

ICG-Longbow Senior Secured UK Property Debt Investments Limited

Alternative Investment Fund Managers Directive Fund 3.2.2R Disclosures

This document contains the information required to be made available to investors in ICG-Longbow Senior Secured UK Property Debt Investments Limited (the "**Company**" or the "**AIF**") before they invest, pursuant to Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (the "**AIFM Directive**") and UK implementing measures (the Alternative Investment Fund Managers Regulations No.1773/2013, and consequential amendments to the FCA Handbook). Article 23 of the AIFM Directive has been implemented in the United Kingdom through Chapter 3.2 of the Investment Funds sourcebook of the Financial Conduct Authority Handbook ("**FUND 3.2**").

This document is issued by ICG Alternative Investment Limited (the "**AIFM**") and contains solely the information (or cross-refers to the relevant document available to investors that contains such information) that the AIFM is required to make available to investors in the Company before they invest in the Company pursuant to Article 23(1) and (2) of the AIFM Directive and/or Fund 3.2 and should not be relied upon as the basis for any investment decision.

When there is a material change to the information contained in these disclosures, it shall be updated.

Regulatory reference		Disclosure requirement	Disclosure location or relevant disclosure
AIFMD Article 23	FUND 3.2.2R		
(1) (a)	(1) (a)	a description of the investment strategy and objectives of the AIF	<p>Investment Objective</p> <p>The objective of the Company is to construct a portfolio of UK real estate debt related investments predominantly comprising loans secured by first ranking fixed charges against Commercial Property investments, with the aim of providing Shareholders with attractive, quarterly dividends, capital preservation and, over the longer term, a degree of capital appreciation.</p> <p>Investment Policy</p> <p>The Company's investment policy is to invest in:</p> <ul style="list-style-type: none"> • direct real estate debt investments via a diversified loan portfolio comprised of first ranking loans secured on UK Commercial Property, with an aggregate LTV of no more than 75 per cent. (based on the initial

			<p>valuations at the time of loan origination or acquisition once fully invested); and</p> <ul style="list-style-type: none"> • ICGL Private Funds acquired in primary or secondary transactions, including from the AIFM or its Associates. <p><i>Investment Restrictions</i></p> <p>The following restrictions apply to loan investments within the Portfolio.</p> <p>The Company will, subject as set out below, only invest in loans that:</p> <ul style="list-style-type: none"> • are originated by the AIFM or its Associates; • are denominated in Sterling; • benefit from a first ranking fixed charge over the relevant properties, including in respect of any receivable income; • benefit from loan covenants structured to ensure that a material decrease in the income or value from the underlying property will trigger an event of default or cash-flow lock-up; • have a term of no greater than ten years from the date of investment; • have an LTV no higher than 85 per cent. at the time of origination or acquisition provided however that the aggregate value of the loans with an LTV of greater than 80 per cent. shall be no greater than 20 per cent. of the Company's Gross Asset Value; and • are bilateral (other than where syndicated with other funds managed by the AIFM or its Associates). <p>At the time any investment is made:</p> <ul style="list-style-type: none"> • the maximum percentage of the Company's gross assets allocated to a single loan shall be 10 per cent., provided that the limit may
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			<p>be increased to 15 per cent. in respect of loans benefitting from Investment Grade Tenants and 20 per cent. in respect of loans benefitting from a Diversified Tenant Profile;</p> <ul style="list-style-type: none"> • the maximum percentage of the Company's gross assets allocated to a single borrower (together with its parents, subsidiaries and/or affiliates) shall be 20 per cent.; • the maximum exposure of the gross rents receivable on all loan investments to a single underlying tenant shall be 10 per cent., except in the case of the UK Government, when the maximum exposure shall be 25 per cent.; • the maximum exposure to a Mainstream Property Sector or the Mixed Property Sector shall be 50 per cent. of the Company's gross assets; • the maximum exposure to an Alternative Property Sector shall be 25 per cent. of the Company's gross assets; • the maximum exposure to property which is not a Mainstream Property Sector, an Alternative Property Sector or the Mixed Property Sector shall be 5 per cent. of the Company's gross assets; • the maximum exposure to property within a single UK Economic Region shall be 30 per cent. of the Company's gross assets, provided that the maximum exposure to Greater London property shall be 60 per cent. of the Company's gross assets; and • the value of the Company's security which is not freehold tenure or long-leasehold tenure with an unexpired term of more than 50 years shall not be greater than 5 per cent. of the total value of the Company's security.
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			<p>The Company will not invest in subordinated loans and mezzanine loans, bridge loans, development loans or loan-on-loan financing.</p> <p>The following restrictions apply to the Portfolio's indirect real estate exposure.</p> <p>The Company may only invest in ICGL Private Funds where at the date of making an investment or commitment:</p> <ul style="list-style-type: none"> • the relevant ICGL Private Fund's investment parameters, investment policy and/or investment objective, as the case may be, require that at least 90 per cent. of that ICGL Private Fund's capital is invested in Sterling denominated loans secured by commercial real estate and at least 60 per cent. in loans secured by first ranking security over Commercial Property; • the maximum percentage of the Company's gross assets committed to a single ICGL Private Fund shall be 20 per cent., where gross assets are calculated on the assumption that the Company's commitment to such fund is fully utilised; and • the maximum percentage of the Company's gross assets committed to all ICGL Private Funds shall be 30 per cent., where gross assets are calculated on the assumption that the Company's commitment to such funds is fully utilised. <p>Gearing</p> <p>The Company may utilise borrowings from time to time in order to finance its working capital requirements provided that such borrowings will not exceed an amount equal to 20 per cent. of the Company's Net Asset Value immediately following the drawdown of the borrowings.</p> <p>Cash Management Policy</p> <p>Cash held by the Company pending investment or distribution will be held in either cash or cash</p>
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			<p>equivalents. The Company may invest in quoted bond and other debt instruments with a final maturity of less than 365 days as well as money market funds for the purposes of cash management provided any such instrument has a Minimum Credit Rating. The Company will not apply gearing to these temporary investments.</p> <p>The Company will not invest in other listed or unlisted closed-ended funds.</p> <p>Any material change to the Company's published investment policy will be made only with the prior approval of Shareholders by ordinary resolution.</p>
1(a)	1(b)	if the AIF is a feeder AIF, information on where the master AIF is established	Not applicable.
1(a)	1(c)	if the AIF is a fund of funds, information on where the underlying funds are established	Not applicable, but to note the Company may invest in ICG Private Funds subject to the investment restrictions outlined above at AIFMD Article 23 1(a) and FUND 3.2.2R 1(a), under the heading "Investment Policy"
1(a)	1(d)	a description of the types of assets in which the AIF may invest	The types of assets in which the Company may invest are outlined above at AIFMD Article 23 1(a) and FUND 3.2.2R 1(a), under the heading "Investment Policy".
1(a)	1(e)	the investment techniques that the AIF, or the AIFM on behalf of the AIF, may employ and all associated risks	<p>Investment techniques</p> <p>The investment techniques that the AIF, or the AIFM on behalf of the AIF, may employ are outlined above at AIFMD Article 23 1(a) and FUND 3.2.2R 1(a), under the heading "Investment Policy" and below.</p> <p>Investment sourcing</p> <p>The ICG Real Estate team sources the majority of its investment opportunities directly with borrowers via its extensive contacts amongst property investors, investment agents, asset managers and other property professionals which its investment directors have built up over their careers, spanning on average over 25 years. This origination network</p>

