connection with any such securitisation.

To the extent that the Company establishes any SPV in connection with obtaining leverage against any of its assets or in connection with the securitisation of its loans, it is likely that any such vehicles will be wholly-owned subsidiaries of the Company. The Company may use SPVs for these purposes to seek to protect the levered portfolio from group level bankruptcy or financing risks. The Company may also, in connection with seeking such leverage or securitising its loans, seek to assign existing assets to one or more SPVs and/or seek to acquire loans using an SPV. The Company will ensure that any SPV used by it to acquire or receive (by way of assignment or otherwise) any loans to UK consumers shall first obtain the appropriate authorisation from the FCA for consumer credit business.

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.

Hedging policy

The Company intends to hedge currency exposure between Sterling and any other currency in which the Company's assets may be denominated, including US Dollars and Euros.

The Company will, to the extent it is able to do so on terms that the Investment Manager considers to be commercially acceptable, seek to arrange suitable hedging contracts, such as currency swap agreements, futures contracts, options and forward currency exchange and other derivative contracts (including, but not limited to, interest rate swaps and credit default swaps) in a timely manner and on terms acceptable to the Company.

The Company does not intend to hedge interest rate risk on a regular basis. However, where it enters floating-rate liabilities against fixed-rate loans, it may at its sole discretion seek to hedge out the interest rate exposure, taking into consideration amongst other things the cost of hedging and the general interest rate environment.

Investment strategy and risk management policy

The Investment Manager's investment strategy and risk management policy can be broadly split into three stages: (i) Platform due diligence and on boarding; (ii) capital allocation and asset selection; and (iii) portfolio and risk monitoring.

Platform due diligence and on boarding

Prior to investing in any Credit Assets through a Platform, the Investment Manager will engage in a thorough due diligence process to ensure that the Platform has appropriate expertise and the necessary operational systems in place. A commercial and financial assessment will be undertaken in order to examine: (a) any potential partner Platform's ability to do business in the markets in which it operates for the foreseeable future; (b) the soundness of the Platform's financial planning; (c) the Platform's ability to manage regulatory and business risks; and (d) the robustness of the Platform's outsourcing to third party agencies to continue servicing loans in the event of that Platform's insolvency.

Subsequently, a systems and infrastructure validation will be carried out to assess the robustness of each potential partner Platform's systems and infrastructure in the context of its internal operations and procedures, as well as its ability to manage operational risks in its major internal functions.

The Investment Manager intends, as far as possible, to automate all information gathering, documentation and reconciliation processes, and will seek to implement API access to Platforms' data; both on its existing portfolio of investments through a Platform and in relation to potential investments through a Platform.

Capital allocation and asset selection

The market for peer-to-peer lending Platforms is growing and the Investment Manager will consider, across a broad spectrum of Platforms, the relative merits of different asset classes and sources of Credit Assets. Risk-reward optimisation will take place across individual Platform grades and will take into account, *inter alia*, gross interest rates, expected default loss rates, market capacity and leverage considerations. Expected default loss rates are derived from the Investment Manager's analysis of historical payment data, where possible. The availability of large datasets of historical origination and payment performance (including Credit Assets not purchased by the Investment Manager) is a key feature of peer-to-peer lending Platforms' businesses.

Within each risk band of Credit Assets, the Investment Manager will typically have a further choice of individual assets to select from. Depending on each Platform's operating model, Credit Assets may be offered for sale on an individual or a pooled basis. The Investment Manager may work with partner Platforms to design bespoke credit and underwriting criteria that are set as minimum requirements for any loans selected by the Investment Manager for investment, or will develop its own algorithms for selecting individual assets, again based on expected default loss and net return rates. The Investment Manager intends to exploit its algorithms and technology to achieve the fastest possible execution for the acquisition of loans through Platforms.

The Investment Manager will allocate assets using its proprietary asset selection models which are designed to identify individual assets within each Platform credit grade with superior risk/reward ratios. The proprietary asset selection models will seek to generate outperformance from active selection of individual assets, as compared to a passive investment approach, by analysing parameters such as default risk, duration, geography and asset class at the market place and aggregate portfolio level. The Investment Manager will backtest the performance of historical loan parameters to assess their outperformance against indexing.

Portfolio and risk monitoring

The balance of anticipated rewards with inherent risks is an integral part of the Investment Manager's asset selection strategy and will drive all aspects of capital allocation. The Investment Manager will apply risk management processes in order to limit the impact of unforeseen shocks, maintain the required diversification standards, and provide the Board with timely and accurate reporting on all components of the Company's portfolio of investments. The Investment Manager

has built extensive portfolio monitoring tools that calculate exposures for controlled parameters and other categories, such as asset class, Platform, geography, expected default loss rates, payment status, term and time to maturity. For example, US Platforms generally offer a wider credit grade spectrum of loans as compared to the UK Platforms. Platforms in both the US and the UK, however, offer loans that meet an acceptable risk-return profile that the Investment Manager will seek to invest in in order to create a diversified portfolio of Credit Assets.

The Investment Manager's portfolio monitoring tools also allow the Investment Manager to drill-down into sub-categories and conduct scenario analysis of future positions. For assets that have attained around 30 per cent. of their scheduled maturity, the Investment Manager will regularly compare realised static pool losses against initial expected losses. The Investment Manager will also regularly monitor the correlation between default loss rates from different asset classes.

Stress tests on the portfolio will be based on scaling of the expected portfolio loss rates. The Investment Manager uses long-term historical time-series, such as the US Federal Reserve's credit card charge-off statistics, to calibrate its stress severities.

Where the Company invests in Credit Assets indirectly through any other investment fund, those investments will be made in accordance with the investment policy, investment strategy and risk tolerances stated above. Each such investment fund will be analysed and monitored to understand its investment objective and policy, the associated credit asset risk and its ability to generate returns for the Company. At the Company portfolio level, any investments into other investment funds are expected to assist in mitigating any concentration risks by offering the Company the opportunity to access a broader spectrum of Credit Assets through different Platforms and across different credit grades, enhancing the overall portfolio diversification the Company seeks while also supporting the risk-adjusted returns that the Company is targeting.

The Company may also seek to make strategic investments in the equity of Platforms where the Investment Manager believes there to be significant potential valuation upside. The Investment Manager will seek to invest in Platforms which exhibit the potential to capture significant market share. The Investment Manager will undertake an extensive due diligence process prior to the acquisition of any equity stake in a Platform. The Company will be a passive investor in any Platform in which it invests.

Platform Agreements

Funding Circle (UK)

Pursuant to an agreement dated 1 May 2014 between the Investment Manager, the Company and Funding Circle (UK), Funding Circle (UK) has agreed to make available for investment by the Company (and any other entities to which the Investment Manager or any of its affiliates provides investment management services), through its Platform, whole loans. The whole loans to be made available are across the entire range of credit grades available through Funding Circle (UK)'s Platform. The Company is required to pay an annual service fee in respect of each loan it acquires through the Platform. The agreement is for an initial term of 9 months following Admission. Thereafter, the agreement will continue in force for successive 3 month periods, subject to termination on the occurrence of certain events, including by Funding Circle (UK) if the Company (together, in aggregate, with any other entities to which the Investment Manager or any of its affiliates provides investment management services) has not invested in a specified minimum amount of whole loans through its Platform.

RateSetter

Pursuant to an agreement dated 1 May 2014 between the Investment Manager, the Company and RateSetter, RateSetter has agreed to make available for investment by the Company (and any other entities to which the Investment Manager or any of its affiliates is appointed as investment manager), through its Platform, whole loans. The whole loans to be made available for investment by the Company are within investment and credit parameters to be specified by the Investment Manager. The agreement is subject to immediate termination in the event of, *inter alia*, material and continuing breach of the agreement or if the aggregate principal value of all whole loans invested in by the Company (together, in aggregate, with any other entities to which the Investment Manager or any of its affiliates provides investment management services) through RateSetter's Platform falls below a specified amount.

Zopa

Pursuant to an agreement dated 1 May 2014 between the Investment Manager, the Company and Zopa, Zopa has agreed to make available for investment by the Company (and any other entities to which the Investment Manager or any of its affiliates provides investment management services), through its Platform, loans. The Company is required to pay an annual lender fee in respect of each loan it acquires through the Platform. The agreement has a five year life but is subject to termination in the event of, *inter alia*, material and continuing breach or if the Company (together, in aggregate, with any other entities to which the Investment Manager or any of its affiliates provides investment management services) fails to meet certain volume targets through Zopa's Platform.

Crossflow

Pursuant to a platform finance provision agreement dated 1 May 2014 between the Investment Manager, the Company and Crossflow, Crossflow has agreed to make available for acquisition by the Company (and any other entities to which the Investment Manager or any of its affiliates is appointed as investment manager), through its Platform, invoices between a corporate buyer and a supplier. The invoices to be made available for investment by the Company are within investment and credit parameters to be specified by the Investment Manager. The agreement provides that the yield on each invoice invested in by the Company is to be shared between Crossflow and the Company. In addition to investments in invoices, the Investment Manager has entered into a number of option agreements pursuant to which the Investment Manager may require Crossflow's parent company to issue to any entity to which the Investment Manager or any of its affiliates is appointed as investment manager (including the Company) zero coupon discounted bonds, convertible into equity securities in Crossflow's parent company. The Investment Manager intends to require Crossflow to issue such zero coupon discounted convertible bonds to the Company. The agreement is subject to immediate termination in the event of, *inter alia*, material and continuing breach. In the event that no investment in any Platform invoice has been made by the Company (or any other entity to which the Investment Manager or any of its affiliates provides investment management services) during any continuous 12-month period, the agreement will cease and determine at the end of such continuous 12-month period.

Further details on the Platform Agreements is set out in paragraphs 7.10 to 7.13 of Part VI of this document.

Further information on the Platforms referenced in this section is set out in Part I of this document.

Acquisition of Funding Circle (US) and Funding Circle (UK) loans from MW Eaglewood Management Limited

MW Eaglewood Management Limited is a member of the same group of companies and bodies corporate of which the Investment Manager forms part. It is also the managing member of Eaglewood Europe.

MW Eaglewood Management Limited entered into an agreement with Funding Circle (US) in December 2013 pursuant to which it agreed to acquire SME loans up to an aggregate principal value of US$5,000,000. As at 15 May 2014, MW Eaglewood Management Limited has acquired 31 3, 4 and 5 year term SME loans through the Funding Circle (US) Platform to an aggregate principal value of US$4,697,800. MW Eaglewood Management Limited may acquire further 3 to 5 year term SME loans prior to Admission, provided that the aggregate principal value of those loans acquired and to be acquired will not exceed US$5,000,000. The Company will enter into an agreement with MW Eaglewood Management Limited prior to Admission pursuant to which these loans will, on or shortly following Admission, be assigned to the Company for cash on an amortised cost basis, less any accrued principal, interest or fees due to the effective date of assignment.

The loans originated through the Funding Circle (US) Platform pay interest rates ranging from 9.99 per cent. to 17.49 per cent., depending on the creditworthiness of the borrowing company, and vary in size from US$25,000 to US$500,000. All of these small business borrowers are US based entities and are spread across multiple industry verticals. The loans to be acquired by the Company from MW Eaglewood Management Limited form part of the loan origination that Funding Circle (US) has undertaken since December 2013 through its acquisition channels. All loans have been through standard credit checks and procedures that the Platform undertakes for all prospective loan applications.

MW Eaglewood Management Limited has agreed to acquire SME loans up to an aggregate principal value of £2,000,000 through the Funding Circle (UK) Platform. As at 15 May 2014, MW Eaglewood Management Limited has acquired 11 1 to 5 year term SME loans through the Funding Circle (UK) Platform to an aggregate principal value of £472,940. MW Eaglewood Management Limited may acquire further six month to 5 year term SME loans prior to Admission, provided that the aggregate principal value of those loans acquired and to be acquired will not exceed £2,000,000. The Company has entered into an agreement with MW Eaglewood Management Limited pursuant to which these loans will, shortly following Admission, be novated to the Company for cash on an amortised cost basis, less any accrued principal, interest or fees due to the effective date of novation. Further details on this agreement are set out in paragraph 7.14 of Part VI of this document.

The loans originated through the Funding Circle (UK) Platform pay interest rates ranging from 6 per cent. to 15 per cent., depending on the creditworthiness of the borrowing company, and vary in size from £5,000 to £1,000,000. All of these small business borrowers are UK based entities and are spread across all industry verticals. All loans have been subjected to the standard credit checks and procedures that the Platform undertakes for all prospective loan applications.

Eaglewood Funds

Following Admission, the Company intends to invest up to 20 per cent. of the net proceeds of the Issue in the Eaglewood Income Fund and up to 20 per cent. of the net proceeds of the Issue in the Eaglewood Small Business Fund. The Eaglewood Funds are managed by the Sub-Manager.

The Company may invest in the Eaglewood Income Fund and the Eaglewood Small Business Fund via a newly established Delaware limited partnership (the ''Delaware LP''). The Delaware LP would be a limited partner in the Eaglewood Income Fund and in the Eaglewood Small Business Fund (where applicable). The Company will be the only limited partner (i.e. the sole investor) in the Delaware LP. The Delaware LP will also have a newly established general partner. The Delaware LP may also be used as a vehicle to invest in other US consumer loan opportunities.

Any investment by the Company directly in the Eaglewood Small Business Fund will be made in its capacity as a limited partner.

