

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

A copy of this document, which comprises a prospectus relating to ICG-Longbow Senior Secured UK Property Debt Investments Limited (the "**Company**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made under Section 84 of FSMA, has been delivered to the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules. This document has been made available to the public as required by the Prospectus Rules.

Applications will be made to the UKLA and the London Stock Exchange for all of the Placing Shares to be issued pursuant to the Placing Programme to be admitted to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission of such Placing Shares will become effective and dealings in such Placing Shares will commence during the period from 27 April 2017 to 26 April 2018.

The Shares are not dealt in on any other recognised investment exchanges and no applications for the Shares to be traded on any such other exchanges have been made or are currently expected to be made.

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

Prospective investors should read the entire document and, in particular, the section headed "Risk Factors" beginning on page 16 when considering an investment in the Placing Shares.

The Placing Programme will remain open until 26 April 2018 or such earlier time (i) at which the maximum number of Placing Shares to be issued pursuant to the Placing Programme have been issued, or (ii) at the discretion of the Directors. Further details of the Placing Programme are set out in Part V of this document.

ICG-Longbow Senior Secured UK Property Debt Investments Limited

(Incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended, as a non-cellular company limited by shares with registered number 55917 and regulated in Guernsey by the Guernsey Financial Services Commission as a Registered Closed-ended Collective Investment Scheme)

Placing Programme in respect of 40* million Shares

Sponsor and Placing Agent

Cenkos Securities plc

*The Directors may resolve to increase the size of the Placing Programme up to a maximum of 100 million Shares without issuing a further prospectus. If the Directors resolve to allot and issue Shares for cash on a non-pre-emptive basis under the Placing Programme in excess of the available existing Shareholder authorities, such Shares may only be allotted and issued pursuant to the grant of an additional Shareholder authority.

Cenkos Securities plc ("**Cenkos**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and for no-one else in connection with the Placing Programme and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos, nor for providing advice in connection with the Placing Programme. Cenkos is not responsible for the contents of this document. This does not limit or exclude any responsibilities which Cenkos may have under FSMA or the regulatory regime established thereunder.

Apart from the responsibilities and liabilities, if any, which may be imposed on Cenkos by FSMA or the regulatory regime established thereunder, Cenkos does not accept any responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Investment Adviser, the Placing Shares or the Placing Programme. Cenkos accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such document or any such statement.

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Placing 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, Cenkos or the Investment Adviser. The offer and sale of Placing Shares has not been and will not be registered under the applicable securities law of any state, province or territory of the United States, Australia, Canada, the Republic of South Africa or Japan. Subject to certain exemptions, the Placing Shares may not be offered, sold or delivered, directly or indirectly, within the United States, Australia, Canada, the Republic of South Africa or Japan or to any U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933 (as amended) (the "**U.S. Securities Act**")) or to any national, resident or citizen of Australia, Canada, the Republic of South Africa or Japan.

The Placing Shares have not been nor will be registered under the U.S. Securities Act or with any securities or regulatory authority of any state or other jurisdiction of the United States and the Placing Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Placing Shares in the United States. The Placing Shares are being offered or sold outside the United States to non U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Company is a registered closed-ended collective investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Schemes Rules 2015 issued by the Guernsey Financial Services Commission. The Guernsey Financial Services Commission takes no responsibility for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

The Guernsey Financial Services Commission, in granting registration, has not reviewed this document but has relied upon specific warranties provided by Heritage International Fund Managers Limited, the Company's "designated administrator".

Dated: 27 April 2017

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SUMMARY INFORMATION

SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A-E (A.1-E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of security 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

<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
A.1	Warning	This summary should be read as an introduction to this document. Any decision to invest in the Placing Shares should be based on consideration of the document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or if it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable, the Company is not engaging any financial intermediaries for any resale or final placement of securities after publication of this document.

Section B – Issuer

<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
B.1	Legal and commercial name	ICG-Longbow Senior Secured UK Property Debt Investments Limited. The Company has no other commercial name other than its registered name.
B.2	Domicile/ Legal Form/ Legislation	The Company is regulated in Guernsey by the Guernsey Financial Services Commission (“ GFSC ”) as a registered closed-ended collective investment scheme incorporated as a non-cellular company limited by shares in Guernsey on 29 November 2012 under The Companies (Guernsey) Law, 2008, as amended. The Company is registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, (the “ POI Law ”) and the Registered Collective Investment Schemes Rules 2015 (the “ RCIS Rules ”) issued by the GFSC. The principal legislation under which the Company operates is the Companies Law.
B.5	Description of Group	As at the date of this document, the Company has one wholly owned subsidiary, being ICG-Longbow Senior Debt S.A., incorporated and registered in Luxembourg (together with the Company, the “ Group ”). The Company is the holding company of the Group.