			<p>is supplemented by relationships with financial advisers and brokers throughout the UK, who may be representing potential borrowers. The ICG Real Estate investment directors are based in London and Leeds, which allows such professionals to establish and maintain connections in ICG Real Estate's target markets and provides valuable local market insight. The ICG Real Estate team's local presence and network of relationships position it advantageously to access and facilitate the execution and active management of investments for the Company. These relationships have to date and are expected to continue to provide the ICG Real Estate team with access to deal flow that it considers would not be available to investors without such deep and long-standing relationships, whilst also avoiding the necessity to price transactions in a bid process, or deploy capital through a syndication process.</p> <p><i>Investment underwriting, structuring and selection</i></p> <p>The ICG Real Estate team's experience, deep property market knowledge and combination of skill sets, including in-house property, finance, banking, credit and risk management expertise has combined to produce ICG Real Estate's risk averse investment philosophy.</p> <p>ICG Real Estate's investment process seeks to utilise the combined experience and skill sets of the ICG Real Estate team in assessing the property and credit fundamentals of each investment opportunity, supported by direct property market knowledge instead of traditional backward looking valuations. ICG Real Estate's rigorous underwriting, structuring and approval process requires assessment of the underlying real estate assets, borrower track record, business plan, cash flow and credit analysis and borrower ESG practises and policies, thereby informing investment selection and pricing of risk. The strategy underwrites investments with a hold to maturity approach, stress testing sponsor business plans to ensure capital protection and resilience of income.</p> <p><i>Investment approval process</i></p>
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			<p>ICG Real Estate's internal investment approval process is iterative and involves the Investment Committee at various stages, and is summarised below:</p> <ul style="list-style-type: none"> (i) "heads up" review of suitability against the Company's investment criteria; (ii) issue of indicative terms; (iii) Investment Committee provisional approval; and (iv) once a transaction is provisionally approved by the Investment Committee, negotiation and finalisation by the ICG Real Estate team of binding documentation, with any material changes being referred back to the Investment Committee for final approval as to whether or not to recommend the investment decision. <p>Execution</p> <p>The execution of investments is subject to the satisfaction of all outstanding due diligence items and conditions precedent.</p> <p>Investment Committee</p> <p>The seven members of the Investment Committee have an average of over 20 years of investment experience. The Investment Committee is chaired by Graeme Troll, ICG Real Estate's Chief Financial Officer, and is comprised of A, B and C members representing the senior management team and credit and risk functions of ICG Real Estate. The Investment Committee meets weekly and ad hoc, as required. Approving an investment requires a quorum of three members, excluding the originator responsible for the transaction, and to include at least two A members and one of Graeme Troll or Steve Machin and requires an overall majority with no more than one A member dissenting. The Investment Committee is responsible for reviewing all investment proposals relating to the Company and ongoing proposals relating to the Company's investments, in addition to maintaining oversight of portfolio composition.</p>
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			<p>The Investment Committee also considers reviews and assists with the management of potential conflicts of interest.</p> <p><i>Post-Investment Monitoring</i></p> <p>The ICG Real Estate portfolio management team pro-actively monitors the Company's investments, applying its in-depth understanding of both the borrowers' business plans and the underlying properties, in order to mitigate potential risks and capture value creation opportunities that may emerge over the lifecycle of each investment.</p> <p>In particular, the portfolio management team:</p> <ul style="list-style-type: none"> • carries out a review of each investment, at least on a quarterly basis, to monitor the performance of the underlying property, including execution of the property asset management plans, undertakes periodic re-inspections on key properties on which investments are secured, typically annually or otherwise as considered necessary and requests borrower meetings at appropriate intervals; • monitors the impact of underlying property performance including compliance with loan covenants; • identifies and monitors key tenants' risk; • commissions regular revaluations of property assets, typically annually or otherwise as considered necessary; • takes appropriate action, for example through re-pricing or restructuring of a loan, in the event that the borrower has not met its obligations in respect of a breach of covenant to ensure that the Company's investment is being appropriately protected; and • prepares a quarterly report for each investment and on a portfolio basis and
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			<p>submits to the Asset Management Committee for consideration.</p> <p>Asset Management Committee</p> <p>The Asset Management Committee comprises the A and B members of the Investment Committee and meets quarterly to review each investment within the Portfolio. Quarterly and annual monitoring reports are presented for each investment by the portfolio management team. The Asset Management Committee considers, for each investment, credit/risk migration, covenant compliance, progress with business plan as well as macro and micro level market conditions which may impact the value of the underlying property collateral and consequential impairment of the investment.</p> <p>ICGL Private Funds</p> <p>From time to time, opportunities will arise for the Company to invest in ICGL Private Funds, where the underlying investments are originated by ICG Real Estate and are subject to the same rigorous underwriting and monitoring process as that set out above.</p> <p>The AIFM will, amongst other things, review projected returns; compliance with the Company's investment objective and investment policy; holding structures; and suitability given the risk/return profile of the relevant ICGL Private Fund.</p> <p>Investments in ICGL Private Funds (or entry into any investments or other transactions with the AIFM and/or an Affiliate of the AIFM or a fund or other entity managed or advised by the AIFM or an Affiliate of the AIFM) approved by the Investment Committee are recommended to the Board. The final decision as to whether to fund an investment into an ICGL Private Fund (or enter into any investments or other transactions with the AIFM and/or an Affiliate of the AIFM or a fund or other entity managed or advised by the AIFM or an Affiliate of the AIFM) is made by the Board.</p> <p>Associated risks</p>
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			The section entitled "Principal Risks and Uncertainties" (pages 30 to 32 inclusive) of the Company's Annual Report and Consolidated Financial Statements for the year ended 31 January 2020 and the section entitled "Risk Factors" (pages 18 to 35 inclusive) of the prospectus published by the Company on 24 May 2018, both which can be accessed at the Company's website www.lbow.co.uk , provide an overview of the risks involved in investing in the Company.
1(a)	1(f)	any applicable investment restrictions	The applicable investment restrictions are outlined above at AIFMD Article 23 1(a) and FUND 3.2.2R 1(a), under the heading "Investment Policy" and the sub-heading "Investment Restrictions".
1(a)	1(g)	the circumstances in which the AIF may use leverage	The circumstances in which the Company may use leverage are outlined above at AIFMD Article 23 1(a) and FUND 3.2.2R 1(a), under the heading "Investment Policy" and the sub-heading "Gearing".
1(a)	1(h)	the types and sources of leverage permitted and associated risks	<p>Types and sources of leverage permitted</p> <p>The types and sources of leverage permitted are outlined above at AIFMD Article 23 1(a) and FUND 3.2.2R 1(a), under the heading "Investment Policy" and the sub-heading "Gearing".</p> <p>Associated risks</p> <p>The section entitled "Principal Risks and Uncertainties" (pages 30 to 32 inclusive) of Company's Annual Report and Consolidated Financial Statements for the year ended 31 January 2020 and the section entitled "Risk Factors" (pages 18 to 35 inclusive) of the prospectus published by the Company on 24 May 2018, both which can be accessed at the Company's website www.lbow.co.uk, provide an overview of the risks associated with leverage.</p>
1(a)	1(i)	any restrictions on the use of leverage and any collateral and asset reuse arrangements	The Company may utilise borrowings from time to time in order to finance its working capital requirements provided that such borrowings will not exceed an amount equal to 20 per cent. of the Company's Net Asset Value immediately following the drawdown of the borrowings.

