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This document comprises a prospectus relating to Polar Capital Global Financials Trust 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.

Application will be made to the UK Listing Authority and the London Stock Exchange for (i) the Ordinary Shares of the Company (issued and to be issued) 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; and (ii) the Subscription Shares of the Company (to be issued) to be admitted to the standard 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 Shares will commence on 1 July 2013. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be at the sole risk of the parties concerned.

The 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, territory 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, any US Person (as defined in Regulation S under the Securities Act (“**Regulation S**”). In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and the recipients of this Prospectus will not be entitled to the benefits of that act. This document should not be distributed in or into the United States or to any US Person.

The Company and each of the Directors, whose names appear on page 28 of this Prospectus, accept responsibility for the information contained in this Prospectus. 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 Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read the entire Prospectus and, in particular, the section headed “Risk Factors” beginning on page 14 when considering an investment in the Company.

POLAR CAPITAL GLOBAL FINANCIALS TRUST PLC

(Incorporated in England and Wales with Company No 8534332 and registered as an investment company under section 833 of the Companies Act 2006)

Placing and Offer for Subscription for a target Issue of up to 250 million Ordinary Shares (with Subscription Shares attached on a one for five basis) at 100 pence per Ordinary Share

and

Placing Programme of a number of Ordinary Shares equal to the difference between 250 million Ordinary Shares and the actual number of Ordinary Shares issued under the Issue

Sponsor, Broker and Placing Agent

Panmure Gordon (UK) Limited

Panmure Gordon (UK) Limited, which is authorised and regulated by the FCA, is acting for the Company and for no one else in connection with the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Panmure Gordon (UK) Limited or for affording advice in relation to the contents of this Prospectus or any matters referred to herein. Panmure Gordon (UK) Limited is not responsible for the contents of this Prospectus.

The Offer and the Placing will remain open until 11.00 a.m. on 25 June 2013 and 27 June 2013, respectively. Persons wishing to participate in the Offer should complete the Application Form set out in Appendix 1 to this Prospectus. To be valid, Application Forms must be completed and returned with the appropriate remittance so as to reach Equiniti Limited by post, or by hand (during business hours only), to Equiniti Limited Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA United Kingdom as soon as possible and in any event no later than 11.00 a.m. on 25 June 2013.

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, 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 and Panmure Gordon (UK) Limited. The offer and sale of Shares has not been and will not be registered under the applicable securities laws of Australia, Canada or Japan. Subject to certain exemptions, the Ordinary Shares may not be offered to or sold within Australia, Canada or Japan or to any national, resident or citizen of Australia, Canada or Japan.

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SUMMARY

Summaries are made up of disclosure requirements known as ‘Elements’. These Elements are numbered in Sections A – E (A1 – E7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

Section A – Introduction and warnings		
Element	Disclosure requirement	Disclosure
A1	Warning	This summary should be read as an introduction to the Prospectus. Any decision to invest in the Shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Shares.
A2	Consent for resale	Not applicable. The Company has not given its consent to the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries.
Section B – Issuer		
Element	Disclosure requirement	Disclosure
B1	Legal and commercial name	Polar Capital Global Financials Trust plc (the “ Company ”).
B2	Domicile and legal form	The Company was incorporated in England and Wales as a public limited company on 17 May 2013. The Company is registered as an investment company under section 833 of the Act with registered number 8534332. The Company is a UK investment trust with a fixed life expiring on its seventh annual general meeting, expected to be held in April 2020, or 31 May 2020, if later.
B5	Group description	Not applicable. The Company is not part of a group and does not have any subsidiaries.
B6	Notifiable interests/ voting rights	As at 10 June 2013 (being the latest practicable date before publication of this Prospectus) 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 sole shareholder of the Company is Polar Capital Partners Limited.
B7	Key financial information	Not applicable. The Company has been newly incorporated and has no historical financial information.
B8	Key <i>pro forma</i> financial information	Not applicable. No <i>pro forma</i> information is included in this Prospectus.
B9	Profit forecast	Not applicable. No profit estimate or forecast has been made for the Company.
B10	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.
B11	Explanation if working capital not sufficient for present requirements	Not applicable. The Company is of the opinion that the working capital available to it is sufficient for its present requirements, that is for at least 12 months from the date of this Prospectus.
B34	Investment objective and policy	<p>Investment objective</p> <p>The Company's investment objective is to generate for investors a growing dividend income together with capital appreciation.</p> <p>Investment policy</p> <p>The Company will seek to achieve its objective by investing primarily in a global portfolio consisting of listed or quoted securities issued by companies in the financials sector operating in the banking, insurance, property and other sub-sectors.</p> <p>The portfolio is expected to be diversified by factors including geography, industry sub-sector and stock market capitalisation. The Company may have a small exposure to unlisted and unquoted companies, but in aggregate this is not expected to exceed 10 per cent. of total assets at the time of investment. The Company will not invest more than 10 per cent. of total assets, at the time of investment, in other listed closed-ended investment companies and no single investment will normally account for more than 10 per cent. of the portfolio at the time of investment.</p> <p>The Company will employ cautious levels of borrowing from time to time with the aim of enhancing returns, subject to an overall maximum of 15 per cent. of net assets at the time the relevant borrowing is taken out. Actual levels of borrowing may change from time to time based on the Manager's assessment of risk and reward.</p> <p>The Company may invest through equities, index-linked, equity-linked and other debt securities, cash deposits, money market instruments, foreign currency exchange transactions, forward transactions, index options and other interests including derivative instruments. Forward transactions, derivatives (including put and call options on individual positions or indices) and participation notes may be used to gain exposure to the securities of companies falling within the Company's investment policy or to seek to</p>

		generate income from the Company's position in such securities, as well as for efficient portfolio management. Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as described in this investment policy. The Company may hedge exposure to foreign currencies if considered appropriate for efficient portfolio management.
B35	Borrowing limits	The Directors shall restrict the borrowings of the Company so as to secure that the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Company shall not at any time when any borrowing is drawn down, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 15 per cent. of NAV.
B36	Regulatory status	The Company operates under the Act and is not regulated as a collective investment scheme by the FCA. The Company will be a UK investment trust with a fixed life expiring on its seventh annual general meeting, expected to be held in April 2020, or 31 May 2020, if later.
B37	Typical investors	The Issue is designed to be suitable for institutional investors and professionally-advised private investors seeking exposure to global financial-related equities. The 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 the Issue.
B38	Investment of 20 per cent. or more in single underlying asset or investment company	Not applicable. No investment will represent more than 20 per cent. of the Net Asset Value of the Company at the time of investment.
B39	Investment of 40 per cent. or more in single underlying asset or investment company	Not applicable. No investment will represent more than 40 per cent. of the Net Asset Value of the Company at the time of investment.
B40	Applicant's service providers	<p>Manager</p> <p>The Company's Manager is Polar Capital LLP, the investment management business of Polar Capital Holdings PLC, a UK-quoted asset management firm.</p> <p>Under the terms of the Management Agreement, the Manager is entitled to a management fee, payable monthly in arrear, calculated daily at the rate of 0.85 per cent. per annum of the lower of the Company's market capitalisation and its Net Asset Value on the relevant day.</p> <p>The Manager may be entitled to a performance fee. The Company shall procure that the liquidators appointed to effect the voluntary winding-up of the Company will, as soon as practicable after the</p>

		<p>Portfolio Realisation Date, calculate the Terminal NAV of the Company. The performance fee will be paid in cash at the end of the Company's fixed life (except in the case of an earlier termination of the Management Agreement) and will be an amount equal to 10 per cent. of excess return (based on the Adjusted Net Asset Value per Ordinary Share at that time) over the performance fee hurdle. The performance fee hurdle will be the sum of: (i) 100 pence; as increased by (ii) the percentage growth in the Benchmark Index plus 1.25 pence per annum (reduced <i>pro rata</i> in respect of periods that are less than one full year) over the period from the day following Admission to the date on which it is resolved to wind up the affairs of the Company. Adjustments will be applied to the Terminal NAV to calculate the Adjusted Net Asset Value. In particular, dividends paid out by the Company will be added back and assumed to have been reinvested in Ordinary Shares at Net Asset Value.</p> <p>If at the end of the Company's fixed life the amount available for distribution to Shareholders is less than 100 pence per Share, no performance fee will be payable. If the amount is more than 100 pence per Share but payment of the performance fee in full would reduce it below that level, then the performance fee will be reduced such that Shareholders receive exactly 100 pence per Share.</p> <p>Administrator</p> <p>The Manager has delegated certain administrative functions to the Administrator under the terms of the Administration Delegation Agreement. For these services, the Administrator is entitled to an administration fee calculated on an agreed tariff for the functions that it undertakes. The fees of the Administrator are payable by the Company monthly in arrears and are estimated to be approximately £140,000 per annum, although this fee may be greater or lesser dependent on the number of transaction fees incurred during the year.</p> <p>Registrar</p> <p>Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.05 per Shareholder account per annum, subject to a minimum fee of £3,250 per annum. The Registrar is also entitled to activity fees under the Registrar Agreement.</p>
B41	Regulatory status of investment manager, investment adviser and custodian	The Manager is a limited liability partnership incorporated in England and Wales with registered number OC314700. The Manager is authorised and regulated by the FCA.
B42	Calculation of Net Asset Value	<p>The Net Asset Value per Ordinary Share will be calculated in Sterling by the Manager on a daily basis, as described below. Such calculations will be notified daily through a Regulatory Information Service and will be available through the Company's website.</p> <p>The Net Asset Value will be the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) determined in accordance with the Association of Investment Companies' valuation guidelines and in accordance with applicable accounting standards. Publicly traded securities will be valued by reference to their bid prices on the relevant exchange.</p>

B43	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking.									
B44	No financial statements have been made up	Not applicable. The Company has been newly incorporated and has no historical financial information.									
B45	Portfolio	Not applicable. The Company has not commenced operations and so has no portfolio as at the date of this Prospectus.									
B46	Net Asset Value	Not applicable. The Company has not commenced operations and so has no Net Asset Value as at the date of this Prospectus.									
Section C – Securities											
Element	Disclosure requirement	Disclosure									
C1	Type and class of securities	The par value of the Ordinary Shares is 5 pence each. The par value of the Subscription Shares is 1 pence each. The ISIN of the Ordinary Shares is GB00B9XQT119. The ISIN of the Subscription Shares is GB00B9XQV370.									
C2	Currency of the securities issue	Sterling.									
C3	Number of securities in issue	The following table shows the issued share capital (excluding treasury shares) of the Company as at the date of this Prospectus: <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;"><i>Nominal Value (£)</i></th> <th style="text-align: right;"><i>Number of Ordinary Shares</i></th> </tr> </thead> <tbody> <tr> <td>Ordinary Shares</td> <td style="text-align: right;">0.05</td> <td style="text-align: right;">1,000,000</td> </tr> <tr> <td>Subscription Shares</td> <td style="text-align: right;">0.01</td> <td style="text-align: right;">Nil</td> </tr> </tbody> </table>		<i>Nominal Value (£)</i>	<i>Number of Ordinary Shares</i>	Ordinary Shares	0.05	1,000,000	Subscription Shares	0.01	Nil
	<i>Nominal Value (£)</i>	<i>Number of Ordinary Shares</i>									
Ordinary Shares	0.05	1,000,000									
Subscription Shares	0.01	Nil									
C4	Description of the rights attaching to the securities	Dividends Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the Ordinary 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 Ordinary Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any Ordinary Shares having deferred or non-preferred rights. Subject to the provisions of the Act and except as otherwise provided by the Articles or the rights attached to Ordinary Shares, all dividends shall be declared and paid according to the amounts paid up on the Ordinary Shares on which the dividend is paid. If any Ordinary Share is issued on terms that it ranks for dividend as at 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 Ordinary Shares during any portion(s) of the period in respect of which the dividend is paid.									

		<p>Notwithstanding any other provision of the Articles, but without prejudice to the rights attached to any Ordinary Shares, the Company may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made. No dividends or other money payable in respect of an Ordinary Share shall bear interest against the Company, unless otherwise provided by the rights attached to the Share.</p> <p>The Subscription Shares carry no right to any dividend.</p> <p><i>Voting rights</i></p> <p>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 appear in the Register.</p> <p>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.</p> <p>Subscription Shareholders are not entitled to vote at meetings of Shareholders.</p> <p><i>Pre-emption rights</i></p> <p>The Directors are entitled to allot Ordinary Shares following the Issue for cash or otherwise. The Directors are also entitled to allot further Subscription Shares following the Issue in accordance with the rights of the Subscription Shares. The Act confers rights of pre-emption in favour of existing Shareholders in respect of such unissued share capital. By special resolutions passed on 7 June 2013, the Directors were authorised: (a) to allot Ordinary Shares (with Subscription Shares attached) pursuant to the Issue, Ordinary Shares arising on the exercise of Subscription Rights and Ordinary Shares in respect of the Placing Programme as if statutory pre-emption rights did not apply; and (b) to allot further Subscription Shares (in accordance with the rights of the Subscription Shares) as if statutory pre-emption rights did not apply. These authorities will expire at the end of the period of five years from 7 June 2013.</p>
C5	Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Shares.
C6	Admission to trading on a regulated market	Application will be made to the UK Listing Authority and the London Stock Exchange for (i) the Ordinary Shares of the Company (issued and to be issued) 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; and (ii) the

		Subscription Shares of the Company (to be issued) to be admitted to the standard 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 Shares will commence on 1 July 2013.
C7	Dividend policy	<p>The Company intends to adopt a progressive dividend policy, pursuant to which the dividend would increase on an annual basis. There is no guarantee, however, that such increases will be achieved.</p> <p>In respect of any financial period, the Company intends to make distributions to Shareholders of substantially all of its income, net of costs, available for distribution in that year.</p> <p>The Company will aim to pay two interim dividends in respect of each full financial year. Initially, the rate for the first full financial year will be 3.1 pence per annum per Ordinary Share and the Company will aim to increase the dividend progressively thereafter. This is a target only and not a profit forecast and there can be no assurance that it will be met. These interim dividends will not necessarily be of equal amounts because the dividends from the Company's underlying investments are expected to arrive irregularly throughout the financial year.</p> <p>The Company intends to pay a maiden dividend in March 2014 in respect of the period to 30 November 2013. This is expected to comprise substantially all of the Company's distributable income for that period but it is expected to be payable at a significantly lower level than would ordinarily be the case in future years due to the fact that the period from Admission to the end of the financial year is only five months and does not necessarily cover the period in which the Company's underlying investments pay out their dividends. Thereafter, the Company intends to pay interim dividends in September and March in respect of complete financial years at the rate and on the payment cycle as described above.</p> <p>The Subscription Shares carry no right to any dividend.</p>

Section D - Risks

Element	Disclosure requirement	Disclosure
D1	Key information on the key risks specific to the issuer	<ul style="list-style-type: none"> • The Company has not commenced operations and has no operating history. Accordingly, no financial statements on which prospective investors may base an evaluation of the likely performance of the Company have been prepared. • The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company is reliant on third party service providers and failure by any service provider to carry out its obligations could have a materially detrimental impact on the Company. • Investor returns will be dependent on the performance of the portfolio. This will be dependent upon <i>inter alia</i> the Manager's ability to apply its investment processes in a way in which it is capable of identifying suitable investments for the Company to

		<p>invest in, in accordance with the Company's investment policy. There is a risk that the Manager may be unable to apply its investment processes in such a manner.</p> <ul style="list-style-type: none"> • The Company may experience fluctuations in its financial and operating results due to a number of factors, including changes in the values of investments made by the Company, changes in the amount of distributions, dividends or interest paid by companies in the portfolio, changes in the Company's operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, 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 Shares and cause the Company's results not to be indicative of its performance in a future period. • Global capital markets have been experiencing extreme volatility and disruption for a number of years, as evidenced by a lack of liquidity in equity and debt capital markets, significant write-offs in the financial services sector, the repricing of credit risk in the credit market and the failure of major financial institutions. The Company may be exposed to systemic risk when it deals with various third parties whose creditworthiness may be interlinked. • The Company relies heavily on the financial, accounting and other data processing systems of the Manager and the Administrator (to whom the Manager will delegate certain administrative functions). If any of these systems do not operate properly or are disabled, the Company could suffer financial loss, a disruption of the Manager's business, regulatory intervention or reputational damage. • Before making investments, the Manager conducts such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. There can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating that investment opportunity. • In pursuing the Company's investment objective and policy, the Manager may arrange for the Company to enter into synthetic and derivative contracts including options, swaps, and repurchase agreements. Where the Company does so the Company is likely to take a credit risk with regard to the parties with whom it trades and may also bear the risk of settlement default. • The Company is at risk from the failure of the entire investment strategy followed by the Manager resulting from market factors. • 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 investment trusts. The laws and regulations are evolving and any changes in such laws and regulations may have an adverse effect on the ability of the Company and/or the Manager to pursue their respective businesses and the investment returns of the Company may be materially affected.
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		<ul style="list-style-type: none"> Any change in the Company's tax status, or in taxation legislation or practice in the UK or elsewhere, or in the interpretation or application of taxation legislation applicable to the Company (including failure by the Company to satisfy the conditions of Chapter 4 of Part 24 of the Corporation Tax Act 2010) or the companies comprised in the portfolio, could affect the value of the investments in the Company's portfolio and the Company's ability to achieve its investment objective, or alter the post-tax returns to Shareholders.
D2	Key information on the key risks specific to the securities.	<ul style="list-style-type: none"> Market conditions may adversely impact the Company's ability to pursue its investment objective and policy successfully and the market price of the Shares may fluctuate significantly. Investors may therefore not recover the full amount initially invested, or any amount at all. The ordinary shares of investment trusts have a tendency to trade at a discount to their net asset value and the Ordinary Shares could in future trade at a discount to Net Asset Value for a variety of reasons, including due to market conditions or an imbalance between supply and demand for the Ordinary Shares. Therefore investors may realise returns that are lower or higher than the change in NAV. The price at which the 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. The Share price may be subject to significant fluctuation on small volumes of trading of Shares and the Shares may be difficult to sell at a particular price. Time tends to erode the value of the Subscription Shares and they may expire worthless. The market price of the Subscription Shares tends to be more volatile because <i>inter alia</i> of their relationship to the Net Asset Value of the Ordinary Shares. An active and liquid trading market may not develop for either the Ordinary Shares or Subscription Shares. If such a market does not develop, relatively small sales may have a significant negative impact on the price of the Subscription Shares, and sales of a significant number of those Subscription Shares may be difficult to execute at a stable price.
Section E – Offer		
Element	Disclosure requirement	Disclosure
E1	The total net proceeds and an estimate of the total expenses of the issue/offer, including estimated expenses charged to the investor by the issuer or the offeror	<p>The aggregate proceeds of the Issue, after deduction of expenses, are not known but expected to be approximately £98 million on the assumption that gross proceeds are £100 million.</p> <p>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 and Offer Agreement, Receiving Agent's fees, admission fees, printing, legal and accounting fees and any other applicable expenses which will be met by the Company and paid</p>

		<p>on or around Admission out of the gross proceeds of the Issue. These expenses will be written off to capital in the Company's first accounting period.</p> <p>Pursuant to the Placing and Offer Agreement, the Company will bear the formation and initial expenses of the Issue up to a sum equal to 2 per cent. of the gross proceeds of the Issue including irrevocable VAT. In the event that such expenses exceed 2 per cent. of such gross proceeds, the Manager will pay the excess. In the event that such expenses are less than 2 per cent. of the gross proceeds, the Manager shall, at its discretion, be entitled to be paid for its benefit a sum equal to the difference between 2 per cent. of the gross proceeds and actual expenses incurred, up to a maximum of £350,000. In respect of that portion, if any, of the difference between 2 per cent. of gross proceeds and actual expenses incurred that exceeds £350,000, the Manager shall, at its discretion, be entitled to be paid for its benefit 50 per cent. of such amount. The Manager has also underwritten all advisor costs and disbursements in the case of the transaction not being completed.</p> <p>The cost of each issue of new Ordinary Shares, pursuant to the Placing Programme, is not expected to exceed 1 per cent. of the gross proceeds from the relevant issue.</p>
E2a	Reasons for the offer and use of proceeds	<p>The Company's investment objective is to generate for investors a growing dividend income together with capital appreciation. The net proceeds of the Issue and Placing Programme, after payment of initial expenses, will be invested in accordance with the Company's investment policy.</p>
E3	Terms and Conditions of the offer	<p>Ordinary Shares (with Subscription Shares attached on a one for five basis) are available under the Issue at a price of 100 pence per Ordinary Share.</p> <p>Applications to acquire Offer Shares must be made on the Application Form attached as Appendix 1 to this Prospectus or otherwise published by the Company.</p> <p>The Issue will be conditional upon:</p> <ul style="list-style-type: none"> a) the Placing and Offer Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms prior to Admission; b) Admission occurring by 8.00 a.m. on 1 July 2013 (or such later date, not being later than 31 July 2013, as the Company and Panmure may agree); and c) the gross proceeds of the Issue being at least £80 million, or such other amount, not being materially lower than £80 million. <p>Under the Placing Programme, Ordinary Shares may be issued at the Placing Programme Price. Each issue of Ordinary Shares pursuant to the Placing Programme will be conditional on Shareholder authority and Admission of any Ordinary Shares issued.</p>
E4	Material interests	<p>Not applicable. No interest is material to the Issue.</p>

E5	Name of person or entity offering to sell securities	Not applicable. There are no lock-up agreements in place.
E6	Dilution	<p>No dilution will result from the Issue.</p> <p>In the event that £125 million Ordinary Shares are issued under the Placing Programme and assuming that £125 million is raised pursuant to the Issue, a Shareholder holding shares representing 5 per cent. of the Company's issued Ordinary Share capital following the Issue, who does not participate in the Placing Programme, would, following the completion of the Placing Programme, hold shares representing approximately 2.5 per cent. of the Company's issued Ordinary Share capital of 250 million Ordinary Shares.</p>
E7	Estimated expenses charged to the investor by the issuer or the offeror	Not applicable. No expenses are being charged to the investor by the issuer or the offeror.

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 the Prospectus 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 Shares at the date of this Prospectus. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Prospectus, may also have an adverse effect on the performance of the Company and the value of Shares. Investors should review the Prospectus 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 has no operating history

The Company was incorporated on 17 May 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 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 Manager, the Administrator (to whom the Manager will delegate certain administrative functions), 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.

Investor returns will be dependent upon the performance of the portfolio

Investor returns will be dependent upon the Company successfully pursuing its investment policy. The success of the Company will depend *inter alia* on the 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 Manager to apply its investment processes in a way in which it is capable of identifying suitable investments for the Company to invest in. There is a risk that the Manager may be unable to apply its investment processes in such a way or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

The target returns (including the target yield) included in this Prospectus are based on estimates and projections and the Company cannot guarantee that it will meet or exceed the targets in the future

The target returns (including the target yield) for investments in the portfolio included in this Prospectus are targets only and are based on estimates and performance projections of the Manager. Such estimates and projections have been made on the basis of the Company's investment policy and strategy, market conditions and economic environment at the time of assessing the proposed target, and are therefore subject to change. There is no guarantee that the target returns can be achieved at the levels set out in this Prospectus, or at all. A variety of factors, including changes in financial market conditions, interest rates, government regulations, the worldwide economic environment, or the occurrence of risks described elsewhere in this Prospectus could adversely impact on the Company's ability to achieve its target returns. Potential investors should not place any reliance on such target returns in deciding whether to invest in the Company. A failure to achieve such target returns could adversely impact the value of the Company and thereby the Shares.

Diversification

The portfolio is intended to be diversified by factors such as geography, industry sub-sector and investment size. The Company may invest in companies in both mature and emerging markets and in a diverse range of financial sectors. Although the diversification of the Company's investments is intended to reduce the Company's exposure to adverse events associated with specific investments, the Company's returns as a whole may be adversely affected by the unfavourable performance of financial stocks generally.

The Company may experience fluctuations in its financial and operating results

The Company may experience fluctuations in its financial and operating results due to a number of factors, including changes in the values of investments made by the Company, changes in the amount of distributions, dividends or interest paid by companies in the portfolio, changes in the Company's operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, 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 Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period.

The Company may be adversely affected by currency movements

The proceeds of the Issue will be denominated in Sterling and the Directors intend that all monies returned to Shareholders and the reported Net Asset Value will be denominated in Sterling. Investments in the portfolio may be made in currencies other than Sterling and income or capital distributions from and the proceeds of the disposal of investments in the portfolio may be realised in currencies other than Sterling. Consequently, the value of investments in the portfolio made in non-Sterling currencies will be affected by currency movements and may fall if Sterling appreciates against the currency in which such investments are denominated. There can be no assurance that any currency hedging undertaken by the Company will be effective and that the Company's financial condition will not be adversely affected by fluctuations in currency exchange rates. The Directors and the Manager retain the right to vary the policy on currency hedging at their absolute discretion.

The Company's investment strategy may involve the use of leverage, which exposes the Company to risks associated with borrowings

The Company may utilise leverage in order to increase its investment exposure with a view to achieving its target returns within certain volatility parameters.