B.6	Major shareholders	<p>As at the Latest Practicable Date, insofar as is known to the Company, the following persons hold directly or indirectly three per cent. or more of the Shares (being the lowest threshold for notification of interests that will apply pursuant to either the Articles or Chapter 5 of the Disclosure Guidance and Transparency Rules):</p> <table border="1" data-bbox="539 315 1398 840"> <thead> <tr> <th><i>Name</i></th> <th><i>Number of Shares</i></th> <th><i>Percentage of issued Share capital</i></th> </tr> </thead> <tbody> <tr> <td>Close Asset Management Limited</td> <td>15,148,726</td> <td>14.00</td> </tr> <tr> <td>Premier Fund Managers Limited</td> <td>11,500,000</td> <td>10.63</td> </tr> <tr> <td>TDC Pensionskasse</td> <td>10,653,156</td> <td>9.84</td> </tr> <tr> <td>Intermediate Capital Group</td> <td>10,000,000</td> <td>9.24</td> </tr> <tr> <td>SG Private Banking</td> <td>7,260,661</td> <td>6.71</td> </tr> <tr> <td>Brooks Macdonald</td> <td>6,626,488</td> <td>6.12</td> </tr> <tr> <td>Brewin Dolphin Limited</td> <td>5,840,774</td> <td>5.40</td> </tr> <tr> <td>Investec Wealth & Investment Limited</td> <td>5,714,866</td> <td>5.28</td> </tr> <tr> <td>AXA Investment Managers S.A.</td> <td>4,400,000</td> <td>4.07</td> </tr> <tr> <td>Hawksmoor Investment Management</td> <td>3,767,250</td> <td>3.48</td> </tr> <tr> <td>Blankstone Singleton</td> <td>3,414,920</td> <td>3.16</td> </tr> </tbody> </table> <p>All Shareholders have the same voting rights in respect of the share capital of the Company.</p> <p>The Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.</p>	<i>Name</i>	<i>Number of Shares</i>	<i>Percentage of issued Share capital</i>	Close Asset Management Limited	15,148,726	14.00	Premier Fund Managers Limited	11,500,000	10.63	TDC Pensionskasse	10,653,156	9.84	Intermediate Capital Group	10,000,000	9.24	SG Private Banking	7,260,661	6.71	Brooks Macdonald	6,626,488	6.12	Brewin Dolphin Limited	5,840,774	5.40	Investec Wealth & Investment Limited	5,714,866	5.28	AXA Investment Managers S.A.	4,400,000	4.07	Hawksmoor Investment Management	3,767,250	3.48	Blankstone Singleton	3,414,920	3.16				
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B.7	Selected historical key financial information	<p>The selected historical financial information set out below, which has been prepared under IFRS, has been extracted without material adjustment from the audited consolidated financial statements of the Group for the financial years ended 31 January 2015, 31 January 2016 and 31 January 2017:</p> <p>Consolidated statement of financial position</p> <table border="1" data-bbox="539 1227 1398 1534"> <thead> <tr> <th></th> <th><i>As at or for the financial year ended 31 January 2017 (audited) £'000</i></th> <th><i>As at or for the financial year ended 31 January 2016 (audited) £'000</i></th> <th><i>As at or for the financial year ended 31 January 2015 (audited) £'000</i></th> </tr> </thead> <tbody> <tr> <td>Total assets</td> <td>113,227</td> <td>109,375</td> <td>108,642</td> </tr> <tr> <td>Total liabilities</td> <td>899</td> <td>966</td> <td>431</td> </tr> <tr> <td>Net assets</td> <td>112,329</td> <td>108,409</td> <td>108,211</td> </tr> <tr> <td>Net Asset Value per Share</td> <td>103.80 pence</td> <td>100.18 pence</td> <td>99.99 pence</td> </tr> </tbody> </table> <p>Consolidated statement of comprehensive income</p> <table border="1" data-bbox="539 1585 1398 1921"> <thead> <tr> <th></th> <th><i>Financial year ended 31 January 2017 (audited) £'000</i></th> <th><i>Financial year ended 31 January 2016 (audited) £'000</i></th> <th><i>Financial year ended 31 January 2015 (audited) £'000</i></th> </tr> </thead> <tbody> <tr> <td>Total income</td> <td>12,335</td> <td>8,360</td> <td>9,248</td> </tr> <tr> <td>Total expenses</td> <td>(1,822)</td> <td>(1,662)</td> <td>(1,672)</td> </tr> <tr> <td>Total comprehensive income for the year</td> <td>10,413</td> <td>6,691</td> <td>7,568</td> </tr> <tr> <td>Basic and diluted earnings per Share</td> <td>9.62 pence</td> <td>6.18 pence</td> <td>7.05 pence</td> </tr> </tbody> </table> <p>Save to the extent disclosed below, as at the date of this document, there has been no significant change in the financial condition and operating results of the Company or the Group during or subsequent to the period covered by the historical financial information.</p>		<i>As at or for the financial year ended 31 January 2017 (audited) £'000</i>	<i>As at or for the financial year ended 31 January 2016 (audited) £'000</i>	<i>As at or for the financial year ended 31 January 2015 (audited) £'000</i>	Total assets	113,227	109,375	108,642	Total liabilities	899	966	431	Net assets	112,329	108,409	108,211	Net Asset Value per Share	103.80 pence	100.18 pence	99.99 pence		<i>Financial year ended 31 January 2017 (audited) £'000</i>	<i>Financial year ended 31 January 2016 (audited) £'000</i>	<i>Financial year ended 31 January 2015 (audited) £'000</i>	Total income	12,335	8,360	9,248	Total expenses	(1,822)	(1,662)	(1,672)	Total comprehensive income for the year	10,413	6,691	7,568	Basic and diluted earnings per Share	9.62 pence	6.18 pence	7.05 pence
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		<p>In the financial year ended 31 January 2015, the Company issued 3,600,000 Shares at a price of 102 pence per Share.</p> <p>In respect of the financial year ended 31 January 2015, the Company declared and paid four interim dividends of, in aggregate, 5.75 pence per Share.</p> <p>In respect of the financial year ended 31 January 2016, the Company declared and paid four interim dividends of, in aggregate, 6.00 pence per Share.</p> <p>During the financial year ended 31 January 2015, three of the Group's loans were part prepaid in the aggregate sum of £3 million, and it made three new loan investments, totalling £19.75 million.</p> <p>During the financial year ended 31 January 2017, three of the Group's loans were repaid or prepaid in the principal sum of £33.07 million together with accrued interest, exit and prepayment fees of approximately £4.72 million in aggregate, and it made two new loan investments, totalling £38.40 million.</p> <p>On 27 March 2017, the borrower under the Group's Lanos (York) loan repaid its loan of £10 million in full, together with accrued interest, exit and prepayment fees of approximately £1.1 million in aggregate.</p> <p>On 27 March 2017, the Group advanced a further £500,000 to the borrower of the Group's Northlands loan, to progress capital expenditure works and meet certain corporate costs. The increase was made on substantially the same terms and conditions as the existing loan.</p> <p>In respect of the financial year ended 31 January 2017, the Company has declared four interim dividends of, in aggregate 6 pence per Share. The fourth interim dividend in respect of the quarter ended 31 January 2017 was declared and will be paid in the current financial year.</p> <p>In addition, the Board has declared a special dividend in respect of the prepayment fees received in the year ended 31 January 2017 of 2.25 pence per Share which will be paid at the same time as the fourth interim dividend.</p>
B.8	Selected key <i>pro forma</i> financial information	Not applicable. No <i>pro forma</i> financial information.
B.9	Profit forecast/ estimate	Not applicable. No profit forecast or estimate made.
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The audited financial statements of the Group contained in this document do not contain any qualifications.
B.11	Qualified working capital	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements that is for at least the next twelve months from the date of this document.
B.34	Investment objective and policy	<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 valuations at the time of loan origination or acquisition once fully invested); and

		<ul style="list-style-type: none"> ● ICGL Private Funds acquired in primary or secondary transactions, including from the Investment Adviser or its Associates. <p>Investment Restrictions</p> <p>The following restrictions apply to loan investments within the Portfolio. The Company will, subject as set out below, only invest in loans that:</p> <ul style="list-style-type: none"> ● are originated by the Investment Adviser 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 Investment Adviser 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 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; ● 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. <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;
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		<ul style="list-style-type: none"> 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>Cash Management Policy</p> <p>Cash held by the Company pending investment or distribution will be held in either cash or cash 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. The Company will not invest in other listed or unlisted closed-ended funds. Any material change to the Company's published investment policy will be made only with the prior approval of Shareholders by ordinary resolution.</p>
B.35	Borrowing/ leverage limits	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.
B.36	Regulatory status	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 in common with other investment companies admitted to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, is subject to the Prospectus Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation, the Listing Rules and the rules of the London Stock Exchange. The Company is categorised as an internally managed non-EEA AIF for the purposes of the AIFM Directive and the AIFM Regulations.
B.37	Typical investor	An investment in the Placing Shares is designed to be suitable for institutional investors, professional investors, high net worth investors and professionally advised private investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the Shares as well as the underlying investments of the Group; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment programme.
B.38	Investment/ exposure of 20 per cent. or more of gross assets to a single underlying issuer, collective investment undertaking or counterparty	Not applicable. The Company will not invest 20 per cent. or more of its gross assets in, or expose 20 per cent. or more of its gross assets to, a single underlying issuer, collective investment undertaking or counterparty.
B.39	Investment of 40 per cent. or more of gross assets in another collective investment undertaking	Not applicable. The Company will not invest 40 per cent. or more of its gross assets in another collective investment undertaking.

B.40	Applicant's service providers	<p>Investment Adviser</p> <p>The Company entered into the Investment Advisory Agreement with an affiliate of the Investment Adviser on 31 January 2013, which was novated to the Investment Adviser on 30 April 2015, and pursuant to which the Investment Adviser has been given responsibility for the non-discretionary management of the Company's (and any of the Company's subsidiaries) assets (including uninvested cash) in accordance with the Company's investment policy, and subject to the overall direction of the Board.</p> <p>Under the terms of the Investment Advisory Agreement, the Investment Adviser is entitled to an advisory fee at a rate equivalent to 1 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 Investment Adviser is also entitled to certain expenses incurred in carrying out its duties under the Investment Advisory 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>The Company may invest in ICGL Private Funds acquired in primary or secondary transactions, including from the Investment Adviser or its Associates. Where the Company invests in an ICGL Private Fund: in the event that the management or advisory fees payable to the Investment Adviser and/or its Associates by such ICGL Private Fund are: (i) 1 per cent. or more of the net asset value of such ICGL Private Fund, no advisory fee shall be payable by the Company to the Investment Adviser in respect of that proportion of the Net Asset Value attributable to the investment in such ICGL Private Fund; or (ii) less than 1 per cent. of the net asset value of such ICGL Private Fund, the rate of the advisory fee payable by the Company to the Investment Adviser 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 per annum for services such as administration, corporate secretarial services, corporate governance, regulatory compliance and stock exchange continuing obligations compliance provided to the Company. 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. 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>Luxembourg Administrator</p> <p>MAS International (Luxembourg) S.À.R.L. has been appointed by LuxCo to provide domiciliation, administrative and accounting services. Under the terms of its appointment, the Luxembourg Administrator is entitled to receive a base fee of €8,400 per annum, together with time costs.</p> <p>Registrar</p> <p>Capita Registrars (Guernsey) Limited has been appointed as registrar to the Company pursuant to the Registrar Agreement. In such capacity, the Registrar is responsible for the transfer and settlement of Shares held in certificated and uncertificated form.</p> <p>Under the terms of the Registrar Agreement, the Registrar is entitled to an annual fee from the Company equal to £1.71 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>
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		<p>Directors</p> <p>The Directors are remunerated for their services at an annual fee of £27,500, with Patrick Firth receiving an additional annual fee of £5,000 for acting as chairman of the audit and risk management committee. The Chairman receives an annual fee of £40,000. In addition, each Director will receive £5,000 in connection with the extra services they have performed in connection with the Placing Programme.</p> <p>Auditor</p> <p>The Auditor is entitled to an annual fee from the Group, which is agreed each year in advance of the Auditor commencing audit work. In respect of the financial year ended 31 January 2017, the Auditor will be paid fees amounting to £48,000.</p>
B.41	Regulatory status of Investment Adviser	The Investment Adviser was incorporated in England and Wales on 12 December 1988 (registered number 02327504) and is authorised and regulated in the UK by the FCA.
B.42	Calculation of NAV	<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>The value of investments (other than investments in IGCL Private Funds, money market funds and quoted bond and debt instruments purchased in accordance with the Company's cash management policy) is based on amortised cost, less impairment, on the relevant NAV calculation date.</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, 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 value of any cash in hand or on deposit, bills, demand notes, overnight financing transactions, receivables and payables is 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 will be 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>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>
B.43	Cross-liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.