			The Company does not have in place any collateral or asset reuse arrangements.
1(a)	1(j)	the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	<p>Pursuant to its investment policy (outlined above at AIFMD Article 23 1(a) and FUND 3.2.2R 1(a), under the heading "Investment Policy"), the Company may be leveraged through the use of borrowings. The Company may utilise borrowings from time to time in order to finance its working capital requirements provided that such borrowings will not exceed an amount equal to 20 per cent. of the Company's Net Asset Value immediately following the drawdown of the borrowings.</p> <p>The definition of "leverage" as understood pursuant to the AIFM Directive is wider than "gearing", as measured in accordance with AIC guidelines.</p> <p>Pursuant to its regulatory obligations, the Company is required to express the level which the Company's "leverage" will not exceed. For the purposes of this disclosure, leverage is any method by which a fund's exposure is increased. Using the methodologies prescribed under the AIFM Directive and implementing legislation, being the "gross methodology" and the "commitment methodology", the Company has set a maximum level of leverage, taking into account atypical and volatile market conditions. Leverage will not exceed the ratio of 1.25 using the commitment methodology and 1.30 using the gross methodology.</p>
1(b)	(2)	a description of the procedures by which the AIF may change its investment strategy or investment policy, or both	Any material change to the Company's published investment policy will be made only with the prior approval of Shareholders by ordinary resolution and the FCA. Non-material changes to the Company's published investment policy may be made by the Board.
1(c)	(3)	a description of the main legal implications of the contractual relationship entered into for the purpose of investment,	The Company is an investment company whose Shares are admitted to listing on the premium segment of the Official List of the FCA and are admitted to trading on the premium segment of the main market for listed securities of the London Stock Exchange. The Company was incorporated with limited liability under the laws of Guernsey. While investors acquire an interest in the Company on