While leverage presents opportunities for increasing total returns, it can also have the opposite effect of increasing losses. If income and capital appreciation on investments made with borrowed funds are less than the costs of the leverage, the Net Asset Value of the Company will decrease. The effect of the use of leverage is to increase the investment exposure, the result of which is that, in a market that moves adversely, the possible resulting loss to investors' capital would be greater than if leverage were not used.

Leverage may be generated through the use of options, futures, options on futures, swaps and other synthetic or derivative financial instruments. Such financial instruments inherently contain much greater leverage than a non-margined purchase of the underlying security or instrument. This is due to the fact that, generally, only a very small portion (and in some cases none) of the value of the underlying security or instrument is required to be paid in order to make such leveraged investments. As a result of any leverage employed by the Company, small changes in the value of the underlying assets may cause a relatively large change in the Net Asset Value of the Company. Many such financial instruments are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

Global capital markets

Global capital markets have been experiencing extreme volatility and disruption for a number of years, as evidenced by a lack of liquidity in equity and debt capital markets, significant write-offs in the financial services sector, the repricing of credit risk in the credit market and the failure of major financial institutions. Despite actions of government authorities, these events have contributed to worsening general economic conditions that have materially and adversely affected the broader financial and credit markets and reduced the availability of debt and equity capital.

The default of any financial institution could lead to defaults by other institutions. Concerns about, or default by, one financial institution could lead to significant liquidity problems, losses or defaults by other institutions, because the credit quality and integrity of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as “systemic risk” and may adversely affect brokers, lending banks and other trading counterparties with whom the Company deals. The Company may, therefore, be exposed to systemic risk when it deals with various third parties, such as brokers, lending banks and other trading counterparties whose creditworthiness may be interlinked.

The Company may invest in securities, including debt securities or equities, which rank behind other outstanding securities and obligations of the issuer

The Company may invest in securities, including debt securities or equities, which rank behind other outstanding securities and obligations of the issuer, all or a significant proportion of which may be secured on substantially all of that issuer’s assets. The Company may, therefore, be subject to credit and liquidity risk in relation to such investments.

In the event of the liquidation of an issuer, holders of listed securities would typically be paid after the holders of other securities. To the extent that the Company holds equity securities, it would typically be paid in respect of such equity securities after holders of debt securities have been paid. Consequently, there is no guarantee that the Company would receive any value for its holdings of an issuer’s listed securities if the issuer were to go into liquidation.

Risks relating to the Manager

The departure or reassignment of some or all of the Manager’s investment professionals could prevent the Company from achieving its investment objectives

The Company depends on the diligence, skill, judgment and business contacts of the Manager’s investment professionals (including, in particular, Nick Brind and John Yakas) and the information and deal flow they generate during the normal course of their activities. The Company’s future success depends on the continued service of these individuals, who are not obligated to remain employed with the Manager, and the Manager’s ability to strategically recruit, retain and motivate new talented personnel. However, the Manager may not be successful in its efforts to recruit, retain and motivate the required personnel as the market for qualified investment professionals is extremely competitive.

There can be no assurance that the Directors will be able to find a replacement manager if the Manager resigns

Under the terms of the Management Agreement, the Manager may resign by giving the Company not less than 12 months’ written notice, not to be given prior to the second anniversary of Admission. The Manager shall, from the date of expiry of such notice, cease to make investments on behalf of the Company. The Directors would, in these circumstances, have to find a replacement manager for the Company and there can be no assurance that such a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company. In this event, the Directors would have to formulate and put forward to Shareholders proposals for the future of the Company, which may include its merger with another investment company, reconstruction or winding up.

The Manager may allocate some of its 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 Manager is not required to commit all of its resources to Company affairs. Insofar as the Manager devotes resources to its responsibilities to other business interests, its 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 Manager and its 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 Manager and its 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 Manager manages 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 Manager and its affiliates may carry on investment activities for their own accounts and for other accounts in which the Company has no interest. The Manager and its affiliates also provide management services to other clients, including other collective investment vehicles. The Manager and its 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.

The Manager has established procedures to address any such potential conflicts of interest and pursuant to such procedures, where a conflict arises, the Manager will allocate the opportunity on a fair basis and in accordance with the contractual provisions described in this Prospectus.

Reputational risk in relation to the Manager may adversely affect the Company

The Manager may be exposed to reputational risks. In particular, the Manager may be exposed to the risk that litigation, misconduct, operational failures, negative publicity and press speculation, whether or not it is valid, will harm its reputation. Any damage to the reputation of the Manager could result in potential counterparties and third parties being unwilling to deal with the Manager and by extension the Company. This could have an adverse impact on the ability of the Company to pursue its investment policy successfully.

Performance fees may create incentives for speculative investment by the Manager

The performance fee payable to the Manager may result in substantially higher payments to the Manager than alternative arrangements in other types of investment vehicles. The existence of the performance fee may create an incentive for the Manager to make riskier or more speculative investments than it would make in the absence of such a fee.

Operational and reputational risks may disrupt the Manager's businesses, result in losses or limit the Company's growth

The Company relies heavily on the financial, accounting and other data processing systems of the Manager and the Administrator (to whom the Manager will delegate certain administrative functions). If any of these systems do not operate properly or are disabled, the Company could suffer financial loss, a disruption of the Manager's businesses, regulatory intervention or reputational damage. In addition, the Company may invest in businesses that are highly dependent on information systems and technology. A disaster or a disruption in the infrastructure that supports the Company's portfolio companies, including a disruption involving electronic communications or other services used by the Manager or third parties with whom the Company conducts business, or directly affecting its principal offices, could have a material adverse impact on its ability to continue to operate the Company's business without interruption. The disaster recovery programmes used by the Manager or third parties with whom the Company conducts business may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse the Company for its losses, if at all. It is also possible that, from time to time, the Manager or the Company will be named as parties to litigation, which could cause substantial reputational damage to the Company or disrupt its investment strategy, businesses or potential growth.

Risks relating to the Company's portfolio

The due diligence process that the Manager undertakes in connection with the Company's investments may not reveal all facts that may be relevant in connection with an investment

Before making investments, the Manager conducts such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. There can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating that investment opportunity.

Any failure by the Manager to identify relevant facts through the due diligence process may lead to inappropriate investment decisions, which could have a material adverse effect on the Company's profitability, Net Asset Value and Share price.

The Company may use derivative instruments

In pursuing the Company's investment objective and policy, the Manager may arrange for the Company to enter into synthetic and derivative contracts including options, swaps and repurchase agreements. Where the Company does so, the Company is likely to take a credit risk with regard to the parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. Accordingly, the Company's use of derivative instruments may expose the Company to greater risk and have a materially adverse effect on the Company's performance.

The investments of the Company are subject to market risk

The Company is at risk from the failure of the entire investment strategy followed by the Manager resulting from market factors.

Market risk is risk associated with changes in market prices or rates. While the Company will hold a diversified portfolio, there are certain general market conditions in which any investment strategy is unlikely to be profitable. The Manager does not have the ability to control or predict such market conditions. Although, with respect to market risk, the Manager's investment approach is designed to achieve broad diversification across global financial sector markets, from time to time, multiple markets could move together against the investments of the Company and the Company could suffer losses, in which event the value of the Shares may decline.

The performance of the Company's investments depends to a great extent on correct assessments of the future course of market price movements and other investments by the Manager. There can be no assurance that the Manager will be able to predict accurately these price movements. The global financial sector markets have in recent years been characterised by great volatility and unpredictability.

General economic and market conditions, such as currency exchange rates, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances may affect the price level, volatility and liquidity of securities prices and result in losses for the Company. In this event, the value of the Shares may be adversely affected.

The Company's investments in emerging markets may be subject to greater risks than investments in developed countries

The Company may invest in securities whose issuers are domiciled in emerging markets. Such investments in emerging markets are subject to greater risks than investments in developed countries. Among other things, emerging market investments may carry the risk of reduced public availability of information, more volatile markets, less strict securities market regulation, less favourable tax provisions, and a greater likelihood of severe inflation, unstable currency, corruption, war, nationalisation and expropriation of personal property than investments in securities of issuers based in developed countries. In addition, investment opportunities in certain emerging markets may be restricted by legal limits on foreign investment in local securities.

Emerging markets may not operate as efficiently as those in developed countries: in some cases, a market for a given security may not exist locally and, where relevant, transactions will need to be made on a neighbouring exchange; volume and liquidity levels are generally lower; little or no market may exist for the securities; issuers are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices; and the quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the actual circumstances being reported.

Risks relating to regulation and taxation

Changes in laws or regulations governing the Company's operations may adversely affect the businesses, investments and performance of the Company and the Manager

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 investment trusts. In addition, the Company is subject to the continuing obligations imposed by the UK Listing Authority on all investment companies whose shares are listed on the Official List.

The Manager is subject to, and will be required to comply with, certain regulatory requirements of the FCA.

The laws and regulations affecting the Company and/or the Manager are evolving and any changes in such laws and regulations may have an adverse effect on the ability of the Company and/or the Manager to carry on their respective businesses. Any such changes may also have an adverse effect on the ability of the Company to pursue its investment policy, and may adversely affect the Company's business, financial condition, results of operations, Net Asset Value and/or the market price of the Shares. In such event, the investment returns of the Company may be materially affected.

For regulatory, tax and other purposes, the Company and the Shares may potentially be treated in different ways in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the Shares may be treated as more akin to holding units in a collective investment scheme, which may have an adverse effect on the taxation of Shareholders in such jurisdictions. Furthermore, in certain jurisdictions, the treatment of the Company and/or the Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or disclosure by the Company of that information. While it will continue to comply with all regulatory requirements placed upon it, the Company may be constrained from disclosing, or may find it unduly onerous to disclose, any or all of such information or to prepare or disclose such information in a form or manner which satisfies the regulatory, tax or other authorities in certain overseas jurisdictions. Failure to disclose or make available information in the prescribed manner or format, or at all, may adversely impact the Company's investments in those jurisdictions.

Many of the laws that govern private investment, securities transactions and other contractual relationships in emerging markets are new and largely untested

Many of the laws that govern private investment, securities transactions and other contractual relationships in emerging markets are relatively new and largely untested. As a result, the Company may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, lack of awareness or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of the emerging markets in which the Company's assets may be invested.

Regulatory control and corporate governance of companies in emerging markets confer little protection on minority shareholders. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty to shareholders by officers and directors is also limited when compared to such concepts in developed markets. In certain instances, management may take significant actions without the consent of shareholders and anti-dilution protection may also be limited.

In the event that any of the above risks are realised, the Company could suffer a material adverse effect on the value of its portfolio, financial condition, results of operations and the value of its Shares.

The EU Directive on Alternative Investment Fund Managers (“AIFM Directive”) may impair the ability of the Manager to manage the investments of the Company, which may materially adversely affect the Company’s ability to implement its investment strategy and achieve its investment objective

The AIFM Directive, which is due to be transposed by EU member states into national law in July 2013, seeks to regulate AIFMs based in the EU (as well as certain AIFMs not based in the EU) and prohibits such managers from managing any AIF based in the EU or marketing shares in such funds to EU investors unless authorisation under the AIFM Directive is granted to the AIFM (although the point at which authorisation is required will vary depending upon the circumstances of the AIFM). In order to obtain such authorisation and be able to manage an AIF based in the EU, an AIFM will need to comply with various obligations in relation to the AIF, which may create significant additional compliance costs that may, where considered appropriate, be passed to investors in the AIF.

The AIFM Directive may require the Manager to seek authorisation. If the Manager were to fail to obtain such authorisation, it may be unable to continue to manage the Company or its ability to manage the Company may be impaired.

Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that impair the ability of the Manager to manage the investments of the Company, or limit the Company’s ability to market future issues of its Shares, may materially adversely affect the Company’s ability to carry out its investment policy successfully and to achieve its investment objective, which in turn may adversely affect the Company’s business, financial condition, results of operations, Net Asset Value and the market price of the Shares.

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

Any change in the Company’s tax status, or in taxation legislation or practice in the UK or elsewhere, or in the interpretation or application of taxation legislation applicable to the Company (including failure by the Company to satisfy the conditions of Chapter 4 of Part 24 of the Corporation Tax Act 2010) or the companies comprised in the portfolio, could affect the value of the investments in the Company’s portfolio and the Company’s ability to achieve its investment objective, or alter the post-tax returns to Shareholders. Statements in this Prospectus concerning the taxation of the Company and the taxation of Shareholders are based upon current UK tax law and published practice, any aspect of which is, in principle, subject to change (possibly with retrospective effect) that could adversely affect the ability of the Company to successfully pursue its investment policy and/or which could adversely affect the taxation of the Company and the Shareholders.

Existing and potential investors should consult their tax advisers with respect to their particular tax situation and the tax effects of an investment in the Company.

The Foreign Account Tax Compliance Act (“FATCA”)

FATCA was enacted by the United States Congress in March 2010 and is to have staggered implementation starting this year. Pursuant to FATCA, the Company may be classified as a “foreign financial institution”.

If the Company is classified as a “foreign financial institution”, it would be required to file a FATCA agreement with the IRS, under which the Company may be required to obtain information about its Shareholders and to disclose information about its Shareholders to the IRS (if Shareholders are treated

under FATCA as holders of “financial accounts” in the Company, and in this respect if Shares in the Company are considered “regularly traded on an established securities market” Shareholders would not be regarded as holding “financial accounts” in the Company).

Alternatively, the United States proposes to enter into Intergovernmental Agreements (“IGAs”) by which foreign financial institutions can comply with FATCA by reporting relevant information to their domestic tax authority. In this respect, the United States entered into an IGA with the United Kingdom on 12 September 2012. Draft regulations for the implementation of this IGA were issued on 18 December 2012, together with draft Guidance with revised drafts published on 31 May 2013. This primary and secondary legislation is likely to come into force in Summer 2013 as part of the Finance Bill 2013.

The Company would also be deemed to be compliant with the FATCA legislation if the Manager or other sponsor performed the Company’s obligations under FATCA on its behalf and certain other requirements were met, or if it were to be categorised as either a “Qualified collective investment vehicle” or a “Restricted fund” pursuant to the final form regulations. It is possible that the Company would not be deemed compliant under these categories.

Failure by the Company to file and comply with an agreement with the IRS, comply with the domestic legislation implementing the UK-US IGA, or fall within such ‘deemed’ compliant categories, could mean that the Company would become subject to a 30 per cent. withholding tax on certain US source payments to the Company, which may have a material adverse effect on the Company’s performance.

Additionally, if the Company were to enter into an agreement with the IRS, the Company may be compelled under FATCA to withhold tax on payments it makes to Shareholders that do not provide information as to their FATCA status or which are themselves non-compliant “foreign financial institutions”. This potential withholding tax on “foreign passthru payments” is not applicable before 2017 and is a matter for further discussion between the United States and governments that enter FATCA IGAs with the United States.

Further, even if the Company is not characterised under FATCA as a “foreign financial institution”, it nevertheless may become subject to such 30 per cent. withholding tax on certain US source payments to it unless it either provides information to withholding agents with respect to its “substantial US owners” or certifies that it has no such “substantial US owners”. This may have a material adverse effect on the Company’s performance.

As a result, Shareholders may be required to provide any information that the Company determines necessary to avoid the imposition of such withholding tax or in order to allow the Company to satisfy such obligations.

The implementation of the Solvency II Directive

On 5 May 2009, the European Council approved a new insurance directive, Directive 2009/138/EC, which seeks to revise the regulation and authorisation of insurance and reinsurance companies (the “**Solvency II Directive**”). The Solvency II Directive will set out new, EU-wide requirements on capital adequacy and risk management for insurance and reinsurance companies. Although the regulations implementing the Solvency II Directive have not yet been published, there can be no assurance that such regulations, and therefore the legislation implementing the Solvency II Directive in individual states, will not restrict the ability of insurance and reinsurance companies in the EU to invest in investment companies such as the Company. To the extent that, as a result of the implementation of the Solvency II Directive, such companies are prevented from acquiring the Shares and/or are required to dispose of any Shares held, this could have an adverse effect on the trading price and/or liquidity of the Shares.

Risks relating to the Ordinary Shares

Investing in the Ordinary Shares may involve a high degree of risk

Market conditions may adversely impact the Company's ability to pursue its investment objective and policy successfully and the market price of the Shares may fluctuate significantly. The Company's ability to do so may be adversely affected in the event of significant or sustained changes in market conditions. Potential investors should not regard an investment in the Ordinary Shares as short-term in nature. Investors may not recover the full amount initially invested, or any amount at all.

The market price of the Ordinary Shares may fluctuate significantly and Shareholders may not be able to resell their Ordinary Shares at or above the price at which they purchased them. Factors that may cause the price of the Ordinary Shares to vary include changes in the Company's financial performance and prospects or in the financial performance and prospects of companies within the Company's portfolio or those which are engaged in businesses that are similar to the Company's business; the termination of the Management Agreement or the departure of some or all of the Manager's investment professionals; changes in laws or regulations, or new interpretations or applications of laws and regulations that are applicable to the Company's business or to the companies in which the Company makes investments; sales of Ordinary Shares by Shareholders; general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events; poor performance in any of the Manager's other activities or any event that affects the Manager's reputation; and speculation in the press or investment community regarding the Company's business or investments or factors or events that may directly or indirectly affect the Company's business or investments.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. Any broad market fluctuations may adversely affect the trading price of the Ordinary Shares. Furthermore, investors should be aware that a liquid secondary market in the Ordinary Shares cannot be assured.

As with any investment, the Company's investments may fall in value with the maximum loss on such investments being equal to or greater than the value of the initial investment and, where relevant, any gains or subsequent investments made.

The Company is not, does not intend to become, and may be unable to become, registered in the US as an investment company under the Investment Company Act and related rules and regulations

The Company has not, does not intend to, and may be unable to, become registered in the United States as an investment company under the Investment Company Act. The Investment Company Act provides certain protections to US investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered, and does not intend to register, and may be unable to register, none of these protections or restrictions is or will be applicable or available to the Company or to investors.

The Ordinary Shares may trade at a discount to Net Asset Value

The ordinary shares of investment trusts have a tendency to trade at a discount to their net asset value and the Ordinary Shares could in future trade at a discount to Net Asset Value for a variety of reasons, including due to market conditions or an imbalance between supply and demand for the Ordinary Shares. The price at which the Ordinary Shares trade is not the same as their Net Asset Value (although they are related) and therefore investors may realise returns that are lower or higher than the change in Net Asset Value.

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 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 an active and liquid market for the Shares particularly as, on Admission, the Company will have a limited number of Shareholders. Consequently, the Share price may be subject to significant fluctuation on small volumes of trading of Shares and the Shares may be difficult to sell at a particular price.

The Company has been established as a listed closed-ended vehicle. Accordingly, Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. While the Directors retain the right to effect repurchases of Ordinary Shares in the manner described in this Prospectus, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors so to act. Shareholders wishing to realise their investment in the Company will therefore be required to dispose of their Shares on 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 their investment at such Net Asset Value or at all.

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.

Risks relating to the Subscription Shares (in addition to those relating to the Ordinary Shares)

The Subscription Shares may expire worthless

Time tends to erode the value of the Subscription Shares and they may expire worthless. The market price of the Subscription Shares tends to be more volatile because *inter alia* of their relationship to the Net Asset Value of the Ordinary Shares. Holders of Subscription Shares should note that Subscription Shares experience time decay or erosion of their value over time throughout their life. This rate of decay accelerates as the Subscription Shares near expiry and the Subscription Shares may expire worthless.

An active and liquid trading market for the Subscription Shares may not develop

An active and liquid trading market may not develop for either the Ordinary Shares or Subscription Shares. The Company cannot predict the extent to which, if the Subscription Shares are admitted to trading, investor interest will lead to the development of an active and liquid trading market for those Subscription Shares or, if such a market develops, whether it will be maintained. The Company cannot predict the effects on the price of the Subscription Shares if a liquid and active trading market for those Subscription Shares does not develop. In addition, if such a market does not develop, relatively small sales may have a significant negative impact on the price of the Subscription Shares, and sales of a significant number of those Subscription Shares may be difficult to execute at a stable price.

The market price of the Subscription Shares may rise or fall rapidly. Before dealing in Subscription Shares, holders of Subscription Shares should carefully consider, among other things, the prevailing trading price of the Subscription Shares; the Subscription Price; the value and volatility of the underlying Ordinary Shares; the time remaining to the Subscription Date; the liquidity of the underlying Ordinary Shares; any related transaction costs; and the Company's creditworthiness.

In addition, general movement in local and international stock markets, prevailing and anticipated economic conditions and interest rates, investor sentiment and general economic conditions could all affect the market price of the Subscription Shares.

IMPORTANT NOTICES

Prospective investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the Issue and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors or the Manager. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G(1) of FSMA, neither the delivery of this Prospectus nor any subscription or sale made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained in this Prospectus is correct as of any time subsequent to its date.

General

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

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any 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.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

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

Selling Restrictions

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction in connection with any applications for Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. Save for the United Kingdom, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus in any other jurisdiction where action for that purpose is required.

The Shares are being offered and issued outside the United States in reliance on Regulation S. Neither the Ordinary Shares nor the Subscription Shares have been or will be registered under the Securities Act or with any securities regulatory authority of any state, territory 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, any US Person. In addition, the Company has not registered and will not register under the Investment Company Act. Neither the Ordinary Shares nor the Subscription Shares have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon

or endorsed the merits of the offering or the issue of the Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States and the re-offer or resale of any of the Shares in the United States may constitute a violation of US law.

Each applicant for Shares will be required to certify that, among other things, the offer of Ordinary Shares and the issue of Subscription Shares were made to it and, at the time its buy order was originated, it was located, outside the United States and that it is not a US Person (within the meaning of Regulation S).

Notice to prospective investors in the European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), no Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State, or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined hereafter), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Shares or to whom any offer is made under the Offer will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and the amendments thereto, including Directive 2010/73/EU (the “**2010 PD Amending Directive**”)), to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

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

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 Prospectus. 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.

THE ISSUE – EXPECTED TIMETABLE OF KEY EVENTS

Latest time and date for applications under the Offer	11.00 a.m. on 25 June 2013
Latest time and date for placing commitments under the Placing	11.00 a.m.* on 27 June 2013
Publication of results of the Placing and the Offer for Subscription	28 June 2013
Admission and dealings in Ordinary Shares and Subscription Shares commence	1 July 2013
CREST Accounts credited with uncertificated Ordinary Shares and Subscription Shares	1 July 2013
Where applicable, definitive share certificates despatched by post in the week commencing	8 July 2013

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

* *or such later time as may be notified to a placee*

ISSUE STATISTICS

Issue Price per Share	100 pence
Gross Proceeds of the Issue**	£100 million
Estimated net proceeds of the Issue to be received by the Company**	£98 million
Expected Net Asset Value per Ordinary Share on Admission	98 pence

** *assuming that the Issue is subscribed as to 100 million Ordinary Shares.*

DEALING CODES

Ordinary Shares

ISIN	GB00B9XQT119
SEDOL	B9XQT11
Ticker	PCFT

Subscription Shares

ISIN	GB00B9XQV370
SEDOL	B9XQV37
Ticker	PCFS

DIRECTORS, MANAGER AND ADVISERS

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Katrina Hart
Joanne Elliott

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London SW1H 9NP

Manager

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Legal advisers to the Sponsor

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London SE1 2AU

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Edinburgh EH2 4NH

Custodian

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London E14 5HQ

Receiving Agent

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Lancing
West Sussex BN99 6DA

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

PART I

INFORMATION ON THE COMPANY

Introduction

The Company was incorporated on 17 May 2013 and is a UK investment trust with a fixed life expiring on its seventh annual general meeting, expected to be held in April 2020, or 31 May 2020, if later. Ordinary Shares (with Subscription Shares attached, on a one for five basis) are available to investors through the Placing and Offer, at 100 pence per Share.

The Company's Manager is Polar Capital LLP, the investment management business of Polar Capital Holdings PLC, a UK-quoted asset management firm. The Manager has total funds under management of over US\$7.2 billion as at 28 March 2013, including the £542 million investment trust, Polar Capital Technology Trust plc and the £150 million investment trust, Polar Capital Global Healthcare Growth and Income Trust plc. Polar Capital's Financials Team comprises six staff and manages US\$671 million across four funds as at 28 March 2013.

Application will be made to the UK Listing Authority and the London Stock Exchange for: (i) the Ordinary Shares of the Company (issued and to be issued) 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; and (ii) the Subscription Shares of the Company (to be issued) to be admitted to the standard 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 dealings will commence on 1 July 2013.

Investment objective

The Company's investment objective is to generate for investors a growing dividend income together with capital appreciation.

Investment policy

The Company will seek to achieve its objective by investing primarily in a global portfolio consisting of listed or quoted securities issued by companies in the financials sector operating in the banking, insurance, property and other sub-sectors.

The portfolio is expected to be diversified by factors including geography, industry sub-sector and stock market capitalisation. The Company may have a small exposure to unlisted and unquoted companies, but in aggregate this is not expected to exceed 10 per cent. of total assets at the time of investment. The Company will not invest more than 10 per cent. of total assets, at the time of investment, in other listed closed-ended investment companies and no single investment will normally account for more than 10 per cent. of the portfolio at the time of investment.