Eaglewood Income Fund

The trading objective of the Eaglewood Income Fund, a Delaware limited partnership, is to achieve risk-adjusted returns that are superior relative to traditional fixed-income investments while also providing reasonable liquidity to investors. The fund intends to achieve its objective by purchasing consumer loans, primarily those originated on the Lending Club Platform, that offer a combination of attractive yield, strong credit quality, and relatively short duration while minimising volatility of returns and correlation to other asset classes, and by employing leverage to enhance returns. The Eaglewood Income Fund has in place an arrangement with Lending Club whereby the Eaglewood Income Fund purchases consumer loans from Lending Club. Additionally, the fund may trade publicly-traded, short duration, high credit quality fixed income securities. Eaglewood Income Fund may also trade in cash, cash equivalents and hedging strategies. Eaglewood Income Fund is authorised to employ leverage up to 4.0 times its net asset value and as at 28 February 2014 had employed leverage of approximately 2.0 times its net asset value. To the extent permitted under the Eaglewood Income Fund's facilities, the Eaglewood Income Fund intends to distribute 75 per cent. of its net income on an annual basis to limited partners that elect to receive such distributions.

Eaglewood Income Fund will continue until the earlier of: (i) the voluntary withdrawal, termination, bankruptcy, dissolution or insolvency of its general partner; (ii) such time as its general partner, in its sole discretion, decides to terminate the fund; or (iii) the occurrence of any event that, under applicable law, would result in the termination of the fund.

The Sub-Manager uses its proprietary loan valuation model to determine the Eaglewood Income Fund's net asset value. The loan valuation model estimates the fair value of each member loan held within a portfolio by making adjustments based on changes in Lending Club interest rates; level of delinquency; payment history; level of seasoning (as member loans age and borrowers create a track record of making their scheduled payments on time, the risk of default declines and the valuation model adjusts their values higher); borrower FICO and prepayments.

The administrator of the fund verifies the fund's net asset value on a monthly basis and the fund's auditor will verify the fund's net asset value on an annual basis. While the Sub-Manager has undertaken to use its best efforts to determine the value of the member loans in the fund's portfolio, there is no readily available market price for such member loans, and therefore the value determination only represents the Sub-Manager's best estimate.

The portfolio of investments of the Eaglewood Income Fund comprises Lending Club 3 year term fully amortising consumer loans. As at 28 February 2014, there were 14,151 loans in the fund's portfolio and 98 per cent. of the portfolio was in current status and 2 per cent. was in late payment status. As at 28 February 2014, the fund's portfolio was comprised of 33.7 per cent. A Grade loans, 39 per cent. B Grade loans, 18 per cent. C Grade loans, 7.6 per cent. D Grade loans and 1.6 per cent. E Grade loans. As at 28 February 2014, the total value of the Eaglewood Income Fund's portfolio was US$149m in value, the weighted average interest rate of loans in the portfolio was 11.71 per cent. and the average FICO score of loans in the portfolio was 705[2].

The Eaglewood Income Fund generated a net return of 19.1 per cent. between December 2012 and 28 February 2014[3]

Eaglewood Small Business Fund

The Eaglewood Small Business Fund is a Delaware series limited partnership. Investors in the Eaglewood Small Business Fund purchase limited partnership interests in separate series related to separate investments made by the fund (each, an ''Investment Class''), and will make capital commitments subject to draw down over the first year following the closing of each applicable Investment Class.

The Eaglewood Small Business Fund's investment objective is to realise maximum returns to investors by investing in, originating, holding, selling, realising and/or otherwise dealing in an investment or series of investments by the fund (either directly or by virtue of holding 100 per cent. beneficial ownership interests in one or more trusts which hold such investments) in or with respect to any: (i) advances made to small businesses in the United States pursuant to contracts whereby the maker of such advance receives payment rights as consideration for the making of such advance, or any current or future receivables purchase or factoring arrangements with small businesses; (ii) (A) loans made to small businesses or the originators of such loans and loan participations issued in connection to such loans, (B) secured and unsecured debt instruments (including convertible debt) issued by small businesses or by originators of loans to small businesses and (C) preferred stock and equity securities (including warrants) related to or issued in connection with loans made to small businesses or the originators of such loans, in each case in the United States; and (iii) securitised debt or related equity instruments, or securities or other interests, secured by, backed by or representing interests in, pools of primarily any of the foregoing; provided that the fund will use available cash only in an amount of up to 5 per cent. of the aggregate capital commitments of the fund to acquire equity securities, preferred stock or warrants, but may (a) use available cash in excess of the foregoing limitation to acquire equity securities upon exercise of warrants; and (b) receive equity securities, preferred stock or warrants in connection with transactions entered into by the fund.

The fund may employ leverage against its assets as a means of enhancing returns. The fund's maximum leverage ratio may not exceed 1.5 times its net asset value without the prior written approval of its advisory board.

The Eaglewood Small Business Fund may invest in a variety of derivative instruments to seek to protect against possible increases in its financing expenses with credit facility providers resulting from changes in interest rates.

The Eaglewood Small Business Fund will generally have a perpetual term, but each Investment Class shall have an investment period during which investments may be purchased within 3 years from the initial closing of such Investment Class.

The Eaglewood Small Business Fund intends to distribute proceeds, constituting both principal repayments and interest, on a quarterly basis. The Company is expected to receive, by way of

2 The percentages stated in this paragraph are by value of the loans in the Eaglewood Income Fund's portfolio.

3 Based on the current fee structure of a 1 per cent. management fee and a 15 per cent. performance fee over a 5 per cent. hurdle rate. The Company will be subject to a 1 per cent. management fee and 15 per cent. performance fee above a high water mark on any investment in the Eaglewood Income Fund. The percentages referred to in this paragraph are based on net asset value.

distribution, 100 per cent. of net income attributable to its investment in the Eaglewood Small Business Fund on an annual basis.

The portfolio of the Eaglewood Small Business Fund comprises loans to SMEs originated by various Platforms. The portfolio is split geographically with, as at 28 February 2014, 13.8 per cent. of borrower SMEs being located in the Southwest of the US, 13.6 per cent. in the Midwest, 10.9 per cent. in the Mount West, 25.6 per cent. in the Northeast, 8.3 per cent. in the Pacific West and 27.7 per cent. in the Southeast. The portfolio is split across borrower SMEs from a variety of industries including transportation, waste services, health care, hospitality, retail, services, wholesale, construction, manufacturing and others, with each of those industries comprising between 2 per cent. and 16 per cent. of the portfolio, as at 28 February 2014. As at 28 February 2014, the value of the fund's total portfolio was US$16.2million and the portfolio contained 417 loans. As at 28 February 2014, the average term of a loan in the portfolio was 10.3 months, the weighted average interest rate of a loan was 38.5 per cent. and the average loan size was US$52,594.[4]

Dividend 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 intends to pay its first dividend in November 2014 in respect of the period to 30 September 2014. Thereafter, the Company intends to pay dividends on a quarterly basis with dividends declared in December, March, June and September and paid in February, May, August and November in each year. Once the proceeds of the Issue are fully invested in Credit Assets, the Company will target an annualised dividend yield of at least 6 to 8 per cent. of the Issue Price per Ordinary Share.

It is the intention of the Board to move towards a policy of balancing the quarterly dividend payments as soon as the revenue reserve position of the Company permits this approach.

Investors should note that the target dividend, including its declaration and payment dates, is a target only and not a profit forecast. There may be a number of factors that adversely affect the Company's ability to achieve the target dividends and there can be no assurance that it will be met or that any growth in the dividend will be achieved. The target dividend should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not rely on these targets in deciding whether to invest in the Ordinary Shares or assume that the Company will make any distributions at all.

In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period.

Dividend reinvestment plan

The Company intends to arrange, following Admission, a dividend reinvestment plan (the ''Plan'') that gives Shareholders the opportunity to use any cash dividends to buy Ordinary Shares through a special dealing arrangement. The Ordinary Shares to be bought will be existing Ordinary Shares in the Company and will be bought on the open market. No new Ordinary Shares will be created.

Shareholders electing to join the Plan will have as many Ordinary Shares as possible purchased for them from the proceeds of their cash dividends. A dealing commission and stamp duty reserve tax (at the prevailing rate) will be charged on the value of any Ordinary Shares purchased.

The Plan will be administered by Capita IRG Trustees Limited. Capita IRG Trustees Limited will write to all Shareholders following Admission with details of the terms and conditions of the Plan and informing Shareholders how to elect to join the Plan.

Share rating management

The Board considers that it would be undesirable for the market price of the Ordinary Shares to diverge significantly from their Net Asset Value.

Premium management

In the event that the Ordinary Shares trade at a premium to NAV, the Company may issue new Ordinary Shares. The Directors have authority to issue Ordinary Shares representing up to 10 per

4 The percentages stated in this paragraph are by value of the loans in the Eaglewood Small Business Fund's portfolio.

cent. of the Company's issued ordinary share capital immediately following Admission until the first annual general meeting of the Company. Shareholders' pre-emption rights over this unissued share capital have been disapplied so that the Directors will not be obliged to offer any new Ordinary Shares to Shareholders on a *pro rata* basis. The reason for this is to retain flexibility, following Admission, to issue new Ordinary Shares to investors. No Ordinary Shares will be issued at a price less than the Net Asset Value per existing Ordinary Share at the time of their issue.

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

Treasury shares

The Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This would give the Company the ability to re-issue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. No Ordinary Shares will be sold from treasury at a price less than the Net Asset Value per existing Ordinary Share at the time of their sale.

Discount management

The Company may seek to address any significant discount to NAV at which its Ordinary Shares may be trading by purchasing its own Ordinary Shares in the market on an *ad hoc* basis.

The Directors have the authority to make market purchases of up to 14.99 per cent. of the Ordinary Shares following the conclusion of the Offer and Placing. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of (i) 5 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 (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. Ordinary Shares will be repurchased only at prices below the prevailing NAV per Ordinary Share, which should have the effect of increasing the NAV per Ordinary Share for remaining Shareholders.

A renewal of the authority to make market purchases will be sought from Shareholders at each annual general meeting of the Company. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board. Any purchase of Ordinary Shares would be made only out of the available cash resources of the Company. Ordinary Shares purchased by the Company may be held in treasury or cancelled.

Purchases of Ordinary Shares may be made only in accordance with the Act, the Listing Rules and the Disclosure and Transparency Rules.

C Shares

If there is sufficient demand from potential investors at any time following Admission, the Company may seek to raise further funds through the issue of C Shares. The 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 C Shares would not convert into Ordinary Shares until at least 90 per cent. of the net proceeds of the C Share issue (or such other percentage as the Directors and Investment Manager shall agree) have been invested in accordance with the Company's investment policy (or, if earlier, nine months after the date of their issue);
- the assets representing the net proceeds of a C Share issue would be accounted for and managed as a distinct pool of assets until their conversion date. By accounting for the net proceeds of a C Share issue separately, Shareholders will not participate in a portfolio containing a substantial amount of uninvested cash before the conversion date;
- the basis on which the C Shares would convert into Ordinary Shares is such that the number of Ordinary Shares to which holders of C Shares would become entitled will reflect the relative net asset values per share of the assets attributable to the C Shares and the Ordinary Shares. As a result, the Net Asset Value per Ordinary Share can be expected to be unchanged by the issue and conversion of any C Shares; and
- the Net Asset Value of the Ordinary Shares would not be diluted by the expenses of the C Share issue, which would be borne by the C Share pool.

The Articles contain the C Share rights, full details of which are set out in paragraph 3.18 of Part VI of this document.

The Directors have authority to issue up to 200 million C Shares until the first annual general meeting of the Company.

Life of the Company

The Company has no fixed life but pursuant to the Articles an ordinary resolution for the continuation of the Company will be proposed at the annual general meeting of the Company to be held in 2019 and, if passed, every five years thereafter. Upon any such resolution not being passed, proposals will be put forward by the Directors to the effect that the Company be wound up, liquidated, reconstructed or unitised.

Net Asset Value

The unaudited Net Asset Value and the Net Asset Value per Ordinary Share will be calculated by the Administrator (on the basis of information provided by the Investment Manager and/or the External Valuer) on a monthly basis, as described below. The NAV will be published on a cum-income and ex-income basis, through a Regulatory Information Service and will be available through the Company's website. The Company has appointed the External Valuer to value its Designated Investments in accordance with, and subject to, the requirements of the AIFM Directive, and in accordance with the terms of the External Valuer Agreement.

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 applicable accounting standards.

Investments in unlisted equity will be valued at costs less accumulated impairment loss as determined by the Investment Manager at the date of measurement relative to comparable instruments. The value of financial instruments will be as determined by the purchase value less transaction costs at the time of recognition. Borrowings will be valued as the principal amount of borrowings less any discounts and costs of issuance. All loans and receivables will be accounted for on trade date based on an amortised cost basis. At acquisition, loans are valued at the initial advance amount inclusive of any fees paid to the Platforms or, at the purchase consideration paid, if acquired from a third party. Thereafter, all loans are valued at this amount less cumulative amortisation calculated 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 that rate of interest which, 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 Manager for indications of impairment during and at the end of each reporting period. Evidence of impairment includes: (a) significant financial difficulty of the Platform; (b) breach of contract, such as default or delinquency in interest or principal payments; and (c) probability that a borrower will enter bankruptcy or financial reorganisation.

Loans advanced will be further assessed for impairment on a collective basis even if they are assessed not to be impaired individually. Observable changes in economic conditions or changes in forecasted default or delinquency in interest or principal payments based on the Investment Manager's past experience will be applied. The level of impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the financial asset's original effective interest rate. The carrying amount is reduced directly by the applied impairment loss. Changes in the level of impairment are recognised in the profit and loss account 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.

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. For example, in the event that a liquid secondary market or exchange in P2P Credit Assets is established and the Company elects to buy and sell Credit Assets via this exchange, the Company may adopt a fair value accounting methodology.

The Directors may 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, to the extent required under the Articles or by the Listing Rules, will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs.

Meetings, reports and accounts

The Company will hold its first annual general meeting in 2015 and will then hold an annual general meeting each year thereafter. The annual report and accounts of the Company will be made up to 31 December in each year with copies expected to be sent to Shareholders within the following four months. The Company will also publish unaudited half-yearly reports to 30 June with copies expected to be sent to Shareholders within the following two months. In addition, the Company will publish interim management statements in respect of the other two quarters in accordance with, and to the extent required by, the Disclosure and Transparency Rules.