		<p>including information on jurisdiction, the applicable law and the existence or absence of any legal instruments providing for the recognition and enforcement of judgements in the territory where the AIF is established</p>	<p>subscribing for or purchasing Shares, the Company is the sole legal and/or beneficial owner of its investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them.</p> <p>Shareholders' rights in respect of their investment in the Company are governed by the Articles and the Companies Law. Under Guernsey law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of incorporation; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; and unfair prejudice claims; derivative actions may also be available. In the event that a Shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult its own legal advisers.</p> <p>As noted above, Shareholders' rights are governed principally by the Articles and the Companies Law. By acquiring Shares, investors agree to be bound by the Articles which are governed by, and construed in accordance with, the laws of Guernsey.</p> <p>As the Company is incorporated under the laws of Guernsey, any disputes between an investor and the Company will be resolved by the Royal Court of Guernsey in accordance with Guernsey law. A final and conclusive judgment, capable of execution, obtained in the Supreme Court and the Senior Courts of England and Wales (excluding the Crown Court) would be recognised and enforced by the Royal Court of Guernsey without re-examination of the merits of that case, but would be subject to compliance with procedural and other requirements of the Judgments (Reciprocal Enforcement) (Guernsey) Law, 1957.</p> <p>As the Company is incorporated under the laws of Guernsey, it may not be possible for an investor located outside that jurisdiction to effect service of process within the local jurisdiction in which that investor resides upon the Company. All or a substantial portion of the assets of the Company may be located outside of the local jurisdiction in</p>
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			<p>which an investor resides and, as a result (except as explained above), it may not be possible to satisfy a judgment against the Company in such local jurisdiction or to enforce a judgment obtained in the local jurisdiction's courts against the Company.</p> <p>Where a matter comes before the courts of an EU member state (other than Denmark) or the United Kingdom, the parties' choice of law to govern their contractual obligations is generally subject to the provisions of Rome I. Under Rome I, the court may not give effect to a choice of law applicable to a contract in certain circumstances, including: where there are mandatory rules of the Member State's or the United Kingdom's own law which are applicable regardless of the law chosen by the parties, where the application of the parties' choice of law is incompatible with the public policy of the Member State or the United Kingdom and where it is bound in relation to particular proceedings, types of contract or issues to apply the law of a different jurisdiction.</p> <p>Further, where all elements relevant to the situation at the time of choice are connected with or located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement.</p> <p>Rome I does not apply to certain matters, including questions governed by the law of companies (such as creation, legal capacity, internal organisation, insolvency and personal liability of officers and members for the obligations of the company) and the power of an agent to bind a principal or of an organ of a company to bind the company to a third party.</p> <p>With regard to any non-contractual obligations, EU member state courts (other than Denmark) and the United Kingdom will generally apply the provisions of Rome II to determine the applicable law. The parties are able to choose the law applicable to non-contractual obligations subject to certain restrictions. Absent a choice, the general rule under Rome II is that the law applicable to non-contractual obligations</p>
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			<p>is the law of the country in which the damage occurs or is likely to occur.</p> <p>Rome II does not apply to certain matters, including questions arising out of the law of companies (such as creation, legal capacity, internal organisation, insolvency, personal liability of officers and members for the obligations of the company and personal liability of auditors to a company or to its members in the statutory audits of accounting documents).</p> <p>Where a matter comes before a non-EU court, it will apply its own conflict of laws rules to determine the law applicable to contractual or non-contractual obligations.</p>
1(d)	(4)	the identity of the AIFM, the AIF's depositary, the auditor and any other service providers and a description of their duties and the investors' rights	<p>Service providers</p> <p>The Company is reliant on the performance of third party service providers, including the AIFM, the Depositary, the Administrator, the Auditor and the Registrar.</p> <p>AIFM</p> <p>The AIFM has been given responsibility for the provision of discretionary portfolio management and risk management services to the Company.</p> <p>Depositary</p> <p>The Depositary provides the Company with depositary services which include cash monitoring, asset verification and safekeeping of the assets of the Company and oversight functions as prescribed by the AIFM Directive.</p> <p>Administrator</p> <p>The Administrator has been appointed as administrator and secretary of the Company. The Administrator is responsible for the Company's general administrative requirements such as the calculation of the Net Asset Value and NAV per Share and maintenance of the Company's accounting and statutory records and the safekeeping of any share certificates or other</p>