The Company will employ cautious levels of borrowing from time to time with the aim of enhancing returns, subject to an overall maximum of 15 per cent. of net assets at the time the relevant borrowing is taken out. Actual levels of borrowing may change from time to time based on the Manager's assessment of risk and reward.

The Company may invest through equities, index-linked, equity-linked and other debt securities, cash deposits, money market instruments, foreign currency exchange transactions, forward transactions, index options and other interests including derivative instruments. Forward transactions, derivatives (including put and call options on individual positions or indices) and participation notes may be used to gain exposure to the securities of companies falling within the Company's investment policy or to seek to generate income from the Company's position in such securities, as well as for efficient portfolio management. Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as described in this investment policy. The Company may hedge exposure to foreign currencies if considered appropriate for efficient portfolio management.

Investment strategy

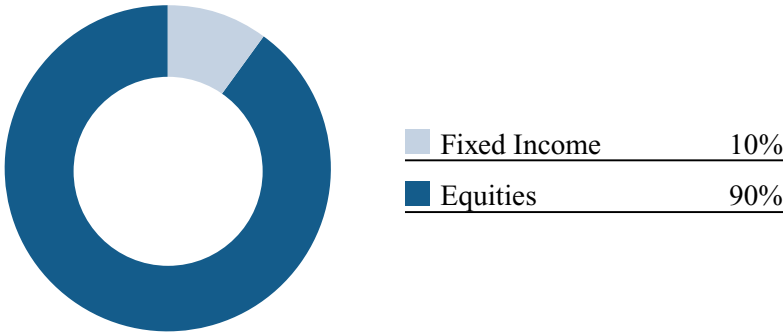
Stocks will be selected for inclusion in the portfolio after a due diligence process conducted by the Manager.

Initial Portfolio

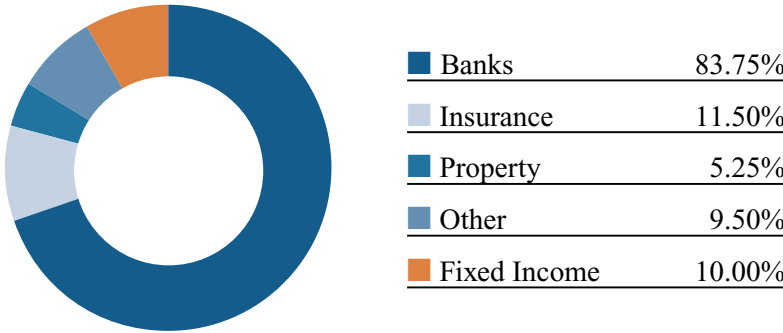
The Company will aim to maintain geographic diversification and expects that approximately one-third of companies in the initial portfolio will be listed or quoted in Europe (including the UK), one-third in emerging markets and the balance in North America and developed Asian markets. Approximately 90 per cent. of the portfolio is expected to be invested in equities with the balance in debt securities. It is expected that the investment portfolio will be initially made up of interests in 60-70 companies. Of the initial equity portfolio, approximately 70 per cent. is expected to comprise banking stocks with the balance spread across the other sub-sectors. In addition, approximately 40 per cent. of the initial equity portfolio will be invested in companies with a market capitalisation of US\$5 billion or less. In terms of investment style, it is expected that the initial portfolio will comprise companies with predominant characteristics that are perceived by the Manager to be growth, recovery and/or income.

It is expected that the initial investment portfolio will be diversified by sub-sector, instrument and geography as shown below.

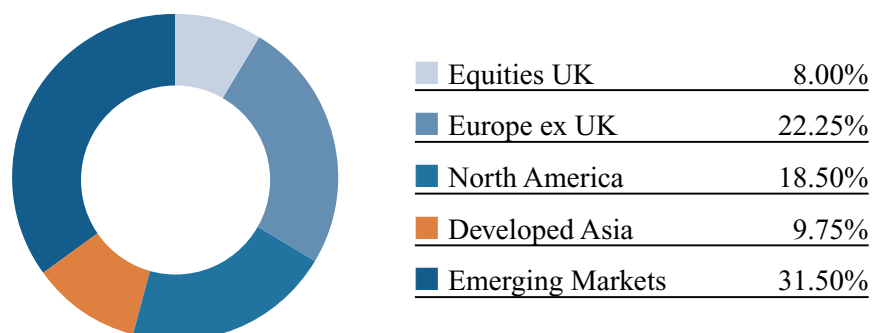
Investment breakdown



Sector breakdown



Equities: Geographical breakdown (90 per cent. of portfolio)



Dividend policy

The Company intends to adopt a progressive dividend policy, pursuant to which the dividend would increase on an annual basis. There is no guarantee, however, that such increases will be achieved.

In respect of any financial period, the Company intends to make distributions to Shareholders of substantially all of its income, net of costs, available for distribution in that year.

The Company will aim to pay two interim dividends in respect of each full financial year. Initially, the rate for the first full financial year will be 3.1 pence per annum per Ordinary Share and the Company will aim to increase the dividend progressively thereafter. This is a target only and not a profit forecast and there can be no assurance that it will be met. These interim dividends will not necessarily be of equal amounts because the dividends from the Company's underlying investments are expected to arrive irregularly throughout the financial year.

The Company intends to pay a maiden dividend in March 2014 in respect of the period to 30 November 2013. This is expected to comprise the majority of the Company's distributable income for that period but it is expected to be payable at a significantly lower level than would ordinarily be the case in future years due to the fact that the period from Admission to the end of the financial year is only five months and does not necessarily cover the period in which the Company's underlying investments pay out their dividends. Thereafter, the Company intends to pay interim dividends in September and March in respect of complete financial years at the rate and on the payment cycle as described above.

The Subscription Shares carry no right to any dividend.

Investment trends and outlook

The Manager believes that the financials sector offers significant opportunities to generate attractive total returns. Over the last year, the financials sector has managed to outperform the broader equity markets despite banks having had to pay record fines for money laundering failures, the rigging of LIBOR and U-turn violations as well as payments for payment protection insurance misselling, systems failures and large trading losses.

The Manager believes that this performance has been driven in part by investors beginning to realise that the sector warrants a higher rating reflecting the lower risks and improved risk-adjusted returns that it now offers despite these high profile failures by the industry. Furthermore, the Manager believes that the discount at which stocks in the financials sector trade as compared to the broader equity market is not justified and that there could be a further rerating over the coming years should this view become more widely held.

Background

The financials sector is the largest sector globally, representing around 20 per cent. of the MSCI World Index (and nearly 30 per cent. of the MSCI Emerging Markets Index), and includes over 2,700 listed companies with a market capitalisation of US\$500 million or more. The sector includes universal banks,

retail banks, thrifts, commercial banks, investment banks, private banks, asset managers, wealth managers, life assurance companies, property and casualty insurance companies, reinsurance companies, insurance brokers, real estate investment trusts (“REITs”), property developers, stock exchanges, interdealer brokers, credit card processors, unsecured lenders, pay-day loans companies, investment companies and business development companies.

As a result of the global financial crisis in 2007-09, a number of companies within the sector, particularly in the US and Europe, suffered a significant and permanent destruction of shareholder value. The largest losses were concentrated in the banking and property sectors, due to a combination of too much leverage and, in the case of the banking sector, an over-reliance on short-term funding and excessive lending to periphery borrowers, both in the retail and corporate sectors. A number of banks had to raise significant capital to strengthen their balance sheets and, in the process, significantly dilute shareholders, with a number of such banks becoming partially or fully state owned as a consequence.

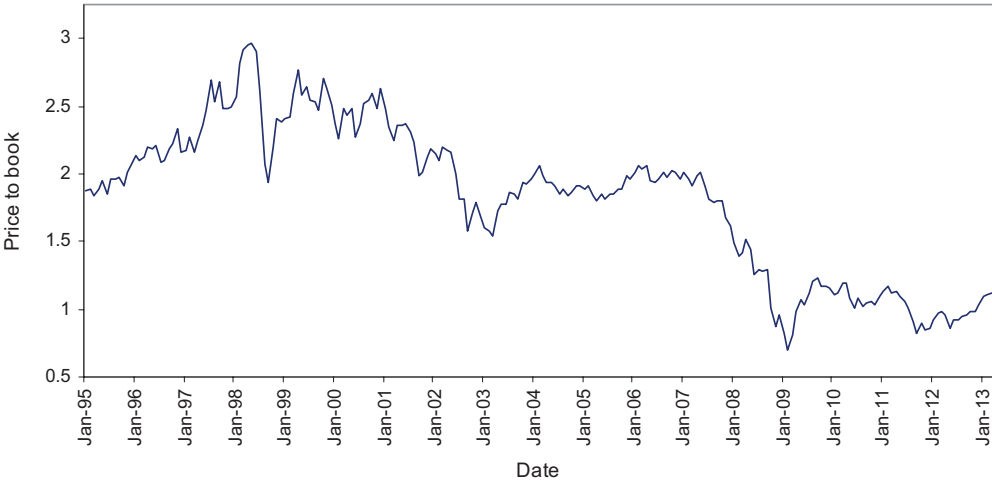
Nevertheless, a substantial number of companies in the sector were much less affected by the global financial crisis, either due to the nature of their businesses being less economically sensitive or due to the fact that they were operating in countries that did not suffer large falls in property markets or a sharp downturn in economic activity. Without the need for additional external capital, their share prices have steadily recovered over the last 4 years. Others have seen their share prices rise sharply to new all-time highs reflecting the underlying growth in their earnings or book values.

A significant minority of companies in the sector, however, most notably many European banks, have not seen the same recovery in their share prices. Concern over the strength of their balance sheets has been exacerbated by weak economic growth in the countries in which they primarily operate, leading to higher loan losses. This weakness continues to offset the improved sentiment towards such European banks that followed the statement by Mario Draghi, the President of the European Central Bank, that he would do whatever it takes to save the Euro and break the link between weak sovereign credit markets and banking sectors.

Valuations

Against this background, valuations for the sector have fallen sharply and, despite outperforming in 2012 relative to the MSCI World Index, the sector continues to remain at historically low valuations.

MSCI World Financials price to book ratio



As at 31 March 2013 the sector was trading at a 44 per cent. discount to its historic average price to book ratio.

Opportunity

For the reasons set out below, the Manager believes that the recent good performance of the financials sector relative to the broader equity market indices will continue over the medium term.

Key drivers and catalysts of future performance

A. *Banks*

Increased dividends and buybacks

The vast majority of banks in the US and Europe cut or suspended dividend payments during the global financial crisis of 2007-2009. Reflecting the stronger recovery in the US relative to Europe, banks in the US have already started to increase their dividends and in some cases undertake share buybacks. The Manager expects, over the next few years, that regulators will allow banks in Europe that have suspended dividend payments to recommence paying dividends and allow others to increase their dividend payout ratios. Furthermore, with expectations of little loan growth, banks both in the US and Europe should be able to pay out a much higher level of dividends relative to earnings than previously, as they will not need to hold back so much capital to support loan growth. Combined with significant earnings recovery as loan loss provisions fall, this will potentially result in a substantial increase in dividends.

Other banks, such as those operating in emerging market economies, are also likely to see faster dividend growth reflecting their higher earnings growth potential and growing focus on improving dividend yields. Furthermore, their higher profitability levels mean that any slowdown in loan demand should quickly lead to higher capital ratios and so more generous dividend payouts.

Stronger balance sheets

The Manager's belief that there will be a significant increase in cash returned to shareholders of financials sector companies is underpinned by the improvement in the banking sector's balance sheets. The US and European banking sectors had to raise significant amounts of equity capital during the crisis to put their balance sheets on a more sound footing. Furthermore, regulators under the auspices of the Basel Committee for Banking Supervision now require even higher levels of capital under the Basel III Accord, with a deadline for compliance in 2019. In addition, so called systemically important financial institutions are being required to hold even higher levels of capital relative to their peers. These trends are global since, even in emerging markets, minimum capital requirements have risen.

Although banks have until 2019 to achieve the minimum target capital ratios under the Basel III Accord standards, the vast majority of those that have yet to reach the required level can reasonably be expected to do so in the next couple of years. In order to achieve these targets, banks have been using retained earnings, but they have also raised capital by selling assets or non-core businesses. The need to use retained earnings to raise capital ratios has, to date, hindered the ability of banks to pay dividends. Going forward, however, this should no longer be a headwind to higher dividend payments or increased share buybacks. Finally, as a consequence of these substantially higher levels of capital, banks should be perceived as less risky and the Manager therefore believes investors will increasingly be willing to pay a higher price for a certain level of profitability and growth than previously. The Manager also believes that stricter capital requirements will provide an incentive for managements to take a more focused and disciplined approach to allocating capital across their businesses with the aim of improving risk-adjusted returns.

Growth opportunities in emerging markets

Many emerging market banks are more profitable than their developed market peers despite having higher capital ratios and have grown their earnings and book values much faster. This has been in part due to a dramatic shift in demand for consumer loans and the Manager expects this trend to continue as increased exposure to mortgages, car loans and consumer finance drives balance sheet growth. In many countries, these products are in their infancy and have only started to takeoff on the back of the low interest rate environment of recent years. Further weight may be given to this growth by consumer loans as a percentage of GDP remaining extremely low, especially relative to developed markets, and wage growth drives increased wealth.

Emerging market banks tend to be more domestically focused as a function of their being able to achieve much higher returns in their home markets, resulting in few having expanded into other geographies. Equally important is that, with domestic capital markets in their infancy, banks are

generally very dominant with regard to raising capital for companies and often own other financial orientated businesses, such as insurance brokers. As with the low penetration of consumer debt, the potential for growth in pensions and other long-term savings products is significant, in particular in more developed emerging markets.

Regulation

In the last three years, the amount of regulation that the banking sector has to contend with has soared as regulators and policymakers have reacted to the financial crisis. These have included the Dodd-Frank Reforms, the US Consumer Protection Act, the Basel III Accord, the Capital Requirements Directive IV, the UK Independent Commission on Banking (“**Vickers Report**”) and the Liikanen Report, all making the barriers to entry for new entrants significantly higher. This should result in the banking sector becoming safer and more resilient to future crises but may also result in less competition.

In recent months, some relaxation has been agreed as regulators have become more pragmatic regarding the need for the banking sector to recover. Two examples include the UK government’s decision not to endorse the Vickers Report’s recommendation for a higher leverage ratio (i.e. a requirement for more capital as a percentage of assets) and the relaxation of the liquidity coverage ratio by the Basel Committee on Banking Supervision to lower the minimum requirement, extend the deadline for meeting it and amend the definition of which bank held assets will count as liquid assets.

More importantly, there is now significantly more visibility on regulation within the banking industry, which is allowing companies to plan more effectively. Some have already taken radical action to close down lines of business which were either too capital intensive or offered insufficiently attractive risk-adjusted returns above the cost of capital. Similarly some banks have been pulling back from markets where they have a very small market share and therefore cannot compete effectively with incumbents, all with the aim of improving profitability.

Funding

In Asia, banks on average have a loan to deposit ratio of less than 100 per cent. (i.e. they have more deposits than loans), benefiting from the high savings ratios of these countries. As a result, the funding costs for these banks are lower, reflecting the fact that they do not have to compete aggressively between each other for deposits and that there are few alternatives. In the US loan to deposit ratios are also less than 100 per cent. but in Europe and other developed markets, loan to deposit ratios are above 100 per cent. and, as a result, funding costs are higher and more volatile.

In some Eurozone countries these costs rose sharply in 2011 and 2012 as concern about the strength of banks’ balance sheets and exposure to weaker sovereign debt markets led to a reduction in the availability of funding. Efforts by central banks, and in particular the ECB have resulted in these costs falling sharply. Although they remain somewhat elevated, in the last year or so, as funding schemes for banks and sovereigns such as the Longer Term Refinancing Operations and Outright Money Transactions programme have markedly improved sentiment, banks have been able to raise funds in the wholesale markets again.

Furthermore, debt investors appear to be increasingly willing to underwrite significant tail risks in the banking sector since a number of banks have issued what are known as contingent capital securities (known as “CoCos”). These are debt securities that convert into equity if the capital levels of a bank fall below a certain level. In one recent issue, debt holders are at risk of losing their entire investment under certain scenarios where the bank is still solvent. Reflecting the marked improvement in sentiment and despite the potential risks, these new securities were issued at yields well below what its other subordinated bonds were trading at only a few months previously.

B. *Non-bank financials*

Outside the banks sub-sector, the Manager believes there are many other stocks that offer attractive investment opportunities.

The share prices of property and casualty insurers have historically been less correlated with equity markets, reflecting the exposure they have to natural catastrophe losses and other man-made disasters. For US and Bermudan companies, valuations remain very attractive with share prices having only started rising from a 25 year valuation low in the last year. The continuing low interest rate environment has forced insurers to push through higher rates as they can no longer rely on reasonable investment returns. US primary property and casualty insurance rates have risen for a number of quarters in a row for the first time since rates peaked in 2005 and the Manager would therefore expect the recent momentum in share prices to be underpinned by the improvement in underwriting profitability and steady growth in book values.

Asset managers and wealth managers, which are operationally geared to financial markets, have performed very well in recent years, benefiting from the higher fee income they have generated on the back of the rise in equity and bond markets. Some asset managers have seen a pickup in demand for equity funds in 2013 and as they charge more for managing equity funds as opposed to bond funds this will help profitability. The share price performance of asset management companies can vary widely and is very dependent on fund flows which are a function of the performance of the underlying funds they manage and their strength in distribution. A number of alternative asset managers have floated on the US stock market in the last few years, offering exposure *inter alia* to any increase in demand for private equity funds, but also distressed debt funds.

REITs represent a large percentage of the financials sector. They can be diversified companies investing in office, retail and industrial properties but there are many REITs that specialise in only one sector. REITs investing in prime property, i.e. properties built to a high specification or with blue-chip tenants on long leases and with low vacancy rates have performed well in recent years, as investors have looked for investments backed by strong secure cashflows. As with the banking sector, the share price performance of many other REITs and property developers has been more mixed dependent on which markets they operate in, the quality and location of their properties, changes in occupancy levels and the degree to which they had high leverage prior to the downturn in 2008.

Summary

Against this background the Manager believes that the growth in earnings and book values combined with the potential for the sector to be rerated will provide attractive investment returns to Shareholders of the Company over the duration of its fixed life. Furthermore, as the financial sector is predominantly a geared play on economic growth, to the extent that the efforts by central banks to stimulate demand are successful and result in a rise in asset prices, then the financial sector will be a significant beneficiary as it should lead to a much stronger rise in share prices.

Discount management provisions

The shares of investment trusts have a tendency to trade at a discount to the underlying net asset value per share. Whilst the rating which the market applies to the Ordinary Shares is not in the control of the Company itself, the Directors believe that, subject always to wider market conditions, the rating will tend to benefit from strong investment performance coupled with active marketing of the Shares. The Directors also believe that the fixed life of the Company and its target dividend yield should assist in providing support for the rating of the Ordinary Shares.

The Board will also seek to manage discount volatility through the use of a range of market mechanisms that they consider to be appropriate, including by way of tender offer.

The Directors will consider using share repurchases to assist in limiting discount volatility and potentially providing an additional source of liquidity, if and when the Ordinary Shares trade at a level which makes their repurchase attractive.

Shares will only be repurchased at a price which, after repurchase costs, represents a discount to the diluted Net Asset Value per Share. Repurchased Shares will be cancelled or may alternatively be held in treasury. Shares may only be reissued from treasury at a price which, after issue costs, is not less than the diluted Net Asset Value per Share at the relevant time.

All share repurchases will be conducted in accordance with the Listing Rules applicable from time to time and will be announced to the market on the same or the following day.

The exercise by the Directors of the Company's powers to repurchase Shares and the timing and structure of any such purchases is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion. In particular, in exercising the Company's powers to repurchase Shares, the Directors will not actively seek to maintain a ratio of Shares in issue of one Subscription Share to five Ordinary Shares.

Capital structure

The Company's issued share capital on Admission will comprise Ordinary Shares and Subscription Shares which will be issued pursuant to the Placing and Offer. The Ordinary Shares and the Subscription Shares will be traded on the main market of the London Stock Exchange. Further details of each class of share are set out below.

Characteristics of the Ordinary Shares

The Ordinary Shares will carry the right to receive all dividends declared by the Company.

On a winding up, provided the Company has satisfied all of its liabilities and subject to the participation in the winding up of any outstanding Subscription Shares (until their cancellation becomes effective), the Ordinary Shares will be entitled to all of the surplus assets of the Company.

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

Characteristics of the Subscription Shares

The Company is proposing to issue Subscription Shares to all subscribers to the Issue on the basis of one Subscription Share for every five Ordinary Shares subscribed. Each Subscription Share will confer the right (but not the obligation) to subscribe for one Ordinary Share upon exercise of the Subscription Rights and on payment of the Subscription Price of 115 pence.

Notice to exercise the Subscription Rights may be given by Subscription Shareholders during the 30 days prior to the Subscription Date of 31 July 2017, after which the Subscription Rights will lapse. The Articles provide that the Subscription Price is subject to adjustment upon the occurrence of certain events affecting the Company before 31 July 2017. The relevant events include consolidations or sub-divisions of share capital, pre-emptive offers of securities to Ordinary Shareholders, takeover offers and the liquidation of the Company. Such adjustments serve to protect either the intrinsic value or the time value of the Subscription Shares, or both.

Ordinary Shares allotted pursuant to the exercise of Subscription Rights will rank for dividends except for dividends payable by reference to a record date prior to the Subscription Date; for the avoidance of doubt, it is intended that the record date for the dividend expected to be paid in September 2017 will be before 31 July 2017 and such Ordinary Shares will not therefore rank for it.

If there are Subscription Shares outstanding on any winding up of the Company, they will participate in any surplus assets of the Company as set out in paragraph 3(i) of Part VII of this Prospectus.

The Issue

The Company's target is to raise in excess of £100 million, before expenses, through the Placing and Offer of Ordinary Shares (with Subscription Shares attached on a one for five basis) at a price of 100 pence per Ordinary Share. In this Prospectus, the Placing and the Offer are together referred to as the Issue. The maximum size of the Issue is 250 million Ordinary Shares. The Issue has not been underwritten.

Applications under the Placing and the Offer for Subscription must be for a minimum subscription amount of £2,000 and thereafter in multiples of £1,000. No commission will be payable to financial intermediaries. The maximum number of Ordinary Shares available under the Issue should not be taken as an indication of the final number of Ordinary Shares to be issued and the number of Ordinary Shares actually issued may be less than the maximum number.

Application will be made to the UK Listing Authority and the London Stock Exchange for: (i) the Ordinary Shares of the Company (issued and to be issued) 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; and (ii) the Subscription Shares of the Company (to be issued) to be admitted to the standard 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 dealings will commence on 1 July 2013.

The net proceeds of the Issue, after payment of initial expenses, will be invested in accordance with the Company's investment policy.

Scaling back

In the event that commitments under the Placing and valid applications under the Offer for Subscription exceed the maximum number of Ordinary Shares available, applications under the Placing and Offer will be scaled back at the Directors' discretion (in consultation with Panmure and the Manager) and thereafter no further commitments or applications will be accepted and the Placing and Offer will be closed.

Further issues of Ordinary Shares

Following the Issue and at any time prior to the date of its first annual general meeting, the Company will have authority to issue new Ordinary Shares up to an amount equivalent to such number as will result in 250 million Ordinary Shares being in issue. Such Ordinary Shares issued within twelve months of the date of this Prospectus, will be issued under the terms of the Placing Programme as described in Part V of this Prospectus.

Any new Ordinary Shares (and any Ordinary Shares issued from treasury) will be issued only at a price which (after taking account of issue expenses) represents a premium to the Company's NAV per Ordinary Share (diluted where applicable) at the time of issue, and will not have Subscription Shares attached.

Life of the Company

The Articles require the Directors to put forward at the seventh annual general meeting a resolution to place the Company into liquidation. The Articles provide that voting on that resolution will be enhanced such that, provided any single vote is cast in favour, the resolution will be passed. In light of this, the Company is referred to in this Prospectus as having a fixed life.

Profile of typical investor

The Issue is designed to be suitable for institutional investors and professionally-advised private investors seeking exposure to global financial-related equities. The 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 the Issue.

Net Asset Value publication

The Net Asset Value per Ordinary Share will be calculated in Sterling by the Manager on a daily basis, as described below. Such calculations will be notified daily through a Regulatory Information Service and will be available through the Company's website.

The undiluted Net Asset Value per Ordinary Share will be published on a daily basis and the diluted Net Asset Value per Ordinary Share will be published from time to time when the Manager considers it appropriate. The Net Asset Value will be the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) determined in accordance with the Association of Investment Companies' valuation guidelines and in accordance with applicable accounting standards. Publicly traded securities will be valued by reference to their bid prices on the relevant exchange.

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.

The Directors may temporarily suspend the calculation of Net Asset Value during a period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, 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 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 expects to hold its first annual general meeting in April 2014 and will then hold an annual general meeting each year thereafter. The annual report and accounts of the Company will be made up to 30 November in each year with copies expected to be sent to Shareholders within the following four months. The Company will also publish unaudited interim reports to 31 May. In addition, the Company will publish interim management statements in respect of the other two quarters.