The Company's financial statements will be prepared in accordance with IFRS.

The Takeover Code

The Takeover Code applies to the Company.

Given the existence of the buyback powers as set out in the paragraphs above, there are certain considerations that Shareholders should be aware of with regard to the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires shares which, taken together with shares already held by him or shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, are normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person or persons acting in concert already hold more than 30 per cent. but not more than 50 per cent. of the voting rights of such company, a general offer will normally be required if any further shares increasing that person's percentage of voting rights are acquired.

Under Rule 37 of the Takeover Code when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. A Shareholder who is neither a Director nor acting in concert with a Director will not normally incur an obligation to make an offer under Rule 9 of the Takeover Code in these circumstances.

However, under note 2 to Rule 37 of the Takeover Code where a shareholder has acquired shares at a time when he had reason to believe that a purchase by the company of its own voting shares would take place, then an obligation to make a mandatory bid under Rule 9 of the Takeover Code may arise.

The buyback powers could have implications under Rule 9 of the Takeover Code for Shareholders with significant shareholdings. The buyback powers should enable the Company to anticipate the possibility of such a situation arising. Prior to the Board implementing any share buyback the Board will identify any Shareholders who they are aware may be deemed to be acting in concert under note 1 of Rule 37 of the Takeover Code and will seek an appropriate waiver in accordance with note 2 of Rule 37. However, neither the Company, nor any of the Directors, nor the Investment Manager will incur any liability to any Shareholder(s) if they fail to identify the possibility of a mandatory offer arising or, if having identified such a possibility, they fail to notify the relevant Shareholder(s) or if the relevant Shareholder(s) fail(s) to take appropriate action.

Taxation

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

Risk factors

The Company's business is dependent on many factors and potential investors should read the whole of this document and in particular the section entitled ''Risk Factors'' on pages 15 to 31.

Part III

Directors and Management

Directors

The Directors are responsible for the determination of the Company's investment policy and strategy and have overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the Investment Manager. All of the Directors are non-executive and are independent of the Investment Manager.

The Directors will meet at least four times per annum, and the Audit and Valuation Committee will meet at least twice per annum. The Directors are as follows:

Stuart Cruickshank (Chairman) (aged 60)

Stuart Cruickshank is an established financial professional with public company and Whitehall experience. He has worked for large, blue chip organisations such as Diageo, Whitbread and Kingfisher and he has also spent a number of years in SMEs. Stuart's sector exposure is wide and includes financial services, fast moving consumer goods, business to business, mass retailing, technology and entertainment. He has experience of investor relations on both sides of the Atlantic and in Continental Europe. His last executive role was Director General and Chief Finance Officer of HM Revenue & Customs.

Stuart has a number of non-executive roles. He chairs the Audit Committee of and is the Vice Chairman of Cambridge Building Society and is a lay member of the BMA Audit Committee. He recently took InternetQ Plc through the AIM admission process and chaired the organisation through the early stages of its life as a public company. He has previously held non-executive positions in the healthcare sector as well as with the technology company, Psion Plc.

Michael Cassidy (aged 67)

Michael has had over 40 years' experience as a qualified lawyer, principally engaged in investment work for a large pension fund and most recently as a consultant to DLA Piper. He had a career in City Local Government, with senior roles at Guildhall including Leader of the Council and Planning Chairman, and also the Museum of London and Property Investment Board. He has also been non-executive director of British Land and is currently senior non-executive director at Crossrail and non-executive director of UBS Ltd. He was awarded CBE in 2004 for services to the City of London.

Simon King (aged 49)

Simon has many years of experience of managing investment companies and trusts. Simon joined Gartmore Fund Managers in 1994, initially working on the UK Smaller Companies team where he took charge of the NatWest Smaller Companies Exempt fund, the UK Emerging Companies Strategy fund and a selection of specialist pension fund products. In 2000 he became a senior investment manager on Gartmore's UK Equities team. He managed and co-managed a series of funds including the Gartmore UK Focus Fund, the Alphagen Avior Hedge Fund and the Alphagen Octanis Hedge Fund. From 2009 to 2012, Simon worked at Premier Asset Management where he managed UK unit trusts. Simon was also previously a research analyst at CCF Laurence Prust and at County NatWest Securities and Credit Lyonnais. He holds a degree in Economics from Surrey University. Simon brings a wealth of experience in the areas of fund management, regulation and adherence to investment mandates.

Investment Manager

The Company's investment manager is Marshall Wace LLP (''MW LLP''). MW LLP was founded by (and remains, indirectly, majority controlled by) Paul Marshall and Ian Wace. MW LLP was incorporated as a limited liability partnership on 16 May 2002 under the laws of England and Wales and is authorised and regulated by the Financial Conduct Authority. MW LLP is a signatory to the Hedge Funds Standards Board Best Practice Standards.

MW LLP, with the assistance of principals and employees of Eaglewood Europe LLP (''Eaglewood Europe'') who have been seconded to MW LLP, will be responsible for the management of the assets of the Company in accordance with the terms of the Management Agreement. Eaglewood Europe is a newly established limited liability partnership incorporated under the laws of England

and Wales and is indirectly majority owned and controlled by Marshall Wace Holdings Limited, the ultimate parent company of MW LLP. Simon Champ is a member of Eaglewood Europe. Liberum is also a member of Eaglewood Europe, holding a 2.5 per cent. interest in Eaglewood Europe. Liberum also has the right to be awarded a further 2.5 per cent. interest in Eaglewood Europe in the event that specified revenue hurdles are achieved by Eaglewood Europe.

MW LLP has invested substantially in technology and has built a robust and scalable global infrastructure. MW LLP's expertise has been leveraged by building out the operations and technology infrastructure which it will use in the management, including execution and reconciliation, of the Company's portfolio.

Eaglewood Europe currently intends to seek its Part IV permission under FSMA for, *inter alia*, the regulated activity of managing an AIF. It is intended that the Management Agreement will be novated to Eaglewood Europe in due course, but in any event not before Eaglewood Europe receives this permission.

Eaglewood Europe will have access to the operational and technology infrastructure developed by MW LLP for the execution and reconciliation of the Company's portfolio.

Management Agreement

The Company and the Investment Manager have entered into a Management Agreement, a summary of which is set out in paragraph 7.3 of Part VI of this document, under which the Investment Manager has been given responsibility for the discretionary management of the Company's assets (including uninvested cash) in accordance with the Company's investment policy, subject to the overall control and supervision of the Directors.

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

Sub-Manager

The Investment Manager has, pursuant to the Sub-Management Agreement, delegated certain of its responsibilities and functions, including its discretionary management of the Company's portfolio of Credit Assets, to the Sub-Manager, Eaglewood Capital Management LLC. The Sub-Manager is an affiliate of the Investment Manager. The Sub-Manager is a Delaware limited liability company and is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended. The Sub-Manager is also responsible for managing the Eaglewood Funds.

Biographies of the key personnel of the Investment Manager and the Sub-Manager involved in the provision of services to the Company are as follows:

Simon Champ

Simon has nineteen years' experience in banking as a Director of Equity Sales and Equity Capital Markets at Dresdner Kleinwort, JP Morgan Cazenove and most recently Liberum. As a founder and former board Director of Liberum, Simon was part of a number of innovative transactions in the equity space and has advised many new technology companies in equity and debt raisings. Simon has been involved in the UK peer-to-peer industry as both an investor and advisor and has built extensive relationships with many of the leading peer-to-peer platforms. Simon has been seconded from Eaglewood Europe to the Investment Manager.

Steven Lee

Prior to joining the Sub-Manager, Steven worked for Cambridge Place Investment Management, a London-based hedge fund, as the Global Head of Credit Research. Prior to Cambridge Place Investment Management, he worked as a Director for UBS in Zürich in cash and collateral trading and as a research analyst at Fidelity Investments focused on ABS and corporate debt. He has also worked for Prudential and Coopers & Lybrand. Steven has over 20 years of fixed income investment experience and has invested across several ABS sectors, both in the United States and in Europe. Steven graduated with an M.B.A. from the University of Chicago, a BS from Binghamton University and is a CFA charterholder. Steven will be a portfolio manager with responsibility for managing the Company's assets.

Jonathan Barlow

Prior to founding the Sub-Manager, Jon worked for Weiss Multi-Strategy Advisers, a US $2.5 billion New York based hedge fund, where he co-managed a US $350 million investment portfolio

concentrated in the real estate and financial sectors globally. Previously, Jon worked as a Portfolio Manager and Vice President within proprietary trading at Lehman Brothers, where he co-founded their small-cap investment strategy and focused on real estate and financial companies in the United States. Jon started his career with J.P. Morgan in New York. He graduated with a B.S. in accounting from Brigham University, and is a CFA charterholder.

Administration of the Company

The Administrator will provide the day to day administration of the Company and will also be responsible for the Company's general administrative functions, such as the calculation of the Net Asset Value and maintenance of the Company's accounting records.

Fees and expenses

Formation and initial expenses

The formation and initial expenses of the Company are those which are necessary for the incorporation of the Company, Admission and the Issue. These expenses include fees and commissions payable under the Placing Agreement, admission fees, printing, legal and accounting fees and any other applicable expenses which will be met by the Company and paid on or around Admission out of the gross proceeds of the Issue.

The costs and expenses of the Issue (including all fees, commissions and expenses payable to the Placing Agent) will be paid by the Company. Such costs and expenses have been capped at £3 million, equivalent to 1.5 per cent. of the gross proceeds of the Issue, assuming gross proceeds of £200 million are received under the Issue.

On-going annual expenses

On-going annual expenses will include the following:

(i) *Investment Manager*

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

Management Fee

The management fee is payable monthly in arrears and is at the rate of 1/12 of 1.0 per cent. per month of Net Asset Value (the "Management Fee"). For the period from Admission until the date on which 90 per cent. of the net proceeds of the Issue have been invested or committed for investment, directly or indirectly, in Credit Assets, the value attributable to any assets of the Company other than Credit Assets held for investment purposes (including any cash) will be excluded from the calculation of Net Asset Value for the purposes of determining the Management Fee.

Where there are C Shares in issue, the Management Fee will be charged on the net assets attributable to the Ordinary Shares and the C Shares respectively.

The Management Fee will be calculated and payable monthly in arrears.

To seek to avoid fee layering, if at any time the Company invests in or through any other investment fund or special purpose vehicle and a management fee or advisory fee is charged to such investment fund or special purpose vehicle by the Investment Manager, the Sub-Manager or any of their affiliates, the value of such investment will be excluded from the calculation of Net Asset Value for the purposes of determining the Management Fee.

The Investment Manager may charge a fee based on a percentage of gross assets (such percentage not to exceed 1.0 per cent.) to any entity which is within the Company's group, provided that such entity employs leverage for the purpose of its investment policy or strategy.

Performance fee

The Investment Manager is also entitled to a performance fee calculated by reference to the movements in the Adjusted Net Asset Value (as defined below) since the end of the Calculation Period (as defined below) in respect of which a performance fee was last earned or Admission if no performance fee has yet been earned (the "High Water Mark").

The performance fee will be calculated in respect of each twelve month period starting on 1 January and ending on 31 December in each calendar year (a ''Calculation Period''), save that the first Calculation Period shall be the period commencing on Admission and ending on 31 December 2014 and provided further that if at the end of what would otherwise be a Calculation Period no performance fee has been earned in respect of that period, the Calculation Period shall carry on for the next 12 month period and shall be deemed to be the same Calculation Period and this process shall continue until a performance fee is next earned at the end of the relevant period.

The performance fee will be a sum equal to 15 per cent. of such amount (if positive) and will only be payable if the Adjusted Net Asset Value at the end of a Calculation Period exceeds the High Water Mark. The performance fee shall be payable to the Investment Manager in arrears within 30 calendar days of the end of the relevant Calculation Period.

''Adjusted Net Value'' means the Net Asset Value adjusted for: (i) any increases or decreases in Net Asset Value arising from issues or repurchases of Ordinary Shares during the relevant Calculation Period; (ii) adding back the aggregate amount of any dividends or distributions (for which no adjustment has already been made under (i)) made by the Company at any time during the relevant Calculation Period; (iii) before deduction for any accrued performance fees; and (iv) to the extent that the Company invests in any other investment fund or via any SPV or via any separate managed account arrangement which is managed or advised by the Investment Manager, the Sub-Manager or any of their affiliates (including the Eaglewood Funds), if the Investment Manager, the Sub-Manager or such affiliate is entitled to (including where it is not yet earned) receive a performance fee or performance allocation at the level of that investee entity or under such separate managed account arrangement, excluding any gain or loss attributable to those investments during the relevant Calculation Period.

In the event that C Shares are in issue, the Investment Manager shall be entitled to a performance fee in respect of the net assets referable to the C Shares on the same basis as summarised above. A Calculation Period shall be deemed to end on the date of their conversion into Ordinary Shares.

Trail commissions

The Investment Manager has agreed that Qualifying Investors are entitled to receive a trail commission. The trail commission will be calculated and paid annually in arrears by the Investment Manager out of the Management Fee.

Trail commissions will only be payable to Qualifying Investors in respect of any Ordinary Shares subscribed pursuant to the Issue and must be claimed, together with such proof supporting the claim as the Investment Manager may require at its discretion, within 30 calendar days of the relevant Eligibility Date. Trail commissions will be paid within 60 days of receipt of a valid claim. Trail commissions not claimed within the relevant period will be forfeited in respect of the relevant period and all future periods. No trail commission will be paid to investors who are not Qualifying Investors. The trail commission will only be paid to Qualifying Investors in respect of those Ordinary Shares acquired by the Qualifying Investor in the Issue and which remain held by the Qualifying Investor on the relevant Eligibility Date. Trail commissions will not be pro-rated to take account of Ordinary Shares disposed of between Eligibility Dates.

Investors should note that payments of trail commission will be made net of any amounts required by law to be deducted in respect of tax.