			<p>documents of title relating to investments made for or on behalf of the Company.</p> <p>Auditor</p> <p>The auditor is appointed as the Company's statutory auditor, including auditing of the annual accounts.</p> <p>Registrar</p> <p>The Registrar acts as the Company's registrar. In such capacity, the Registrar is responsible for the transfer and settlement of Shares held in certificated and uncertificated form. The Registrar is responsible for maintaining the necessary books and records (such as the Company's register of Shareholders).</p> <p>Investor rights</p> <p>Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.</p> <p>In the event that a Shareholder considers that it may have a claim against a third party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.</p> <p>The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA-authorized service provider under section 138D of the FSMA (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of the FSMA, or in tort, against any service provider in connection with their investment in the Company, should consult their legal advisers.</p> <p>Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolutions Complaints" rules (natural persons, micro-</p>
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			enterprises and certain charities or trustees of a trust) are able to refer any complaints against the AIFM to the FOS (further details of which are available at www.financialombudsman.org.uk). Additionally, Shareholders may be eligible for compensation under the FSCS if they have claims against an FCA-authorized service provider (including the AIFM) which is in default. There are limits on the amount of compensation. Further information about the FSCS is at www.fscs.org.uk . To determine eligibility in relation to either the FOS or the FSCS, Shareholders should consult the respective websites above and speak to their legal advisers.
1(e)	(5)	a description of how the AIFM complies with the requirements referred to in IPRU-INV 11.3.11G (professional negligence) relating to professional liability risk	In order to cover potential professional liability risks resulting from the AIFM's activities, the AIFM holds a professional indemnity insurance policy against liability arising from professional negligence which is appropriate to the risks covered.
1(f)	(6)	a description of:	
1(f)	(6a)	any AIFM management function delegated by the AIFM	The AIFM has not delegated any AIFM management function.
1(f)	(6b)	any safe-keeping function delegated by the depositary	<p>The Depositary may delegate some of its custody functions to a custodian. The Depositary may contractually discharge its liabilities under the Depositary Agreement in respect of the delegated services provided, <i>inter alia</i>, the Depositary has exercised all due skill, care and diligence in the selection and appointment of the delegate, and in the periodic review and ongoing monitoring of the delegate in respect of the matters delegated to it.</p> <p>Should custodian services be delegated, the Depositary shall not be liable for the acts or omissions of any delegate provided the Depositary has adhered to the requirements of the Depositary</p>

			<p>Agreement in respect of such delegation and a written contract between the Depositary and the delegate expressly transfers liability to the delegate and enables the Company (or the AIFM on behalf of the Company) to make a direct claim against such delegate in respect of the loss of the assets which are the subject of the custodial services.</p> <p>There are currently no custodians appointed and the Depositary has not delegated any safekeeping functions in respect of the Company.</p>
1(f)	(6c)	the identity of each delegate appointed in accordance with FUND 3.10 (Delegation)	The AIFM has not delegated any AIFM management function.
1(f)	(6d)	any conflicts of interest that may arise from such delegations	<p>As an entity authorised and regulated by the FCA, the Depositary is required to ensure fair treatment of all of its clients, and is under a duty to take all reasonable steps to identify, manage and disclose any conflicts of interests that arise (or may arise) in the course of providing its services to the Company. Where such a conflict of interest arises, the Depositary is required to resolve the conflict by reference to the best interests of the Company.</p> <p>For the purposes of this paragraph, references to the “Depositary” includes Associates and delegates of the Depositary, where appropriate.</p>
1(g)	(7)	a description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing any hard-to-value assets, in line with FUND 3.9 (Valuation)	<p>Publication of Net Asset Value</p> <p>The Company publishes its estimate of the NAV and NAV per Share on a quarterly basis, as calculated by the process described below. Such NAV per Share is published through an RIS and is made available on the website of the Company at www.lbow.co.uk.</p> <p>Valuation of the assets held in the Portfolio</p> <p>Loans are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition, and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. The effective interest rate</p>

			<p>method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.</p> <p>IFRS 9 requires financial assets to be classified into two measurement categories: (i) those measured at fair value; and (ii) those measured at amortised cost. Certain financial assets are allowed to be categorised as “fair value through other comprehensive income” in certain circumstances. There is a single impairment model applied to all financial instruments, as well as an “expected credit loss” model for the measurement of financial assets. IFRS 9 carries forward the de-recognition requirements of financial assets from IAS 39 Financial Instruments: Recognition and Measurement.</p> <p>Under IFRS 9 the “expected credit loss” approach is required which may result in losses being recognised more quickly. However, as all investments are secured by way of a fully registered first legal charge over the property, and there is no subordinated debt or secondary charges registered, the Directors believe that based on the current positions of the loans, no significant impact on the valuation of the Company’s loans will arise.</p> <p>It is anticipated that the loans will meet both the business model criteria and cash flow characteristic criteria and as such will continue to be measured at amortised cost using the effective interest method upon adoption of IFRS 9.</p> <p>Although the AIFM monitors the investments on an on-going basis and reviews relevant information received (including periodic collateral and performance data) to determine if any impairment should be reported in the NAV, the AIFM is not in a position to confirm the completeness, genuineness or accuracy of all such information and data. As such</p>
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			<p>it may take some time for the AIFM receive sufficient information to propose to the Board that it assign an impairment provision to the asset.</p> <p>Impairment provisions in respect of investments are assessed by reference to the LTV based on the most recent property valuation carried out pursuant to the lender's rights in the underlying loan documentation, or to the extent that such a valuation is not available, is greater than a year old or where market conditions have changed substantially, a new valuation by a third party valuer is commissioned by the Company.</p> <p>The estimated NAV per Share, if applicable, may not be representative of the fair value of the loans and any difference between the fair value of the loans and amortised cost of the loans used to calculate the estimated relevant NAV is disclosed in the Company's annual report and accounts and unaudited half-yearly interim reports.</p> <p>The value of any cash in hand or on deposit, bills, demand notes, overnight financing transactions, receivables and payables are deemed to be the full amount thereof; provided, however, that if such cash, bills, demand notes, overnight financing transactions, receivables and payables are unlikely, in the opinion of the Board, to be paid or received in full, then the value is equal to the full amount thereof adjusted as is considered appropriate to reflect the true value thereof.</p> <p>Unless otherwise determined at the discretion of the Directors from time to time, investments in ICGL Private Funds are valued in accordance with the published net asset value of the relevant underlying fund, adjusted for cash movements where the reporting dates are not coterminous. Each underlying fund's net asset value is calculated and published in accordance with its own internal valuation policies and procedures, typically based on local GAAP or IFRS. Each underlying fund's published net asset value will be subject to an external audit on at least an annual basis.</p> <p>All assets and liabilities are valued in Sterling.</p> <p>Suspension of the calculation of Net Asset Value</p>
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			<p>The Directors may at any time, but cannot be obliged to, temporarily suspend the calculation of the Net Asset Value, and NAV per Share during:</p> <p>(a) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Directors, disposal or valuation of a substantial part of the investments of the Company is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders or if, in the opinion of the Directors, the Net Asset Value and/or Net Asset Value per Share cannot be fairly calculated: or</p> <p>(b) any breakdown in the means of communication normally employed in determining the value of the Company's investments.</p> <p>Any suspension will be notified to Shareholders by way of an RIS announcement.</p>
1(h)	(8)	a description of the AIF's liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors	<p>The Company is regulated in Guernsey by the GFSC as a registered closed-ended collective investment scheme pursuant to the POI Law and the RCIS Rules issued by the GFSC. The Company is not (and is not required to be) regulated or authorised by the FCA, but is subject to the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation, the Listing Rules and the rules of the London Stock Exchange. Redemptions at the option of Shareholders are not permitted.</p> <p>As regards liquidity risk management, the discount management mechanisms which may be employed by the Company involve the ability to purchase Shares in the market pursuant to a general authority sought from Shareholders at each annual general meeting of the Company.</p> <p>The exercise by the Board of the Company's powers to repurchase Shares pursuant to the general repurchase authority is entirely discretionary and investors should place no expectation or reliance on</p>