The Company intends that its first financial period will be to 30 November 2013 and will prepare financial statements in respect of this period. Its first full financial period will be from 1 December 2013 to 30 November 2014 and, accordingly, its first full financial statements will relate to this period.

Taxation

Potential investors are referred to Part VI of this Prospectus for details of the taxation of the Company and of Shareholders 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 immediately.

Risk factors

The Company's business is dependent on many factors and potential investors should read the whole of this Prospectus and in particular the section entitled "Risk Factors" on pages 14 to 23.

PART II

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 Manager. All of the Directors are non-executive and are independent of the Manager.

The Directors will meet at least four times a year, and the Audit Committee will meet at least twice a year.

The Directors are as follows:

Robert Kyprianou, aged 59

Robert is currently a non-executive director of Aviva Investors Limited and Eurobank Cyprus Ltd. Robert was formerly the CEO of AXA Framlington until his retirement in September 2009. Previous appointments include non-executive director of Gartmore Group Limited, Global Head of Fixed Income, and later Deputy CEO and Global Head of Securities at AXA Investment Managers; Business Head and Global Head of Fixed Income at ABN AMRO Asset Management between 1995 and 1999; and Director and Head of Portfolio Management at Salomon Brothers Asset Management Ltd between 1990 and 1994. Robert is a member of both the Management Engagement and Audit Committees.

Katrina Hart, aged 39

Katrina spent 14 years in the City advising, analysing and commentating on a broad range of businesses operating in the fund and asset management sectors. During this period, she accumulated an in-depth understanding of the dynamics and operational drivers of fund management and worked very closely with some of the most respected companies in the sector. Latterly, she was a highly rated financials analyst at HSBC, Bridgewell Group Plc and Canaccord Genuity. Katrina is a non-executive director of AIM quoted Miton Group Plc. Katrina is Chairman of the Management Engagement Committee and a member of the Audit Committee.

Joanne Elliott, aged 51

Joanne has been Finance Manager since 1995 at TR Property Investment Trust, first at Henderson Global Investors then, since January 2005, at Thames River Capital, when she joined as CFO for the property team. Joanne joined Henderson Investors in 1995, where she most recently held the position of Director of Property, Finance and Operations, Europe. Previously she was Corporate Finance Manager with London and Edinburgh Trust plc and prior to that was an investment/treasury analyst with Heron Corporation plc. Joanne has a BSc (Hons) in Zoology from the University of Nottingham and qualified as a Chartered Accountant with Ernst & Young in 1989. Joanne is Chairman of the Audit Committee and a member of the Management Engagement Committee.

Management Team

The Company's Manager is Polar Capital LLP, the investment management business of Polar Capital Holdings PLC, a UK-quoted asset management firm. The Manager has total funds under management of over US\$7.2 billion as at 28 March 2013, including the £542 million investment trust, Polar Capital Technology Trust plc and the £150 million investment trust, Polar Capital Global Healthcare Growth and Income Trust plc.

The Manager is authorised and regulated by the FCA and as such is subject to its rules in the conduct of its investment business.

Polar Capital's Financials Team comprises six staff and manages US\$671 million across four funds as at 28 March 2013. These funds are:

- Polar Capital Asian Financials Fund, which was launched in December 1996, over which period it has produced a total return of 187.0 per cent. and outperformed its benchmark index by 136.3 per cent.
- Polar Capital Global Insurance Fund, which was launched in October 1998, over which period it has produced a total return of 208.6 per cent. and outperformed its benchmark index by 184.5 per cent.
- Polar Capital Financial Income Fund, which was launched in October 2009, over which period it has produced a total return of 39.8 per cent. and outperformed its benchmark index by 55.7 per cent.
- Polar Capital Financial Opportunities Fund, which was launched in May 2011, over which period it has produced a total return of 4.7 per cent. and outperformed its benchmark index by 5.3 per cent.

The financials team was acquired by Polar Capital LLP in September 2010 via the acquisition of HIM Capital Limited. HIM Capital was formerly called Hiscox Investment Management prior to the management buyout of the business from Hiscox plc at the end of 2007.

The management team for the Company's portfolio will be:

Nick Brind – Fund Manager

Nick Brind joined Polar Capital following the acquisition of HIM Capital in September 2010 and is the manager of the Polar Capital Financial Income Fund. He has 18 years' investment experience across a wide range of asset classes. Prior to joining HIM Capital, Nick worked at New Star Asset Management. While there, he managed the New Star Financial Opportunities Fund, a high-income financials fund investing in the equity and fixed-income securities of European financial companies, which outperformed its benchmark index in all six years that Nick managed it. Previously, he worked at Exeter Asset Management and Capel-Cure Myers. At Exeter Asset Management, Nick managed the Exeter Capital Growth Fund from 1997 to 2003, which over this period was in the top decile of the IMA UK All Companies Sector. Nick has a Masters in Finance from London Business School.

John Yakas – Fund Manager

John Yakas joined Polar Capital following the acquisition of HIM Capital in September 2010 and is the manager of the Polar Capital Asian Financials Fund and Polar Capital Financial Opportunities Fund. John has over 25 years' experience in the financial services industry and has been involved with the Asian Financials Fund since its launch in 1996 and the Financials Opportunities Fund since its launch in 2011. Previously, he worked for HSBC as a commercial banker in Hong Kong and Fitch IBCA in London covering European financials. He was appointed the Head of Asian research at Fox-Pitt, Kelton in 1995 and established their office in Hong Kong in 1999. In 2003 he joined Hiscox Investment Management which later became HIM Capital. John has won Lipper awards in the Equity Sector Banks and Other Financials Sector in 2010, 2011, 2012 and 2013 for the performance of the Asian Financials Fund. He has an MBA from London Business School and studied at the London School of Economics (BSc Econ).

Management Agreement

The Company and the Manager have entered into a Management Agreement, a summary of which is set out in paragraph 8.2 of Part VIII of this Prospectus, under which the Manager has been given sole 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 Manager are set out in the section headed "Fees and expenses" below.

Administration of the Company

The Manager will procure or provide the day to day administration of the Company and general secretarial functions required by the Act. The Manager will also be responsible for the Company's general administrative functions, such as the calculation and publication of the Net Asset Value and maintenance of the Company's accounting and statutory records. The Manager has, with the consent of the Directors, delegated the provision of certain of these administrative functions to the Administrator and to Polar Capital Secretarial Services Limited, but will remain liable for the acts of any such third party. The fees of the Administrator and Polar Capital Secretarial Services in providing such services will be for the account of the Company.

The Manager will provide secretarial services to the company and the cost of such services will be included in the management fee unless otherwise agreed by the Directors.

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 and Offer Agreement, Receiving Agent's fees, 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. These expenses will be written off to capital in the Company's first accounting period.

Pursuant to the Placing and Offer Agreement, the Company will bear the formation and initial expenses of the Issue up to a sum equal to 2 per cent. of the gross proceeds of the Issue including irrevocable VAT. In the event that such expenses are less than 2 per cent. of the gross proceeds, the Manager shall, at its discretion, be entitled to be paid for its benefit a sum equal to the difference between 2 per cent. of the gross proceeds and actual expenses incurred, up to a maximum of £350,000. In respect of that portion, if any, of the difference between 2 per cent. of gross proceeds and actual expenses incurred that exceeds £350,000, the Manager shall, at its discretion, be entitled to be paid for its benefit 50 per cent. of such amount. The Manager has also underwritten all advisor costs and disbursements in the case of the transaction not being completed.

Ongoing annual expenses

The Company will also incur ongoing annual expenses, which are expected initially to be approximately 1.27 per cent. of net assets (assuming that the Company will have assets under management of £100 million and no borrowings).

Ongoing annual expenses will include the following:

(i) *Manager*

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

The management fee is payable monthly in arrear and will be at the rate of 0.85 per cent. per annum of the lower of the Company's Market Capitalisation and the Company's Net Asset Value. In accordance with the Directors' policy on the allocation of expenses between income and capital, in each financial year 80 per cent. of the management fee payable is expected to be charged to capital and the remaining 20 per cent. to income.

The Manager may be entitled to a performance fee. The Company shall procure that the liquidators appointed to effect the voluntary winding-up of the Company will, as soon as practicable after the Portfolio Realisation Date, calculate the Terminal NAV of the Company. The performance fee will be paid in cash at the end of the Company's fixed life (except in the case of an earlier termination of the Management Agreement) and will be an amount equal to 10 per cent. of excess return (based on the Adjusted Net Asset Value per Ordinary Share at that time) over the performance fee hurdle. The performance fee hurdle will be the sum of: (i) 100 pence; as increased by (ii) the percentage growth in the Benchmark Index plus 1.25 pence per annum (reduced *pro rata* in respect of periods

that are less than one full year) over the period from the day following Admission to the date on which it is resolved to wind up the affairs of the Company. Adjustments that will be applied to the Terminal NAV are set out in detail in paragraph 8.2 of Part VIII of this Prospectus. In particular, for the purposes of measuring performance against the benchmark, dividends paid out by the Company will be added back and assumed to have been reinvested in Ordinary Shares at Net Asset Value.

If at the end of the Company's fixed life, the amount available for distribution to Shareholders is less than 100 pence per Share, no performance fee will be payable. If the amount is more than 100 pence per Share but payment of the performance fee in full would reduce it below that level, then the performance fee will be reduced such that Shareholders receive exactly 100 pence per Share.

(ii) *Administration*

The Manager has delegated certain administrative functions to the Administrator under the terms of the Administration Delegation Agreement. For these services, the Administrator is entitled to an administration fee calculated on an agreed tariff for the functions that it undertakes. The fees of the Administrator are payable by the Company monthly in arrears and are estimated to be approximately £140,000 per annum, although this fee may be greater or lesser dependent on the number of transaction fees incurred during the year.

(iii) *Registrar*

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.05 per Shareholder account per annum, subject to a minimum fee of £3,250 per annum. The Registrar is also entitled to activity fees under the Registrar Agreement.

(iv) *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 and the Chairman of the Audit Committee, the initial fees will be £25,000 per annum for each Director. The Chairman's initial fee will be £35,000 per annum and that of the Chairman of the Audit Committee will be £30,000 per annum.

All of the Directors will also be 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.

(v) *Other operational expenses*

Other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including travel, accommodation, printing, audit, due diligence and legal fees. Reasonable expenses incurred by the Manager, the Administrator (to whom the Manager will delegate certain administrative functions), the Registrar, the Custodian and the Directors in performance of their duties will be borne by the Company.

Conflicts of interest

Directors

In relation to transactions in which a Director is interested, the Articles provide that as long as the Director discloses to the Board the nature and extent of any material interest, a Director 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 with any body corporate in which the Company is interested and shall not, by reason of his or her office, be accountable to the Company for any benefit he or she derives from any such office, employment, transaction or arrangement and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

Investment Manager

The Manager and its officers and employees may from time to time act for other clients or manage other funds, which may have a similar investment objective and policy to that of the Company. Circumstances may arise where investment opportunities will be available to the Company and which are also suitable for one or more such clients of the Manager or funds. The Directors have satisfied themselves that the Manager has procedures in place to address potential conflicts of interest and that, where a conflict arises, the Manager will allocate the opportunity on a fair basis and in accordance with the contractual provisions described in this Prospectus.

The Manager is required to consult and discuss with the Board, prior to launch by the Manager, the likely impact on the Company of any new products or funds with the same or a similar investment objective and policy to that of the Company.

Takeover Code

The Takeover Code will apply to the Company as at Admission.

Corporate governance

The Board 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. 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 Company intends to comply with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code.

For the reasons set out in the AIC Guide, and in the preamble to the UK Corporate Governance Code, the Board considers the provisions below 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 separation of the roles of the chief executive and Chairman as all the Directors are non-executive;
- the need for an internal audit function as the Manager, overseen by the Board, is responsible for monitoring all accounting or control operations, whether outsourced or otherwise;
- as all the Directors are independent and non-executive, it is proposed that the functions of the Nomination or Remuneration committee will be undertaken by the full Board;
- the Company does not have a policy on length of service for Directors due to its expected near eight year life; and
- due to the structure of the Board it is considered unnecessary to identify a senior non-executive Director.

The Company's Audit Committee will be chaired by Joanne Elliott and consists of all the Directors and will meet at least twice a year. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Audit Committee. The Audit Committee examines the effectiveness of the Company's control systems. It will review the half-yearly and annual reports and also receive information from the Manager. It will review the scope, results, cost effectiveness, independence and objectivity of the external auditor.

In accordance with the AIC Code, the Company has established a Management Engagement Committee which will be chaired by Katrina Hart and consist of all the Directors. The Management Engagement Committee will meet at least once a year or more often if required. Its principal duties will be to consider the continued appointment of the Manager and it will annually review that appointment.

Directors' Share dealings

The Directors will comply with the Model Code for directors' dealings contained in the Listing Rules (the "**Model Code**") in relation to their dealings in Shares. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

PART III

ISSUE ARRANGEMENTS

Introduction

The Company's target is to raise up to £250 million, before expenses, through the Placing and Offer of Ordinary Shares (with Subscription Shares attached on a one for five basis) at a price of 100 pence per Ordinary Share. In this Prospectus, the Placing and the Offer are together referred to as the Issue. The Issue has not been underwritten.

The aggregate proceeds of the Issue, after deduction of expenses, are not known but expected to be approximately £98 million on the assumption that gross proceeds are £100 million.

Panmure 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 and Offer Agreement. Details of the Placing and Offer Agreement are set out in paragraph 8.1 of Part VIII of this Prospectus.

The Offer Shares are being made available under the Offer at the Issue Price, subject to the terms and conditions of application under the Offer set out in Part IV of this Prospectus. These terms and conditions, and the Application Form set out at Appendix 1 to this Prospectus, should be read carefully before an application is made. The Offer is expected to close at 11.00 a.m. on 25 June 2013. If the Placing and Offer are extended, the revised timetable will be notified through a Regulatory Information Service.

Applications under the Offer must be for Ordinary Shares with a minimum subscription amount of £2,000 and thereafter in multiples of £1,000.

Completed Application Forms accompanied by a cheque or banker's draft in relation to the Offer must be posted or delivered by hand (during normal business hours) to the Receiving Agent, Equiniti Limited, so as to be received as soon as possible and, in any event, no later than 11.00 a.m. on 25 June 2013. It is expected that the results of the Issue will be notified through a Regulatory Information Service on 28 June 2013.

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

- (i) the Placing and Offer 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 1 July 2013 (or such later date, not being later than 31 July 2013, as the Company and Panmure may agree); and
- (iii) the gross proceeds of the Issue being at least £80 million, or such other amount, not being materially lower than £80 million. The Issue will not proceed if the gross proceeds of the Issue would be less than £80 million (or such lesser amount as the Company, the Investment Manager and Panmure may determine and notify to investors via publication of a supplementary prospectus).

The Placing and Offer Agreement

The Placing and Offer Agreement contains provisions entitling Panmure to terminate the Placing and the 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.

The Placing and Offer Agreement provides for Panmure to be paid commission by the Company in respect of the Shares to be allotted pursuant to the Issue. Panmure and/or the Manager may, at their discretion and out of their own respective resources, at any time rebate to some or all investors, or to other parties, part or all of their respective fees relating to the Issue. Panmure and/or the Manager are also entitled to retain agents and may pay commission in respect of the Issue to any or all of those agents out of their respective resources.

Further details of the terms of the Placing and Offer Agreement are set out in paragraph 8.1 of Part VIII of this Prospectus.

Admission

Admission is expected to take place at 8.00 a.m. on 1 July 2013. 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 8 July 2013. The Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Shares which are held in certificated form, transfers of those Shares will be certified against the Register. No temporary documents of title will be issued.

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 Shares under the CREST system. The Company has applied for the Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. An investor applying for Shares in the Issue may elect to receive Shares in uncertificated form if such investor is a system-member (as defined in the CREST Regulations) in relation to CREST.

Use of proceeds

The Directors intend to use the net proceeds of the Issue, after costs and after providing for the Company's operational expenses, 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 (as described in such investment objective and policy) through the medium of an investment trust.

Overseas Persons

The attention of potential investors who are not resident in, or who are not citizens of, the UK is drawn to the paragraphs below.

The offer of Shares under the Issue to Overseas Persons may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to obtain Shares under the Issue. It is the responsibility of all Overseas Persons receiving this Prospectus and/or wishing to subscribe for Shares under the Issue to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

No person receiving a copy of this Prospectus in any territory other than the UK may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements.

Persons (including, without limitation, nominees and trustees) receiving this Prospectus should 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 does not intend to be, and may not be able to be, registered under the Investment Company Act and the offer, issue and sale of the Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any State, territory or other jurisdiction of the United States. Accordingly, the Shares are only being offered and sold outside the United States to persons who are not US Persons in reliance on the exemption from registration

provided by Regulation S. The Shares may not be offered, sold, renounced, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any US Person.

Investors should additionally consider the provisions set out under the heading “Important Notices” on page 24 of this Prospectus.

In addition, until 40 days after the commencement of the Issue, an offer or sale of the Shares within the United States by any dealer (whether or not participating in the Issue) may violate the registration requirements of the Securities Act.

The Company reserves the right to treat as invalid any agreement to subscribe for Shares under the Issue if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

United States transfer restrictions

Each of Panmure and the Manager has acknowledged and warranted in the Placing and Offer Agreement that it will not offer or sell or procure the offer or sale of the Shares except in compliance with Regulation S. The Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any State, territory or other jurisdiction of the United States. Accordingly, investors may not reoffer, resell, pledge or otherwise transfer or deliver the Shares, directly or indirectly, within the United States, or to, or for the account or benefit of, any US Person except in transactions that are exempt from, or not subject to, registration under the Securities Act and under circumstances which will not require the Company to register as an investment company under the Investment Company Act.

PART IV

TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER

1. Introduction

Ordinary Shares (with Subscription Shares attached on a one for five basis) are available under the Offer at a price of 100 pence per Ordinary Share. The Offer Shares will, when issued and fully paid, include the right to receive all dividends or other distributions made, paid or declared, if any by reference to a record date after the date of their issue.

Applications to acquire Offer Shares must be made on the Application Form attached as Appendix 1 to this Prospectus or otherwise published by the Company.

2. Effect of Application

2.1 *Offer to acquire shares*

By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

- (a) offer to subscribe for such number of Ordinary Shares (with Subscription Shares attached) as specified in Box 1 on your Application Form, or any smaller number for which such application is accepted, at the Issue Price on the terms, and subject to the conditions, set out in this Prospectus, including these terms and conditions of application and the Articles;
- (b) agree that, in consideration for the Company agreeing that it will not offer any Ordinary Shares to any person other than by means of the procedures referred to in this Prospectus, your application may not be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by the Receiving Agent of your Application Form;
- (c) undertake to pay the subscription amount specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Shares applied for in certificated form or be entitled to commence dealing in Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent, the Company and Panmure against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by a cheque drawn on a branch of a UK clearing bank to the bank account name from which they were first received at your risk of any proceeds of the remittance which accompanied your Application Form, without interest);
- (d) agree that, where on your Application Form a request is made for Shares to be deposited into a CREST Account (i) the Receiving Agent may in its absolute discretion amend the form so that such Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds) and (ii) the Receiving Agent, the Company or Panmure may authorise your financial adviser or whomever he or she may direct to send a document of title for or credit your CREST Account

in respect of the number of Ordinary Shares (with Subscription Shares attached) for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;

- (e) agree, in respect of applications for Ordinary Shares (with Subscription Shares attached) in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph (d) of this paragraph 2.1 to issue Ordinary Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled (and any monies returnable to you) may be retained by the Receiving Agent:
 - (i) pending clearance of your remittance,
 - (ii) pending investigation of any suspected breach of the warranties contained in paragraphs 2.5(a), (b), (f), (h), (m), (o) or (p) below or any other suspected breach of these Terms and Conditions of Application, or
 - (iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the Money Laundering Regulations and any other regulations applicable thereto, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- (f) agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
- (g) agree that if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request therefor, the Receiving Agent or the Company may terminate the agreement with you to allot Shares and, in such case, the Ordinary Shares (with Subscription Shares attached) which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account name for which the payment accompanying the application was first drawn without interest and at your risk;
- (h) agree that you are not applying on behalf of a person engaged in money laundering;
- (i) undertake to ensure that, in the case of an application signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- (j) undertake to pay interest at the rate described in paragraph 2.2 below if the remittance accompanying your Application Form is not honoured on first presentation;
- (k) authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Ordinary Shares (and related Subscription Shares) for which your application is accepted or if you have completed section 2B on your Application Form, but subject to paragraph 2.1(d) above, to deliver the number of Ordinary Shares (and related Subscription Shares) for which your application is accepted into CREST, and/or to return any monies returnable by a cheque drawn on a branch of a UK clearing bank to the bank account name from which such monies were first received without interest and at your risk;
- (l) confirm that you have read and complied with paragraph 2.7 below;
- (m) agree that all subscription cheques and payments will be processed through a bank account (the "Acceptance Account") in the name of Equiniti Limited re Polar Capital Global Financials Offer opened by the Receiving Agent;

- (n) agree that your Application Form is addressed to the Company and the Receiving Agent; and
- (o) agree that any application may be rejected in whole or in part at the sole discretion of the Company.

2.2 *Acceptance of your offer*

The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by notifying the UK Listing Authority through a Regulatory Information Service of the basis of allocation (in which case the acceptance will be on that basis).

The basis of allocation will be determined by Panmure in consultation with the Company and the Receiving Agent. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application.

The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Receiving Agent plus 4 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

Payments must be made by cheque or banker's draft in Sterling drawn on a branch in the UK of a bank or building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual Applicant where they have sole or joint title to the funds, should be made payable to Equiniti Limited re Polar Capital Global Financials Offer and crossed "A/C payee only". Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping / endorsing the cheque or banker's draft to that effect. The account name should be the same as that shown on the Application Form.

2.3 *Conditions*

The contracts created by the acceptance of applications (in whole or in part) under the Issue will be conditional upon:

- (a) Admission occurring by 8.00 a.m. on 1 July 2013 (or such later time or date as the Company and Panmure may agree (being not later than 31 July 2013)); and
- (b) the Placing and Offer Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

2.4 *Return of Application Monies*

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, without interest. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

2.5 *Warranties*

By completing an Application Form, you:

- (a) undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) warrant, if the laws of any territory or jurisdiction outside the UK are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer in respect of your application;
- (c) confirm that (save for advice received from your financial adviser (if any)) in making an application you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representation;
- (d) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations contained therein;
- (e) acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Panmure or the Receiving Agent;
- (f) warrant that you are not under the age of 18 on the date of your application;
- (g) agree that all documents and monies sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form;
- (h) confirm that you have reviewed the restrictions contained in paragraph 2.7 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or complied with the provisions therein;
- (i) agree that, in respect of those Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the Register;

- (j) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (k) irrevocably authorise the Company, Panmure or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or Panmure and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;
- (l) agree to provide the Company with any information which it or Panmure may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations;
- (m) warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, Panmure or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your application;
- (n) agree that Panmure and the Receiving Agent are acting for the Company in connection with the Offer and for no one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Shares or concerning the suitability of the Shares for you or be responsible to you for the protections afforded to their customers;
- (o) warrant that you are not subscribing for the Ordinary Shares (with Subscription Shares attached) using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the Shares;
- (p) warrant that the information contained in the Application Form is true and accurate; and
- (q) agree that if you request that Shares are issued to you on a date other than Admission and such Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Shares on a different date.

2.6 *Money Laundering*

You agree that, in order to ensure compliance with the Money Laundering Regulations, the Receiving Agent may at its absolute discretion require verification of identity of you as the applicant lodging an Application Form and further may request from you and you will assist in providing identification of:

- (a) the owner(s) and/or controller(s) (the “payor”) of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker’s draft or cheque; or
- (b) where it appears to the Receiving Agent that a holder or the payor is acting on behalf of some other person or persons, such person or persons.

Failure to provide the necessary evidence of identity may result in your application being rejected or delays in the despatch of documents.

Without prejudice to the generality of this paragraph 2.6, verification of the identity of holders and payors will be required if the value of the Ordinary Shares (with Subscription Shares attached) applied for, whether in one or more applications considered to be connected, exceeds €15,000 (approximately £12,000). If, in such circumstances, you use a building society cheque or banker’s

draft you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker's draft and adds its stamp. If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and payor an original or copy of that person's passport or driving licence certified by a solicitor and an original or certified copy of two of the following documents, no more than three months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressee's risk) together with a signed declaration as to the relationship between the payor and you the holder.

For the purpose of the UK's Money Laundering Regulations, a person making an application for Ordinary Shares (with Subscription Shares attached) will not be considered as forming a business relationship with either the Company or with the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent.

The person(s) submitting an application for Ordinary Shares (with Subscription Shares attached) will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

If the amount being subscribed exceeds €15,000 (approximately £12,000) you should endeavour to have the declaration contained in section 5 of the Application Form signed by an appropriate firm as described in that section. If you cannot have that declaration signed and the amount being subscribed exceeds €15,000 (approximately £12,000) then you must provide with the Application Form the identity documentation detailed in section 7 of the Application Form for each underlying beneficial owner.