(ii) Administration

Under the terms of the Administration Agreement, the Administrator is entitled to an administration fee of 0.05 per cent. per annum of Net Asset Value, subject to a minimum monthly fee of £5,000 (exclusive of VAT).

(iii) Company Secretary

Under the terms of the Company Secretarial Agreement, Capita Registrars Limited is entitled to an annual fee of £45,000 (exclusive of VAT and disbursements).

(iv) Registrar

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.25 per Shareholder account per annum, subject to a minimum fee of £2,500 per annum (exclusive of VAT).

(v) Depositary

Under the terms of the Depositary Agreement, the Depositary is entitled to be paid a fee of up to 0.025 per cent. per annum of Net Asset Value, subject to a minimum monthly fee of £3,000 (exclusive of VAT).

(vi) Loan Administration

The Company intends to appoint Deutsche Bank AG, London Branch (the "Loan Administrator") to provide loan administration services following Admission. The Loan Administrator will be entitled to receive a fee of 0.025 per cent. of Net Asset Value, subject to a minimum monthly fee of £2,000 (exclusive of VAT), for the provision of loan administration services.

(vii) Directors

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Save for the Chairman of the Board, the fees are £25,000 for each Director per annum. The Chairman's fee is £30,000 per annum. The Directors may also receive additional fees for acting as chairmen of any board committee. The current fees for serving as the chairman of a board committee are £3,000 per annum.

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

(viii) Other operational expenses

Other on-going operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including printing, audit, finance costs, due diligence and legal fees. All reasonable out of pocket expenses of the Investment Manager, the Administrator, the Company Secretary, the Registrar, the Depositary and its sub-custodian(s) (if any), the Loan Administrator and the Directors relating to the Company will be borne by the Company.

Conflicts of interest

The Investment Manager will treat all of the Company's investors fairly and will not allow any investor to obtain preferential treatment, unless such treatment is disclosed in this Prospectus. The Investment Manager and its officers and employees may from time to time act for other clients or manage other funds, which may have similar investment objectives and policies to that of the Company. Circumstances may arise where investment opportunities will be available to the Company which are also suitable for one or more of such clients of the Investment Manager or such other funds. The Directors have satisfied themselves that the Investment Manager has procedures in place to address potential conflicts of interest and that, where a conflict arises, the Investment Manager will allocate the opportunity on a fair basis. The Investment Manager will delegate portfolio management to the Sub-Manager in accordance with the AIFM Rules. The Investment Manager does not consider that any conflicts of interest arise from such delegation.

Corporate governance

The Board of the Company has considered the principles and recommendations of the AIC Code by reference to the AIC Guide. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to Shareholders.

The UK Corporate Governance Code includes provisions relating to: the role of the chief executive; executive directors' remuneration; and the need for an internal audit function.

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company, and the Company does not therefore comply with them.

The Company's Audit and Valuation Committee, which will be chaired by Michael Cassidy and be comprised of the entire Board, will meet at least twice a year. The Board considers that the members of the Audit and Valuation Committee have the requisite skills and experience to fulfil the responsibilities of the Audit and Valuation Committee. The Audit and Valuation Committee will examine the effectiveness of the Company's control systems. It will review the half-yearly and annual reports and also receive information from the Investment Manager. It will also review the scope, results, cost effectiveness, independence and objectivity of the external auditor and be responsible for monitoring the Company's valuation policies and methods.

In accordance with the AIC Code the Company has established a Management Engagement Committee which will be chaired by Simon King and be comprised of the entire Board. The Management Engagement Committee will meet at least once a year or more often if required. Its principal duties will be to consider the terms of appointment of the Investment Manager and it will annually review that appointment and the terms of the Management Agreement.

The Company has also established a Remuneration and Nominations Committee which will be chaired by Stuart Cruickshank and be comprised of the entire Board. The Remuneration and Nominations Committee will meet at least once a year or more often if required. Its principal duties will be to consider the framework and policy for the remuneration of the Directors and to review the structure, size and composition of the Board on an annual basis.

Part IV

Issue Arrangements

Introduction

The Company is proposing to raise up to £200 million, before expenses, through the Placing and Intermediaries Offer of up to 20 million Ordinary Shares at a price of £10 per Ordinary Share. In this document, the Placing and the Intermediaries Offer are together referred to as the Issue. The Directors have reserved the right, in consultation with Liberum, to increase the size of the Issue to up to 23 million Ordinary Shares if overall demand exceeds 20 million Ordinary Shares. The Issue is not being underwritten.

The aggregate proceeds of the Issue, after deduction of expenses, are expected to be approximately £197 million on the assumption that gross proceeds of £200 million are raised through the Issue.

The actual number of Ordinary Shares to be issued pursuant to the Issue is not known as at the date of this document but will be notified by the Company via an RNS announcement and the Company's website, prior to Admission.

The target Issue size should not be taken as an indication of the number of Ordinary Shares to be issued.

Applications under the Issue must be for Ordinary Shares with a minimum subscription amount of £1,000.

The Placing

Liberum has agreed to use its reasonable endeavours to procure subscribers pursuant to the Placing for the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement. Details of the Placing Agreement are set out in paragraph 7.1 of Part VI of this document.

The terms and conditions which shall apply to any subscription for Ordinary Shares procured by Liberum shall be set out in placing letters that will be provided to subscribers under the Placing. The Placing will close at 5.00 p.m. on 27 May 2014 (or such later date, not being later than 20 June 2014, as the Company and Liberum may agree). If the Placing is extended, the revised timetable will be notified through a Regulatory Information Service.

Each placee agrees to be bound by the Articles once the Ordinary Shares, which the placee has agreed to subscribe for pursuant to the Placing, have been acquired by the placee. The contract to subscribe for Ordinary Shares under the Placing 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 Liberum, the Company, the AIFM 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 the placee in any other jurisdiction.

Conditions

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

(i) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission;

(ii) Admission occurring by 8.00 a.m. on 30 May 2014 (or such later date, not being later than 20 June 2014, as the Company and Liberum may agree); and

(iii) the Minimum Net Proceeds being raised.

If the Issue does not proceed, application monies received under the Placing and Intermediaries Offer will be returned to applicants without interest at the applicants' risk.

There will be no priority given to applications under the Placing or applications under the Intermediaries Offer pursuant to the Issue.

Scaling back

The Directors have reserved the right, in consultation with Liberum, to increase the size of the Issue to up to 23 million Ordinary Shares if overall demand exceeds 20 million Ordinary Shares. In the event that commitments under the Placing and valid applications under the Intermediaries Offer exceed the maximum number of Ordinary Shares available, applications under the Placing and Intermediaries Offer will be scaled back at the Company's discretion (in consultation with Liberum and the Investment Manager).

The Placing Agreement

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

The Placing Agreement provides for Liberum to be paid commission by the Company in respect of the Ordinary Shares to be allotted pursuant to the Issue. Any commissions received by Liberum may be retained, and any Ordinary Shares subscribed for by Liberum may be retained or dealt in by it for its own benefit.

Under the Placing Agreement, Liberum is entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties, part or all of its fees relating to the Placing. Liberum is also entitled under the Placing Agreement to retain agents and may pay commission in respect of the Placing to any or all of those agents out of its own resources.

Further details of the terms of the Placing Agreement are set out in paragraph 7.1 of Part VI of this document.

General

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

Admission, clearing and settlement

Application has been made to the UK Listing Authority for all of the Ordinary Shares to be issued pursuant to the Issue to be admitted to the premium segment of the Official List and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and dealings will commence on 30 May 2014.

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

Where applicable, definitive share certificates in respect of the Ordinary Shares are expected to be despatched, by post at the risk of the recipients, to the relevant holders, in the week beginning 9 June 2014. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the Register. No temporary documents of title will be issued.

The ISIN number of the Ordinary Shares is GB00BLP57Y95 and the SEDOL code is BLP57Y9.

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

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the

Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

Use of proceeds

The Directors intend to use the net proceeds of the Issue to acquire investments in accordance with the Company's investment objective and policy. The Issue is being made in order to provide investors with the opportunity to invest in a diversified portfolio of alternative finance investments and related instruments, including Credit Assets, through the medium of an investment trust.

Profile of typical investor

The Issue is designed to be suitable for institutional investors and professionally-advised private investors seeking exposure to alternative finance investments and related instruments, including Credit Assets. The Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in Ordinary Shares in the Issue.

Overseas Persons

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

Persons (including, without limitation, nominees and trustees) receiving this document must not distribute or send it to any US Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the US Investment Company Act and the offer, issue and sale of the Ordinary 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. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred to (i) any US Person or a person acting for the account of a US Person or (ii) a Benefit Plan Investor.

The Articles contain provisions designed to restrict the holding of Ordinary Shares by persons, including US Persons, where in the opinion of the Directors such a holding could cause or be likely to cause the Company some legal, regulatory, pecuniary, tax or material administrative disadvantage.

Investors should additionally consider the provisions set out under the heading ''Important Notices'' on page 32 of this document.

Part V

UK Taxation

Introduction

The following statements are based upon current UK tax law and what is understood to be the current published practice of HMRC, both of which are subject to change, possibly with retrospective effect. The statements are intended only as a general guide and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment, who may be subject to special rules. They apply only to Shareholders resident for UK tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold Ordinary Shares as an investment rather than trading stock and who are the absolute and direct beneficial owners of those Ordinary Shares.

The following statements assume that the Finance Bill 2014, as ordered to be published on 27 March 2014, will be enacted without amendment.

All potential investors, and in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or disposing of Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

The Company

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the conditions necessary for it to be approved by HMRC as an investment trust. However, neither the Investment Manager nor the Directors can guarantee that this approval will be granted or maintained. In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust the Company will be exempt from UK corporation tax on its chargeable gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way.

Approved investment trusts are able to elect to take advantage of modified UK tax treatment in respect of their ''qualifying interest income'' for an accounting period (referred to here as the ''streaming'' regime). Under such treatment, the Company may (assuming it is approved as an investment trust) designate as an ''interest distribution'' all or part of the amount it distributes to Shareholders as dividends, to the extent that it has ''qualifying interest income'' for the accounting period. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period. It is expected that the Company will have material amounts of qualifying interest income and that it may, therefore, decide to designate some or all of the dividends paid in respect of a given accounting period as interest distributions.

In principle, the Company will be liable to UK corporation tax on its dividend income. However, there are broad-ranging exemptions from this charge which would be expected to be applicable in respect of most dividends it receives.

Shareholders

Taxation of dividends – individuals

(A) Dividends which are not designated as ''interest distributions''

The following statements summarise the expected UK tax treatment for individual Shareholders who receive dividends in respect of their Ordinary Shares not subject to the streaming regime.

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

An individual Shareholder who is resident in the UK for tax purposes and who receives a dividend from the Company should generally be entitled to a notional tax credit which may be set off against the Shareholder's total income tax liability on the dividend. An individual UK resident shareholder will be liable to income tax on the sum of the tax credit and the dividend

(the ''gross dividend'') which will be treated as the top slice of the individual's income for UK income tax purposes. The tax credit equals 10 per cent. of the gross dividend. The tax credit therefore also equals one-ninth of the cash dividend received.

A UK tax resident individual Shareholder who is liable to income tax at the current basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend. This means that the tax credit will satisfy in full such a Shareholder's liability to income tax on the dividend.

The rate of income tax applied to dividends received by a UK resident individual liable to income tax at the current higher rate will be 32.5 per cent. to the extent that such dividends, when treated as the top slice of the Shareholder's income, fall above the threshold for current higher rate income tax and below the threshold for current additional rate income tax. To that extent, the tax credit will be set against, but will not fully match, such a Shareholder's tax liability on the gross dividend. After taking account of the 10 per cent. tax credit, such a Shareholder will have to account for additional tax equal to 22.5 per cent. of the gross dividend, which means that the Shareholder would have an effective dividend tax rate of 25 per cent. of the cash dividend received.

A dividend tax rate of 37.5 per cent. applies to the extent that dividends, when treated as the top slice of a UK resident individual Shareholder's income, fall above the threshold for additional rate income tax. After taking into account the 10 per cent. tax credit, such a Shareholder would have an effective dividend tax rate of 30.56 per cent. of the cash dividend received.

There will be no repayment of any part of the tax credit to an individual Shareholder whose liability to income tax on all or part of the gross dividend is less than the amount of the tax credit.

(B) ''Interest distributions''

Should the Directors elect to apply the streaming regime to any dividends paid by the Company, a UK resident individual Shareholder in receipt of such a dividend would be treated as though they had received a payment of interest. Such a Shareholder would be subject to UK income tax at the current rates of 20 per cent., 40 per cent. or 45 per cent., depending on the level of the Shareholder's income. Such distributions would generally be paid to the individual Shareholder after the deduction of 20 per cent. income tax.

An individual Shareholder who is not UK tax resident should generally be entitled to receive dividends designated as interest distributions without deduction of UK tax, provided the Company has received the necessary declarations of non-residence.

Taxation of dividends – companies

(A) Dividends which are not designated as ''interest distributions''

Subject to the discussion of ''interest distributions'' below, Shareholders within the charge to UK corporation tax should generally be exempt from corporation tax on dividends paid by the Company in respect of their Ordinary Shares and the Company is not entitled to a tax credit.

(B) ''Interest distributions''

If the Directors were to elect for the streaming regime to apply, and such UK resident corporate Shareholders were to receive dividends designated by the Company as interest distributions, they would be subject to corporation tax on any such amounts received.

Regardless of whether the dividends are designated as ''interest distributions'' or not, dividends paid by the Company to a Shareholder which is a company (whether or not UK resident) should not generally be subject to any deduction at source of UK tax.

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

Trail commission

Investors should note that payments of trail commission will be made net of any amounts required by law to be deducted in respect of tax.