B.44, B.7	No financial statements	Not applicable. The Company has commenced operations and historical information is included within this document. Please see the key financial information at B.7.																																																																																								
B.45	Portfolio	<p>As at the date of this document the Group's Portfolio comprised 9 loans, as set out below, with an aggregate outstanding balance of £99.83 million:</p> <table border="1"> <thead> <tr> <th>Project</th> <th>Region</th> <th>Sector</th> <th>Term start</th> <th>Unexpired term (yrs)</th> <th>Balance outstanding (£m)</th> <th>Current LTV</th> <th>Current ICR</th> </tr> </thead> <tbody> <tr> <td>IRAF Portfolio</td> <td>North West</td> <td>Industrial/ Distribution</td> <td>Jul-13</td> <td>1.67</td> <td>11.94</td> <td>43.4%</td> <td>213%</td> </tr> <tr> <td>Meadows RE Fund II</td> <td>London</td> <td>Retail</td> <td>Sep-13</td> <td>0.75</td> <td>18.07</td> <td>63.0%</td> <td>114%</td> </tr> <tr> <td>Northlands Portfolio</td> <td>London</td> <td>Mixed Use</td> <td>Nov-13</td> <td>1.66</td> <td>6.98</td> <td>43.4%</td> <td>142%</td> </tr> <tr> <td>Hulbert</td> <td>Midlands</td> <td>Industrial/ Distribution</td> <td>Dec-13</td> <td>1.68</td> <td>6.57</td> <td>52.2%</td> <td>191%</td> </tr> <tr> <td>Halcyon Ground Rents</td> <td>National</td> <td>Industrial/ Distribution</td> <td>Dec-13</td> <td>1.68</td> <td>8.60</td> <td>63.3%</td> <td>116%</td> </tr> <tr> <td>Cararra Ground Rents</td> <td>North West</td> <td>Regional Office</td> <td>Dec-13</td> <td>1.68</td> <td>1.30</td> <td>65.0%</td> <td>113%</td> </tr> <tr> <td>Gateshead Ramada</td> <td>North East</td> <td>Other (Hotel)</td> <td>Apr-14</td> <td>2.08</td> <td>7.98</td> <td>66%</td> <td>178%</td> </tr> <tr> <td>Commercial regional space</td> <td>North West</td> <td>Industrial/ Distribution</td> <td>Mar-16</td> <td>2.04</td> <td>22.40</td> <td>64.0%</td> <td>358%</td> </tr> <tr> <td>BMO Real Estate</td> <td>National</td> <td>Mixed Use</td> <td>Jan-17</td> <td>2.04</td> <td>16.00</td> <td>55.4%</td> <td>404%</td> </tr> <tr> <td>Total/Weighted Average</td> <td></td> <td></td> <td></td> <td>1.68</td> <td>99.83</td> <td>57.9%</td> <td>240%</td> </tr> </tbody> </table> <p>The information set out above is unaudited and based on values as at 31 March 2017.</p>	Project	Region	Sector	Term start	Unexpired term (yrs)	Balance outstanding (£m)	Current LTV	Current ICR	IRAF Portfolio	North West	Industrial/ Distribution	Jul-13	1.67	11.94	43.4%	213%	Meadows RE Fund II	London	Retail	Sep-13	0.75	18.07	63.0%	114%	Northlands Portfolio	London	Mixed Use	Nov-13	1.66	6.98	43.4%	142%	Hulbert	Midlands	Industrial/ Distribution	Dec-13	1.68	6.57	52.2%	191%	Halcyon Ground Rents	National	Industrial/ Distribution	Dec-13	1.68	8.60	63.3%	116%	Cararra Ground Rents	North West	Regional Office	Dec-13	1.68	1.30	65.0%	113%	Gateshead Ramada	North East	Other (Hotel)	Apr-14	2.08	7.98	66%	178%	Commercial regional space	North West	Industrial/ Distribution	Mar-16	2.04	22.40	64.0%	358%	BMO Real Estate	National	Mixed Use	Jan-17	2.04	16.00	55.4%	404%	Total/Weighted Average				1.68	99.83	57.9%	240%
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B.46	NAV	As at 31 January 2017, the audited NAV per Share was 103.80 pence.																																																																																								

Section C – Securities

Element	Disclosure Requirement	Disclosure
C.1	Type and class of securities	<p>The Company intends to issue up to 40 million redeemable ordinary shares of no par value in the capital of the Company (the “Shares”) at a minimum issue price equal to the prevailing NAV per Share at the time of allotment and issue together with a premium intended to at least cover the costs and expenses of the relevant Placing of Shares (including, without limitation, any placing commissions). The Directors may resolve to increase the size of the Placing Programme up to a maximum of 100 million Shares without issuing a further prospectus. If the Directors resolve to allot and issue Shares for cash on a non-pre-emptive basis under the Placing Programme in excess of the available existing Shareholder authorities, such Shares may only be allotted and issued subject to the grant of an additional Shareholder authority.</p> <p>The ISIN for the Shares (including the Placing Shares) is GG00B8C23S81, the SEDOL number is B8C23S8 and the ticker is LBOW.</p>
C.2	Currency	Sterling.
C.3	Details of share capital	As at the date of this document, 108,219,250 Shares are in issue, all of which are fully paid. The Shares do not have a par (or nominal) value.
C.4	Description of the rights attaching to the securities	<p>The Shares carry the right to receive the profits of the Company available for distribution at such times as the Directors may determine in accordance with the Articles.</p> <p>On a winding up, the surplus assets attributable to the Shares (as determined by the Directors) and available for distribution shall be paid to the holders of Shares and such assets shall be divided <i>pari passu</i> among the holders of Shares in proportion to the number of Shares held by them.</p> <p>The Shares carry the right to receive notice of, attend and vote at general meetings of the Company and, on a poll, to one vote for each Share held.</p>
		<p>The consent of the holders of Shares is required for the variation of any rights attached to the Shares.</p> <p>The Shares are in registered form, have been admitted to the Premium Listing segment of the Official List and are traded on the London Stock Exchange's main market for listed securities.</p>

C.5	Restrictions on the free transferability of the securities	<p>Subject to the Articles (and the restrictions on transfer contained therein), a Shareholder may transfer all or any of his Shares in any manner which is permitted by the Companies Law or in any other manner which is from time to time approved by the Board.</p> <p>The Board may, in its absolute discretion and without giving a reason, decline to transfer, convert or register any transfer of any Share in certificated form or (to the extent permitted by the Regulations and the Rules) uncertificated form, subject to the Articles, which is not fully paid or on which the Company has a lien provided that, in the case of a listed or quoted Share, this would not prevent dealings in the Shares of that class from taking place on an open and proper basis on the relevant stock exchange.</p> <p>The Board may decline to register a transfer of Shares if in the case of certificated Shares: (a) it is in respect of more than one class of share; (b) it is in favour of more than four joint transferees; (c) it is delivered for registration to the registered office of the Company or such other place as the Board may decide, not accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require; or (d) the transfer is in favour of any Non-Qualified Holder.</p> <p>The Board may decline to register a transfer of an uncertificated Share which is traded through an Uncertificated System in accordance with the Rules where, in the case of a transfer to joint holders, the number of joint holders to whom uncertificated Shares are to be transferred exceeds four.</p>
C.6	Admission	<p>Applications will be made to the UKLA and the London Stock Exchange for the Placing Shares to be issued pursuant to the Placing Programme to be admitted to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. The Placing Shares will be held in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.</p> <p>It is expected that Admission of such Placing Shares will become effective and dealings in such Placing Shares will commence during the period from 27 April 2017 to 26 April 2018.</p>
C.7	Dividend policy	<p>On the basis of the Portfolio as at the date of this document and anticipated changes to the Portfolio over the medium term as a result of the recent change to the investment policy, the Company will continue to target a dividend at an annualised rate of 6 pence per Share in respect of the accounting period ending on 31 January 2018 and thereafter.</p> <p>The Company pays dividends on a quarterly basis with dividends typically declared in April, June, September and December and paid in January, May, July and October. In 2017, dividends shall be paid in January, June, August and October.</p> <p>In respect of the financial year ended 31 January 2017, the Company has declared four interim dividends of, in aggregate 6 pence per Share. The fourth interim dividend in respect of the quarter ended 31 January 2017 was declared and will be paid in the current financial year.</p> <p>In addition, the Board has declared a special dividend in respect of the prepayment fees received in the year ended 31 January 2017 of 2.25 pence per Share which will be paid at the same time as the fourth interim dividend.</p> <p>Investors should note that the Company's dividend target is a target only and is not intended to be, and shall not be taken as, a profit forecast or estimate. Actual dividend payments cannot be predicted and may differ materially from the target figures detailed in the policy. There can be no assurance that this target will be met or that any dividend will be paid.</p>