2.7 *Non United Kingdom investors*

If you receive a copy of the Prospectus or an Application Form in any territory other than the UK you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the UK and wish to make an application for Ordinary Shares (with Subscription Shares attached) under the Offer, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

None of the Shares have been or will be registered under the laws of Canada, Japan, Australia or under the Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, Canada, Japan or Australia. Accordingly, unless an exemption under such act or laws is applicable, the Shares may not be offered, sold or delivered, directly or indirectly, within Canada, Japan, Australia or the United States (as the case may be). If you subscribe for Ordinary Shares (with Subscription Shares attached) you will, unless the Company and the Registrar agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a US Person or a resident of Canada, Japan, Australia or a corporation, partnership or other entity organised under the laws of the US, Canada (or any political subdivision of either), Japan or Australia and that you are not subscribing for such Shares for the account of any US Person or resident of Canada, Japan or Australia and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in or into the United States, Canada, Japan or Australia or to any US Person or resident in Canada, Japan or Australia. No application will be accepted if it shows the applicant, payor or a holder having an address in the United States, Canada, Japan or Australia.

2.8 *The Data Protection Act*

Pursuant to The Data Protection Act 1998 (the “**DP Act**”) the Company and/or the Registrar may hold personal data (as defined in the DP Act) relating to past and present Shareholders.

Such personal data held is used by the Registrar to maintain the Register and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and other distributions to Shareholders and (b) filing returns of Shareholders and their respective transactions in Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

By becoming registered as a holder of Shares, a person becomes a data subject (as defined in the DP Act) and is deemed to have consented to the processing by the Company or its Registrar of any personal data relating to them in the manner described above.

2.9 *Miscellaneous*

To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Shares and the Offer.

The rights and remedies of the Company, Panmure and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

The Company reserves the right to extend the closing time and/or date of the Offer from 11.00 a.m. on 25 June 2013. In that event, the new closing time and/or date will be notified through a Regulatory Information Service.

The Company may terminate the Offer in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer will lapse and any monies will be returned as indicated without interest.

You agree that Panmure and the Receiving Agent are acting for the Company in connection with the Issue and no one else and that none of Panmure and the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of the Shares or concerning the suitability of the Shares for you or otherwise in relation to the Issue or for providing the protections afforded to their customers.

Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as where used elsewhere in the Prospectus.

PART V

THE PLACING PROGRAMME

Introduction

The Company has made arrangements under which the Board has discretion to issue further Ordinary Shares, over the twelve month period commencing on the date of publication of this Prospectus, pursuant to the Placing Programme. The maximum number of Ordinary Shares to be issued will be the difference between 250 million Ordinary Shares (being the maximum number of Ordinary Shares that may be issued pursuant to the Issue) and the number of Ordinary Shares issued under the Issue. The Placing Programme is intended to be flexible and may have a number of closing dates. The Placing Programme is intended to satisfy market demand for the Ordinary Shares and to raise further money for investment in accordance with the Company's investment policy. New Ordinary Shares issued under the Placing Programme will not have Subscription Shares attached to them.

Background to and reasons for the Placing Programme

The Company wishes to have the flexibility to issue further Ordinary Shares on a non-pre-emptive basis where there appears to be reasonable demand for Ordinary Shares in the market, for example if the Ordinary Shares trade at a premium to their Net Asset Value per Ordinary Share. In addition, as any Ordinary Shares issued under the Placing Programme will be issued at a price not less than the prevailing cum income Net Asset Value per Ordinary Share, as determined by the Directors, an issue of Ordinary Shares under the Placing Programme may be used by the Company to reduce any premium over NAV at which its Shares may be trading. Shareholder authority for the Company to issue further Ordinary Shares on a non-pre-emptive basis was granted on 7 June 2013. In utilising their discretion under the Placing Programme and seeking such authorities to issue Ordinary Shares on a non pre-emptive basis in the future, the Directors intend to take into account relevant factors, including the desirability of limiting the premium to Net Asset Value at which the Ordinary Shares may trade in order to ensure that Shareholders and new investors who acquire Ordinary Shares are not disadvantaged by being required to pay a high premium to NAV in order to acquire additional Ordinary Shares.

Benefits of the Placing Programme

The Directors believe that the issue of Ordinary Shares pursuant to the Placing Programme should yield the following principal benefits:

- maintain the Company's ability to issue new Ordinary Shares, so as better to manage the premium at which the Ordinary Shares may trade to NAV per Ordinary Share;
- enhance the NAV per Ordinary Share of existing Ordinary Shares through new share issuance at a premium to the cum income NAV per Ordinary Share;
- grow the Company, thereby spreading operating costs over a larger capital base which should reduce the total expense ratio; and
- improve liquidity in the market for the Ordinary Shares.

The Directors will consider the potential impact of the Placing Programme on the payment of dividends to Shareholders and intend to ensure that it will not result in any material dilution of the dividends per Ordinary Share that the Company may otherwise be able to pay. In the event that 125 million Ordinary Shares are issued under the Placing Programme and assuming that £125 million is raised pursuant to the Issue, a Shareholder holding shares representing 5 per cent. of the Company's issued Ordinary Share capital following the Issue, who does not participate in the Placing Programme, would, following the completion of the Placing Programme, hold shares representing approximately 2.5 per cent. of the Company's issued Ordinary Share capital of 250 million Ordinary Shares.

The Placing Programme

The Placing Programme will open on the date immediately following Admission and will remain open over the twelve months period commencing on the date of publication of this Prospectus. No Ordinary Shares will be issued at a discount to the Net Asset Value per Ordinary Share at the time of the relevant allotment. In accordance with the Listing Rules, the Company will not issue any Ordinary Shares pursuant to the Placing Programme at a discount of 10 per cent. or more to the middle market price of the Ordinary Shares at the relevant time without further Shareholder approval.

The issue of new Ordinary Shares under the Placing Programme is at the discretion of the Directors. Issues may take place at any time prior to the closing date of the Placing Programme. An announcement of each issue including the Placing Programme Price will be released through an RIS. It is anticipated that dealings in the New Ordinary Shares will commence approximately three Business Days after their allotment. Whilst it is expected that all Ordinary Shares issued pursuant to the Placing Programme will be issued in uncertificated form, if any Ordinary Shares issued pursuant to the Placing Programme are issued in certificated form it is expected that share certificates will be despatched ten Business Days after the relevant issue date.

The minimum subscription pursuant to the Placing Programme is intended to be £25,000. There is no maximum subscription.

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

So far as the Directors are aware as at the date of this Prospectus, no major Shareholders or Directors intend to seek the allotment of Ordinary Shares to them under the Placing Programme.

Application will be made to the UK Listing Authority and the London Stock Exchange for the Ordinary Shares (to be issued pursuant to the Placing Programme) to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. All Ordinary Shares issued pursuant to the Placing Programme will be issued conditionally on such Admission occurring. Provision for the Placing Programme is included in this Prospectus in order to obtain Admission to the Official List of any Ordinary Shares to be issued pursuant to the Placing Programme. This will include any Ordinary Shares issued under the Directors' existing authority to issue Ordinary Shares on a non-pre-emptive basis after the date of this Prospectus. Should the Board wish to issue Ordinary Shares in excess of the amount which it is currently authorised to issue, further authorities will be sought at an appropriate time by convening a general meeting of Shareholders for this purpose.

The Ordinary Shares issued pursuant to the Placing Programme will normally rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the issue of the relevant Ordinary Shares).

The Placing Programme will be suspended at any time when the Company is unable to issue Ordinary Shares pursuant to the Placing Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion.

Conditions

Each issue of Ordinary Shares pursuant to the Placing Programme will be conditional on:

- shareholder authority for the disapplication of pre-emption rights in respect of the relevant issue being in place; and
- Admission of any Ordinary Shares issued.

In circumstances in which these conditions are not fully met, the relevant issue of Ordinary Shares pursuant to the Placing Programme will not take place.

Calculation of the Placing Programme Price

The Placing Programme Price will be calculated by reference to the estimated cum income Net Asset Value of each existing Ordinary Share together with a premium intended to cover the costs, *inter alia*, and expenses of issue (including, without limitation, any placing commissions) and the initial investment of the amounts raised plus a sum representing any accrued performance fee, which may be payable to the Manager in respect of such Shares. The Directors will determine the Placing Programme Price on the basis described above so as to cover the costs and expenses of each placing under the Placing Programme and thereby avoid any dilution of the Net Asset Value of the existing Ordinary Shares held by Shareholders. By way of illustration, assuming an initial NAV of 98 pence, the Placing Programme Price would be expected to be approximately 100 pence, and the expenses indirectly borne by the investor would effectively be 2 pence. The Placing Programme Price will not exceed a premium of 5 per cent. to the NAV per Ordinary Share (diluted where applicable) at the time of the issue.

Fractions of Ordinary Shares will not be issued and placing consideration will be allocated accordingly.

Where Ordinary Shares are issued pursuant to the Placing Programme, the total assets of the Company will increase by that number of Ordinary Shares multiplied by the relevant Placing Programme Price. It is not expected that there will be any material impact on the earnings and Net Asset Value per Ordinary Share, as the net proceeds resulting from any such issue are expected to be invested in investments consistent with the investment objective and policy of the Company and the Placing Programme Price is expected to represent a modest premium to the then prevailing Net Asset Value.

Settlement

Payment for Ordinary Shares issued under the Placing Programme will be made through CREST or through Panmure, in any such case in accordance with settlement instructions to be notified to placees by Panmure. In the case of any subscribers not using CREST, monies received by Panmure will be held in a segregated client account pending settlement.

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

Costs of the Placing Programme

Costs including LSE admission fees and any commission payable to Panmure on new Ordinary Shares, are expected to be recouped through the premium at which new Ordinary Shares are issued. The cost of each issue of new Ordinary Shares pursuant to the Placing Programme is not normally expected to exceed 2 per cent. of the gross proceeds from such issue.

Use of proceeds

The net proceeds of the Placing Programme will be invested by the Manager on behalf of the Company in accordance with the Company's published investment policy.

PART VI

TAXATION

UK Taxation

Introduction

The following statements are based upon current UK tax law and what is understood to be the current 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 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 Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Shares.

The information contained in this Prospectus relating to taxation matters is a summary of the taxation matters which the Directors consider should be brought to the attention of prospective investors and is based upon the law and published practice currently in force and is subject to changes therein (possibly with retrospective effect). 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 selling Shares under the laws of their country and/or state of citizenship, domicile or residence.

The Company

The Directors have applied to HMRC for approval as an investment trust company and to conduct the affairs of the Company so that it satisfies and continues to satisfy the conditions necessary for it to be eligible as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. However, neither the Manager nor the Directors can guarantee that this approval will be obtained or eligibility maintained. One of the conditions for a company to qualify as an investment trust is that it is not a close company. The Directors consider that the Company should not be a close company immediately following Admission. 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 taxation on its capital gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates, but double taxation relief may be available. The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non UK companies) fall within one of the “exempt classes” in Part 9A of the Corporation Tax Act 2009.

An investment trust approved under Chapter 4 of Part 24 of the Corporation Tax Act 2010, or one that intends to seek such approval, is able to elect to take advantage of modified UK tax treatment in respect of its “qualifying interest income” for an accounting period (referred to here as the “streaming” regime). The Company may, if it so chooses, 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. The Company does not intend to elect for the “streaming” regime to apply to any dividend payments it makes.

Shareholders

The Shares

The Issue Price paid for Ordinary Shares will be apportioned between those Ordinary Shares and any Subscription Shares attaching thereto by reference to their respective market values on the date of Admission.

On the exercise of the right to convert any Subscription Shares into Ordinary Shares, the Ordinary Shares issued pursuant to the Subscription Rights should be treated as the same asset as the Subscription Shares in respect of which the Subscription Rights are exercised. The base cost of each such Share will be the deemed base cost of the Subscription Share that it replaces, calculated as described above, plus the Subscription Price.

Taxation of chargeable gains

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

Individual Shareholders have an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £10,900 for the tax year 2013 – 2014. For such individual Shareholders, capital gains tax chargeable will be at the current flat rate of 18 per cent. for basic rate taxpayers or 28 per cent. for higher or additional rate taxpayers.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax (the main rate of UK Corporation Tax is currently 23 per cent., reducing to 21 per cent. by 2014) on chargeable gains arising on a disposal of their Ordinary Shares or Subscription Shares. The indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss.

Capital losses realised on a disposal of Ordinary Shares or Subscription Shares must be set as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate Shareholder), even if this reduces an individual Shareholder's total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to an individual Shareholder in the year of his death.

Taxation of dividends

(A) Non "interest distributions"

In the event that the Directors do not elect for the "streaming" regime to apply to any dividends paid by the Company, the following statements summarise the expected UK tax treatment for individual Shareholders who receive dividends from the Company. The following statements would also apply to any dividends not treated as "interest distributions" were the Directors to elect for the streaming regime to apply.

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 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. In the case of such Shareholder's liability, the tax credit will be set against, but will not fully match, their tax liability on the gross dividend.

After taking account of the 10 per cent. tax credit, such Shareholder will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which equals 25 per cent. of the cash dividend received) to the extent that it falls above the threshold for current higher rate income tax.

An additional rate of income tax applies for resident individuals with income in excess of £150,000. With effect from 6 April 2013, such individuals pay 37.5 per cent. tax on dividends received, to the extent that dividends, when treated as the top slice of the Shareholder's income, fall above the new threshold. After taking into account the 10 per cent. tax credit, such Shareholders will have an effective dividend tax rate of 30.6 per cent. of the cash dividend received.

There will be no repayment of all or 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. This will include a Shareholder who holds Ordinary Shares through an ISA.

(B) "Interest distributions"

Should the Directors elect to apply the "streaming" regime to any dividends paid by the Company, were the Company to designate any dividends paid as an "interest distribution", 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 be paid to the individual Shareholder after the deduction of 20 per cent. income tax.

(C) Other Shareholders

UK resident taxpayers who are not liable to UK tax on dividends, including pension funds and charities, will not be entitled to claim a repayment of the tax credit attaching to dividends paid by the Company.

A corporate Shareholder who is resident in the UK or carries on a trade in the UK through a permanent establishment in connection with which its Shares are held will be subject to UK corporation tax on the gross amount of any dividends paid by the Company, unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. It is anticipated that dividends paid on the Shares to UK resident corporate Shareholders would generally (subject to anti-avoidance rules) fall within one of those exempt classes, however, such Shareholders are advised to consult their independent professional tax advisers to determine whether such dividends will be subject to UK corporation tax. If, however, the Directors did elect for the "streaming" rules to apply, and such 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.

Non-UK resident Shareholders will not generally be able to claim repayment from HMRC of any part of the tax credit attaching to dividends paid by the Company. A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under local law.

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.

Stamp duty and stamp duty reserve tax

Transfers on sale of Ordinary Shares or Subscription Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. (with a rounding up to the nearest £5) of the consideration given for the transfer. The purchaser normally pays the stamp duty.

An agreement to transfer Ordinary Shares or Subscription 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 and Subscription 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. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

Where Ordinary Shares or Subscription Shares are transferred (a) to, or to a nominee or an agent for, a person whose business is or includes the provision of clearance services or (b) to, or to a nominee or an agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT will generally be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration given or, in certain circumstances, the value of the shares. Following though the First-tier Tribunal decision in *HSBC Holdings PLC and The Bank of New York Mellon Corporation v HMRC* [2012] UKFTT 163 (TC) (and the European Court of Justice decision in *HSBC Holdings PLC v HMRC* (Case C-569/07)), on 27 April 2012 HMRC issued a note stating that it will no longer seek to impose the 1.5 per cent. SDRT charge on issues of UK shares and securities to depositary receipt issuers and clearance services anywhere in the world. HMRC consider though that the 1.5 per cent. SDRT charge will still apply to transfers of shares and securities to depositary receipt issuers or clearance services that are not an integral part of an issue of share capital.

ISAs, SIPPs and SSASs

Ordinary Shares and Subscription Shares acquired by a UK resident individual Shareholder in the Offer or on the secondary market (but not the Placing) should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£11,520 in the tax year 2013 - 2014).

Any Ordinary Shares arising on exercise of the Subscription Rights should be eligible to be held by a UK resident individual Shareholder in a stocks and shares ISA, subject to the same applicable annual subscription limits. The Subscription Price paid upon any exercise of Subscription Rights would count towards the annual subscription limit in the year in which the Subscription Rights were exercised, unless the Subscription Price was paid out of cash already within the Shareholder’s stocks and shares ISA. Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Sums received by a Shareholder on a disposal of Ordinary Shares or Subscription Shares would not count towards the Shareholder’s annual limit; but a disposal of Ordinary Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

The Directors have been advised that the 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.

Individuals wishing to invest in Shares through an ISA, SSAS or SIPP should contact their professional advisers regarding their eligibility.

PART VII

THE SUBSCRIPTION SHARES

The Subscription Shares will carry the rights described below which are contained in the Articles.

1. Subscription rights

- (a) A registered holder for the time being of a Subscription Share (a “**Subscription Shareholder**”) shall have a right (a “**Subscription Right**”) to subscribe in cash for one Ordinary Share on 31 July 2017 (the “**Subscription Date**”) at the Subscription Price. The Subscription Price payable on the Subscription Date shall be 115 pence. The Subscription Price shall be payable in full upon subscription.
- (b) Each Subscription Share has a Subscription Right to subscribe for one Ordinary Share, but the Subscription Price will be subject to adjustment as provided in paragraph 2 below. No fraction of an Ordinary Share will be issued on the exercise of Subscription Rights and no refund will be made to a Subscription Shareholder in respect of any part of the Subscription Price paid by that Subscription Shareholder which represents such a fraction (if any) provided that if the Subscription Rights represented by more than one Subscription Share are exercised by the same Subscription Shareholder on the Subscription Date then the number of Ordinary Shares to be issued to such Subscription Shareholder in relation to all such Subscription Shares exercised shall be aggregated and whether any fractions then arise shall be determined accordingly.
- (c) The Subscription Shares registered in a holder’s name will be evidenced by a Subscription Share certificate issued by the Company and, in the case of Subscription Shares in uncertificated form, by means of any relevant computer-based system enabling title to units of a security to be evidenced and transferred without a written instrument (the “**Relevant Electronic System**”). The Company shall be under no obligation to issue a Subscription Share certificate to any person holding Subscription Shares in uncertificated form.
- (d) In order to exercise the Subscription Rights, in whole or in part, which are conferred by any Subscription Shares that are in certificated form, the Subscription Shareholder must lodge the relevant Subscription Share certificate(s) (or such other document as the Company may, in its discretion, accept) (a “**Certificated Subscription Notice**”) at the office of the registrars for the time being of the Company (the “**Company’s Registrars**”) during the period of 30 days up to and including and by not later than 5.00 p.m. on the Business Day before the Subscription Date, having completed the notice of exercise of Subscription Rights thereon (or by giving such other notice of exercise of Subscription Rights as the Company may, in its discretion, accept), accompanied by a remittance for the Subscription Price for the Ordinary Shares in respect of which the Subscription Rights are exercised. Once lodged, a Certificated Subscription Notice shall be irrevocable save with the consent of the Directors. Compliance must also be made with any statutory and regulatory requirements for the time being applicable.
- (e) The Subscription Rights which are conferred by any Subscription Shares that are in uncertificated form on the Subscription Date shall be exercisable, in whole or in part, (and treated by the Company as exercised) on the Subscription Date if during the period of 30 days up to and including and by not later than 5.00 p.m. on the Business Day before the Subscription Date: (i) an Uncertificated Subscription Notice is received as referred to below and (ii) a remittance for the aggregate Subscription Price for the Ordinary Shares in respect of which the Subscription Rights are being exercised is received by the Company or by such person as it may require for these purposes in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the Relevant Electronic System concerned). For these purposes, an “**Uncertificated Subscription Notice**” shall mean a properly authenticated dematerialised instruction and/or other instruction or notification received by the Company or by such person as it may require for these purposes in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to

the regulations and facilities and requirements of the Relevant Electronic System). The Directors may, in addition but subject to the regulations and facilities and requirements of the Relevant Electronic System, determine when any such properly authenticated dematerialised instruction and/or other instruction or notification and any such remittance is to be treated as received by the Company or by such person as it may require for these purposes. Without prejudice to the generality of the foregoing, the effect of the Uncertificated Subscription Notice may be such as to divest the holder of the Subscription Shares concerned of the power to transfer such Subscription Shares to another person. Once lodged, an Uncertificated Subscription Notice shall be irrevocable save with the consent of the Directors. Compliance must also be made with any statutory and regulatory requirements for the time being applicable.

- (f) Ordinary Shares to be issued pursuant to the exercise of Subscription Rights which are conferred by any Subscription Shares that are in certificated form will be allotted not later than 14 days after and with effect from the Subscription Date and certificates in respect of such Ordinary Shares will be despatched (at the risk of the person(s) entitled thereto) not later than 28 days after the Subscription Date to the person(s) in whose name(s) the Subscription Share is registered at the date of exercise (and, if more than one, to the first-named, which shall be sufficient despatch for all) or (subject as provided by law and to the payment of stamp duty reserve tax or any like tax as may be applicable) to such other persons (not being more than four in number) as may be named in the form of nomination available for the purpose from the Company's Registrars (and, if more than one, to the first-named, which shall be sufficient despatch for all).
- (g) Ordinary Shares to be issued pursuant to the exercise of Subscription Rights which are conferred by Subscription Shares that are in uncertificated form will be allotted not later than 14 days after and with effect from the Subscription Date and the Company shall procure that the appropriate instructions are given to enable such Ordinary Shares to be evidenced by means of the Relevant Electronic System as a holding of the person(s) in whose name(s) the Subscription Shares in respect of which Subscription Rights have been exercised were registered as at the date of such exercise or (subject as provided by law, to the payment of stamp duty reserve tax or any like tax as may be applicable, to such terms and conditions as the Directors may from time to time prescribe for this purpose and to the facilities and requirements of the Relevant Electronic System) to such other person(s) (not being more than four in number) as may be named in the properly authenticated dematerialised instruction and/or other instruction or notification in such form.
- (h) For the avoidance of doubt, unless the Directors otherwise determine or unless the regulations or the facilities or requirements of the Relevant Electronic System otherwise require, the Ordinary Shares issued on the exercise of any Subscription Rights shall be issued in certificated form where such Subscription Rights were conferred by Subscription Shares which were held in certificated form or in uncertificated form where such Subscription Rights were conferred by Subscription Shares which were held in uncertificated form.
- (i) Ordinary Shares allotted pursuant to the exercise of Subscription Rights will not rank for any dividends or other distributions declared, paid or made on the Ordinary Shares by reference to a record date prior to the Subscription Date but, subject thereto, will rank in full for all dividends and other distributions declared, paid or made on the Ordinary Shares and otherwise will rank *pari passu* in all other respects with the Ordinary Shares in issue at the Subscription Date, provided that, on any allotment falling to be made pursuant to paragraph 3(g) below, the Ordinary Shares to be allotted shall not rank for any dividend or other distribution declared, paid or made by reference to a record date prior to the date of actual allotment.
- (j) For so long as the Ordinary Shares are admitted to listing on the Official List and to trading on the London Stock Exchange, it is the intention of the Company to apply to the UK Listing Authority and to the London Stock Exchange for the Ordinary Shares allotted pursuant to any exercise of Subscription Rights to be admitted to the Official List and to trading on the London Stock Exchange respectively and, if such an application is made, the Company, will use all reasonable endeavours to obtain the admissions pursuant thereto not later than 28 days after the Subscription Date.

- (k) The Subscription Shares and the Ordinary Shares arising on the exercise of Subscription Rights have not been and will not be registered under the Securities Act and the relevant exemptions have not been and will not be obtained from the securities commission or similar regulatory authority of any province of Canada. The Ordinary Shares and Subscription Shares may not be offered, sold, renounced, pledged, transferred or delivered, directly or indirectly, in or into Canada or the United States or to any citizen or resident of Canada (a “**Canadian Person**”) or to any US Person or to or for the benefit of any Canadian Person or US Person. Persons subscribing for Ordinary Shares in connection with the exercise of Subscription Rights shall (unless the relevant Ordinary Shares can lawfully be allotted to them) be deemed to represent and warrant to the Company that they are not Canadian Persons or US Persons and that they are not subscribing for such Ordinary Shares for the account of any Canadian Person or US Person and are not subscribing with a view to the re-offer or re-sale of such Ordinary Shares, directly or indirectly, in or into Canada or the United States and will not offer, sell, renounce, pledge, transfer or deliver, directly or indirectly, such Ordinary Shares in Canada or the United States or to or for the benefit of any Canadian Person or US Person.
- (l) The exercise of Subscription Rights by any Subscription Shareholder who is a US Person or a Canadian Person or the right of such a Subscription Shareholder to receive the Ordinary Shares falling to be issued to them following the exercise of their Subscription Rights, will be subject to such other requirements, conditions, restrictions, limitations or prohibitions as the Company may at any time impose, in its sole discretion, for the purpose of complying with the securities laws of the United States (including, without limitation, the Securities Act, the Investment Company Act and any rules or regulations promulgated under or pursuant to the Securities Act or the Investment Company Act).