SIPPs and SSASs

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

Taxation of chargeable gains

If a Shareholder sells or otherwise disposes or is deemed to dispose of his Ordinary Shares he may, depending on his circumstances and subject to any available exemption or relief, incur a liability to UK capital gains tax (for individual shareholders) or corporation tax on chargeable gains (for corporate shareholders). For Shareholders within the charge to corporation tax (but not for individuals), indexation allowance may be available to reduce any such gain (but not to create or increase an allowable loss).

Stamp duty and stamp duty reserve tax

Transfers on sale of Ordinary Shares outside of CREST will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer, rounded up to the nearest £5. The purchaser normally pays the stamp duty. However, where the consideration for the transfer is £1,000 or less (and the instrument of transfer is certified that the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000) no stamp duty will be payable.

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

Paperless transfers of Ordinary Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. Such SDRT will generally be collected through the CREST system. Deposits of Ordinary Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

The issue of Ordinary Shares pursuant to the Issue should not generally be subject to UK stamp duty or SDRT.

The above statements are intended as a general guide to the current stamp duty and SDRT position. Certain categories of person, including market makers, brokers and dealers may not be liable to stamp duty or SDRT and others (including persons connected with depositary arrangements and clearance services), may be liable at a higher rate of 1.5 per cent. or may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

Part VI

Additional Information

1 The Company and the Investment Manager

1.1 The Company was incorporated in England and Wales as a public limited company on 6 December 2013. The Company is registered as an investment company under section 833 of the Act with registered number 8805459. The Company has received a certificate under section 761 of the Act entitling it to commence business and to exercise its borrowing powers. Since its incorporation the Company has not commenced operations (other than entry into of the material contracts referred to at paragraph 7 of this Part VI), has not declared any dividend, and no financial statements have been made up. The Company is domiciled in England and Wales and currently has no employees.

1.2 The Company has no subsidiaries. The principal activity of the Company is to invest in alternative finance investments and related instruments, including P2P loans, with a view to achieving the Company's investment objective.

1.3 The Company operates under the Act and is not regulated as a collective investment scheme by the FCA. Its registered office and principal place of business is 40 Dukes Place, London EC3A 7NH, United Kingdom. The Company's telephone number is +44 (0)20 7954 9569.

1.4 As a Company with its shares admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities, the Company will be subject to the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules and to the rules of the London Stock Exchange.

1.5 The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the conditions that must be met for approval by HMRC for any given accounting period as an investment trust are that:

- the Company is not a close company at any time during the accounting period for which approval is sought;
- the Company is resident in the UK throughout that accounting period;
- the Company's ordinary share capital is included in the Official List throughout the accounting period; and
- the Company must not retain in respect of the accounting period an amount greater than the higher of: (a) 15 per cent. of its income for the period; and (b) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts mentioned in (a) and (b) above, it may retain an amount equal to the amount of such losses.

1.6 The Investment Manager is a limited liability partnership registered in England and Wales with number OC302228. The Investment Manager is authorised and regulated by the FCA. The address of the registered office of the Investment Manager is 13th Floor, The Adelphi Building, 1-11 John Adam Street, London WC2N 6HT and its telephone number is +44 20 7316 2280. Marshall Wace LLP, as the Company's AIFM, will cover potential professional liability risks resulting from its activities as AIFM by holding professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered, in accordance with the AIFM Rules.

2 Share Capital

2.1 On incorporation, the issued share capital of the Company was £0.01 represented by one Ordinary Share, held by the subscriber to the Company's memorandum of association.

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

	Nominal Value (£)	*Number*
Management Shares	50,000	50,000
Ordinary Shares	0.01	1

The Ordinary Share is fully paid up. To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under Section 761 of the Act, on 25 April 2014, 50,000 Management Shares were allotted to MW Eaglewood Management Limited against its irrevocable undertaking to pay £1 in cash for each such share on or before the date of Admission (unless Admission does not become effective by 30 June 2014, in which case MW Eaglewood Management Limited undertook to pay up or procure payment of, one quarter of the nominal value of all such shares in cash on or before 15 July 2014 and the balance on demand thereafter). The Management Shares will be paid up in full on Admission and redeemed in full out of the proceeds of the Issue.

2.3 Set out below is the issued share capital of the Company as it will be following the Offer and Placing (assuming that the Issue is subscribed as to £200 million):

	Nominal Value (£)	*Number*
Ordinary Shares	200,000	20,000,000

All Ordinary Shares will be fully paid.

2.4 By special resolutions passed on 25 April 2014:

(A) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £300,000 in connection with the Offer and Placing, such authority to expire immediately following Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;

(B) the Directors were generally empowered (pursuant to section 570 of the Act) to allot Ordinary Shares for cash pursuant to the authority referred to in paragraph 2.4(A) above as if section 561 of the Act did not apply to any such allotment, such power to expire immediately following Admission, save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power had not expired;

(C) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £30,000 or, if different, 10 per cent. of the aggregate nominal amount of the issued Ordinary Share capital of the Company immediately following the completion of the Offer and Placing, such authority to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;

(D) the Directors were empowered (pursuant to sections 570 and 573 of the Act) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in paragraph 2.4(C) above as if section 561 of the Act did not apply to any such allotment or sale, such power to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired;

(E) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot 200 million C Shares, such authority to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;

(F) the Directors were empowered (pursuant to section 570 of the Act) to allot C Shares pursuant to the authority referred to in paragraph 2.4(E) above as if section 561 of the Act did not apply to any such allotment, such power to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such power, and the Directors may allot equity securities in pursuance of such an offer or an agreement as if such power had not expired;

(G) the Company was authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares, provided that the maximum number of Ordinary Shares authorised to be purchased is 14.99 per cent. of the issued Ordinary Shares following the conclusion of the Issue. The minimum price which may be paid for an Ordinary Share is £0.01. The maximum price which may be paid for an Ordinary Share must not be more than the higher of (i) 5% above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. Such authority will expire on the earlier of the conclusion of the first annual general meeting of the Company and the date 18 months after the date on which the resolution was passed save that the Company may contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase its Ordinary Shares in pursuance of such contract; and

(H) the Company resolved that, conditional upon Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the Issue be cancelled.

2.5 In accordance with the authority referred to in paragraph 2.4(A) above, it is expected that the Ordinary Shares in respect of the Issue will be allotted pursuant to a resolution of the Board to be passed shortly before, and conditional upon, Admission.

2.6 The provisions of section 561 of the Act (which, to the extent not disapplied pursuant to section 570 of the Act, confer on Shareholders rights of pre-emption in respect of the allotment or sale of equity securities for cash) shall apply to any unissued share capital of the Company, except to the extent disapplied by the resolutions referred to in paragraphs 2.4(B), 2.4(D) and 2.4(F) above.

2.7 Save as disclosed in this paragraph 2, since the date of its incorporation (i) there has been no alteration in the share capital of the Company, (ii) no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued for cash or any other consideration and (iii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital and no share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.

2.8 The Ordinary Shares, expected to be issued on 30 May 2014, will be in registered form. Temporary documents of title will not be issued.

3 Articles of Association

A summary of the main provisions of the Articles are set out below.

3.1 ***Objects***

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

3.2 ***Variation of rights***

Subject to the provisions of the Act as amended and every other statute for the time being in force concerning companies and affecting the Company (the ''Statutes''), if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class (but not otherwise) and may be so varied either whilst the Company is a going concern or during or in contemplation of a winding-up. At every such separate general meeting the necessary quorum shall be at least two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (but at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum), any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him. Where the rights of some only of the shares of any class are to be varied, the foregoing provisions apply as if each group of shares of the class differently treated formed a separate class whose rights are to be varied.

3.3 ***Alteration of share capital***

The Company may by ordinary resolution:

(a) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;

(b) sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares; and

(c) determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

3.4 ***Issue of shares***

Subject to the provisions of the Act and without prejudice to any rights attaching to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or if the Company has not so determined, as the Directors may determine).

3.5 ***Dividends***

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the shareholders but no dividends shall exceed the amount recommended by the Directors. Subject to the provisions of the Act, the Directors may pay interim dividends, or dividends payable at a fixed rate, if it appears to them that they are justified by the profits of the Company available for distribution. If the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid.

3.6 ***Voting rights***

Subject to any rights or restrictions attached to any shares, on a show of hands every shareholder present in person has one vote and every proxy present who has been duly appointed by a shareholder entitled to vote has one vote, and on a poll every shareholder (whether present in person or by proxy) has one vote for every share of which he is the holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. In the case of joint holders, the vote of the

senior who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register.

No shareholder shall have any right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.

3.7 ***Transfer of shares***

A share in certificated form may be transferred by an instrument of transfer, which may be in any usual form or in any other form approved by the Directors, executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. A share in uncertificated form may be transferred by means of the relevant electronic system concerned.

In their absolute discretion, the Directors may refuse to register the transfer of a share in certificated form which is not fully paid provided that if the share is listed on the Official List such refusal does not prevent dealings in the shares from taking place on an open and proper basis. The Directors may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:

- is lodged, duly stamped, at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- is in respect of only one class of share; and
- is not in favour of more than four transferees.

The Directors may refuse to register a transfer of a share in uncertificated form in any case where the Company is entitled to refuse to register the transfer under the CREST Regulations provided that such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

If the Directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company or, in the case of an uncertificated share, the date on which the appropriate instruction was received by or on behalf of the Company in accordance with the CREST Regulations send to the transferee notice of refusal.

No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as ''plan assets'' of any Benefit Plan Investor; (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to be registered or qualified under the US Investment Company Act and/or the US Investment Advisers Act of 1940 and/or the US Securities Act of 1933 and/or the US Exchange Act of 1934 and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iii) may cause the Company not to be considered a ''Foreign Private Issuer'' under the US Exchange Act of 1934; (iv) may cause the Company to be a ''controlled foreign corporation'' for the purpose of the US Code; or (v) may cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation), then the Directors may declare the Shareholder in question a ''Non-Qualified Holder'' and the Directors may require that any shares held by such Shareholder (''Prohibited Shares'') shall (unless the Shareholder concerned satisfies the Directors that he is not a Non-Qualified Holder) be transferred to another person who is not a Non-Qualified Holder, failing which the Company may itself dispose of such Prohibited Shares at the best price reasonably obtainable and pay the net proceeds to the former holder.

3.8 ***Distribution of assets on a winding-up***

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

3.9 ***Restrictions on rights: failure to respond to a section 793 notice***

If a shareholder, or any other person appearing to be interested in shares held by that shareholder, fails to provide the information requested in a notice given to him under section 793 of the Act by the Company in relation his interest in shares (the ''default shares'') within 28 days of the notice (or, where the default shares represent at least 0.25 per cent. of their class, 14 days of the notice), sanctions shall apply unless the Directors determine otherwise. The sanctions available are the suspension of the right to attend or vote (whether in person or by representative or proxy) at any general meeting or any separate meeting of the holders of any class or on any poll and, where the default shares represent at least 0.25 per cent. of their class (excluding treasury shares), the withholding of any dividend payable in respect of those shares and the restriction of the transfer of those shares (subject to certain exceptions).

3.10 ***Untraced shareholders***

Subject to various notice requirements, the Company may sell any of a shareholder's shares if, during a period of 12 years, at least three dividends (either interim or final) on such shares have become payable and no cheque for amounts payable in respect of such shares has been presented and no warrant or other method of payment has been effected and no communication has been received by the Company from the shareholder or person concerned.

3.11 ***Appointment of Directors***

Unless the Company determines otherwise by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than two.

Subject to the Articles, the Company may by ordinary resolution appoint a person who is willing to act as, and is permitted by law to do so, to be a Director either to fill a vacancy or as an additional Director. The Directors may appoint a person who is willing to act, and is permitted by law to do so, to be a Director, either to fill a vacancy or as an additional Director. A person appointed as a Director by the other Directors is required to retire at the Company's next annual general meeting and shall then be eligible for reappointment.

3.12 ***Powers of Directors***

The business of the Company shall be managed by the Directors who, subject to the provisions of the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company.

Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

3.13 ***Voting at board meetings***

No business shall be transacted at any meeting of the Directors unless a quorum is present and the quorum may be fixed by the Directors; unless so fixed at any other number the quorum shall be two. A Director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternate Director who is not himself a Director shall, if his appointor is not present, be counted in the quorum.

Questions arising at a meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

3.14 ***Restrictions on voting***

Subject to any other provision of the Articles, a Director shall not vote at a meeting of the Directors on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company) unless his interest arises only because the case falls within certain limited categories specified in the Articles.

3.15 ***Directors' interests***

Subject to the provisions of the Act and provided that the Director has disclosed to the other Directors the nature and extent of any material interest of his, a Director, notwithstanding his office, may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested.

3.16 ***Indemnity***

Subject to the provisions of the Act, the Company may indemnify any person who is a Director, secretary or other officer of the Company, against (a) any liability whether in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company or (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office; and purchase and maintain insurance for any person who is a Director, secretary, or other officer or auditor of the Company in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as Director, secretary, officer or auditor.

3.17 ***General meetings***

In the case of the annual general meeting, twenty-one clear days' notice at the least shall be given to all the members and to the auditors. All other general meetings shall also be convened by not less than twenty-one clear days' notice to all those members and to the auditors unless the Company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than fourteen clear days has been passed in which case a general meeting may be convened by not less than fourteen clear days' notice in writing.

No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a shareholder or a proxy for a shareholder or a duly authorised representative of a corporation which is a shareholder (including for this purpose two persons who are proxies or corporate representatives of the same shareholder), shall be a quorum.

A shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. A shareholder may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Subject to the provisions of the Act, any corporation (other than the Company itself) which is a shareholder may, by resolution of its directors or other governing body, authorise such person(s) to act as its representative(s) at any meeting of the Company, or at any separate meeting of the holders of any class of shares.

Delivery of an appointment of proxy shall not preclude a shareholder from attending and voting at the meeting or at any adjournment of it.

Directors may attend and speak at general meetings and at any separate meeting of the holders of any class of shares, whether or not they are shareholders.