Section D – Risks

<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
D.1	Key risks specific to the issuer or its industry	<p>The Group invests in senior loans secured predominantly on UK commercial real estate. There is a risk that such loans may become non-performing. Non receipt of interest from such loans will reduce the Company's ability to pay a dividend until such time as the arrears of interest can be collected.</p> <p>Borrowers under the loans in which the Group invests may not fulfil their payment obligations in full, or at all, and/or may cause, or fail to rectify, other events of default under the loans. Any such failure may impact the Company's ability to pay a dividend and may cause the Group to seek to recover the outstanding principal amount of the relevant loan, which could prolong the period for which the Company's ability to pay a dividend is reduced and adversely impact the value of the Portfolio and, consequently, the Shares.</p> <p>In the event of a default under a loan, the value of the Group's investment in a loan may exceed the value of recovery possible under the collateral or security arrangements that support the loan. Any capital loss in such circumstances may reduce the Net Asset Value and, consequently, the value of the Shares.</p> <p>The Group's investments are and will continue to be secured primarily on UK commercial real estate. The Group's investments are indirectly exposed to the performance of the underlying real estate market, which could impact the ability to refinance or the realisable value of the security in the case of a defaulting loan.</p> <p>Where the Group invests in ICGL Private Funds, it will only be a passive investor and will not therefore have the same degree of control it has over its other investments. The Group is unlikely to be able to influence significantly, or at all, the management of those vehicles. The Group is, therefore, reliant upon the skills of the investment managers/advisers of the funds in which it invests and may not be in a position to remove any such manager/adviser or to exit its investment in the event of under performance by those funds and/or managers/advisers.</p> <p>In addition, where the Group invests in ICGL Private Funds, not all loans made by those underlying funds will necessarily be senior loans. Some loans may be subordinated or junior to other lenders. In such circumstances, the risk of non-performance, impairment or capital loss on that loan is greater than in the case of a senior loan.</p> <p>The Group may use borrowings for working capital purposes. While the use of borrowings should enhance the total return on the Shares where the return on the Portfolio exceeds the cost of borrowing, it will have the opposite effect where the return on the Portfolio is lower than the cost of borrowing. The use of borrowings by the Group may increase the volatility of the NAV per Share.</p> <p>The Group's performance is dependent on the Investment Adviser. The Investment Adviser identifies and recommends all of the Group's proposed investments and is responsible for identifying investments which are structured to deliver the target levels of income via payments of dividends and maintenance of its Net Asset Value through the realisation of investments.</p> <p>The interests of the Investment Adviser may conflict in various ways with the interests of the Shareholders. The Investment Adviser manages or advises multiple other funds and clients and, while such other funds and clients have differentiated investment objectives and strategies from those of the Company, there may be individual investment opportunities which fit the investment criteria of both the Company and those other funds. In addition, the Group may invest in ICGL Private Funds acquired in primary or secondary transactions, including from the Investment Adviser or its Associates.</p>

		<p>There may be adverse changes in the tax position of the Group which could adversely affect the value of investments held by the Group or affect the Company's ability to achieve its investment objective and/or deliver returns to Shareholders.</p> <p>There may be adverse changes in the regulatory position of the Group which could increase costs and/or limit the Company's ability to pursue its investment strategy.</p>
D.3	Key information on the key risks that are specific to the Shares	<p>The value of the Shares may decrease as well as increase.</p> <p>The Shares may trade at a discount to Net Asset Value.</p> <p>The Company's Net Asset Value may not reflect the fair market value of the Portfolio.</p> <p>There are no guarantees that the Company will continue to pay dividends or the level of any such dividends.</p> <p>There is no guarantee that an active trading market in the Shares will develop.</p> <p>Shareholders have no right to have their Shares redeemed by the Company.</p>

Section E – Placing

Element	Disclosure Requirement	Disclosure
E.1	Proceeds and costs of the issue	<p>The maximum aggregate number of Shares that may be made available under the Placing Programme is 100 million. The net proceeds of the Placing Programme are dependent on the number and Placing Price of Shares issued pursuant to the Placing Programme.</p> <p>Expenses payable by the Company in relation to the Placing Programme, irrespective of whether any Shares are issued under the Placing Programme will be approximately £390,000. On the assumption that the Company issues the maximum number of Shares available for issue under the Placing Programme at an average Placing Price, for illustrative purposes only, of 102.05 pence* per Share, the gross proceeds of the Placing Programme will be approximately £102 million and the expenses payable by the Company in relation to the Placing Programme (including the costs of establishment of, and publication of the documentation relating to, the Placing Programme, fees, commissions and registration and Admission fees) will be approximately £1.4 million, resulting in net proceeds of approximately £100.6 million.</p> <p><small>*This assumed illustrative Placing Price represents the NAV per Share as at 31 January 2017 (adjusted for the fourth interim dividend of 1.5 pence per Share and the special dividend of 2.25 pence per Share declared on 26 April 2017) together with a premium of 2 per cent., which is expected to cover the costs and expenses of the Placing Programme.</small></p> <p>By issuing Shares at a premium to the prevailing NAV per Share intended to cover the costs and expenses of the relevant Placing (including, without limitation, any placing commissions), such fees and expenses in relation to the Placing Programme will be indirectly borne by subscribers for those Shares. Accordingly, it is intended that there will be no dilution by reference to the Company's then prevailing NAV arising from the issuance of Shares under the Placing Programme.</p>
E.2a	Reasons for the issue and use of proceeds	<p>The Investment Adviser sees increasing opportunities for funding in support of small to medium sized acquisition or refinancing transactions across the UK. This is particularly the case where borrowers are seeking loans above a 70 per cent. LTV, an area where the Investment Adviser believes there are fewer competitors providing capital.</p> <p>By combining its knowledge and understanding with this market opportunity, the Investment Adviser anticipates that the Company will be able to deliver attractive returns without compromising the prudent lending philosophy which has served the Company so well since launch.</p>

		<p>The Investment Adviser is already seeing a strong level of interest from prospective borrowers following the adoption of the new investment objective and investment policy and has built up a pipeline of potential opportunities. The ability to issue Shares pursuant to the Placing Programme will provide the Directors with the necessary flexibility to both participate in and complete such opportunities, should they deem market conditions to be suitable at the relevant time, and to repay any short-term debt financing used to make investments from time to time.</p>
E.3	Terms and conditions of the offer	<p>The Placing Programme will open on 27 April 2017 and will close on the Final Closing Date. The Directors may resolve to increase the size of the Placing Programme up to a maximum of 100 million Shares without issuing a further prospectus. If the Directors resolve to allot and issue Shares for cash on a non-pre-emptive basis under the Placing Programme in excess of the available existing Shareholder authorities, such Shares may only be allotted and issued subject to the grant of an additional Shareholder authority.</p> <p>The minimum price at which Shares will be issued pursuant to the Placing Programme will be equal to the prevailing NAV per Share at the time of allotment and issue together with a premium intended to at least cover the costs and expenses of the relevant Placing of Shares (including, without limitation, any placing commissions).</p> <p>The allotment and issue of Placing Shares under the Placing Programme is at the discretion of the Directors. There is no minimum or maximum subscription in respect of any Placing.</p> <p>The Placing Programme is not being underwritten and, as at the date of this document the actual number of Placing Shares to be issued is not known. The number of Placing Shares available should not be taken as an indication of the number of Placing Shares finally to be issued.</p> <p>Each allotment and issue of Placing Shares pursuant to the Placing Programme is conditional on:</p> <ul style="list-style-type: none"> ● Shareholder authority for the disapplication of pre-emption rights in respect of the relevant allotment and issue being in place; ● the Placing Price being not less than the prevailing NAV per Share at the time of allotment and issue together with a premium intended to at least cover the costs and expenses of the relevant Placing of Shares (including, without limitation, any placing commissions); ● the Company having a placing agreement or equivalent arrangement in place at the time of the issue; ● a valid supplementary prospectus being published by the Company when required; and ● Admission of the Placing Shares issued pursuant to the allotment and issue. <p>In circumstances where these conditions are not fully met, the relevant issue of Placing Shares pursuant to the Placing Programme will not take place.</p>
E.4	Material/conflicting interests	Not applicable. No interest is material to the Placing Programme at the date of this document.
E.5	Name of the person or entity offering to sell the security	Not applicable. No person or entity is offering to sell Shares as part of the Placing Programme.