2. Adjustments of Subscription Rights

The Subscription Price shall from time to time be adjusted in accordance with the provisions of this paragraph 2 and the Company shall not take any of the actions which would require such an adjustment unless there shall be available for issue sufficient Subscription Share and Ordinary Share capital to implement such adjustment and to satisfy in full all Subscription Rights remaining exercisable without the need for passing any further resolutions of Shareholders provided that in no event shall the Subscription Price be lower than the nominal value of an Ordinary Share:

- (a) if and whenever there shall be an alteration in the nominal amount of the Ordinary Shares as a result of a consolidation or sub-division, the Subscription Price in force immediately prior to such alteration shall be adjusted by multiplying it by a fraction of which the numerator shall be the nominal amount of one such Ordinary Share immediately after such alteration and the denominator shall be the nominal amount of one such Ordinary Share immediately prior to such alteration, and such adjustment shall become effective on the date the alteration takes effect;
- (b) if and whenever the Company shall allot to holders of Ordinary Shares any Ordinary Shares credited as fully paid by way of capitalisation of reserves or profits (other than Ordinary Shares paid up out of distributable reserves and issued in lieu of a cash dividend), the Subscription Price in force immediately prior to such allotment shall be adjusted by multiplying it by a fraction of which the numerator shall be the aggregate nominal amount of the issued Ordinary Shares immediately before such allotment and the denominator shall be the aggregate nominal amount of the issued and allotted Ordinary Shares immediately after such allotment and such adjustment shall become effective as at the date of allotment of such Ordinary Shares;
- (c) if on a date (or by reference to a record date) on or before the Subscription Date, the Company makes any offer or invitation (whether by way of rights issue or otherwise but not being an offer to which paragraph 3(i) below applies or an offer made in connection with scrip dividend arrangements) to the holders of the Ordinary Shares, or any offer or invitation (not being an offer to which paragraph 3(g) below applies) is made to such holders otherwise than by the Company, then the Company shall, so far as it is able, procure that at the same time the same offer or invitation is made to the then Subscription Shareholders as if their Subscription Rights had been exercisable and had been exercised on the date immediately preceding the record date for such offer or

invitation on the terms (subject to any adjustment made previously pursuant to paragraphs 2(a) to (f)) on which the same could have been exercised on that date, provided that, if the Directors so resolve in the case of any such offer or invitation made by the Company, the Company shall not be required to procure that the same offer or invitation is made to the then Subscription Shareholders but the Subscription Price shall be adjusted: (i) in the case of an offer of Ordinary Shares for subscription by way of rights (a “**Rights Offer**”) at a price less than the market price of an Ordinary Share at the date of announcement of the terms of the offer, by multiplying the Subscription Price by a fraction of which the numerator is the number of Ordinary Shares in issue on the date of such announcement plus the number of Ordinary Shares which the aggregate amount payable for the total number of Ordinary Shares comprised in such rights issue would purchase at such market price and the denominator is the number of Ordinary Shares in issue on the date of such announcement plus the aggregate number of Ordinary Shares offered for subscription; (ii) in the case of a Rights Offer at a price less than the net asset value of an Ordinary Share at the date of announcement of the terms of the offer, or such other date as may be specified for this purpose by the Board, the formula in (i) shall apply save that the references to market price shall be substituted by references to net asset value; and (iii) in any other case, in such manner as the independent financial advisers appointed by the Board shall report in writing to be fair and reasonable. Any such adjustments shall become effective, in the case of (i) and (ii) above, as at the date of allotment of the Ordinary Shares which are the subject of the offer or invitation and, in the case of (iii) above, as at the date determined by the independent financial advisers appointed by the Board. For the purposes of this paragraph 2, and for the purposes of paragraph 3 and paragraph 4 below, “**market price**” shall mean the average of the middle market quotations (as derived from the Official List) for one Ordinary Share for the five consecutive dealing days ending on the dealing day immediately preceding the day on which the market price is to be ascertained, making an appropriate adjustment if the Ordinary Shares to be issued pursuant to the offer or invitation do not rank, on some or all of the relevant dealing days, *pari passu* as to dividends or other distributions with the Ordinary Shares in issue on those days and “**net asset value**” shall mean the value of the Company’s assets (excluding revenue items for the current financial year) minus all prior charges at their par value and the costs of the Rights Offer;

- (d) no adjustment will be made to the Subscription Price pursuant to paragraphs 2(a), (b) or (c) above (other than by reason of a consolidation of Ordinary Shares as referred to in paragraph 2(a) above) if it would result in an increase in the Subscription Price and, in any event, no adjustment will be made if such adjustment would (taken together with the amount of any adjustment carried forward under the provisions of this paragraph 2(d)) be less than 1 per cent. of the Subscription Price then in force and on any adjustment the adjusted Subscription Price will be rounded down to the nearest whole penny. Any adjustment not so made and any amount by which the Subscription Price is rounded down will be carried forward and taken into account in any subsequent adjustment;
- (e) whenever the Subscription Price is adjusted as provided in accordance with paragraphs 2(a) to (d) above (other than by reason of a consolidation of Ordinary Shares as referred to in paragraph 2(a) above), the Company shall issue, for no payment, additional Subscription Shares, registered as fully paid, to each Subscription Shareholder at the same time as such adjustment takes effect. The number of additional Subscription Shares to which a Subscription Shareholder will be entitled shall be the number of existing Subscription Shares held by them multiplied by the fraction $(A-B)/B$ where A = the Subscription Price which would have been payable if the Subscription Rights had been exercisable and had been exercised immediately prior to the relevant adjustment pursuant to paragraph 2(a) to (d) above and B = the Subscription Price as adjusted pursuant to paragraph 2(a) to (d) above. Fractions of Subscription Shares will not be allotted to holders of Subscription Shares but all such fractions will be aggregated and, if practicable, sold in the market. The net proceeds will be paid to the Subscription Shareholders entitled thereto at the risk of such persons, save that amounts of less than £5.00 will be retained for the benefit of the Company. Subscription Share certificates relating to such additional Subscription Shares will be issued within 21 days of the said adjustment taking effect or the Company will procure that appropriate instructions are given to enable the adjustment to be made to the Subscription Shareholder’s holding of Subscription Shares in the Relevant Electronic System. The Directors shall, and are hereby authorised to,

capitalise any part of the amount then standing to the credit of any of the Company's reserve accounts (whether or not the same would lawfully be distributable by way of cash dividend) or to the credit of the share premium account, capital redemption reserve, profit and loss account or otherwise available for the purpose and the same shall be applied in paying up in full at par the additional Subscription Shares so created and to be issued as provided in this paragraph 2(e). Any restrictions and limitations in the Articles relating to capitalisation issues generally shall not apply to any capitalisation or creation or issue of shares pursuant to this paragraph;

- (f) whenever the Subscription Price is adjusted in accordance with this paragraph by reason of a consolidation of Ordinary Shares as referred to in paragraph 2(a) above, the number of Ordinary Shares into which each holder of Subscription Shares is entitled to convert such Subscription Shares will be reduced accordingly;
- (g) the Company shall give notice to holders of Subscription Shares within 28 days of any adjustment made pursuant to paragraphs 2(a) to (f) above, which will be notified through a Regulatory Information Service;
- (h) if a holder of Subscription Shares shall become entitled to exercise their Subscription Rights pursuant to paragraph 3(g) below, the Subscription Price payable on such exercise (but not otherwise) shall be reduced by an amount determined by the independent financial advisers appointed by the Board in accordance with the following formula:

$$A = (B+C) - D$$

where:

A = the reduction in the Subscription Price;

B = the Subscription Price which would, but for the provisions of this paragraph 2(h), be applicable (subject to any adjustments previously made pursuant to paragraphs 2(a) to (f) above) if the Subscription Rights were exercisable on the date on which the Company shall become aware as provided in paragraph 3(g) below;

C = the average of the middle market quotations (as derived from the Official List) for one Subscription Share for the five consecutive dealing days ending on the dealing day immediately preceding the date of the announcement of the offer referred to in paragraph 3(g) below (or, where such offer is a revised offer, the original offer) or, if applicable and earlier, the date of the first announcement of the intention to make such offer or original offer or of the possibility of the same being made; and

D = the average of the middle market quotations (as derived from the Official List) for one Ordinary Share for the five consecutive dealing days ending on the dealing day immediately preceding the date of the announcement of the offer referred to in paragraph 3(g) below (or, where such offer is a revised offer, the original offer) or, if applicable and earlier, the date of the first announcement of the intention to make such offer or original offer or of the possibility of the same being made,

provided that:

- (i) if the application of the above formula would, in the absence of this proviso (i), have reduced the Subscription Price to below the nominal value of an Ordinary Share, the number of Ordinary Shares into which a Subscription Share may convert pursuant to paragraph 3(g) below shall be adjusted in such manner as the independent financial advisers appointed by the Board shall report to be appropriate to achieve the same economic result for the Subscription Shareholders as if the Subscription Price had been reduced without regard to this proviso (i); and
- (ii) no adjustment shall be made to the Subscription Price where the value of D exceeds the aggregate value of B and C in the above formula.

The notice required to be given by the Company under paragraph 3(g) below shall give details of any reduction in the Subscription Price pursuant to this paragraph 2(h);

- (i) for the purpose of determining whether paragraph 3(i) below shall apply and accordingly whether each holder of a Subscription Share is to be treated as if their Subscription Rights had been exercisable and had been exercised as therein provided, the Subscription Price which would have been payable on such exercise shall be reduced by an amount determined by the independent financial advisers appointed by the Board in accordance with the following formula:

$$A = (B+C) - D$$

where:

A = the reduction in the Subscription Price;

B = the Subscription Price which would, but for the provisions of this paragraph 2(i), be applicable (subject to any adjustments previously made pursuant to paragraphs 2(a) to (f) above) if the Subscription Rights were exercisable on the date on which the order or the effective resolution referred to in that paragraph shall be made or passed (as the case may be);

C = the average of the middle market quotations (as derived from the Official List) for one Subscription Share for the five consecutive dealing days ending on the dealing day immediately preceding the earliest of the following dates: (i) the date of an announcement by the Board of its intention to convene a general meeting for the purpose of passing a resolution, or to present a petition for a court order, to wind up the Company; (ii) the date of the notice of a general meeting convened for the purpose of passing a resolution to wind up the Company; (iii) the date of commencement of the winding up of the Company by the court; and (iv) the date of suspension by the Relevant Exchange of dealings in the Subscription Shares prior to the making of any such announcement by the Board; and

D = the amount (as determined by the independent financial advisers appointed by the Board) of the assets available for distribution in the liquidation of the Company in respect of each Ordinary Share, taking into account for this purpose the Ordinary Shares which would arise on exercise of all the Subscription Rights and the Subscription Price which would be payable on the exercise of such Subscription Rights (subject to any adjustments previously made pursuant to paragraphs 2(a) to (f) above but ignoring any adjustment to be made pursuant to this paragraph 2(i)),

provided that no adjustment shall be made to the Subscription Price where the value of D exceeds the aggregate value of B and C in the above formula; and

- (j) where an event which gives or may give rise to an adjustment to the Subscription Price occurs whether in such proximity in time to another such event or otherwise in circumstances such that the Company in its absolute discretion determines that the foregoing provisions need to be operated subject to some modification in order to give a result which is fair and reasonable in all the circumstances, such modification shall be made in the operation of the foregoing provisions as may be advised by the independent financial advisers appointed by the Board to be in their opinion appropriate in order to give such a result.

3. Other Provisions

So long as any Subscription Rights remain capable of exercise:

- (a) the Company shall not (except with the sanction of a special resolution of the Subscription Shareholders):
- (i) subject to paragraph 3(j) below make any distribution of capital profits or capital reserves except by means of a capitalisation issue in the form of fully paid Ordinary Shares;

- (ii) subject to paragraph 4 below, issue securities by way of capitalisation of profits or reserves except fully paid Ordinary Shares issued to the holders of its Ordinary Shares *pro rata* to their existing holdings or at the election of the holders of Ordinary Shares instead of cash in respect of all or part of a dividend or dividends; or
 - (iii) on or by reference to a record date falling within the period of six weeks ending on the Subscription Date, make any such allotment as is referred to in paragraph 2(b) above or any such offer or invitation as is referred to in paragraph 2(c) above (except by extending to the Subscription Shareholders any such offer or invitation);
- (b) subject to paragraph 4 below, the Company shall not (except with the sanction of a special resolution of the Subscription Shareholders) in any way modify the rights attached to its existing Ordinary Shares as a class, or create or issue any new class of equity share capital (as defined in section 548 of the Act as applicable) except for ordinary shares which carry, as compared with the rights attached to the existing Ordinary Shares, rights which are not more advantageous as regards voting, dividend or return of capital (same as to the date from which such new ordinary shares shall rank for dividends or distributions), provided that nothing herein shall restrict the right of the Company to increase, consolidate or sub-divide its share capital;
- (c) the Company shall not issue any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves nor make any such offer as is referred to in paragraph 2(c) if, in either case, the Company would on any subsequent exercise of the Subscription Rights be obliged to issue Ordinary Shares at a discount to nominal value;
- (d) the Company shall not (except with the sanction of a special resolution of the holders of the Subscription Shares or for a reduction not involving any payment to Shareholders) reduce any of its share capital, any uncalled or unpaid liability in respect of any of its share capital or any of its non-distributable reserves provided that the Company shall not be restricted by this paragraph 3(d) from reducing its share capital and from cancelling or reducing any other non-distributable reserve in connection with, or from making any purchase of (i) Ordinary Shares at prices below the Net Asset Value per Ordinary Share as envisaged by paragraph 3(j) below or (ii) Subscription Shares as envisaged by paragraph 6 below;
- (e) the Company shall not (except with the sanction of a special resolution of the holders of the Subscription Shares) change its financial year end from 30 November (except to a date falling within seven days before or after 30 November);
- (f) the Company shall not grant (or agree to grant) any option in respect of, or create any rights of conversion for, any Ordinary Shares, the nominal amount of which, together with the aggregate nominal amount of any Ordinary Shares over which options or rights of conversion (including those of the Subscription Shares) shall be subsisting at the date of such grant or creation, would exceed in the aggregate 20 per cent. of the nominal amount of the Ordinary Shares (excluding any treasury shares) then in issue, nor (except with the sanction of a special resolution of the Subscription Shareholders) will the Company grant (or offer or agree to grant) any such option in respect of, or create any such rights of conversion for, or issue any securities or loan capital carrying rights of conversion into, Ordinary Shares if the price at which any such option or right is exercisable is lower than the Subscription Price for the time being;
- (g) subject as provided in paragraph 3(h) below, if at any time an offer is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued share capital of the Company and the Company becomes aware on or before the Subscription Date that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such companies or persons as aforesaid, the Company shall give notice to the Subscription Shareholders of such vesting or pending vesting within 14 days of its becoming so aware, and each such Subscription Shareholder shall be entitled, at any time within the period of 30 days immediately following the date of such notice, to exercise their Subscription Rights on the terms

(subject to any adjustments pursuant to paragraphs 2(a) to (f) and subject to paragraph 2(h) above) on which the same could have been exercised if they had been exercisable and had been exercised on the date on which the Company shall become aware as aforesaid. The publication of a scheme of arrangement under sections 895 to 901 of the Act providing for the acquisition by any person of the whole or any part of the issued share capital of the Company shall be deemed to be the making of an offer for the purposes of this paragraph 3(g) and reference herein to such an offer shall be read and construed accordingly;

- (h) if under any offer as referred to in paragraph 3(g) above the consideration shall consist solely of the issue of Ordinary Shares of the offeror and the offeror shall make available to Subscription Shareholders an offer of securities to subscribe for Ordinary Shares in the offeror in exchange for the Subscription Shares, which the independent financial advisers appointed by the Board shall consider to be fair and reasonable (having regard to the terms of the offer and any other circumstances which may appear to such independent financial advisers to be relevant), then a Subscription Shareholder shall not have the right to exercise their Subscription Rights on the basis referred to in paragraph 3(g) above and, subject to the offer referred to in paragraph 3(g) above becoming or being declared wholly unconditional and the offeror being in a position to acquire compulsorily the whole of the then issued share capital of the Company not already owned by it or its associates, any Director shall be irrevocably authorised as attorney for the holders of Subscription Shares who have not accepted the offer of securities to subscribe for Ordinary Shares in the offeror in exchange for the relevant securities:
 - (i) to execute a transfer of the Subscription Shares held by such holders in favour of the offeror in respect of Subscription Shares which are in certificated form (or to take or procure the taking of such action as shall be required in accordance with and subject to the CREST Regulations and the facilities and requirements of the relevant system concerned, in respect of Subscription Shares which are in uncertificated form) in consideration of the issue of securities to subscribe for Ordinary Shares in the offeror as aforesaid whereupon all the Subscription Shares shall lapse; and
 - (ii) to do such acts and things as may be necessary or appropriate in connection therewith including to take account of the fact that Subscription Shares may be held in uncertificated form;
- (i) if:
 - (i) an order is made or an effective resolution is passed for winding up the Company (except for the purpose of reconstruction, amalgamation or unitisation on terms sanctioned by a special resolution of the Subscription Shareholders); and
 - (ii) if in such winding up and on the basis that all Subscription Rights then unexercised had been exercised in full and the Subscription Price in respect thereof at the Subscription Date had been received in full by the Company there would be a surplus available for distribution amongst the holders of the Ordinary Shares, including for this purpose the Ordinary Shares which would arise on exercise of all the Subscription Rights (taking into account any adjustments pursuant to paragraphs 2(a) to (f) and 2(i) above), which surplus would, on such basis, exceed in respect of each Share a sum equal to such Subscription Price,

each Subscription Shareholder shall be treated as if immediately before the date of such order or resolution (as the case may be) his Subscription Rights had been exercisable and had been exercised in full on the terms (subject to any adjustments pursuant to paragraphs 2(a) to (f) and 2(i) above) on which the same could have been exercised if they had been exercisable and had been exercised in full but at any reduced Subscription Price immediately before the date of such order or resolution (as the case may be), and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Ordinary Shares such sum as they would have received had they been the holder of the Ordinary Shares to which they would have become entitled

by virtue of such subscription after deducting a sum per Share equal to the Subscription Price (subject to any adjustments pursuant to paragraphs 2(a) to (f) and 2(i) above). Subject to the foregoing, all Subscription Rights shall lapse on liquidation of the Company; and

- (j) notwithstanding paragraphs 3(a) to (i) above, the Company may, without the sanction of a special resolution of the Subscription Shareholders:
 - (i) purchase any of its own equity share capital (whether by tender, by private treaty or through the market);
 - (ii) hold its Ordinary Shares in treasury (for the purposes of The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003) and sell any such Ordinary Shares held in treasury; and
 - (iii) effect a reduction in its share premium account or capital redemption reserve unless prohibited by paragraph 3(d) above.

4. Issue of C Shares

- (a) Notwithstanding the provisions of paragraph 3 above, a Qualifying C Share Issue (as defined in paragraph 4(b) below) shall not constitute a modification, alteration or abrogation of the rights attached to the Subscription Shares (and shall not require the sanction of a special resolution of the Subscription Shareholders) even though it may involve modification of the rights attached to the existing Ordinary Shares or the creation or issue of a new class of equity share capital if the Directors are of the opinion (having regard to all the circumstances) that such issue should not have any material dilutive effect on the Net Asset Value per Share.
- (b) For this purpose, a “**Qualifying C Share Issue**” means an issue by the Company of shares which will, within one year of the date of issue thereof, be converted into Ordinary Shares ranking *pari passu* in all respects with the Ordinary Shares then in issue (other than, if the case requires, as regards dividends or other distributions declared, paid or made in respect of the financial year in which the conversion takes place) and may include the issue in connection therewith of Subscription Shares (whether on the same terms and conditions as the Subscription Shares or otherwise) and any matters reasonably incidental to the process by which such shares are converted into Ordinary Shares, including but not limited to the creation, issue, sub-division, consolidation, redesignation, purchase, redemption or cancellation of any share capital of the Company, including share capital with preferred or deferred rights.

5. Modification of Rights

All or any of the rights for the time being attached to the Subscription Shares may from time to time (whether or not the Company is being wound up) be altered or abrogated with the sanction of a special resolution of the Subscription Shareholders.

6. Purchase

The Company shall have the right to purchase Subscription Shares in the market, by tender or by private treaty, but:

- (a) such purchases will be limited to the maximum price per Subscription Share in the Listing Rules from time to time applicable to equity securities; and
- (b) if such purchases are by tender, such tender will be available to all Subscription Shareholders alike, subject only to such exclusions as may be necessary or desirable to take account of the relevant legal or regulatory restrictions in any relevant jurisdiction.

All Subscription Shares so purchased shall forthwith be cancelled and shall not be available for re-issue or resale.

7. Transfer

Each Subscription Share will be in registered form and will be transferable:

- (a) in the case of Subscription Shares held in certificated form, by an instrument of transfer in any usual or common form, or in any other form which may be approved by the Directors; and
- (b) in the case of Subscription Shares held in uncertificated form, by giving the appropriate instructions for transfer by means of the Relevant Electronic System.

No transfer of a fraction of a Subscription Share may be effected.

8. General

- (a) The Company will, concurrently with the issue of the same to the holders of the Ordinary Shares, send to each Subscription Shareholder (or, in the case of joint holders, to the first named) a copy of each published annual report and accounts of the Company (or such abbreviated or summary financial statement sent to holders of Ordinary Shares in lieu thereof), together with all documents required by law to be annexed thereto, and a copy of every other statement, notice or circular issued by the Company to holders of Ordinary Shares.
- (b) For the purposes of these conditions, “**special resolution of the Subscription Shareholders**” means a resolution proposed at a meeting of the Subscription Shareholders duly convened and quorate and passed by a majority consisting of not less than three-fourths of the votes cast, whether on a show of hands or on a poll.
- (c) Subject as provided in paragraph 7 above, the provisions of the Articles relating to notice of meetings, untraced members, lost certificates and the registration, transfer and transmission of Ordinary Shares shall, *mutatis mutandis*, apply to the Subscription Shares as if they were Ordinary Shares.
- (d) Any determination or adjustment made pursuant to these terms and conditions by the independent financial advisers appointed by the Board shall be made by them as experts and not as arbitrators and any such determination or adjustment made by them shall be final and binding on the Company and each of the Subscription Shareholders.
- (e) Any references in these particulars to a statutory provision shall include that provision as from time to time modified or re-enacted.
- (f) Subject to paragraph 3(i) above, Subscription Shares carry no right to any dividend or other distribution by the Company and (save to the extent that the Directors elect in connection with an exercise of Subscription Share Rights as provided in paragraph 8(j) below) no right to be redeemed (although the Company may elect to purchase Subscription Shares pursuant to paragraph 6 above). Subscription Shareholders are not entitled to attend or vote at meetings of Shareholders and, save as provided in paragraph 3(i) above, have no right to share in any surplus in the event of liquidation beyond the right to be repaid the sum of one pence, being the nominal value of each Subscription Share (in respect of which conversion rights have not been exercised) held (which rights rank immediately after the rights of the Shareholders to be repaid the nominal value of 5 pence for each Ordinary Share).
- (g) Within seven days following the Subscription Date the Company shall appoint a trustee (the “**Subscription Trustee**”) who, provided that in such trustee’s opinion the net proceeds of sale after deduction of all costs and expenses incurred by such trustee will exceed the costs of exercising the Subscription Rights, shall within the period of 14 days following the Subscription Date, either:
 - (i) exercise all the Subscription Rights which shall not have been exercised on the terms on which the same could have been exercised on the Subscription Date and sell in the market the Ordinary Shares resulting from such exercise; or

- (ii) (if it appears to the Subscription Trustee that doing so is likely to realise greater net proceeds for Subscription Shareholders) accept any offer available to Subscription Shareholders for the purchase of the outstanding Subscription Shares.

The Subscription Trustee shall distribute *pro rata* the proceeds of any such sale or acceptance of any such offer less, in either case, such costs of exercising the Subscription Rights and such other costs and expenses to the persons entitled thereto at the risk of such persons within 56 days of the Subscription Date, provided that entitlements of under £5.00 shall be retained for the benefit of the Company. If the Subscription Trustee shall not exercise the Subscription Rights within the period of 14 days following the Subscription Date as set out in this paragraph 8(g) (and such trustee's decision in respect thereof shall, in the absence of unreasonableness, be final and binding on all holders of outstanding Subscription Shares), all Subscription Rights shall lapse.