			<p>the Board exercising such discretion on any one or more occasions.</p> <p>The Board ensures that the Company maintains a level of liquidity in its assets having regard to its obligations and monitors liquidity accordingly.</p>
1(i)	(9)	a description of all fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors	<p>The Company bears its on-going operational expenses. These ongoing operational expenses include the following:</p> <p>AIFM</p> <p>Under the terms of the AIFM Agreement, the AIFM is entitled to a fee at a rate equivalent to one per cent. per annum of the Net Asset Value paid quarterly in arrears based on the Net Asset Value as at the last business day of each relevant quarter. The AIFM is also entitled to certain expenses incurred in carrying out its duties under the AIFM Agreement (including travel and accommodation necessarily incurred in connection with attendance at meetings of the Board or of committees of the Board or of the Company or any subsidiary of the Company), as well as legal, accounting, consultancy and other professional fees and expenses incurred directly in respect of the Company's business.</p> <p>Where the Company invests in an ICGL Private Fund: in the event that the management or advisory fees payable to the AIFM and/or its Associates by such ICGL Private Fund are: (i) one per cent. or more of the net asset value of such ICGL Private Fund, no fee shall be payable by the Company to the AIFM in respect of that proportion of the Net Asset Value attributable to the investment in such ICGL Private Fund; or (ii) less than one per cent. of the net asset value of such ICGL Private Fund, the rate of the fee payable by the Company to the AIFM shall be reduced by the percentage rate of net asset value at which management or advisory fees are payable by such ICGL Private Fund in respect of the proportion of the Net Asset Value attributable to the investment in such ICGL Private Fund.</p> <p>Administrator</p> <p>Under the terms of the Administration Agreement, the Administrator is entitled to a fixed fee of £90,000</p>

			<p>per annum. The Administrator is also entitled to receive an accounting fee based on the time spent at the Administrator's hourly rates subject to a minimum of £40,000 per annum capped at £80,000 per annum in relation to accounting services provided to the Company.</p> <p>The Administrator also receives £6,000 per annum and £3,000 per annum for the provision of the Company's Compliance Officer and Money Laundering Reporting Officer respectively.</p> <p>Registrar</p> <p>Under the terms of the Registrar Agreement, the Registrar is entitled to an annual fee from the Company equal to £1.78 per Shareholder per annum or part thereof, subject to a minimum of £7,500 per annum. Other registrar activities are charged for in accordance with the Registrar's normal tariff as published from time to time.</p> <p>Depositary</p> <p>Under the terms of the Depositary Agreement, the Depositary is entitled to receive an annual fee of £25,000 per annum. Upon the opening of additional bank accounts or upon making new investments, initial set up fees and ongoing fees will be payable by the Company.</p> <p>Directors</p> <p>The Directors are remunerated for their services at an annual fee of £35,000. Patrick Firth receives an additional annual fee of £5,000 for acting as chairman of the audit and operational risk committee. Paul Meader receives an additional annual fee of £2,500 for acting as chairman of the investment risk committee. The Chairman receives an annual fee of £50,000.</p> <p>Other operational expenses</p> <p>Other operational expenses of the Company will be borne by the Company, including legal and other fees in connection with the making and holding of investments, audit costs, expenses of publishing reports, notices and proxy materials to</p>
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			<p>Shareholders, expenses of convening and holding meetings of the Board and of the Shareholders, costs of preparing, printing and/or filing all reports and other documents relating to the Company, expenses of making any capital distributions, insurance premium in respect of directors and officers liability insurance for members of the Board, fees of the GFSC, London Stock Exchange fees and associated fees of listing.</p> <p>Given that many of the above fees, charges and expenses are either irregular or calculated using formulae that contain variable components, the maximum amount of fees, charges and expenses that Shareholders will bear in relation to their investment cannot be disclosed in advance.</p> <p>There are no fees charged directly to investors by the Company.</p>
1(j)	(10)	a description of all how the AIFM ensures a fair treatment of investors	<p>As a company with its Shares admitted to listing on the premium segment of the Official List of the FCA, the Company is required under the Premium Listing Principles to treat all Shareholders of a given class equally.</p> <p>In addition, as directors of a company incorporated in Guernsey, the Directors have certain fiduciary duties with which they must comply. These include a duty upon each Director to act in the way he considers, in good faith, to be in the best interests of the Company.</p> <p>The AIFM maintains a conflicts of interest policy to avoid and manage any conflicts of interest that may arise between the AIFM and the Company.</p>
1(j)	(11a to c)	preferential treatment or rights	<p>Not applicable: No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors.</p>
1(l)	(12)	the procedure and conditions for the issue and sale of units	<p>The Company's Shares are admitted to trading on the premium segment of the main market for listed securities of the London Stock Exchange. Accordingly, the Company's Shares may be purchased and sold on the London Stock Exchange. New shares may be issued at the Board's discretion providing relevant shareholder issuance authorities</p>