A poll on a resolution may be demanded at a general meeting either before a vote on a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared. A poll may be demanded by the Chairman or by: (a) not less than two members having the right to vote at the meeting; or (b) a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at

the meeting; or (c) a member or members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

3.18 ***C Shares and Deferred Shares***

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

(I) The following definitions apply for the purposes of this paragraph 3.18 only:

Calculation Date means the earliest of the:

(i) close of business on the date to be determined by the Directors occurring not more than 10 Business Days after the day on which the Investment Manager shall have given notice to the Directors that at least 90 per cent. of the Net Proceeds (or such other percentage as the Directors and Investment Manager shall agree) shall have been invested; or

(ii) close of business on the date falling nine calendar months after the allotment of the C Shares or if such a date is not a Business Day the next following Business Day; or

(iii) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent;

Conversion means conversion of the C Shares into Ordinary Shares and Deferred Shares in accordance with paragraph (VIII) below;

Conversion Date means the close of business on such Business Day as may be selected by the Directors falling not more than 10 Business Days after the Calculation Date;

Conversion Ratio is the ratio of the net asset value per C Share to the net asset value per Ordinary Share, which is calculated as:

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

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

$$B = \frac{F - C - G + D}{H}$$

Where:

C is the aggregate of:

(a) the value of the investments of the Company attributable to the C Shares calculated by reference to the Directors' belief as to an appropriate current value for those investments on the Calculation Date after taking into account any price publication services reasonably available to the Directors; and

(b) the amount which, in the Directors' opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company attributable to the C Shares (excluding the investments valued under (a) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature);

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

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

F is the aggregate of:

(a) the value of all the investments of the Company calculated by reference to the Directors' belief as to an appropriate current value for those investments on the Calculation Date after taking into account any price publication services reasonably available to the Directors; and

(b) the amount which, in the Directors' opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company (excluding the investments valued under (a) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature);

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

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

provided that the Directors shall make such adjustments to the value or amount of A and B as the Auditors shall report to be appropriate having regard among other things, to the assets of the Company immediately prior to the date on which the Company first receives the Net Proceeds relating to the C Shares and/or to the reasons for the issue of the C Shares;

Deferred Shares means deferred shares of 1 pence each in the capital of the Company arising on Conversion;

Existing Ordinary Shares means the Ordinary Shares in issue immediately prior to Conversion;

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

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

References to the Auditors confirming any matter should be construed to mean confirmation of their opinion as to such matter whether qualified or not.

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

(II) The holders of the Ordinary Shares, the C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights to be paid dividends:

(a) the Deferred Shares (to the extent that any are in issue and extant) shall entitle the holders thereof to a non-cumulative dividend at a fixed rate of one per cent. of the nominal amount thereof (the ''Deferred Dividend'') on the date six months after the Conversion Date on which such Deferred Shares were created in accordance with paragraph (VIII) (the ''Relevant Conversion Date'') and on each anniversary of such date payable to the holders thereof on the register of members on that date as holders of Deferred Shares but shall confer no other right, save as provided herein, on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date six months after the Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of members of the Company as holders

of Deferred Shares on that date. It should be noted that given the proposed repurchase of the Deferred Shares as described below, it is not expected that any dividends will accrue or be paid on such shares;

(b) the C Shareholders shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of net assets attributable to the C Shares and from income received and accrued which is attributable to the C Shares;

(c) the Existing Ordinary Shares shall confer the right to dividends declared in accordance with the Articles;

(d) the Ordinary Shares into which C Shares shall convert shall rank *pari passu* with the Existing Ordinary Shares for dividends and other distributions made or declared by reference to a record date falling after the Calculation Date; and

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

(III) The holders of the Ordinary Shares, the C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights as to capital:

(a) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) at a time when any C Shares are for the time being in issue and prior to the Conversion Date be applied amongst the holders of the Existing Ordinary Shares *pro rata* according to the nominal capital paid up on their holdings of Existing Ordinary Shares, after having deducted therefrom an amount equivalent to (C-D) using the methods of calculation of C and D given in the definition of Conversion Ratio, which amount shall be applied amongst the C shareholders *pro rata* according to the nominal capital paid up on their holdings of C Shares. For the purposes of this paragraph (III)(a) the Calculation Date shall be such date as the liquidator may determine; and

(b) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) at a time when no C Shares are for the time being in issue be applied as follows:

(i) first, if there are Deferred Shares in issue, in paying to the deferred shareholders one pence in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders; and

(ii) secondly, the surplus shall be divided amongst the ordinary shareholders *pro rata* according to the nominal capital paid up on their holdings of Ordinary Shares.

(IV) As regards voting:

(a) the C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as that applying to holders of Existing Ordinary Shares as set out in the Articles as if the C Shares and Existing Ordinary Shares were a single class; and

(b) the Deferred Shares shall not carry any right to receive notice of nor to attend or vote at any general meeting of the Company.

(V) The following shall apply to the Deferred Shares:

(a) the C Shares shall be issued on such terms that the Deferred Shares arising upon Conversion (but not the Ordinary Shares arising on Conversion) may be repurchased by the Company in accordance with the terms set out herein;

(b) immediately upon Conversion, the Company shall repurchase all of the Deferred Shares which arise as a result of Conversion for an aggregate consideration of one pence for every 1,000,000 Deferred Shares and the notice referred to in paragraph (VIII)(b) below shall be deemed to constitute notice to each C Shareholder (and any person or persons having rights to acquire or acquiring C Shares on or after

the Calculation Date) that the Deferred Shares shall be repurchased immediately upon Conversion for an aggregate consideration of one pence for each holding of 1,000,000 Deferred Shares. On repurchase, each Deferred Share shall be treated as cancelled in accordance with section 706 of the Act without further resolution or consent; and

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

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

(a) no alteration shall be made to the Articles of the Company;

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

(c) no resolution of the Company shall be passed to wind-up the Company.

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

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

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

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

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

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

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

(VIII) The C Shares for the time being in issue shall be sub-divided and converted into Ordinary Shares and Deferred Shares on the Conversion Date in accordance with the following provisions of this paragraph (VIII):

(a) the Directors shall procure that within 10 Business Days of the Calculation Date:

(i) the Conversion Ratio as at the Calculation Date and the numbers of Ordinary Shares and Deferred Shares to which each C Shareholder shall be entitled on Conversion shall be calculated; and

(ii) the Auditors shall be requested to confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such

calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of H in paragraph (I) above.

(b) The Directors shall procure that, as soon as practicable following such confirmation and in any event within 10 Business Days of the Calculation Date, a notice is sent to each C shareholder advising such ordinary shareholder of the Conversion Date, the Conversion Ratio and the numbers of Ordinary Shares and Deferred Shares to which such C shareholder will be entitled on Conversion.

(c) On conversion each C Share shall automatically subdivide into 10 conversion shares of 1p each and such conversion shares of 1p each shall automatically convert into such number of Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:

(i) the aggregate number of Ordinary Shares into which the same number of conversion shares of 1p each are converted equals the number of C Shares in issue on the Calculation Date multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary Share); and

(ii) each conversion share of 1p which does not so convert into an Ordinary Share shall convert into one Deferred Share.

(d) The Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C shareholders *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 Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any Ordinary Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).

(e) Forthwith upon Conversion, the share certificates relating to the C Shares shall be cancelled and the Company shall issue to each former C Shareholder new certificates in respect of the Ordinary Shares which have arisen upon Conversion to which he or she is entitled. Share certificates in respect of the Deferred Shares will not be issued.

(f) The Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders.

3.19 ***Life***

The Articles contain a provision requiring the Directors to propose an ordinary resolution for the continuation of the Company as an investment company at the annual general meeting of the Company to be held in 2019 and, if passed, every five years thereafter. Upon any such resolution not being passed, proposals will be put forward by the Directors to the effect that the Company be wound up, liquidated, reconstructed or unitised.

4 City Code on Takeovers and Mergers

4.1 ***Mandatory bid***

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

(a) a person acquires an interest in Shares which, when taken together with Shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or

(b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in Shares which increase the percentage of Shares carrying voting rights in which that person is interested,

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

4.2 ***Compulsory Acquisition***

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

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

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

5 Interests of Directors, major shareholders and related party transactions

5.1 Simon King intends to subscribe for Ordinary Shares pursuant to the Issue in the amount set out below:

Name	*Number of Ordinary Shares*	*% of issued Ordinary Share capital**
Simon King	10,000	0.05

* *Assuming that the Issue is subscribed as to 20 million Ordinary Shares*

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

5.2 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. The Directors are subject to retirement by rotation in accordance with the Articles.

There is no notice period specified in the letters of appointment or Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.

5.3 The Directors' current level of remuneration is £25,000 per annum for each Director other than the Chairman, who receives £30,000 per annum. The Directors are entitled to additional fees for serving on any committees of the Board.

There are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

5.4 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.

5.5 Over the five years preceding the date of this document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of the following administrative, management or supervisory bodies and/or partnerships:

Name	*Current*	*Previous*
Stuart Cruickshank	Hounslow Arts Trust Limited (The)	Psion Holdings Limited Perfect Answer N.I. Limited Internet Q PLC Stuart Cruickshank Consulting Limited
Michael Cassidy	UBS Limited Askonas Holt Limited Crossrail Limited	The Museum of the Port of London and Docklands The London Chamber of Commerce and Industry London & Partners International Ingenious Film Partners LLP International Financial Services London Salvus Property Advisers Ltd Haymarket Risk Management Ltd Centre for London
Simon King	None	None

5.6 Save as disclosed in paragraph 5.7 below, the Directors in the five years before the date of this document:

- do not have any convictions in relation to fraudulent offences;
- have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

5.7 Michael Cassidy was a director of International Financial Services London which went into creditors' voluntary liquidation on 12 October 2011.

5.8 As at the date of this document, insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights.

5.9 All Shareholders have the same voting rights in respect of the share capital of the Company.

5.10 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.

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

5.12 The Company has not entered into any related party transaction at any time since incorporation.

5.13 None of the Directors has any conflict of interest or potential conflicts of interest between any duties to the Company and his private interests and any other duties. The Investment Manager, any of its directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an ''Interested Party'') may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and

shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

6 Investment restrictions

The Company will at all times invest and manage its assets with the objective of spreading risk and in accordance with its published investment policy as set out in Part II of this document.

In order to comply with the current Listing Rules, the Company will not invest more than 10 per cent. of its Gross Assets in other listed closed-ended investment funds, 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.

In the event of a breach of the investment policy set out in Part II of this document and the investment restrictions set out therein, the Investment Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

The Company must not conduct any trading activity which is significant in the context of its group as a whole.

7 Material contracts

Save as described below, the Company has not (i) entered into any material contracts (other than contracts in the ordinary course of business) within the two years immediately preceding the publication of this document; or (ii) entered into any contracts that contain provisions under which the Company has any obligation or entitlement that is material to the Company as at the date of this document.

7.1 *Placing Agreement*

A Placing Agreement dated 19 May 2014 between the Company, the Investment Manager, the Directors and Liberum whereby Liberum has undertaken, as agent for the Company, to use its reasonable endeavours to procure subscribers under the Placing for Ordinary Shares at the Issue Price. In the event of oversubscription of the Issue, applications under the Placing and/or the Intermediaries Offer will be scaled back at the Company's discretion (in consultation with Liberum and the Investment Manager).

The Placing Agreement is subject to, *inter alia*, the Ordinary Shares to be issued pursuant to the Issue being admitted to the Official List and to trading on the London Stock Exchange by 30 May 2014 (or such later date and time as Liberum and the Company agree but not later than 8.00am on 20 June 2014). Liberum is entitled to receive a sponsor fee of £120,000 and is entitled to receive a commission of up to 1.5 per cent. of the value of the Ordinary Shares issued to placees procured by Liberum under the Placing, excluding any Ordinary Shares subscribed for by any member of the Marshall Wace group, any fund managed or advised by any member of the Marshall Wace group and any partner, member, officer or employee of any member of the Marshall Wace group or any of their respective friends, family or specific clients.

Under the Placing Agreement, which may be terminated by Liberum in certain circumstances prior to the Ordinary Shares being issued pursuant to the Issue and admitted to the Official List and to trading on the London Stock Exchange, the Company and the Investment Manager have given certain warranties and indemnities to Liberum. These warranties and indemnities are customary for an agreement of this nature.

Under the Placing Agreement, Liberum may at its discretion and out of its own resources at any time rebate to some or all investors, or to other parties, part or all of its fees relating to the Issue. Liberum is also entitled under the Placing Agreement to retain agents and may pay commission in respect of the Issue to any or all of those agents out of its own resources.

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

7.2 ***Intermediaries Agreement***

The Company, the Placing Agent, the Intermediaries Offer Adviser and the Intermediaries who have been appointed by the Company prior to the date of this Prospectus have entered into an intermediaries agreement dated 14 May 2014 pursuant to which the Intermediaries agree that, in connection with the Intermediaries Offer, they will be acting as agent for their Underlying Applicants.

None of the Company, the Intermediaries Offer Adviser, the Placing Agent or any of their respective representatives will have any liability to the Intermediaries for liabilities, costs or expenses incurred by the Intermediaries in connection with the Intermediaries Offer.

The Intermediaries Offer Adviser agrees to coordinate applications from the Intermediaries under the Intermediaries Offer. Determination of the number of Ordinary Shares offered will be determined solely by the Company (following consultation with Liberum and the Investment Manager). Allocations to Intermediaries will be determined solely by the Company (following consultation with Liberum and the Investment Manager).

The Intermediaries agree to procure the investment of the maximum number of Ordinary Shares which can be acquired at the Issue Price for the sum applied for by such Intermediaries on behalf of their respective Underlying Applicants. A minimum application of £1,000 per Underlying Applicant will apply. Intermediaries agree to take reasonable steps to ensure that they will not make more than one application per Underlying Applicant.