- (h) The Company shall, in its discretion, as an alternative to the procedures in paragraph 8(g) above have the right to make a payment to the holder of each outstanding Subscription Share of an amount equal to the Directors' best estimate of the amount which would be received by Subscription Shareholders were such procedures to be followed and upon making such payment the Subscription Shares shall lapse.
- (i) The Subscription Trustee shall have no liability of any nature whatsoever where such trustee has acted honestly and reasonably and shall have no responsibility for the safe custody of, or to earn any interest on, any unpaid or unclaimed money.
- (j) The Company shall give effect to Subscription Rights in accordance with this paragraph 8(j) or in such other manner as may be authorised by law. For the purposes of this paragraph 8(j) the **"Relevant Shares"** shall mean those Subscription Shares in respect of which Subscription Rights are exercised.
 - (i) To enable such subscription to be effected, the Directors may determine to redeem at par the Relevant Shares on the Subscription Date out of profits of the Company which would otherwise be available for dividend. In the event that the Directors determine to redeem the same at par out of such profits, a Relevant Share shall confer upon the holder thereof the right to subscribe for, and shall authorise the secretary of the Company (or any other person appointed for the purpose by the Directors) to subscribe as agent on such holder's behalf for, one Ordinary Share at such price as shall represent the aggregate of:
 - (a) the Subscription Price; and
 - (b) the amount of the redemption moneys to which the holder is entitled,and, in any such case, the Certificated Subscription Notice or Uncertificated Subscription Notice (as the case may be, a **"Subscription Notice"**) given by such holder shall be deemed irrevocably to authorise and instruct such agent to apply the redemption moneys payable to such holder in subscribing for such Ordinary Shares at such price.
 - (ii) To enable such subscription to be effected, the Directors may determine to redeem at par the Relevant Shares on the Subscription Date out of the proceeds of a fresh issue of Ordinary Shares. In the event that the Directors determine to redeem the same at par out of such proceeds, a Relevant Share shall confer upon the holder thereof the right to subscribe for, and shall authorise the secretary of the Company (or any other person appointed for the purpose by the Directors) to subscribe as agent on such holder's behalf for, one Ordinary Share at such price as shall represent the aggregate of:
 - (a) the Subscription Price; and
 - (b) the amount of the redemption moneys to which the holder is entitled,and, in any such case, the Subscription Notice given by such holder shall be deemed irrevocably to authorise and instruct such agent to apply the redemption moneys payable to such holder in subscribing for such Ordinary Shares at such price.

- (iii) To enable such subscription to be effected, the Directors may determine to effect such subscription by means of a consolidation and sub-division of the Relevant Shares. In such case the requisite consolidation and sub-division shall be effected by consolidating into one share all the Relevant Shares held by any holder or joint holders and in respect of which a Subscription Notice shall have been given in respect of the Subscription Date (treating holdings of the same holders or joint holders in certificated form and uncertificated form as separate holdings, unless the Directors otherwise determine) and, if the Directors so determine, any Ordinary Shares allotted to such holder or joint holder pursuant to paragraph 8(j)(v) and converting (and, if necessary, sub-dividing) such consolidated share into Ordinary Shares of 5 pence each (or such other nominal amount as may be appropriate as a result of any consolidation or sub-division of Ordinary Shares) of which one share for every complete 5 pence (or such other nominal amount as may be appropriate as a result of any consolidation or sub-division of Ordinary Shares) of the nominal amount of the consolidated share shall be Ordinary Shares (fractional entitlements to an Ordinary Share being disregarded) and the balance (if any) of such consolidated share shall be deferred ordinary shares (“**Deferred Shares**”) which shall carry the limited rights set out in the Articles and paragraph 9 below but in particular will be capable of being redeemed by the Company without further authorisation.
- (iv) In relation to any Relevant Shares that are to be redeemed in accordance with paragraph 8(j)(i) or 8(j)(ii) above and that are, on the Subscription Date, in uncertificated form, the Directors shall be entitled in their absolute discretion to determine the procedures for the redemption of such Relevant Shares (subject always to the facilities and requirements of the Relevant Electronic System). Without prejudice to the generality of the foregoing, the procedures for the redemption of any such Relevant Shares may involve or include the sending by the Company or by any person on its behalf of an issuer instruction to the operator of the Relevant Electronic System requesting or requiring the deletion of any computer based entries in the relevant system concerned that relate to the holding of the Relevant Shares concerned, and/or the Company may, if the Directors so determine (by notice in writing to the holder concerned), require the holder of the Relevant Shares concerned to change the form of the Relevant Shares from uncertificated form to certificated form prior to the Subscription Date.
- (v) To enable any subscription to be effected in accordance with this paragraph 8(j) the Directors are authorised to capitalise any part of the amount then standing to the credit of any of the Company’s reserve accounts (whether or not the same would lawfully be distributable by way of a cash dividend) or to the credit of the share premium account, capital redemption reserve, profit and loss account or otherwise available for the purpose and the same shall be applied in paying up in full at par shares to be allotted and issued, credited as fully paid, to and amongst the holders of the Subscription Shares exercising their Subscription Rights in accordance with their respective entitlements. Any restrictions and limitations in the Articles relating to capitalisation issues generally shall not apply to any capitalisation or creation or issue of shares pursuant to this paragraph 8(j).
- (vi) Where the Subscription Rights attaching to any Subscription Shares have lapsed in accordance with the provisions of the Articles, such Subscription Shares will be reclassified as Deferred Shares.
- (k) The Directors may make such arrangements or regulations (if any) as they may from time to time in their absolute discretion think fit in relation to the evidencing, issue, conversion and transfer of uncertificated Subscription Shares, the payment of any monies in respect of uncertificated Subscription Shares and otherwise for the purpose of implementing and/or supplementing the provisions of the Articles and the CREST Regulations and the facilities and requirements of the relevant system concerned; and such arrangements and regulations (as the case may be) shall have the same effect as if set out in the Articles.

9. Deferred Shares

- (a) In the case of a conversion effected by means of consolidation and sub-division as provided in paragraph 8(j)(iii) above, the Deferred Shares arising as a result thereof, or otherwise on the lapse of Subscription Rights, shall on a return of assets in a winding up entitle the holder only to the repayment of the amounts paid up on such shares after repayment of the capital paid up on the Ordinary Shares, the capital paid up on the Subscription Shares plus the payment of £5,000 on each Ordinary Share and shall entitle the holder to a dividend at a fixed rate of 0.001 per cent. of the total nominal amount thereof payable on the date following six months after the date on which they arise, to the holders of Deferred Shares on the Register at that date, but shall confer no other right to share in the profits of the Company and shall not entitle the holder to receive notice of or to attend or vote at any general meeting of the Company and such conversion shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or an agreement to transfer the same, without making any payment to the holders thereof, to such person as the Company may determine as custodian thereof and to cancel and/or purchase the same (in accordance with the provisions of the Act) without making any payment to or obtaining the sanction of the holder thereof and pending such transfer and/or cancellation and/or purchase to retain the certificate for such Ordinary Shares.
- (b) The Company may at its option at any time after the creation of any Deferred Shares redeem all or any of the Deferred Shares then in issue, at a price not exceeding 1 pence for all the Deferred Shares redeemed, at any time upon giving the registered holder(s) of such share or shares not less than 28 days' previous notice in writing of its intention so to do, fixing a time and place for their redemption.
- (c) If and whenever the Company shall determine to redeem pursuant to the foregoing paragraph less than the total of the Deferred Shares then outstanding, those to be redeemed shall be selected by the drawing of lots. At the time and place so fixed, each such registered holder shall be bound to surrender to the Company the certificate for their Deferred Share or Ordinary Shares which are to be redeemed in order that such shares may be cancelled.

PART VIII

ADDITIONAL INFORMATION

1. The Company and the Manager

Incorporation

The Company was incorporated in England and Wales as a public limited company on 17 May 2013. The Company is registered as an investment company under section 833 of the Act with registered number 8534332. 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, 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.

The principal activity of the Company is to invest in accordance with the investment policy in Part I of this Prospectus. The Company has no reserves.

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 at 4 Matthew Parker Street, London SW1H 9NP. The Company's telephone number is +44 20 7227 2700.

Principal activities of the Company and investment trust status

The Directors have applied to HMRC for approval as an investment trust company and intend at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of Part 4 of Chapter 24 of the Corporation Tax Act 2010 and The Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the conditions that must be met for a company to be approved as an investment trust for an accounting period are that, in relation to that accounting period:

- the business of the Company consists of investing its funds in shares, land or other assets with the aim of spreading investment risk and giving members of the Company the benefit of the results of the management of its funds;
- each class of the Company's ordinary share capital is admitted to trading on a regulated market;
- the Company is not a venture capital trust or a company UK REIT;
- the Company is not a close company (as defined in s. 439 Corporation Tax Act 2010); and
- the Company does not retain an amount which is greater than 15 per cent. of its income for the accounting period.

The Manager

The Manager is a limited liability partnership incorporated in England and Wales with registered number OC314700. The Manager is authorised and regulated by the FCA. The address of the registered office of the Manager is 4 Matthew Parker Street, London, SW1H 9NP and its telephone number is +44 20 7227 2700.

The Manager has given and not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. The Manager accepts responsibility for the information attributed to it in Part I (Information on the Company), under the headings "Investment trends and outlook", "Background", "Valuations", "Opportunity", "Key drivers and catalysts of future performance" and "Summary". The Manager declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. Share Capital

The Shares

The par value of the Ordinary Shares is 5 pence each and their ISIN is GB00B9XQT119. The par value of the Subscription Shares is 1 pence each and their ISIN is GB00B9XQV370.

The following table shows the issued share capital (excluding treasury shares) of the Company as at the date of this Prospectus:

	<i>Nominal Value (£)</i>	<i>Number of Ordinary Shares</i>
Ordinary Shares	0.05	1,000,000
Subscription Shares	0.01	nil

On incorporation, 1 million Ordinary Shares were allotted to Polar Capital Partners Limited (“PCPL”) at par to enable the Company to commence business and to exercise its borrowing powers under section 761 of the Act. Conditional upon Admission occurring, PCPL will make a capital contribution to the Company in an amount equal to £950,000.00. Conditional upon Admission, the Company agrees to allot 200,000 Subscription Shares to PCPL by way of bonus issue simultaneous with the allotment of the Placing Shares.

The Directors are entitled to allot Ordinary Shares following the Issue for cash or otherwise. The Directors are also entitled to allot further Subscription Shares following the Issue in accordance with the rights of the Subscription Shares (as further described in paragraph 2(e) of Part VII). The Act confers rights of pre-emption in favour of existing Shareholders in respect of such unissued share capital. By special resolutions passed on 7 June 2013, the Directors were authorised: (a) to allot Ordinary Shares (with Subscription Shares attached) pursuant to the Issue, Ordinary Shares arising on exercise of Subscription Rights and Ordinary Shares in respect of the Placing Programme as if statutory pre-emption rights did not apply; (b) to allot further Subscription Shares (in accordance with the rights of the Subscription Shares (as further described in paragraph 2 of Part VII of this Prospectus) as if statutory pre-emption rights did not apply. These authorities will expire at the end of the period of five years from 7 June 2013.

Shares are freely transferable and Shareholders are entitled to participate (in accordance with the rights specified in the Articles) in the assets of the Company attributable to their Shares in a winding up of the Company or a winding up of the business of the Company.

Save as disclosed in this Prospectus, since the date of its incorporation, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and 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. No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

With effect from Admission, all of the Shares will be in registered form and, subject to the Shares being admitted to and accordingly enabled for settlement in CREST, the Ordinary Shares will be capable of being held in uncertificated form as well as in certificated form. No temporary documents of title will be issued.

Repurchases of Shares

On Admission, the Company will have authority to make market purchases of up to 14.99 per cent. of each class of Shares in issue. The Directors intend to seek renewal of this share repurchase authority on at least an annual basis.

As approved by a resolution of the Company’s Shareholders dated 7 June 2013, the Company intends (subject to court approval) to effect the cancellation of its share premium account following Admission, in order that share repurchases may be made out of the Company’s distributable reserves to the extent considered desirable by the Directors. The Company may also, where the Directors consider appropriate, use the reserve created by the cancellation of the share premium account to pay dividends. The Company may be required to renounce its status as an investment company under section 833 of the Act if it wishes to do so.

3. Articles of Association

In addition to the rights attaching to the Subscription Shares, which are set out in Part VII above, the Articles contain (among others) provisions to the following effect:

Life

The Company is expected to be wound up at its seventh annual general meeting (expected to be in April 2020) or, if no such resolution is passed, no later than 31 May 2020.

The Articles contain a provision requiring the Directors to propose a resolution at the Company's seventh annual general meeting for the appointment of a liquidator and for the liquidation of the Company. Shareholders' voting rights in relation to this resolution will be enhanced such that one vote in favour by any Shareholder entitled to attend and vote at the annual general meeting in person, by proxy or by corporate representative is sufficient to pass the resolution.

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).

Alteration to Share capital

The Company may by ordinary resolution consolidate and divide all or any of its Share capital into Shares of larger amount than its existing Shares or sub-divide its Shares, or any of them, into Shares of smaller amount than its existing Shares and determine that, as between the Shares arising from that sub-division, any of the Shares have any preference or advantage as compared with the others.

Redemption of Shares

Any Share may be issued which is or will be liable to be redeemed at the option of the Company or the holder, and the Directors may determine the terms, conditions and manner of redemption of any such Share.

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 provisions of the Act and except as otherwise provided by the Articles or the rights attached to Shares, 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 at 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.

Notwithstanding any other provision of the Articles, but without prejudice to the rights attached to any Shares, the Company may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made. No dividends or other money payable in respect of a Share shall bear interest against the Company, unless otherwise provided by the rights attached to the Share.

Subject to paragraph 3(i) of Part VII, Subscription Shares carry no right to any dividend.

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 appear 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.

Subscription Shareholders are not entitled to vote at meetings of Shareholders.

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 system concerned.

In their absolute discretion and without giving any reasons, 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 to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse to register the transfer under the CREST Regulations.

If the Directors refuse to register a transfer of a Share, they shall send the transferee notice of that refusal with reasons for the refusal within two months after the date on which the transfer was lodged with the Company (for the transfer of a Share in certificated form) or the date the operator-instruction was received by the Company (for the transfer of Share in uncertificated form which will be held thereafter in certificated form).

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.

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 assets upon which there is a liability.

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 to his interest in Shares (the “**default Shares**”) within 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 any Shares (subject to certain exceptions).

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.

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 a Director, 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 as a Director, 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 by Shareholders.

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.

The Directors may appoint one or more of their number to the office of managing Director or to any other executive office of the Company and, subject to the provisions of the Act, any such appointment may be made for such term, at such remuneration and on such other conditions as the Directors think fit.

Any Director (other than an alternate 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 and may remove such an alternate Director from office.

Borrowing powers

The Directors shall restrict the borrowings of the Company so as to secure that the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Company shall not at any time when any borrowing is drawn down, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 15 per cent. of NAV.

Voting at board meetings

No business shall be transacted in 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 or her 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.

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 or her interest arises only because the case falls within certain limited categories specified in the Articles.

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 or hers, a Director, notwithstanding his or her 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.

Indemnity

Subject to the provisions of the Act, the Company may indemnify any person who is or was a Director, directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any loss or liability whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise in relation to the Company or any associated company; and purchase and maintain insurance for any person who is or was a Director, or a Director of any associated company, against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company.

General Meetings

Meetings may be called by the Directors. If there are not sufficient Directors to form a quorum in order to call a general meeting, any Director may call a general meeting. If there is no Director, any Shareholder may call a general meeting.

Subject to the provisions of the Act, an annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed under the Act.

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.

4. The City Code on Takeovers and Mergers

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

- (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in Shares which, when taken together with shares already held by him or persons in concert with him, carry 30 per cent. or more of the voting rights in the Company; or

- (ii) any person, together with persons in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold Shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other Shares which increases the percentage of Shares carrying voting rights in which he is interested,

such person would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash or cash alternative offer for the outstanding shares at a price not less than the highest price paid for any interests in the Shares by the person or their concert parties during the previous 12 months. Such an offer must only be conditional on:

- (i) the person having received acceptances in respect of Shares which (together with Shares already acquired or agreed to be acquired) will result in the person and any person acting in concert with him holding Shares carrying more than 50 per cent. of the voting rights; and
- (ii) no reference having been made in respect of the offer to the Competition Commission by either the first closing date, or the date when the offer becomes or is declared unconditional as to acceptances, whichever is the later.

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 outstanding holders of 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 outstanding holders of 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 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 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

Directors' interests

The Directors intend to subscribe for Ordinary Shares (with Subscription Shares attached) pursuant to the Issue in the amounts set out below:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Number of Subscription Shares</i>
Robert Kyprianou	50,000	10,000
Katrina Hart	25,000	5,000
Joanne Elliott	25,000	5,000

The Directors have agreed to maintain at all times a holding of Shares representing at cost at least 50 per cent. of their net cumulative fees for at least five years. 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.

Directors' contracts with the Company

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.

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. The letters of appointment provide that the office of Director shall be terminated with immediate effect if a Director commits a material breach of his or her obligations or is guilty of fraud, among other reasons. The letters of appointment provide that a Director's appointment may otherwise be terminated upon 30 days' written notice.

The Directors' current level of remuneration is £25,000 per annum for each Director other than the Chairman, who receives £35,000 per annum, and the Chairman of the Audit Committee, who receives £5,000 in addition to her basic remuneration.

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. No amounts have been set aside or accrued by the Company to provide pension, retirement or similar benefits.

Other interests

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

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Robert Kyprianou (Chairman)	Aviva Investors Holdings Limited B&M Property Asset Limited Commodore Property Limited Eurobank Cyprus Ltd Mayview Homes Limited Novaglen Properties Limited	AXA Framlington Group Limited AXA Framlington Investment Management Limited AXA Framlington Administration Services Limited (dissolved) AXA Framlington Investment Trust Services Limited (dissolved) AXA Framlington Overseas Investment Management Limited (dissolved) AXA Framlington Unit Management Limited (dissolved) Gartmore Group Limited Newgate One Limited Newgate Two Limited
Katrina Hart	Miton Group PLC	None
Joanne Elliot	F.G.H. (Newcastle) Limited FGH Developments (Aberdeen) Limited FGH Developments Limited NEP (1994) Limited New England (Southern) Limited New England Developments Limited New England Investments Limited New England Properties Limited New England Retail Properties Limited Sapco One Limited Showart Limited Skillion Finance Limited Thames River Capital LLP	Bishops Court (Bayswater) Management Co. Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
	The Colonnades Limited	
	The Property Investment Trust Limited	
	The Real Estate Investment Trust Limited	
	The Terra Property Investment Trust Limited	
	TR Property Finance Limited	
	Trust Union Finance (1991) PLC	
	Trust Union Finance Limited	
	Trust Union Properties (Bayswater) Limited	
	Trust Union Properties (Cardiff) Limited	
	Trust Union Properties (Number Five) Limited	
	Trust Union Properties (Number Six) Limited	
	Trust Union Properties (Number Seven) Limited	
	Trust Union Properties (Number Eight) Limited	
	Trust Union Properties (Number Nine) Limited	
	Trust Union Properties (Number Ten) Limited	
	Trust Union Properties (Number Eleven) Limited	
	Trust Union Properties (Number Twelve) Limited	
	Trust Union Properties (Number Thirteen) Limited	
	Trust Union Properties (Number Fourteen) Limited	
	Trust Union Properties (Number Fifteen) Limited	
	Trust Union Properties (Number Sixteen) Limited	
	Trust Union Properties (Number Seventeen) Limited	
	Trust Union Properties (Number Eighteen) Limited	
	Trust Union Properties (Number Twenty-Two) Limited	
	Trust Union Properties (Number Twenty-Three) Limited	
	Trust Union Properties (South Bank) Limited	
	Trust Union Properties (Theale) Limited	
	Trust Union Properties Limited	
	Trust Union Properties Residential Developments Limited	
	Trust Union Properties Investment Trust Limited	
	TrustCo Finance P.L.C.	

The Directors in the five years before the date of this Prospectus:

- 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.

Major shareholders

As at the date of this Prospectus, insofar as is 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.

Pending the allotment of Shares pursuant to the Issue, the Company is controlled by PCPL, as described in paragraph 2 of this Part VIII above. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

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.

Related party transactions

The Company has not entered into any related party transaction at any time during the period from incorporation to 10 June 2013 (being the latest practicable date before publication of this Prospectus).

Other material interests

None of the Directors has any conflict of interest or potential conflicts of interest between any duties to the Company and his or her private interests and any other duties. The 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. Share Options and share scheme arrangements

No share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

7. 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 I of this Prospectus.

In order to comply with the current Listing Rules the Company will not invest more than 10 per cent. of its total assets in other listed investment funds, whether managed by the Manager or not. In the event of any material breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Manager through an announcement via a Regulatory Information Service.

The Company intends to conduct its affairs so as to qualify as an investment trust for the purposes of sections 1158 and 1159 of the Corporation Tax Act 2010, and its investment activities will therefore be subject to the restrictions set out under “Principal activities of the Company and investment trust status” on page 75 above.

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

8. 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 Prospectus; 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 Prospectus.

8.1 *Placing and Offer Agreement*

The Company, the Manager and Panmure have entered into a placing and offer agreement dated 11 June 2013 (the “**Placing and Offer Agreement**”), pursuant to which, subject to certain conditions, Panmure has agreed to use all reasonable endeavours to procure subscribers for Ordinary Shares (with Subscription Shares attached) at the Issue Price.

The Placing and Offer Agreement may be terminated by Panmure in certain customary circumstances prior to Admission. The Company has appointed Panmure as UKLA Sponsor, bookrunner, placing agent and corporate broker to the Company in connection with the Issue.

The obligation of the Company to issue the Ordinary Shares (with Subscription Shares attached) and the obligation of Panmure to use its reasonable endeavours to procure subscribers for Ordinary Shares (with Subscription Shares attached) is conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 1 July 2013 (or such later time and/or date, not being later than 31 July 2013, as the Company and Panmure may agree); and (ii) the Placing and Offer Agreement becoming otherwise unconditional in all respects and not having been terminated on or before to 1 July 2013 (or such later time and/or date, not being later than 31 July 2013, as the Company and Panmure may agree).

In consideration for its services in relation to the Issue and conditional upon completion of the Issue, Panmure will be paid a sponsorship fee of £100,000 and a commission of one per cent. of total monies raised in the Issue (other than monies raised from Directors and persons related to the Manager). If the Issue raises £125 million or more, the sponsorship fee will be waived. In addition, for each whole £1 million raised over and above £125 million, the commission will be reduced by £10,000 save that the maximum reduction shall not exceed £100,000 regardless of how much is raised.

Pursuant to the Placing and Offer Agreement, the Company will bear the formation and initial expenses of the Issue up to a sum equal to 2 per cent. of the gross proceeds of the Issue. In the event that such expenses are less than 2 per cent. of the gross proceeds, the Manager shall, at its discretion, be entitled to be paid for its benefit a sum equal to the difference between 2 per cent. of the gross proceeds and actual expenses incurred, up to a maximum of £350,000. In respect of that portion, if any, of the difference between 2 per cent. of gross proceeds and actual expenses incurred that exceeds £350,000, the Manager shall, at its discretion, be entitled to be paid for its benefit 50 per cent. of such amount. The Manager has also underwritten all advisor costs and disbursements in the case of the transaction not being completed.

The Company and the Manager have given warranties and indemnities to Panmure concerning, *inter alia*, the accuracy of the information contained in this Prospectus. The warranties and indemnities given by the Company and the Manager are standard for an agreement of this nature.

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

8.2 *Management Agreement*

The Company and the Manager have entered into a management agreement dated 11 June 2013 (the “**Management Agreement**”), whereby the Manager is appointed to act as investment manager of the Company with responsibility to manage the assets of the Company and to advise the Company on a day to day basis in accordance with the investment policy of the Company and subject to the overall control and supervision of the Board. Under the terms of the Management Agreement, the Manager has discretion to buy, sell, retain, exchange or otherwise deal in investment assets for the account of the Company.

The Manager will procure or provide the day to day administration of the Company and general secretarial functions required by the Act. The Manager will also be responsible for the Company’s general administrative functions, such as the calculation and publication of the Net Asset Value per Share and maintenance of the Company’s accounting and statutory records. The Manager has, with the consent of the Directors, delegated the provision of certain of these administrative functions to the Administrator and to Polar Capital Secretarial Services Limited, but will remain liable for the acts of any such third party. The fees of the Administrator and Polar Capital Secretarial Services Limited in providing such services will be for the account of the Company.

Under the terms of the Management Agreement, the Manager will be entitled to a management 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 will be calculated daily at the rate of 0.85 per cent. per annum of the lower of the Company’s market capitalisation and the Company’s Net Asset Value on the relevant day. In accordance with the Directors’ policy on the allocation of expenses between income and capital, in each financial year 80 per cent. of the management fee payable is expected to be charged to capital and the remaining 20 per cent. to income.

The Manager may also be entitled to a performance fee. The Company shall procure that the liquidators appointed to effect the voluntary winding-up of the Company will, as soon as practicable after the Portfolio Realisation Date, calculate the Terminal NAV of the Company.

The performance fee will be paid in cash at the end of the Company’s fixed life (except in the case of an earlier termination of the Management Agreement) and will be an amount equal to 10 per cent. of excess return (based on the Adjusted Net Asset Value (as defined below) per Ordinary Share at that time) over the performance fee hurdle. The performance fee hurdle will be the sum of: (i) 100 pence; as increased by (ii) the percentage growth in the Benchmark Index plus 1.25 pence per annum (reduced *pro rata* in respect of periods that are less than one full year) over the period from the day following Admission to the date on which it is resolved to wind up the affairs of the Company. The Management Agreement contains a worked example of the operation of the performance fee calculation.