			are in place. Shareholders do not have the right to redeem their shares. While the Company will typically have shareholder authority to buy back Shares any such buy back is at the absolute discretion of the Board and no expectation or reliance should be placed on the Board exercising such discretion.
1(m)	(13)	the latest net asset value of the AIF or the latest market price of the unit or share of the AIF, in line with FUND 3.9 (Valuation)	The Company publishes its estimate of the NAV and NAV per Share on a quarterly basis. Such NAV per Share is published through an RIS and is made available on the website of the Company. When published, net asset value announcements can be found on the Company's website: www.lbow.co.uk/shareholders/regulatory-announcements/ .
1(k)	(14)	the latest annual report, in line with FUND 3.3 (Annual report of an AIF)	The Company has published its annual report for the period ended 31 January 2020. When published, annual reports can be found on the Company's website: www.lbow.co.uk/shareholders/documents .
1(n)	(15)	where available, the historical performance of the AIF	The interim financial statements of the Company contain historical performance information on the Company. Interim financial statements can be found on the Company's website: www.lbow.co.uk/shareholders/documents .
1(o)	(16a)	the identity of the prime brokerage firm	Not applicable.
1(o)	(16b)	a description of any material arrangements of the AIF with its prime brokerage firm and the way any conflicts of interest are managed	Not applicable.
1(o)	(16c)	the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets	The Depositary does not have any right of re-use in respect of the Company's assets.

1(o)	(16d)	information about any transfer of liability to the primer brokerage firm that may exist	Not applicable.
1(p)	(17)	a description of how and when the information required under FUND 3.2.5R and FUND 3.2.6R will be disclosed	<p>Under FUND 3.2.5R, the AIFM must disclose to investors periodically:</p> <ul style="list-style-type: none"> (1) the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature; (2) any new arrangements for managing the liquidity of the Company; and (3) the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks. <p>Following the appointment of the AIFM, the information shall be disclosed as part of the Company's periodic reporting to investors and, at a minimum, at the same time as the Company's annual report is made available.</p> <p>Under FUND 3.2.6R, following its appointment the AIFM must disclose on a regular basis:</p> <ul style="list-style-type: none"> (1) any change to: <ul style="list-style-type: none"> (a) the maximum level of leverage that the AIFM may employ on behalf of the Company; (b) any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and (2) the total amount of leverage employed by the Company. <p>Information on changes to the maximum level of leverage and any right of re-use of collateral or any guarantee under the leveraging arrangements shall be provided without undue delay by issuing an announcement via RIS. Such information will also be published in the Company's annual report and audited accounts.</p>

			<p>Information on the total amount of leverage employed by the Company shall be published in the Company's annual report and audited accounts.</p> <p>Without limitation to the generality of the foregoing, any information required under FUND 3.2.5R and FUND 3.2.6R may be disclosed (a) in the Company's annual report, (b) in factsheets that are available on the Company's website, (c) by the Company issuing an announcement via RIS or (d) by the Company publishing the relevant information on the Company's website.</p>
AIFMD Article 23(2)	FUND 3.2.3		
23(2)	(1)	An AIFM shall inform investors before they invest in the AIF of any arrangement made by the depositary to contractually discharge itself of liability, in accordance with Article 21(13).	The Depositary currently has not delegated any safekeeping functions in respect of the Company. However, see FUND 3.2.2R (6b) above in relation to the Depositary's ability to delegate and/or to contractually discharge itself of liability.
	(2)	The AIFM must also inform investors without delay of any changes with respect to depositary liability.	Without limitation, Shareholders may be informed (a) in the Company's annual report, (b) by the Company issuing an announcement via RIS or (c) by the Company publishing the relevant information on the Company's website.