E.6	Dilution	<p>The Directors currently have a specific authority to allot and issue up to 40 million Shares pursuant to the Placing Programme as granted by Shareholders at the EGM held on 1 March 2017. Notwithstanding the intention of the Directors to propose a Placing Programme in respect of the issue of up to 40 million Shares, as set out in the circular to Shareholders dated 11 January 2017, the Directors believe it is in the best interests of the Company to include flexibility in the Placing Programme to issue up to a maximum of 100 million Shares, as it will allow them to issue, subject to investor demand, further Shares pursuant to the Placing Programme without issuing a further prospectus, thereby potentially saving the Company costs.</p> <p>At the 2016 AGM held on 3 June 2016 Shareholders approved a general authority to allot and issue up to 10,811,103 Shares for cash on a non-pre-emptive basis. As a result, the Directors may, without further Shareholder approval, allot and issue up to an additional 10,811,103 Shares for cash on a non-pre-emptive basis under the Placing Programme. At the next annual general meeting of the Company to be held on 31 May 2017, the Directors will seek Shareholder authority for the renewal of the general authority. If the Directors resolve to allot and issue Shares for cash on a non-pre-emptive basis under the Placing Programme in excess of the available existing authorities, such Shares may only be allotted and issued subject to the grant of an additional Shareholder authority.</p> <p>As at the Latest Practicable Date, there were 108,219,250 Shares in issue. If 40 million Shares were to be issued pursuant to the Placing Programme, the issued share capital following the closing of the Placing Programme would have increased by approximately 37.0 per cent. On this basis, if an existing Shareholder did not acquire any Shares in the Placing Programme, his or her proportionate voting interest in the Company would be diluted by approximately 27.0 per cent.</p> <p>If 100 million Shares (being the maximum number of Shares available under the Placing Programme) were to be issued pursuant to the Placing Programme, the issued share capital following the closing of the Placing Programme would have increased by approximately 92.4 per cent. On this basis, if an existing Shareholder did not acquire any Shares in the Placing Programme, his or her proportionate voting interest in the Company would be diluted by approximately 48.0 per cent.</p>
E.7	Estimated expenses charged to the investor	<p>The maximum aggregate number of Shares that may be made available under the Placing Programme is 100 million. The net proceeds of the Placing Programme are dependent on the number and Placing Price of Shares issued pursuant to the Placing Programme.</p> <p>Expenses payable by the Company in relation to the Placing Programme, irrespective of whether any Shares are issued under the Placing Programme will be approximately £390,000. On the assumption that the Company issues the maximum number of Shares available for issue under the Placing Programme at an average Placing Price, for illustrative purposes only, of 102.05 pence* per Share, the gross proceeds of the Placing Programme will be approximately £102 million and the expenses payable by the Company in relation to the Placing Programme (including the costs of establishment of, and publication of the documentation relating to, the Placing Programme, fees, commissions and registration and Admission fees) will be approximately £1.4 million, resulting in net proceeds of approximately £100.6 million.</p> <p><small>*This assumed illustrative Placing Price represents the NAV per Share as at 31 January 2017 (adjusted for the fourth interim dividend of 1.5 pence per Share and the special dividend of 2.25 pence per Share declared on 26 April 2017) together with a premium of 2 per cent., which is expected to cover the costs and expenses of the Placing Programme.</small></p> <p>By issuing Shares at a premium to the prevailing NAV per Share intended to cover the costs and expenses of the relevant Placing (including, without limitation, any placing commissions), such fees and expenses in relation to the Placing Programme will be indirectly borne by subscribers for those Shares. Accordingly, it is intended that there will be no dilution by reference to the Company's then prevailing NAV arising from the issuance of Shares under the Placing Programme.</p>

RISK FACTORS

Potential investors should carefully consider all the information in this document, including the risks described below, before deciding to invest in the Company. The Directors have identified these risks as the material risks relating to the Company and to an investment in the Shares of which they are aware as at the date of this document. Additional risks and uncertainties not presently known to the Directors, or that the Directors consider immaterial, may also adversely affect the Company's business, results of operations or financial condition. If any or a combination of the following risks or any other risks materialise, the Company's business, financial condition, operational performance and the Share price could be materially adversely affected. In that case, the trading price of the Shares could decline and investors could lose some or all of their investment in the Company.

Any investment objectives of the Company are targets only and should not be treated as assurances or guarantees of performance. It should be remembered that the price of securities and the income from them can go down as well as up.

Risks relating to the Group

No assurance that target returns will be achieved

There can be no assurance as to the level and/or payment of any future dividends or any distributions by the Company. The Company's dividend target is a target only and is not intended to be, and should not be taken as, a profit forecast or estimate. The declaration, payment and amount of any future dividends or distributions by the Company are subject to the discretion of the Directors and will depend upon, among other things, the performance of the Company, the Company's financial position and cash requirements and the ability of the Company to comply with the applicable legal requirements for paying dividends, including the statutory solvency test under Guernsey law. Actual dividend payments cannot be predicted and may differ materially from the target figures detailed in this document. There can be no assurance that any such targets will be met or that any dividend will be paid. Failure to achieve target returns could, among other things, have a material adverse effect on the price of the Shares.

Potential investors should decide for themselves whether or not the target returns are reasonable or achievable in deciding whether to invest in the Company.

Investor returns will be dependent upon the performance of the Portfolio

Investors contemplating an investment in the Shares should recognise that their market value can fluctuate and may not always reflect their underlying Net Asset Value. Returns achieved are reliant upon the performance of the Portfolio. The Net Asset Value of the Company and income derived from the Portfolio may go down. No assurance is given, express or implied, that Shareholders will receive back the amount of their investment in the Shares.

Investor returns are dependent upon the Company successfully pursuing its investment policy. The success of the Company depends on the Investment Adviser's ability to identify and, subject to Board approval, acquire and realise investments in accordance with the Company's investment policy. This, in turn, depends on the ability of the Investment Adviser to apply its investment processes in a way which is capable of identifying suitable investments for the Group to invest in. There can be no assurance that the Investment Adviser will be able to do so or that the Group will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

The ability to invest the assets of the Group in appropriate investments may be constrained by lack of capacity in targeted investments or in the market generally. The growth in interest in, and demand for, investment in senior loans secured predominantly against UK commercial real estate may result in greater competition in the market and may reduce the opportunities available to invest the Group's assets. A reduction of the opportunities available to invest the Group's assets may impair the ability of the Group to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

The Company's estimated Net Asset Value may not reflect the fair market value of the Portfolio

Investments (other than investments in IGCL Private Funds, which are included in the Net Asset Value at the published net asset value of the relevant underlying fund, adjusted for cash movements, and money market funds and quoted bond and debt instruments purchased in accordance with the Company's cash management policy) are included in the Net Asset Value at amortised cost less impairment under IFRS using the effective interest method. Although the Investment Adviser 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 Net Asset Value, the Investment Adviser is not in a position to confirm the completeness, genuineness or accuracy of all such information and data. As such it may take some time for the Investment Adviser to receive sufficient information to propose to the Board that it assign an impairment to the asset. Further, the amortised cost value of the investments may not be representative of their fair value. The fair value of investments can be influenced by credit events and market investment events which are not reflected in the amortised cost less impairment basis used in the Group's financial statements.