Conditional upon Admission, Liberum agrees to pay (out of the commission that is paid to it pursuant to the Placing Agreement) the Intermediaries a commission of 0.5 per cent. of the aggregate value of the Ordinary Shares allocated to and paid for by each Intermediary in the Intermediaries Offer. This commission shall be deducted by Liberum from the gross proceeds of the Intermediaries Offer. No Intermediary shall be entitled to deduct any of this commission from any amount they are required to pay under the Intermediaries Offer.

The Intermediaries give certain undertakings regarding their use of information in connection with the Intermediaries Offer. The Intermediaries also give undertakings regarding the form and content of written and oral communications with clients and other third parties and the Intermediaries also give representations and warranties which are relevant for the Intermediaries Offer, and indemnify the Company, the Intermediaries Offer Adviser, the Placing Agent and their respective representatives against any loss or claim arising out of any breach or alleged breach by them of the agreement or of any duties or obligations under FSMA or under any rules of the FCA or any applicable laws or as a result of any other act or omission by the Intermediary in connection with the subscription for and/or resale of Ordinary Shares by the Intermediaries or any Underlying Applicant.

7.3 ***Management Agreement***

A Management Agreement dated 14 May 2014 between the Company and the Investment Manager, pursuant to which the Investment Manager is appointed to act as investment manager and AIFM of the Company with responsibility for portfolio management and risk management of the Company's investments.

Under the terms of the Management Agreement, the Investment Manager is entitled to a management fee together with reimbursement of all reasonable costs and expenses incurred by it in the performance of its duties. The Investment Manager is also entitled to a performance fee in certain circumstances. Details of the management fee and performance fee are set out in Part III of this document under the sub-heading "*On-going annual expenses*".

The Management Agreement is terminable by either the Investment Manager or the Company giving to the other not less than 12 months' written notice, such notice not to expire earlier than the third anniversary of Admission. The Management Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or material and continuing breach.

The Company has given an indemnity in favour of the Investment Manager in respect of the Investment Manager's potential losses in carrying on its responsibilities under the Management Agreement.

The Management Agreement is governed by the laws of England.

7.4 ***Administration Agreement***

The Administration Agreement dated 1 May 2014 between the Company and the Administrator, pursuant to which the Administrator has agreed to provide certain administrative services to the Company. Under the agreement, the Administrator will provide general fund administration services (including calculation of the monthly NAV), book-keeping and accounts preparation services.

Under the terms of the Administration Agreement, the Administrator is entitled to a fee of 0.05 per cent. per annum of Net Asset Value, subject to a minimum monthly fee of £5,000. The Administrator is also entitled to reimbursement of all reasonable out of pocket expenses incurred by it in connection with its duties.

The agreement may be terminated by either party on 90 days' notice in writing. The agreement may be terminated forthwith on notice in writing in the event of certain circumstances, including material and continuing breach of the agreement or insolvency.

The Company has agreed to indemnify the Administrator from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, claims, demands, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against it in connection with the provision of its services under the Administration Agreement, other than by reason of negligence, bad faith, fraud or wilful misconduct on the part of the Administrator or the material breach of the Administration Agreement by the Administrator.

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

7.5 ***External Valuer Agreement***

The External Valuer Agreement dated 1 May 2014 between the Company and the External Valuer, pursuant to which the External Valuer has agreed to provide certain valuation services in respect of the Company's Designated Investments.

The agreement may be terminated by either party on 90 days' notice in writing. The agreement may be terminated forthwith on notice in writing in the event of certain circumstances, including material and continuing breach of the agreement or insolvency.

The Company has agreed to indemnify the External Valuer from and against any and all losses, damages, liabilities, claims, demands, judgments, penalties, costs or expenses of any kind or nature whatsoever which may be imposed on, incurred by or asserted against it in connection with the provision of its services under the External Valuer Agreement, other than by reason of negligence or intentional failure on the part of the External Valuer.

The External Valuer Agreement is governed by the laws of Ireland.

7.6 ***Registrar Agreement***

The Registrar Agreement between the Company and Capita Asset Services dated 1 May 2014, pursuant to which the Registrar has been appointed as registrar to the Company. The Registrar shall be entitled to receive an annual maintenance fee from the Company of £1.25 per shareholder account, subject to an annual minimum charge of £2,500 (exclusive of any VAT). The Registrar shall also be entitled to reimbursement of all reasonable out of pocket expenses incurred on behalf of the Company.

Either party may terminate the Registrar Agreement on not less than 90 days' notice in writing to the other party, provided that such termination shall not be effective prior to the first anniversary of Admission. Either party may terminate the Registrar Agreement immediately on notice in writing in the event of material and continuing breach or insolvency.

The Registrar Agreement limits the Registrar's liability thereunder to the lesser of £500,000 or an amount equal to five times the annual fee payable to the Registrar pursuant to the Registrar Agreement. The Company indemnifies the Registrar and its affiliates against all claims arising out of or connected to the Registrar Agreement, save in the case of fraud, wilful default or negligence on the part of the Registrar or its affiliates.

The Registrar Agreement is governed by the laws of England.

7.7 ***Depositary Agreement***

The Depositary Agreement dated 14 May 2014, between the Company, the AIFM and the Depositary, pursuant to which the Depositary is appointed as the Company's depositary for the purposes of the AIFM Directive.

Under the terms of the Depositary Agreement, the Depositary is entitled to be paid a fee of up to 0.025 per cent. per annum of Net Asset Value, subject to a minimum monthly fee of £3,000 (exclusive of VAT). In addition to these fees, the Depositary is entitled to debit the Company's accounts in order to be reimbursed for all expenses (including any fees of a sub-custodian) incurred in the performance of its duties under the agreement.

The Depositary Agreement provides for the Depositary and its employees, officers, directors, servants and agents to be indemnified by the Company from any and all expenses, claims, damages, losses, commitments, costs, disbursements, taxes and other liabilities reasonably incurred or suffered by the Depositary resulting directly or indirectly from the Depositary carrying out its obligations under the Depositary Agreement, except in the case the Depositary is liable pursuant to the terms of the Depositary Agreement, and breach by the Company of its representations and warranties made in the Depositary Agreement or from the Company's negligence (whether through an act or an omission) or wilful misconduct or fraud in the performance of its obligations pursuant to the Depositary Agreement or applicable law.

In accordance with the terms of the Depositary Agreement, and subject to the provisions of the AIFM Directive, the Depositary may delegate its safe-keeping functions in relation to financial instruments and other assets of the Company. The liability of the Depositary shall in principle not be affected by any delegation of its custody function and the Depositary shall be liable to the Company or its investors for the loss of financial instruments by the Depositary or a third party to whom the custody of financial instruments has been delegated. The Depositary may discharge its responsibility in case of a loss of a financial instrument: (i) in the event it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; (ii) where it has contractually discharged its responsibility in compliance with article 21(13) of the AIFM Directive; or (iii) in compliance with the conditions set out under article 21(14) of the AIFM Directive where the laws of a third country require that certain financial instruments be held by a local entity and there are no local entities that satisfy the delegation requirements of article 21(11) of the AIFM Directive. Save as aforesaid, the Depositary shall be liable to the Company for any loss or liability incurred by the Company as a consequence of the Depositary's negligence, wilful default or fraud in failing to properly fulfil its obligations pursuant to the AIFM Directive. In the absence of the Depositary's negligence, wilful default or fraud in failing to properly fulfil its obligations pursuant to the AIFM Directive, the Depositary shall not be liable to the Company or any other person with respect to any act or omission in connection with the services provided under the Depositary Agreement. Under no circumstances shall the Depositary be liable to the Company or any other person for special, indirect or consequential loss or damage.

The Depositary Agreement is terminable by the Company, the AIFM or the Depositary giving to the other parties not less than 90 days' notice. The Depositary Agreement may be terminated earlier by the Company, the AIFM or the Depositary on the occurrence of certain events, including: (i) if another party has committed a material and continuing breach of the terms of the Depositary Agreement; or (ii) in the case of insolvency of a party.

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

7.8 ***Broker Agreement***

The Broker Agreement dated 10 April 2014 between the Company and Liberum pursuant to which Liberum will act as corporate broker to the Company. As part of the engagement, Liberum has agreed, amongst other things, to advise on and co-ordinate an investor liaison programme for the Company, to monitor and report to the Board where appropriate on the trading of the Ordinary Shares and significant movements in its share price and to use its reasonable endeavours to match buyers and sellers of the Ordinary Shares.

Liberum shall be entitled to a fee of £50,000 per annum, payable semi-annually in advance. All fees and other expenses are exclusive of VAT, if any.

The Broker Agreement may be terminated by either party on three months' notice, although no notice to terminate the agreement will be effective until the first anniversary of Admission.

The Company has agreed to indemnify Liberum against all losses which Liberum may suffer or incur by reason of or arising out of or in connection with its engagement under the Broker Agreement, save where the same arise from the judicially determined fraud, regulatory breach, negligence or wilful default of Liberum or from a material breach by Liberum of the Broker Agreement.

The Broker Agreement is governed by and construed in accordance with the laws of England.

7.9 ***Company Secretarial Agreement***

The Company Secretarial Agreement between the Company and Capita Registrars Limited dated 1 May 2014, pursuant to which Capita Registrars Limited has been appointed as company secretary to the Company. Capita Registrars Limited shall be entitled to receive an annual fee from the Company of £45,000 (exclusive of any VAT). Capita Registrars Limited shall also be entitled to reimbursement of all reasonable out of pocket expenses incurred on behalf of the Company.

Either party may terminate the Company Secretarial Agreement on not less than 90 days' notice in writing to the other party, provided that such termination shall not be effective prior to the first anniversary of Admission. Either party may terminate the agreement immediately on notice in writing in the event of material and continuing breach or insolvency.

The Company Secretarial Agreement limits Capita Registrars Limited's liability thereunder to the lesser of £500,000 or an amount equal to five times the annual fee payable to Capita Registrars Limited pursuant to the agreement. The Company indemnifies Capita Registrars Limited and its affiliates against all claims arising out of or connected to the Registrar Agreement, save in the case of fraud, wilful default or negligence on the part of Capita Registrars Limited or its affiliates.

The Company Secretarial Agreement is governed by the laws of England.

7.10 ***Platform Agreement with Funding Circle (UK)***

Pursuant to an agreement dated 1 May 2014 between the Investment Manager, the Company and Funding Circle (UK), Funding Circle (UK) has agreed to make available for investment by the Company (and any other entities to which the Investment Manager or any of its affiliates provides investment management services), through its Platform, whole loans. The whole loans to be made available are across the entire range of credit grades available through Funding Circle (UK)'s Platform. The Company is required to pay an annual service fee in respect of each loan it acquires through the Platform. The agreement is for an initial term of 9 months following Admission. Thereafter, the agreement will continue in force for successive 3 month periods. The agreement is subject to termination on the occurrence of certain events, including by Funding Circle (UK) if the Company (together, in aggregate, with any other entities to which the Investment Manager or any of its affiliates acts as investment manager) has not invested in a specified minimum amount of whole loans through its Platform. The agreement is governed by the laws of England and Wales.

7.11 ***Platform Agreement with RateSetter***

Pursuant to an agreement dated 1 May 2014 between the Investment Manager, the Company and RateSetter, RateSetter has agreed to make available for investment by the Company (and any other entities to which the Investment Manager or any of its affiliates is appointed as investment manager), through its Platform, whole loans. The whole loans to be made available for investment by the Company are within investment and credit parameters to be specified by the Investment Manager. The agreement is subject to immediate termination in the event of, *inter alia*, material and continuing breach of agreement or if the aggregate principal value of all whole loans invested in by the Company (together, in aggregate, with any other entities to which the Investment Manager or any of its affiliates provides investment management services) through RateSetter's Platform falls below a specified amount. The agreement is governed by English law.

7.12 ***Platform Agreement with Zopa***

Pursuant to an agreement dated 1 May 2014 between the Investment Manager, the Company and Zopa, Zopa has agreed to make available for investment by the Company (and any other entities to which the Investment Manager or any of its affiliates provides investment management services), through its Platform, loans. The Company is required to pay an annual lender fee in respect of each loan it acquires through the Platform. The agreement has a five year life but is subject to termination in the event of, *inter alia*, material and continuing breach or if the Company (together, in aggregate, with any other entities to which the Investment Manager or any of its affiliates provides investment management services) fails to meet certain volume targets through Zopa's Platform. The agreement is governed by the laws of England and Wales.

7.13 ***Platform Agreement with Crossflow***

Pursuant to a platform finance provision agreement dated 1 May 2014 between the Investment Manager, the Company and Crossflow, Crossflow has agreed to make available for acquisition by the Company (and any other entities to which the Investment Manager or any of its affiliates is appointed as investment manager) through its Platform invoices between a corporate buyer and a supplier. The invoices to be made available for investment by the Company are within investment and credit parameters to be specified by the Investment Manager. The agreement provides that the yield on each invoice invested in by the Company is to be shared between Crossflow and the Company. The agreement is subject to immediate termination in the event of, *inter alia*, material and continuing breach. In the event that no investment in any Platform invoice has been made by the Company (or any other entity to which the Investment Manager or any of its affiliates provides investment management services) during any continuous 12-month period, the agreement will cease and determine at the end of such continuous 12-month period. The agreement is governed by English law.

7.14 ***Novation Agreement with MW Eaglewood Management Limited relating to Funding Circle (UK)***

The novation agreement provides that, shortly following Admission, the Company will acquire SME loans that have been originated through the Funding Circle (UK) Platform, with an aggregate principal value of up to £2,000,000, from MW Eaglewood Management Limited. MW Eaglewood Management Limited has given certain representations and warranties to the Company in relation to, *inter alia*, the loans it has agreed to novate to the Company and the contractual agreements relating to those loans. The agreement is governed by the laws of England and Wales.

8 Litigation

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

9 Significant change

As at the date of this document, there has been no significant change in the financial or trading position of the Company since its incorporation.