For the purposes of this disclosure, the following terms bear the following meanings:

"Administration Agreement" the agreement between the Company and the Administrator for the provision of company secretarial and administration services;

"Administrator" the Company's administrator and company secretary, Ocorian Administration (Guernsey) Limited;

"Affiliate"	with respect to any specified person, any other person that, directly or indirectly, is in Control of, is controlled by or is under common Control with such specified person;
"AIC"	the Association of Investment Companies;
"AIF"	alternative investment fund;
"AIFM"	the Company's alternative investment fund manager, ICG Alternative Investment Limited;
"AIFM Agreement"	the agreement between the AIFM and the Company in relation to the provision of alternative investment fund management services;
"AIFM Directive"	Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers
"Alternative Property Sector"	any of: (i) residential multi-family property held for investment; (ii) hotels; (iii) leisure; or (iv) student accommodation;
"Articles"	the articles of incorporation of the Company, as amended from time to time;
"Asset Management Committee"	ICG Real Estate's asset management committee in respect of the Company;
"Associate(s)"	any direct or indirect subsidiary of the AIFM, the parent undertaking of the AIFM and any direct or indirect subsidiary of such parent undertaking;
"Auditor"	the Company's auditor, Deloitte LLP;
"Commercial Property"	any property which falls within a Mainstream Property Sector, an Alternative Property Sector or the Mixed Property Sector;
"Companies Law"	the Companies (Guernsey) Law, 2008, as amended;
"Company"	ICG-Longbow Senior Secured UK Property Debt Investments Limited;
"Control"	the power to direct or indirectly direct the business, management or affairs of any entity;
"Depositary"	the company's depositary, Ocorian Depositary (UK) Limited;
"Depositary Agreement"	the depositary agreement between the Company, the AIFM and the Depositary or any subsequent agreement appointing a successor depositary to the Company;

"Directors" or "Board"	the directors of the Company;
"Disclosure Guidance and Transparency Rules"	the disclosure guidance published by the FCA and transparency rules made by the FCA under section 73A of FSMA;
"Diversified Tenant Profile"	where income is derived from more than three tenants' covenants and the greatest tenant concentration is not greater than 40 per cent. of income;
"EEA"	European Economic Area;
"ESG"	environmental, social and governance;
"EU"	the European Union;
"FCA"	the UK Financial Conduct Authority;
"FOS"	the Financial Ombudsman Service;
"FSCS"	the Financial Services Compensation Scheme;
"FSMA"	the Financial Services and Markets Act 2000 (as amended from time to time), including any regulations made pursuant thereto;
"GAAP"	generally accepted accounting principles;
"Gross Asset Value"	the total assets of the Company as determined in accordance with the accounting principles adopted by the Directors;
"GFSC"	the Guernsey Financial Services Commission;
"Guernsey"	the Bailiwick of Guernsey;
"IAS 39"	those financial instruments including financial assets, liabilities and some contracts to buy or sell non-financial items which are measured and recognised by the International Accounting Standards;
"ICG"	Intermediate Capital Group plc;
"ICGL Private Fund(s)"	private real estate debt funds managed or advised by the AIFM or its Associates;
"ICG Real Estate"	the real estate division of ICG;
"Investment Committee"	ICG Real Estate's investment committee in respect of the Company;

"Investment Grade Tenant"	tenants (or their guarantors) rated Aaa to Baa3 by Moody's Investors Service, Inc or its subsidiaries or AAA to BBB- by Standard & Poor's Financial Services LLC or its subsidiaries or equivalent ratings from any other recognised credit rating agency;
"IFRS"	the International Financial Reporting Standards as adopted by the EU;
"Listing Rules"	the listing rules made by the FCA under Part VI of FSMA;
"London Stock Exchange"	London Stock Exchange plc;
"LTV"	loan-to-value ratio;
"Mainstream Property Sector"	any of the: (i) office; (ii) retail; or (iii) industrial/warehousing property sectors;
"Market Abuse Regulation"	regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
"Member State(s)"	member states of the EU;
"Minimum Credit Rating"	a credit rating (as determined by any reputable rating agency selected by the Company) of A2/P2 or equivalent (short term) or BBB+/Baa1 or equivalent (long term) or AAAm or equivalent in the case of money market funds;
"Mixed Property Sector"	investments where less than 60 per cent. of the value of a loan's collateral real estate assets fall within a Mainstream Property Sector or an Alternative Property Sector;
"NAV per Share" or "Net Asset Value per Share"	at any time the Net Asset Value attributable to the Shares divided by the number of Shares in issue (other than Shares held in treasury) at the date of calculation;
"Net Asset Value"	the value of the assets of the Company less its liabilities, calculated in accordance with the valuation guidelines laid down by the Board;
"POI Law"	The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;
"Portfolio"	the portfolio of assets and investments of the Company from time to time;
"Premium Listing Principles"	the Premium Listing Principles set out in LR 7.2.1A R of the Listing Rules;

"Prospectus Rules"	Regulation	the Prospectus Regulation Rules issued by the FCA exercising its function as the competent authority made pursuant to Part VI of the FSMA, as amended from time to time;
"RCIS Rules"		The Registered Collective Investment Scheme Rules 2018 issued by the GFSC;
"Registrar"		the Company's registrar, Link Asset Services (Guernsey) Limited;
"Registrar Agreement"		the agreement between the Company and the Registrar for the provision of registrar administration services;
"RIS"		regulatory information service;
"Rome I"		Regulation (EC) 593/2008;
"Rome II"		Regulation 2007/864;
"Share(s)"		redeemable ordinary share(s) of no par value in the capital of the Company having such rights and being subject to such restrictions as contained in the Articles;
"Shareholder(s)"		a holder of a Share;
"Sterling"		the lawful currency of the United Kingdom;
"UK"		the United Kingdom of Great Britain and Northern Ireland;
"UK Economic Region"		as defined by the United Kingdom's Office of National Statistics from time to time; and
"UK Government"		the central government of the United Kingdom including any of its ministries, departments and/or executive agencies, including regional governments.