An estimate of the fair value of the investments is disclosed in the Group's annual report and accounts in accordance with IFRS. However, as valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, these may fluctuate over short periods of time and may be based on estimates. Determinations of fair value may differ materially from the values that would have resulted if a ready market in those investments had existed. Even if market quotations are available for certain of the Group's investments, such quotations may not reflect the value that would actually be realised because of various factors, including the illiquidity of the investments held in the Portfolio, future price volatility or the potential for a future loss in value based on poor industry or economic conditions or overall company and management performance.

Consequently, the value at which investments in the Portfolio can be liquidated may differ, sometimes significantly, from any interim valuations arrived at by the Company. The fair value will not constitute a guarantee of value and may not necessarily reflect the prices at which such assets could be, or could have been, purchased or sold at any given time, which may be subject to significant volatility and uncertainty and depend on various factors beyond the control of the Group and the Investment Adviser. There can therefore be no guarantee that the Group's investments could ultimately be realised at the Company's valuation of such investments.

The Group may use borrowings

The Group may use borrowings for working capital purposes. While the use of borrowings should enhance the total return on the Shares where the return on the Portfolio exceeds the cost of borrowing, it will have the opposite effect where the return on the Portfolio is lower than the cost of borrowing. The use of borrowings by the Group may increase the volatility of the NAV per Share.

To the extent that the repayment terms of such borrowings do not match the maturity profile of the underlying investments, or a fall in the value of the Group's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy, borrowing limits or loan covenants, the Group may have to sell investments in order to reduce borrowings. Such investments may be difficult to realise and therefore the market price which is achievable may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

Any amounts that are lent to the Group under a facility will rank ahead of Shareholders' entitlements and accordingly, should the Group's investments not grow at a rate sufficient to cover the costs of operating the Group, on a liquidation of the Company, Shareholders may not recover all or any of their initial investment. Likewise, the terms of any such facility (including demanding early repayment of the sums borrowed) will require the Group to comply with certain financial and other covenants. If any of those covenants were to be breached, or if the Group was unable to comply with any other term of the relevant facility, the lender may be able to enforce certain rights (including demanding early repayment of the sums borrowed) against the Group, which may have a material adverse effect on the value of the Group and the Portfolio, and consequently the Shares.

The Group will pay interest on any borrowings. As such, the Group is exposed to interest rate risk due to fluctuations in the prevailing market rates to the extent that it has borrowed funds outstanding.

The Group may experience fluctuations in its operating results

The Group may experience fluctuations in its operating results from period to period due to a number of factors, including changes in the values of investments made by the Group, changes in the amount of distributions, dividends or interest paid in respect of investments in the Portfolio, changes in the Group's operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Group encounters competition and general economic and market conditions. Such variability may lead to volatility in the market 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 Group has no employees and is reliant on the performance of third party service providers

The Group has no employees and all the Directors have been appointed on a non-executive basis. In the main, the Group is therefore reliant upon the performance of third party service providers for its executive function. In particular, the Group does not have any operations infrastructure of its own and so relies entirely on the Administrator and the Luxembourg Administrator for all necessary infrastructure, such as physical facilities, IT systems and office support. The Investment Adviser and the Registrar also perform services which are integral to the operation of the Group. Failure by any service provider to carry out its obligations to the Group in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Group and could affect the ability of the Company to successfully pursue its investment policy.

The termination of the Group's relationship with any third party service provider or any delay in appointing a replacement for such service provider, could materially disrupt the business of the Group and could have a material adverse effect on the Group's performance and returns to Shareholders. Further, fraud, misconduct or misrepresentations by third party service providers could cause significant losses to the Group.

Cash management credit risk

Pending investment, the Group's assets will be subject to credit risk of securities held or of the banks and other financial institutions with which they are deposited in accordance with the cash management provisions contained in the Company's investment policy. If any such security, bank or financial institution were to become insolvent or default on its obligations, the Group would be exposed to the potential loss of the monies so invested or deposited.

Changes in laws, regulations and/or government policy may adversely affect the Group's business

The Group and its operations are subject to laws and regulations enacted by national and local governments and government policy. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time-consuming and costly. Any change in the laws, regulations and/or government policy, including laws relating to anti-bribery and corruption, affecting the Group or any changes to current accountancy regulations and practice in Guernsey and the UK may have a material adverse effect on the ability of the Company to successfully pursue its investment policy and meet its investment objective and/or on the value of the Company and the Shares. In such event, the performance of the Company, the NAV, the Company's earnings and returns to Shareholders may be materially adversely affected.

Furthermore, the Group is subject to and will be required to comply with certain regulatory requirements that are applicable to closed-ended investment companies that are admitted to trading on the Premium Listing segment of the Official List and the main market for listed securities of the London Stock Exchange. The Group must comply with the London Stock Exchange Admission and Disclosure Standards, the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation and so far as the Company is aware, as at the date of this document, the Group complies with such rules and regulations as are relevant.

Any failure in future to comply with any future changes to such rules and regulations may result in the Shares being suspended from trading on the London Stock Exchange which would impair Shareholders' ability to realise their investment for the duration of any such period of suspension.

The financial markets are uncertain and have been the subject of governmental intervention

Uncertain conditions in the global financial markets, and initiatives by governments to address them, have created a great deal of uncertainty for the finance industries, which may adversely affect the Group's investments and overall performance.

The scale and extent of these government initiatives have been unprecedented in recent times and it remains unclear what impact they will, or the future withdrawal of such initiatives will, have on global financial markets in the long term, and on European, U.S. and other economies.

These initiatives are subject to change, may be implemented in unanticipated ways and their effects are difficult to predict. It is not known whether the Group and the counterparties and obligors to whom the Group is and will be in the future exposed or its competitors will be able to benefit from these initiatives, directly, indirectly or at all. There can be no assurance the conditions in the global financial markets, or actions by governments, will not worsen and/or further adversely affect the value of the Group's investments and overall performance.

Risks relating to the nature and characteristics of the Group's investments

Risks of real estate loan non-performance

Real estate loans made by the Group may, after funding, become non-performing for a wide variety of reasons, including non-payment of principal or interest, as well as covenant breaches by the borrower in respect of the underlying loan documents. Such non-performing real estate loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, substantial irrecoverable costs, a substantial reduction in the interest recovered, a substantial write-down of the principal of such loan and/or a substantial change in the terms, conditions and covenants with respect to such defaulted loan. However, even if a restructuring were successfully accomplished, there is a risk that, upon maturity of such real estate loan, replacement "take-out" financing will not be available.

It is possible that the Group may find it necessary or desirable to enforce its rights in respect of collateral securing one or more real estate loans made by the Group. The enforcement process can be lengthy and expensive, which could have a material negative effect on the Group's anticipated return on the relevant loan. By way of example, it would not be unusual for the costs of enforcement to be paid out in full before the repayment of interest and principal. This could substantially reduce the Group's anticipated return on the relevant loan.

Borrowers may resist enforcement actions through various means, even when the grounds for their resistance may have no basis in fact, in an effort to delay the enforcement action. In some cases, enforcement could take up to several years to conclude. At any time during the enforcement proceedings, the borrower or one or more creditors may take steps to appoint an administrator or liquidator (or any other analogous scenario), which may have the effect of staying or frustrating the enforcement action and further delaying the enforcement process. Litigation tends to create a negative public image of the secured property and may disrupt ongoing leasing and management of the property. In addition, it is likely that any economic downturn could adversely affect the ability of the participants of such loans to repay principal and interest thereon and increase the incidence of default for such loans.

The level of defaults in the Portfolio and the losses suffered on such defaults may increase in the event of adverse financial or credit market conditions. The liquidity in defaulted loans may also be limited, and to the extent that defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon, which would adversely affect the value of the Portfolio and, consequently, the Shares.

Failure of borrowers to comply with covenants or failure of the Investment Adviser and the Board to monitor or enforce covenants may have a material adverse effect on the value of the Portfolio

Whilst the Investment Adviser and the Board monitor the covenants and conditions attaching to the Group's loans, there can be no assurance that a borrower will always fulfil their obligations in respect of those covenants and conditions in a timely fashion and the Group could, as a result, be exposed to loss. Any failure by the Group or the Investment Adviser to monitor the covenants and conditions attaching to a loan or to swiftly enforce the Group's rights in the event of a breach of covenant or condition may cause the value of the Group's investments to be impaired, which may have an adverse effect on the value of the Portfolio and, consequently, the Shares.