10 Working capital

The Company is of the opinion that, taking into account the Minimum Net Proceeds, the working capital available to it is sufficient for its present requirements, that is for at least 12 months from the date of this document.

11 Capitalisation and Indebtedness

As at the date of this document, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness and there have been no material changes to the Company's capitalisation from the date of incorporation to the date of this document.

12 General

12.1 Where information has been sourced from third parties, the Company confirms that this information has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The sources of information have been disclosed.

12.2 Liberum is acting as sponsor and placing agent to the Issue and has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

12.3 Marshall Wace LLP has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

Marshall Wace LLP accepts responsibility for the information contained in Part I of this document under the heading ''Platforms in the US and UK'' and has authorised the inclusion of that information. Marshall Wace LLP has taken all reasonable care to ensure that the information contained in Part I of this document under the heading ''Platforms in the US and UK'' is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

12.4 Eaglewood Capital Management LLC has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

12.5 The effect of the Issue will be to increase the net assets of the Company. On the assumption that the Issue is fully subscribed, the fundraising is expected to increase the net assets of the Company by approximately £197 million. The Issue is expected to be earnings enhancing.

12.6 In accordance with the AIFM Rules, the AIFM will ensure that the following information in relation to the Company's portfolio is published in the Company's annual report and audited accounts:

(i) the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks;

(ii) any changes to the maximum level of leverage which the AIFM may employ on behalf of the Company as well as any right of the re-use of collateral or any guarantee granted under the leveraging arrangement. The Company will, in addition, notify Shareholders of any such changes, rights or guarantees without undue delay by issuing an announcement via a Regulatory Information Service and is required to seek prior Shareholder approval for any material change to the Company's investment policy; and

(iii) the total amount of leverage employed by the Company.

13 Auditors

The auditors to the Company are PricewaterhouseCoopers LLP of 1 Embankment Place, London, WC2N 6RH. PricewaterhouseCoopers LLP is registered to carry on audit work by The Institute of Chartered Accountants in England and Wales (ICAEW).

14 Depositary

Deutsche Bank Luxembourg S.A., whose registered office is located at 2, boulevard Konrad Adenauer, L-1115 Luxembourg, acts as the Company's depositary. The Depositary is a Luxembourg public limited company (société anonyme), registered with the Luxembourg Trade and Companies Register under number B 9164 and its telephone number is +352(421)22-1. The Depositary was incorporated on August 12, 1970 under the laws of the Grand Duchy of Luxembourg. The Depositary maintains its registered office and place of central administration in the Grand Duchy of Luxembourg. The Depositary has a banking licence granted in accordance with the law of 5 April 1993 on the Financial Sector, as amended, and provides a range of banking, custodial, depositary, administrative agency and other related services. It is registered on the official list of Luxembourg credit institutions and is subject as such to the supervision of the CSSF.

The Depositary is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Company and is not responsible for the preparation of this document and accepts no responsibility for any information contained in this document.

The Depositary's asset ownership and verification duties with respect to non-custodiable assets of the Company apply on a look-through basis to underlying assets held by financial or legal structures established by the Company or by the AIFM acting on behalf of the Company for the purpose of investing in the underlying assets and which are controlled directly or indirectly by the Company or the AIFM acting on behalf of the Company. Although the Eaglewood Funds are managed by an affiliate of the AIFM, the Eaglewood Funds are pre-existing fund vehicles and have not been established by the Company for the purposes of investing in their underlying assets or established by the AIFM acting on behalf of the Company for the purposes of investing in their underlying assets. Further, the Company does not control the Eaglewood Funds (either by holding non-voting rights or otherwise), nor does the AIFM, which controls the Sub-Manager and the general partner entities of the Eaglewood Funds, directly or indirectly control the Eaglewood Funds on behalf of the Company. To the extent such circumstances continue to prevail, the Depositary shall not perform any depositary duties on a look-through basis with respect to the assets of the Eaglewood Funds.

The Depositary's duty regarding monitoring of cash flows shall not apply to cash held by financial or legal structures directly or indirectly controlled by the Company or the AIFM acting on behalf of the Company.

Where laws of a third country require that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirements under the AIFM Directive, the Depositary can discharge itself of liability in certain circumstances under certain conditions.

15 Intermediaries

The Intermediaries authorised at the date of this Prospectus to use this Prospectus in connection with the Intermediaries Offer are:

Cornhill Capital Ltd
iDealing.com Ltd
Interactive Investor Trading Ltd
Midas Investment Management Ltd
Redmayne-Bentley LLP
The Share Centre Ltd
Reyker Securities plc
Barclays Bank plc

16 Documents on display

The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH until the date of Admission:

16.1 this document; and

16.2 the Articles.

Dated 19 May 2014

Part VII

Definitions

Act	the Companies Act 2006, as amended from time to time
Adjusted Net Asset Value	means the Net Asset Value adjusted as described in Part III of this document for the purpose of calculating the performance fee payable to the Investment Manager under the Management Agreement
Administration Agreement	the administration agreement dated 1 May 2014, between the Company and the Administrator, summarised in paragraph 7.4 of Part VI of this document
Administrator or **External Valuer**	Citco Fund Services (Ireland) Limited
Admission	the admission of the Ordinary Shares: (i) to the premium segment of the Official List; and (ii) to trading on the London Stock Exchange's main market for listed securities, becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
AIC Code	the Association of Investment Companies' Code of Corporate Governance, as amended from time to time
AIC Guide	the Association of Investment Companies' Corporate Governance Guide for Investment Companies, as amended from time to time
AIF	alternative investment fund
AIFM	alternative investment fund manager, being, at the date of this document, the Investment Manager
AIFM Directive	Directive 2011/61/EU on Alternative Investment Fund Managers
AIFM Rules	the AIFM Directive and all applicable rules and regulations implementing the AIFM Directive in the UK
API	application programming interface
Articles	the articles of association of the Company as at the date of this document
Auditors	PricewaterhouseCoopers LLP or such other auditor as the Company may appoint from time to time
Benefit Plan Investor	a ''benefit plan investor'' as defined in Section 3(42) of ERISA and any regulations promulgated by the US Department of Labor thereunder, being ''employee benefit plans'' as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, ''plans'' that are subject to the prohibited transaction provisions of Section 4975 of the US Internal Revenue Code, and entities the assets of which are treated as ''plan assets'' under Section 3(42) of ERISA and any regulations promulgated thereunder
Broker Agreement	the engagement letter dated 10 April 2014, between the Company and Liberum, summarised in paragraph 7.8 of Part VI of this document
Business Day	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
C Shares	C shares of 10 pence each in the capital of the Company having the rights and restrictions set out in paragraph 3.18 of Part VI of this document
Capita Asset Services or **Capita**	a trading name of Capita Registrars Limited

CDO	collateralised debt obligation
certificated form	not in uncertificated form
Certificates	certificates issued by LC Trust I, a trust affiliated with Lending Club, representing interests in consumer loans acquired by Lending Club
CLO	collateralised loan obligation
Company	P2P Global Investments PLC
Company Secretary	Capita Registrars Limited
Company Secretarial Agreement	the agreement dated 1 May 2014, between the Company and the Company Secretary, summarised in paragraph 7.9 of Part VI of this document
Credit Assets	consumer loans, SME loans, advances against corporate trade receivables and/or purchases of corporate trade receivables
CREST	the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
Crossflow	Crossflow Payment Solutions Trading Limited
CSSF	Commission de Surveillance du Secteur Financier
Depositary	Deutsche Bank Luxembourg S.A.
Depositary Agreement	the depositary agreement dated 14 May 2014, between the Company, the AIFM and the Depositary, summarised in paragraph 7.7 of Part VI of this document
Designated Investments	level 1 and level 2 assets of the Company pursuant to IFRS 7
Directors or **Board**	the board of directors of the Company
Disclosure and Transparency Rules	the disclosure and transparency rules made by the FCA under Part VI of FSMA
Eaglewood Europe	Eaglewood Europe LLP
Eaglewood Funds	the Eaglewood Income Fund and the Eaglewood Small Business Fund
Eaglewood Income Fund	Eaglewood Income Fund I, LP
Eaglewood Small Business Fund	Eaglewood Small Business Fund, LP
EEA	European Economic Area
Eligibility Date	31 December in each year
ERISA	the United States Employee Retirement Income Security Act of 1974, as amended
Euroclear	Euroclear UK & Ireland Limited
External Valuer Agreement	the external valuer services agreement dated 1 May 2014, between the Company and the External Valuer, summarised in paragraph 7.5 of Part VI of this document
FATCA	the Foreign Account Tax Compliance Act
FCA	the Financial Conduct Authority, being the single regulatory authority for the UK financial services industry
FDIC	the Federal Deposit Insurance Corporation
FICO	the Fair Isaac Corporation, being the entity which calculates credit scores in the United States

FSMA	the UK Financial Services and Markets Act 2000, as amended
Funding Circle (UK)	Funding Circle Limited
Funding Circle (US)	Funding Circle USA, Inc.
Gross Assets	the gross assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time
HMRC	HM Revenue & Customs
IFRS	International Financial Reporting Standards
Intermediaries	the entities listed in paragraph 15 of Part VI of this document, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this document
Intermediaries Agreement	the agreement dated 14 May 2014 upon which the Intermediaries have agreed to be appointed by the Company to act as an Intermediary in the Intermediaries Offer and pursuant to which the Intermediaries may apply for Ordinary Shares in the Intermediaries Offer, details of which are set out in paragraph 15 of Part VI of this document
Intermediaries Offer or **Offer**	the offer of Ordinary shares by the Intermediaries
Intermediaries Offer Adviser	Scott Harris UK Ltd
Investment Manager	Marshall Wace LLP or MW LLP
Issue	the Placing and the Intermediaries Offer
Issue Price	£10 per Ordinary Share
Lending Club	Lending Club Corporation
Liberum or **Placing Agent**	Liberum Capital Limited, the Company's sponsor, broker and placing agent
Listing Rules	the listing rules made by the UK Listing Authority under section 73A of FSMA
Loan Administrator	Deutsche Bank AG, London Branch
London Stock Exchange	London Stock Exchange plc
Management Agreement	the investment management agreement dated 14 May 2014, between the Investment Manager and the Company, summarised in paragraph 7.3 of Part VI of this document
Management Fee	the management fee payable to the Investment Manager under the Management Agreement and described in Part III of this document
Management Shares	the redeemable preference shares of 100 pence each in the capital of the Company held, at the date of this document, by MW Eaglewood Management Limited
Member State	any member state of the European Economic Area
Minimum Net Proceeds	the minimum net proceeds of the Issue, being £100 million
Money Laundering Regulations	the Money Laundering Regulations 2007
NAV or **Net Asset Value**	the value of the assets of the Company less its liabilities, determined in accordance with the accounting principles adopted by the Company from time to time
NAV per Ordinary Share or **Net Asset Value per Ordinary Share**	the Net Asset Value divided by the number of Ordinary Shares in issue
Note	a borrower payment dependent note issued by certain US Platforms to their lender members and representing a fractional interest in an underlying loan

OFAC	Office of Foreign Assets Control
Official List	the official list maintained by the UK Listing Authority
Ordinary Shares	ordinary shares of £0.01 each in the capital of the Company
P2P	peer-to-peer
Placing	the conditional placing of Placing Shares by Liberum at the Issue Price pursuant to the Placing Agreement
Placing Agreement	the conditional agreement dated 19 May 2014, between the Company, the Investment Manager, the Directors and Liberum, summarised in paragraph 7.1 of Part VI of this document
Placing Shares	the Ordinary Shares to be issued under the Placing
Plan	the dividend reinvestment plan to be introduced by the Company following Admission
Platform Agreements	the agreements which have been entered into between the Company, the Investment Manager and each of Funding Circle (UK), RateSetter, Zopa and Crossflow in respect of, *inter alia*, the Company's deployment of capital following Admission, details of which are set out in paragraphs 7.10 to 7.13 of Part VI of this document
Platforms	origination platforms that allow non-bank capital to engage with and directly: (a) lend to consumers or SME borrowers; (b) advance capital against corporate trade receivables; and/or (c) purchase trade receivables from sellers
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of the European Union and any relevant implementing measure in each Relevant Member States
Prospectus Rules	the rules and regulations made by the FCA under Part VI of FSMA
Qualifying Investors	investors who, pursuant to the Issue, subscribe for, in aggregate, Ordinary Shares having a minimum aggregate value at the Issue Price of £6 million and whose application to subscribe for Ordinary Shares is not made by a financial intermediary
RateSetter	a trade mark of Retail Money Market Limited
Register	the register of members of the Company
Registrar	Capita Asset Services
Registrar Agreement	the agreement dated 1 May 2014, between the Company and the Registrar, summarised in paragraph 7.6 of Part VI of this document
Regulatory Information Service	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange
Relevant Member State	each Member State which has implemented the Prospectus Directive or where the Prospectus Directive is applied by the regulator
SEC	the United States Securities and Exchange Commission
Securities Act	the United States Securities Act of 1933, as amended
Shareholder	a holder of Ordinary Shares
SIPP	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK
SMEs	small and medium-sized enterprises
SPV	special purpose vehicle

SSAS	a small self-administered scheme as defined in Regulation 2 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 of the UK
Sub-Management Agreement	the agreement dated 29 April 2014, between the Investment Manager and the Sub-Manager
Sub-Manager	Eaglewood Capital Management LLC
Takeover Code	The City Code on Takeovers and Mergers
UK	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority or **UKLA**	the FCA acting in its capacity as the competent authority for the purposes of admissions to the Official List
uncertificated or **in uncertificated form**	an Ordinary Share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
Underlying Applicants	investors who wish to acquire Ordinary Shares under the Intermediaries Offer
United States or **US**	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US Code	the US Internal Revenue Code of 1986, as amended
US Investment Company Act	the United States Investment Company Act of 1940, as amended
US Person	a US Person as defined for the purposes of Regulation S of the Securities Act
Zopa	Zopa Limited

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