For the purposes of calculating the performance fee, the Terminal NAV shall be adjusted as follows (the “**Adjusted Net Asset Value**”):

- (A) the amount of any dividends paid by the Company shall be deemed to have been reinvested on the date of payment in Ordinary Shares at their Net Asset Value (on such date) and the resulting amount added to the Company’s Net Asset Value;
- (B) any dilutive effect caused by the exercise by Shareholders of Subscription Rights in relation to Subscription Shares shall be deemed to have been added back to the Company’s Net Asset Value at the time of issue of the Ordinary Shares resulting from such exercise, so as to negate the effect of the dilution;
- (C) any enhancement to the Terminal NAV arising from any issue of Ordinary Shares at a premium to the Net Asset Value per Ordinary Share prevailing at the time of such issue since Admission shall be deducted; and
- (D) any enhancement to the Terminal NAV arising from the repurchase of Ordinary Shares pursuant to a tender offer at a discount to the Net Asset per Ordinary Share prevailing at the time of such repurchase since Admission shall be deducted,

provided, for the avoidance of doubt, that no adjustment to the Terminal NAV per Ordinary Share by way of any deduction therefrom shall be made in respect of any prior enhancement arising thereto arising from the repurchase of Ordinary Shares at a discount to the Net Asset Value per Ordinary Share prevailing at the time of such repurchase since Admission where such repurchase is made otherwise than pursuant to a tender offer.

If at the Portfolio Realisation Date the amount available for distribution to Shareholders is less than 100 pence per Share, no performance fee will be payable. If the amount is more than 100 pence per Share but payment of the performance fee in full would reduce it below that level, then the performance fee will be reduced (but not to less than nil) such that Shareholders receive exactly 100 pence per Share.

The Management Agreement is terminable by either the Manager or the Company giving to the other not less than 12 months' written notice, such notice not to be served earlier than the second anniversary of Admission. The Management Agreement may be terminated earlier by the Company with immediate effect on the occurrence of certain events, including: (i) if an order has been made or an effective resolution passed for the liquidation of the Manager; (ii) if the Manager ceases or threatens to cease to carry on its business; (iii) where the Company is required to do so by a relevant regulatory authority; (iv) on the liquidation of the Company; or (v) subject to certain conditions, where the Manager commits a material breach of the Management Agreement.

In the event the Management Agreement is terminated before the expiry of the Company's fixed life then, except in the event of termination by the Company for certain specified causes, the base fee and the performance fee will be calculated *pro rata* for the period up to and including the date of termination. The performance fee payable will be calculated as if the date on which the Management Agreement is terminated is the Portfolio Realisation Date, with the 1.25 pence hurdle added to the Benchmark Index reduced *pro rata* according to the portion of the Company's fixed life from Admission that has elapsed at the date of termination. The Net Asset Value used for the purposes of calculating the performance fee in these circumstances shall be the Net Asset Value of the Company on the date of termination (adjusted as described above). For the avoidance of doubt, the performance fee will be reduced to the extent that payment thereof would reduce the Net Asset Value per share to less than 100 pence.

The Company has given certain market standard indemnities in favour of the Manager in respect of the Manager's potential losses in carrying on its responsibilities under the Management Agreement.

The Manager has established procedures to address any potential conflict of interest and, pursuant to such procedures, where a conflict arises the Manager will allocate the opportunity on a fair basis and in accordance with its conflict of interest policy. The Manager's conflict of interest policy sets out the types of actual or potential conflicts of interest which affect the Manager's business and provides details of how these are managed. Conflicts, if any, which the Manager is not able to manage effectively will be disclosed in writing to the Board.

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

8.3 **Receiving Agent Agreement**

The Company and Equiniti Limited have entered into a receiving agent agreement dated 11 June 2013 (the "**Receiving Agent Agreement**"), pursuant to which the Receiving Agent has agreed to provide receiving agent duties and services to the Company in respect of the Issue.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a management fee of £5,500, plus a processing fee of £5.50 per application. The Receiving Agent will also be entitled to reimbursement of all out of pocket expenses reasonably and properly incurred by it in connection with its duties. These fees will be for the account of the Company.

The Receiving Agent Agreement also contains terms including:

- a provision whereby the Company indemnifies the Receiving Agent for and holds it harmless against any loss, liability or expense including the costs and expenses of defending any claim or liability incurred save where due to fraud, wilful default, negligence or bad faith on the Receiving Agent's part arising out of or in connection with the Receiving Agent's activities pursuant to the Receiving Agent Agreement; and
- a provision whereby the Receiving Agent indemnifies and holds the Company harmless against any direct loss, liability or expense, including the costs and expenses of investigating, preparing for or defending any, or any threatened or pending, claims or liability incurred arising out of a breach by the Receiving Agent of its obligations in connection with the Receiving Agent Agreement or its wilful default, fraud, negligence or bad faith or material breach of the Receiving Agent Agreement, provided that (save in the case of fraud) the Receiving Agent's maximum liability under the Receiving Agent Agreement is capped at five times the total charges payable for provision of services under the Receiving Agent Agreement (whether such liability arises under any express or implied terms of the Receiving Agent Agreement, in tort, for misrepresentation, for breach of contract, or in any other way).

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

8.4 ***Registrar Agreement***

The Company and Equiniti Limited have entered into a registrar agreement dated 11 June 2013 (the "**Registrar Agreement**"), pursuant to which the Registrar has been appointed as registrar to the Company. The Registrar shall be entitled to receive an annual registration fee from the Company based on activity and subject to an annual minimum charge of £3,250. The Registrar shall also be entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.

Any party may terminate the Registrar Agreement on not less than twelve months' notice in writing to the other parties, provided that such termination shall not be effective prior to the third anniversary of the date of Admission. Any party may terminate the Registrar Agreement with immediate effect if (amongst others):

- the other party/parties commit a material breach of its obligations under the Registrar Agreement and which, if capable of remedy, that party has failed to remedy within 45 calendar days' notice in writing to remedy the breach; or
- the other party/parties are declared insolvent, have a receiver or manager appointed over the whole or a substantial part of their business, or cease or threaten to cease trading.

The Registrar Agreement limits the Registrar's liability thereunder to four times the charges paid by the Company to the Registrar in the relevant calendar year pursuant to the Receiving Agent Agreement, save in the case of fraud or wilful default on the part of the Registrar. The Company indemnifies the Registrar 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 breach by the Registrar of the terms of the Registrar Agreement.

8.5 ***Global Custody Agreement***

The Company and the Custodian have entered into a global custody agreement dated 11 June 2013 (the "**Global Custody Agreement**") pursuant to which the Custodian is appointed to provide global custody services to the Company, including establishing and maintaining the Company's securities records and cash accounts, keeping safe custody of the Company's investments, processing corporate actions and Shareholder votes, and collecting and processing the Company's income.

Under the terms of the Global Custody Agreement, the Custodian is entitled to a range of fees calculated as a percentage of the Company's Net Asset Value and dependent on the geographical location of the Company's assets. For example, US securities are subject to a fee of 0.01 per cent. per annum and UK securities eligible for CREST are subject to a fee of 0.004 per cent. per annum.

The Custodian is also entitled to certain transaction charges. The Custodian is entitled to reimbursement of all reasonable out of pocket expenses incurred in connection with its duties. These fees will be for the account of the Company.

The Company agrees to ratify all acts carried out by the Custodian in its performance of the Global Custody Agreement and to indemnify the Custodian against all losses suffered by the Custodian in connection with the Company's portfolio or the performance by the Custodian of its duties under the Global Custody Agreement. This indemnity does not cover any losses due to the negligence, fraud or wilful default of the Custodian (or any of its delegates), other than where such delegate is a clearing system.

The Global Custody Agreement may only be terminated by either party giving 30 days' notice to the other party, unless:

- a party has committed a material breach or is in persistent breach of the terms of the Global Custody Agreement and has not remedied the specified breach which is capable of being remedied within 30 days of notice being served on it by the non-defaulting party specifying the breach which must be remedied;
- an insolvency event has occurred in relation to a party; or
- the Custodian assigns the Global Custody Agreement to a third party,

in which case the party may terminate the Global Custody Agreement by notice with immediate effect.

9. 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 involving it, nor of any such proceedings having been pending or threatened at any time preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on its financial position or profitability.

10. Significant change

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

11. Working capital

The Company is of the opinion that the working capital available to it is sufficient for its present requirements, that is for at least 12 months from the date of this Prospectus.

12. Capitalisation and Indebtedness

As at the date of this Prospectus, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness and the Company's issued share capital consists of 1 million Ordinary Shares with no legal reserve or other reserves.

13. Third party information and consents

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.

Panmure has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which they appear.

Polar Capital LLP has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which they appear.

14. General

The Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

In accordance with the Prospectus Rules, the Company will file with the FCA, and make available for inspection by the public, details of the number of Ordinary Shares and Subscription Shares issued under this Prospectus. The Company will also notify the issue of the Ordinary Shares and Subscription Shares through a Regulatory Information Service.

The effect of the Issue will be to increase the net assets of the Company. On the assumption that the Issue is subscribed as to 100 million Ordinary Shares, the fund raising is expected to increase the net assets of the Company by approximately £98 million. The Issue is expected to be earnings enhancing.

15. Auditors

The auditors to the Company are PricewaterhouseCoopers LLP of Erskine House, 68 - 73 Queen Street, Edinburgh EH2 4NH. PricewaterhouseCoopers LLP is independent of the Company and a member of the Institute of Chartered Accountants in England and Wales.

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 Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG until the date of Admission:

- this Prospectus; and
- the Articles.

In addition, copies of this Prospectus are available, for inspection only, from the National Storage Mechanism (<http://www.hemscott.com/nsm.do>).

Further copies of this Prospectus may be obtained, free of charge, from the registered office of the Company and the principal place of business of the Manager.

Dated: 11 June 2013

PART IX

DEFINITIONS

“Act”	the Companies Act 2006, as amended from time to time
“Adjusted Net Asset Value”	means as defined in paragraph 8.2 of Part VIII of this Prospectus
“Administration Delegation Agreement”	the agreement dated 5 January 2001, between the Manager and the Administrator pursuant to which the Manager has delegated certain administrative duties to the Administrator
“Administrator”	HSBC Bank plc
“Admission”	the admission, as the context requires, of the Ordinary Shares and/or the Subscription Shares: (i) to the premium segment or standard segment of the Official List (as applicable); 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
“AIF”	an alternative investment fund, within the meaning of the AIFM Directive
“AIFM”	an alternative investment fund manager, within the meaning of the AIFM Directive
“AIFM Directive”	the EU Directive on Alternative Investment Fund Managers
“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
“Application Forms” and each an “Application Form”	the application forms on which applicants may apply for Offer Shares
“Articles”	the articles of association of the Company as at the date of this Prospectus
“Basel III Accord”	Basel III International Convergence of Capital Measurement and Capital Standards
“Benchmark Index”	the MSCI World Financials Index (total return, in Sterling, with NET dividends reinvested (Bloomberg ticket (MXW00FN Index))
“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
“Canadian Person”	the meaning given to it in paragraph 1(k) of Part VII of this Prospectus
“certificated” or “in certificated form”	not in uncertificated form
“Chairman”	the chairman of the Company
“Company”	Polar Capital Global Financials Trust plc

“Company’s Registrars”	the meaning given to it in paragraph 1(d) of Part VII of this Prospectus
“CREST”	the relevant system as defined in the CREST Regulations in respect of which Euroclear UK and Ireland Limited is operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
“CREST Account”	an account in CREST
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
“Custodian”	means HSBC Bank plc
“Deferred Shares”	the meaning given to it in paragraph 8(j)(iii) of Part VII of this Prospectus
“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 the FSMA
“DP Act”	the Data Protection Act 1998
“FATCA”	the US Foreign Account Tax Compliance Act of 2010, as amended
“FCA”	the Financial Conduct Authority of the United Kingdom including, for the avoidance of doubt, any replacement or substitute therefor, and any regulatory body or person succeeding, in whole or in part, to the functions thereof;
“FSMA”	the UK Financial Services and Markets Act 2000, as amended
“Global Custody Agreement”	the agreement, dated 11 June 2013, between the Company and the Custodian summarised in paragraph 8.5 of Part VIII of this Prospectus
“HMRC”	HM Revenue & Customs
“Investment Company Act”	the United States Investment Company Act of 1940, as amended
“IRS”	Internal Revenue Service
“ISA”	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)
“Issue”	the Placing and the Offer
“Issue Price”	100 pence per Share
“Listing Rules”	the listing rules made by the UK Listing Authority under section 73A of FSMA
“London Stock Exchange”	London Stock Exchange plc
“Management Agreement”	the agreement dated 11 June 2013, between the Manager and the Company summarised in paragraph 8.2 of Part VIII of this Prospectus
“Manager”	Polar Capital LLP

“Market Capitalisation”	the aggregate market value of all the Shares (other than shares held in treasury) in issue on the relevant calculation day, being (i) the closing middle market price of the Ordinary Shares and the Subscription Shares as derived from the Official List on the relevant calculation day (or, if such calculation day is not a Business Day, on the Business Day immediately preceding the relevant calculation day), multiplied by (ii) the number of Shares of the relevant class in issue on such calculation day
“Member State”	any member state of the European Economic Area
“Money Laundering Regulations”	the Money Laundering Regulations 2007
“Model Code”	the Model Code for directors’ dealings contained in the Listing Rules
“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 and the Articles
“Offer” or “Offer for Subscription”	the offer for subscription of Offer Shares at the Issue Price, as described in this Prospectus
“Offer Shares”	the Ordinary Shares (with Subscription Shares attached on a one for five basis) to be issued under the Offer
“Official List”	the official list maintained by the UK Listing Authority
“Ordinary Shareholder”	a holder of Ordinary Shareholder
“Ordinary Shares”	ordinary shares of 5 pence each in the capital of the Company
“Overseas Persons”	persons who are resident in, or who are citizens of, or who have registered addresses in, territories other than the UK
“PCPL”	Polar Capital Partners Limited
“Panmure”	Panmure Gordon (UK) Limited
“Placing”	the conditional placing of Placing Shares by Panmure described in this Prospectus, on the terms and subject to the conditions set out in the Placing and Offer Agreement and this Prospectus
“Placing and Offer Agreement”	the agreement dated 11 June 2013, between the Company, the Manager and Panmure summarised in paragraph 8.1 of Part VIII of this Prospectus
“Placing Programme”	the proposed programme of placings in the period from 2 July 2013 to 1 July 2014 of a number of Ordinary Shares equal to up to the difference between 250 million Ordinary Shares (being the maximum number of Ordinary Shares that may be issued pursuant to the Issue) and the number of Ordinary Shares issued under the Issue
“Placing Programme Price”	the price at which the Ordinary Shares will be issued to places under the Placing Programme, being such price, not less than the Net Asset Value per Ordinary Share plus a premium to take account of, <i>inter alia</i> , issue expenses at the time that the proposed issue is agreed, as shall be determined by the Directors in accordance with Part V of this Prospectus

“Placing Shares”	Ordinary Shares (with Subscription Shares attached on a one for five basis) to be issued under the Placing
“Portfolio Realisation Date”	means the date on which the whole of the Portfolio comprises cash, cash-equivalents or debtors
“Prospectus”	this document
“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 State (and the amendments thereto, including Directive 2010/73/EU (the “2010 PD Amending Directive”))
“Prospectus Rules”	the rules and regulations made by the FCA under Part VI of the FSMA
“Receiving Agent”	Equiniti Limited
“Register”	the register of members of the Company
“Registrar”	Equiniti Limited and Equiniti Financial Services Limited
“Registrar Agreement”	the agreement dated 11 June 2013, between the Company and Equiniti Limited summarised in paragraph 8.4 of Part VIII of this Prospectus
“Regulation S”	Regulation S under the Securities Act
“Regulatory Information Service” or “RIS”	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange
“REITs”	real estate investment trusts
“Relevant Electronic System”	the meaning given to it in paragraph 1(c) of Part VII of this Prospectus
“Relevant Member State”	each Member State of the European Economic Area which has implemented the Prospectus Directive or where the Prospectus Directive is applied by the regulator
“Relevant Shares”	the meaning given to it in paragraph 8(j) of Part VII of this Prospectus
“Rights Offer”	the meaning given to it in paragraph 2(c) of Part VII of this Prospectus
“Securities Act”	the United States Securities Act of 1933, as amended
“Shareholder”	a holder of Ordinary Shares and/or Subscription Shares
“Shares”	the Ordinary Shares and/or the Subscription Shares, as the context may require
“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
“Solvency II Directive”	The Solvency II Directive, Directive 2009/138/EC, approved by the European Council on 5 May 2009

“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
“Sterling” or “£”	pounds sterling, the lawful currency of the UK
“Subscription Date”	the meaning given to it in paragraph 1(a) of Part VII of this Prospectus
“Subscription Notice”	the meaning given to it in paragraph 8(j)(i) of Part VII of this Prospectus
“Subscription Price”	the meaning given to it in paragraph 1(a) of Part VII of this Prospectus
“Subscription Right”	the meaning given to it in paragraph 1(a) of Part VII of this Prospectus
“Subscription Shareholder”	the meaning given to it in paragraph 1(a) of Part VII of this Prospectus
“Subscription Shares”	redeemable subscription shares of 1 pence each in the capital of the Company allocated pursuant to the Issue
“Subscription Trustee”	the meaning given to it in paragraph 8(g) of Part VII of this Prospectus
“Takeover Code”	The City Code on Takeovers and Mergers
“Terminal NAV”	means the Company’s final Net Asset Value calculated as at the Portfolio Realisation Date, which shall represent the cash amounts available to the liquidators for distribution to the Shareholders (for the avoidance of doubt, with the costs and expenses of the liquidation having been deducted, but before any provision is made for the performance fee)
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Corporate Governance Code”	the United Kingdom Corporate Governance Code as published by the UK Financial Reporting Council
“UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of admissions to the Official List
“uncertificated” or in “uncertificated form”	a 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
“Uncertificated Subscription Notice”	the meaning given to it in paragraph 1(e) of Part VII of this Prospectus
“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 Person”	a US Person as defined for the purposes of Regulation S
“US\$”	United States dollars, the lawful currency of the United States

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APPENDIX 1 - APPLICATION FORM

Please complete Sections 1 to 7 of this Application Form (as applicable), detach it and send it with your cheque, by post or by hand (during normal business hours) to Equiniti Limited, Corporate Action, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as possible and, in any event, so as to be received no later than 11.00 a.m. on 25 June 2013

FOR OFFICIAL USE ONLY

Log No. /

IMPORTANT

Before completing this form, you should read the prospectus including the terms and conditions set out in Part IV

Box 1 (minimum of £2,000 and then in multiples of £1,000)

£

1. APPLICATION

I/We the person(s) detailed in section 2A below offer to subscribe the amount shown in Box 1 for Ordinary Shares (with Subscription Shares attached on a one for five basis) at a price of 100 pence per Ordinary Share subject to the terms and conditions set out in Part IV of the prospectus dated 11 June 2013 and subject to the Articles of Association of the Company.

2A. DETAILS OF HOLDER(S) IN WHOSE NAME(S) SHARES WILL BE ISSUED

Insert name and address of the Applicant here in block capitals

1:	Mr, Mrs, Miss or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
		Post Code:
Designation (if any):		

ATTACH CHEQUE HERE FOR AMOUNT SET OUT IN BOX 1

Cheques should be made payable to Equiniti Limited re Polar Capital Global Financials Offer and crossed "A/C payee only"

Joint Applicants (if any). Insert names and addresses of joint applicants here (you may apply with up to 3 joint applicants).

2:	Mr, Mrs, Miss or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
		Post Code:
3:	Mr, Mrs, Miss or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
		Post Code:
4:	Mr, Mrs, Miss or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
		Post Code:



2B. CREST DETAILS

Only complete this section if Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 2A.

CREST Participant ID:							
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CREST Member Account ID:							
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3. SIGNATURE(S) - ALL APPLICANTS MUST SIGN

Execution by Individuals:

First applicant signature:
Date

Second applicant signature:
Date

Third applicant signature:
Date

Fourth applicant signature:
Date

Execution by a Company:

Name of Company:		
Name of Director:	Signature:	Date:
Name of Director/Secretary:	Signature:	Date:
If you are affixing Company seal, please make a cross here:		Affix Company seal here:

4. CHEQUES/BANKER’S DRAFT DETAILS

Pin or staple to the first page of this form your cheque or banker’s draft (where indicated) for the exact amount shown in Box 1 made payable to Equiniti Limited re Polar Capital Global Financials Offer and crossed “A/C Payee”. Cheques and banker’s payments must be drawn in Sterling on an account at a bank branch in the UK or the Channel Islands and must bear a UK bank sort code number in the top right hand corner. If you use a banker’s draft or a building society cheque, you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker’s draft or cheque and adds its stamp.

5. RELIABLE INTRODUCER DECLARATION

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 7 of this form.

The declaration below may only be signed by a person or institution (such as a government approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the “firm”) which is itself subject in its own country to operation of ‘know your customer’ and anti-money laundering regulations no less stringent than those which prevail in the UK.

DECLARATION: To the Company and the Receiving Agent

With reference to the holder(s) details in section 2A, all persons signing at section 3 and any payor who is not also a holder (collectively “**the subjects**”)

WE HEREBY DECLARE:

1. we operate in the UK, or in a country where money laundering regulations under the laws of that country are to the best of our knowledge no less stringent than those which prevail in the UK and our firm is subject to such regulations;
2. we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
3. each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake immediately to provide to you copies thereof on demand;
4. we confirm the accuracy of the names and residential/business address(es) of the holder(s) given at section 2A and if a CREST Account is cited at section 2B that the owner thereof is named in section 2A;
5. having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares (with Subscription Shares attached) mentioned; and
6. where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its official.

Signed:	Name:	Position:

having authority to bind the firm

Name of regulatory authority:	Firm's licence number

Website address or telephone number of regulatory authority:

STAMP of firm giving full name and business address:



6. CONTACT DETAILS

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Registrar or the Receiving Agent may contact with any enquiries concerning this application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in section 5, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:	
E-mail address:	
Contact address:	
Post Code:	
Telephone No:	Fax No:

7. IDENTITY INFORMATION

If the declaration in section 5 cannot be signed and the value of your application is greater than €15,000 (approximately £12,000), please enclose with this Application Form the documents mentioned below, as appropriate. Please also tick the relevant box to indicate which documents you have enclosed, all of which will be returned by Equiniti Limited to the first named Applicant.

In accordance with internationally recognised standards for the prevention of money laundering, the documents and information set out below must be provided:

*Tick box
as applicable*

A. For each holder being an individual enclose:

- | | | |
|-----|--|--------------------------|
| (1) | an original or a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport, Government or Armed Forces identity card, driving licence; and | <input type="checkbox"/> |
| (2) | an original or certified copies of at least two of the following documents no more than 3 months old which purport to confirm that the address given in section 2A is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill, a recent bank statement, a council tax bill, or similar document issued by a recognised authority; and | <input type="checkbox"/> |
| (3) | if none of the above documents show the person's date and place of birth, enclose a note of such information; and | <input type="checkbox"/> |
| (4) | details of the name and address of their personal bankers from which the Receiving Agent may request a reference, if necessary. | <input type="checkbox"/> |

B. For each holder being a company (a "holder company") enclose:

- | | | |
|-----|--|--------------------------|
| (1) | a certified copy of the certificate of incorporation of the holder company; and | <input type="checkbox"/> |
| (2) | the name and address of the holder company's principal bankers from which the Receiving Agent may request a reference, if necessary; and | <input type="checkbox"/> |
| (3) | a statement as to the nature of the holder company's business, signed by a director; and | <input type="checkbox"/> |
| (4) | a list of the names and residential addresses of each director of the holder company; and | <input type="checkbox"/> |
| (5) | for each director provide documents and information similar to that mentioned in A above; and | <input type="checkbox"/> |
| (6) | a copy of the authorised signatory list for the holder company; and | <input type="checkbox"/> |
| (7) | a list of the name and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a "beneficiary company"), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company. | <input type="checkbox"/> |

C. For each person named in B(7) as a beneficial owner of a holder company enclose for each other person documents and information similar to that mentioned in A(1) to (4).

D. For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:

(1) a certified copy of the certificate of incorporation of that beneficiary company; and

(2) a statement as to the nature of that beneficiary company's business signed by a director; and

(3) the name and address of that beneficiary company's principal bankers from which the Receiving Agent may request a reference, if necessary; and

(4) a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

E. If the payor is not a holder and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see section 4 on how to complete this form) enclose:

(1) if the payor is a person, for that person the documents mentioned in A(1) to (4); or

(2) if the payor is a company, for that company the documents mentioned in B(1) to (7); and

(3) an explanation of the relationship between the payor and the holder(s).

The Receiving Agent reserves the right to ask for additional documents and information.