In the event of a default under a loan, the value of the Group's investment in a loan may exceed the value of recovery possible under the collateral or security arrangements that support the loan

If a default were to occur in relation to a loan in which the Group has invested, and the Group exercises its rights to enforce the collateral or security arrangements that support the loan, the value of recoveries under those arrangements may be smaller than the value of the Group's investment in the loan, (whether due to an adjustment in the valuation – see “Property valuation is inherently subjective”, below – or due to external factors such as changes in the market for the assets to which the security or collateral relates, general economic conditions or otherwise – see “The Group's investments are exposed to the performance of the underlying real estate market”, below). This may have a material adverse effect on the value of the Portfolio and, consequently, the Shares.

Borrowers under the loans in which the Group invests may not fulfil their payment obligations in full, or at all, and/or may cause, or fail to rectify, other events of default under the loans

There are a variety of factors which could adversely affect the ability of counterparties to fulfil their payment obligations or which may cause other events of default. These include changes in financial and other market conditions, trading performance, interest rates, government regulations or other policies, the worldwide economic environment, changes in law and taxation, natural disasters, terrorism, social unrest and civil disturbances.

A borrower under a loan in which the Group has invested may not fulfil its payment or other obligations under the loan in full, or at all, and/or may cause, or fail to rectify, other events of default under the loan. The Company may, in these circumstances, suffer from reduced income and therefore have a reduced ability to pay out dividends as well as the Group being required to exercise any contractual rights of enforcement that it has against the borrower in order to attempt to recover its investment. As such, there is no guarantee that the Group will be able to recover all or any of its investment made in a borrower who has defaulted under its loan. This may have a material adverse effect on the Net Asset Value and, consequently, the value of the Shares.

The Group's investments are exposed to the performance of the underlying real estate market

The Group's investments are and will continue to be secured primarily on UK commercial real estate and so are indirectly exposed to the performance of the underlying real estate market. Rental receipts from the subject properties are and will continue to form the primary source of interest payment by the borrowers, impact the value of the property and ultimately determine the ability of the borrowers to repay the loans at maturity either through “take-out” refinance or disposal.

General and local economic conditions and the nature and financial condition of tenants occupying the underlying real estate will impact the ability of those tenants to continue to pay rent due under their leases and so will affect the borrowers' ability to meet interest demands under the terms of the Group's loans. The location and condition of the property and changes in supply of or demand for competing properties in the relevant area (as a result, for instance, of overbuilding) will also help determine the demand for the property and so the rental levels it can command.

Further, indirect factors and risks will also influence the demand for a property, and therefore its value, such as energy and supply shortages, various uninsured and uninsurable risks, natural disasters, government regulations (such as rent control), changes in real property taxes, changes in interest rates and availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, environmental liabilities, contingent liabilities on disposition of assets, terrorist attacks and war and other factors which are beyond the control of the Investment Adviser.

Adverse changes in any of these factors may have a negative impact on the value of collateral that supports loans and/or the ability of borrowers to fulfil their payment obligations, which may have a material adverse effect on the value of the Portfolio, and consequently the Shares (see “In the event of a default under a loan, the value of the Group's investment in a loan may exceed the value of recovery possible under the collateral or security arrangements that support the loan” and “Borrowers under the loans in which the Group invests may not fulfil their payment obligations in full, or at all, and/or may cause, or fail to rectify, other events of default under the loans”, above).

Property valuation is inherently subjective

Valuations of property and property-related assets are inherently subjective due to the individual nature of each property. As a result, valuations are subject to uncertainty and, in determining market value, valuers are required to make certain assumptions and such assumptions may prove to be inaccurate. This is particularly so in periods of volatility or when there is limited real estate transactional data against which property valuations can be benchmarked. There can also be no assurance that these valuations will be reflected in the actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove to be attainable. If the market value of real estate assets underlying the Group's investments is found to be materially lower than that stated at the time of the Group's investment, this may adversely impact the Group's ability to recover the value of its investments in the event of a borrower default. This may materially and negatively impact the value of the Portfolio and, consequently, the Shares.

Market conditions

The Group's investment strategy relies in part upon local property market and credit market conditions. No assurance can be given that market conditions will continue to be conducive to senior debt investments, since this will depend, in part, upon events and factors outside the control of the Group and the Investment Adviser.

More generally, the performance of the Group may be affected by general economic conditions to the extent that these impact the performance of investments held by the Group. Such conditions might include changes to interest rates, credit spreads, equity risk premium, corporate failure rates, changes in laws or regulations and national and international political circumstances. Negative market and general economic conditions may materially and negatively impact the value of the Portfolio and, consequently, the Shares.

UK exit from the European Union ("Brexit")

The Group faces risks associated with the potential future effects of Brexit. Such future effects could impact rental levels in, and market values of, UK Commercial Property which in turn could have a direct effect on the investment opportunities available to the Group. It could also result in prolonged uncertainty regarding aspects of the UK economy and damage investors' confidence in the UK in general. The Brexit vote has also increased the possibility of another referendum on Scottish independence from the UK, creating further uncertainty on Scotland's position within the UK. Should Scotland subsequently become independent it is unclear what effect (if any) this may have on the Group and any investments it may acquire which are located in Scotland. While the Company will continue to monitor and assess the potential effects of Brexit, the situation remains uncertain.

Brexit could also have consequences for the Company such as an inability to raise capital in the EEA or in the UK after the implementation of Brexit. Certain Shareholders are domiciled in the EEA but outside of the UK and regulatory, legal, tax or economic changes resulting from Brexit may cause them to seek to sell their shareholdings in the Company creating volatility in the price of the Shares and the Shares to trade at a discount to NAV per Share.

Since the Brexit vote, Commercial Property values have generally fallen slightly. Should material further falls occur in the value of Commercial Property in the UK, the security provided under each loan granted may prove to be insufficient to repay the Group's loan in whole or in part. This could expose Shareholders to material capital loss.

Absence of prepayment protection or early repayment by a borrower may affect the value of the Portfolio

The Investment Adviser seeks to negotiate prepayment income protection or structure exit fees on all loans to deter early prepayment. Given that loans may be repaid early, the actual maturity of loans may be shorter than their stated final maturity calculated solely on the basis of the stated life and repayment schedule. Generally voluntary prepayments are permitted and the timing of prepayments cannot be predicted with any accuracy. The degree to which borrowers prepay loans, whether as a contractual requirement or at their election, may be affected by general business conditions, market interest rates, the borrower's financial condition and competitive conditions among lenders. If the Group has not contractually agreed prepayment protection with a borrower, such prepayment may result in a loss of income until such time as the capital is reinvested and therefore lower returns on the Portfolio and the Shares. Furthermore, if the Group has contractually agreed prepayment protection with a borrower,

the Group may not be able to replace a prepaid loan before the end of the prepayment protection period and such prepayment may therefore result in a subsequent loss of income and therefore lower returns on the Portfolio and the Shares.

Prepayments may be prompted by increasing availability of debt from the capital markets and increased price competition amongst lenders, or as a result of an increase in the value of the secured properties making the subject properties a more financeable proposition to those lenders who are active at the relevant time. This may lead to the Group replacing prepaid loans with lower-yielding investments, leading to lower returns on the Portfolio and the Shares.

The collateral and security arrangements under a loan in which the Group has invested may not have been properly created or perfected, or may be subject to other legal or regulatory restrictions

The collateral and security arrangements in relation to the Group's investments are and will be subject to such security or collateral having been correctly created and perfected and any applicable legal or regulatory requirements which may restrict the giving of collateral or security by a borrower under a loan, such as, for example, thin capitalisation, over-indebtedness, financial assistance and corporate benefit requirements. If the loans in which the Group invests do not benefit from the expected collateral or security arrangements this may affect the value of the investments made by the Group.

The due diligence process that the Investment Adviser undertakes in evaluating specific investment opportunities for the Group may not reveal all facts that may be relevant in connection with such investment opportunities and any corporate mismanagement, fraud or accounting irregularities may materially affect the integrity of the Investment Adviser's due diligence on investment opportunities

When conducting due diligence and making an assessment regarding an investment, the Investment Adviser is required to rely on resources available to it, including internal sources of information as well as information provided by existing and potential borrowers, any equity sponsor(s), lenders and other independent sources. The due diligence process may at times be required to rely on limited or incomplete information particularly with respect to newly established companies for which only limited information may be available.

In addition, the Investment Adviser evaluates investments for the Group in part on the basis of information and data relating to potential investments filed with various government regulators and information and data that is publicly available or made directly available to the Investment Adviser by such issuers or third parties. Although the Investment Adviser seeks to evaluate all such information and data and seeks independent corroboration when it considers it appropriate and reasonably available, the Investment Adviser may not be in a position to confirm the completeness, genuineness or accuracy of all such information and data. The Investment Adviser is dependent upon the integrity of the management of the entities filing such information and of such third parties as well as the financial reporting process in general. In the event of corporate mismanagement, fraud and accounting irregularities on the part of borrowers and third parties, information and data which the Investment Adviser relies upon for the purposes of its investment analysis may be materially inaccurate which may result in material losses which will ultimately be borne by investors.

Accordingly, due to a number of factors, the Group cannot guarantee that the due diligence investigation it carries out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Any failure by the Group to identify relevant facts through the due diligence process may cause it to make inappropriate investment decisions, which may have a material adverse effect on the Company's business, financial condition, results of operations or the value of the Shares.

The value of the investments made by the Group in loans may be affected by fraud or misrepresentation or omission

The value of the investments made by the Group in loans may be affected by fraud, misrepresentation or omission on the part of the borrower to which the loan relates, by parties related to the borrower or by other parties to the loan (or related collateral and security arrangements). Such fraud, misrepresentation or omission may adversely affect the value of the collateral underlying the loan in question or may adversely affect the Group's ability to enforce its contractual rights under the loan or for the borrower of the loan to repay the loan or interest on it or its other debts.

Concentration risk

The Company aims to achieve an appropriate spread of risk by the Group investing in a diversified portfolio of investments. However, the Company's investment policy is to invest predominantly in loans secured upon UK Commercial Property, or the ICGL Private Funds, which themselves invest predominantly in loans secured upon UK Commercial Property. The focus of the Portfolio on the UK Commercial Property sector alone may present more risks than if the portfolio were broadly diversified over numerous regions or sectors. The Group may have up to 20 per cent. of its gross assets allocated to a single borrower. The maximum exposure to a Mainstream Property Sector or the Mixed Property Sector is 50 per cent. of the Company's gross assets, and the maximum exposure to an Alternative Property Sector is 25 per cent. of the Company's gross assets. The maximum exposure to property within a single UK Economic Region is 30 per cent. of the Company's gross assets, provided that the maximum exposure to Greater London property is 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 is not greater than 5 per cent. of the total value of the Company's security. Concentration of the Portfolio in any one holding or in any particular sector may result in greater volatility in the value of the Group's investments and consequently the NAV and may materially adversely affect the performance of the Company, the NAV, the Company's earnings and returns to Shareholders.

Investment in ICGL Private Funds

The Group may invest up to 30 per cent. of its gross assets in ICGL Private Funds. In relation to any such investments, it will only be a passive investor and will not therefore have the same degree of control it has over its other investments. The Investment Adviser or an Associate of the Investment Adviser may be removed, or cease to manage or advise, a relevant ICGL Private Fund and the Group may be unable to influence the selection of a replacement manager or adviser.

The Group is unlikely to be able to influence significantly, or at all, the management of the ICGL Private Funds. The Group is, therefore, reliant upon the skills of the investment managers/advisers of the funds in which it invests and may not be in a position to remove any such manager/adviser or to exit its investment in the event of under performance by those funds and/or managers/advisers.

Such funds will be exposed to similar underlying risks as those applying to the Group's directly held loan portfolio, but the risk profile may be higher than the Group's directly held loan portfolio due to the characteristics of the underlying portfolio in any relevant ICGL Private Fund.

Accordingly, the Group cannot guarantee that these funds will be managed or advised appropriately, which may have a materially adverse effect on the value of the Portfolio and, consequently, the Shares.

See also the risk factor entitled 'Investment Adviser conflicts of interest'.

The Group may invest in illiquid investments and collateral property is a relatively illiquid asset

The Group's investments may be illiquid and may not be able to be transferred within a reasonable timeframe or at all. Such illiquidity may affect the Group's ability to vary its Portfolio or dispose of or liquidate part of its Portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions.

ICGL Private Funds may be illiquid and may be closed ended and subject to transfer restrictions which may further impact the price and speed at which the Group may divest of ICGL Private Funds.

Direct investments in property are also relatively illiquid and investor appetite for commercial and investment residential real estate may be dampened by the ongoing dislocation of the global financial markets and the limited availability of financing (see "Market conditions" above) and any resulting decrease in the value of the property assets underlying the Group's investments. The resulting lack of liquidity in real estate may, in the event of a borrower default and a foreclosure, inhibit the Group's ability to dispose of collateral property in a timely manner and any such disposal may be at a considerably lower price than prevailing indicative market prices.

This could have an adverse effect on the Company's financial condition and returns to Shareholders.

Investment by the Group in ICGL Private Funds may expose the Group to subordinated loan assets

The Group, through ICGL Private Funds, may be exposed to loans which are subordinate to the borrower's senior debt. The covenants provided by borrowers in favour of its senior lenders are generally extensive and a breach of one or more of such covenants may result in payments in respect of the relevant underlying loan, being suspended. Where such a breach or any other event leads to an event of default, the senior lenders will normally have a priority claim on cashflow generated by the borrower (whether arising through its continuing operation or from the disposal of the assets of the business) and/or have the right to take control of the borrower and ultimately to sell it. In such circumstances, the borrower may be unable to satisfy part, or all of its payment obligations in respect of the Group's interest in the relevant subordinated debt investment. This could have an adverse effect on the Company's financial condition and returns to Shareholders.

Risks associated with the Investment Adviser

The Group's performance is dependent on the Investment Adviser

The performance of the Group depends on the ability of the Investment Adviser to provide complete, attentive and efficient services to the Group and the Company's ability to achieve its investment objectives and strategy depends on the skills and expertise of the Investment Adviser in selecting appropriate investments and implementing the various aspects of the Company's investment strategy. There can be no assurance that, over time, the Investment Adviser will be able to provide such services, which could have a material adverse effect on the performance of, and returns to, the Company.

The Group's performance is dependent on the Investment Adviser's investment professionals and the Group cannot assure Shareholders that it will have continued access to them

The Group will depend on the diligence, skill and business contacts of the Investment Adviser and its investment professionals, and the information and deal flow they generate during the normal course of their activities and the Group's success will depend on the continued service of these individuals, who are not obliged to remain employed with the Investment Adviser. The departure of any of the Investment Adviser's investment professionals for any reason, or the failure to appoint or any delay in appointing qualified or effective successors in the event of such departures, could have a material adverse effect on the Company's ability to achieve its investment objective.

Additionally, the Group is therefore exposed to the risk that the Investment Adviser could cease to provide the investment advisory services to the Group, whether because of insolvency of the Investment Adviser or otherwise. Investment in the ICGL Private Funds is also dependent on the Group's relationship with the Investment Adviser. As a result, ceasing to be advised by the Investment Adviser could adversely affect the returns to the Company and the Company's performance.

Investment Adviser conflicts of interest

The interests of the Investment Adviser may conflict in various ways with the interests of the Shareholders.

The Investment Adviser manages or advises multiple other funds and clients and, while such other funds and clients have differentiated investment objectives and strategies from those of the Company, there may be individual investment opportunities which fit the investment criteria of both the Company and those other funds.

Further, and with the consent of the Board as set out under the terms of the Investment Advisory Agreement, the Investment Adviser may advise on the sale of assets from or to the Portfolio by other funds for which the Investment Adviser has advisory or management responsibilities. Under the terms of the Investment Advisory Agreement, the Investment Adviser shall ensure that such transactions are effected on terms that are at least as favourable to the Group than if the conflict or potential conflict had not existed and all transactions are effected on normal commercial terms and negotiated at arm's length.

The Directors are required by the RCIS Rules to take all reasonable steps to ensure that there is no breach of the conflicts of interest requirements of those rules. Further, as an entity authorised and regulated by the FCA, the Investment Adviser 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 Group. Where such a conflict of interest arises, the Investment Adviser is required to resolve the conflict by reference to the best interests of the Group.

In addition, the Group may invest in ICGL Private Funds acquired in primary or secondary transactions, including from the Investment Adviser or its Associates. Where the Company invests in an ICGL Private Fund: in the event that the management or advisory fees payable to the Investment Adviser and/or its Associates by such ICGL Private Fund are: (i) 1 per cent. or more of the net asset value of such ICGL Private Fund, no advisory fee shall be payable by the Company to the Investment Adviser in respect of that proportion of the Net Asset Value attributable to the investment in such ICGL Private Fund; or (ii) less than 1 per cent. of the net asset value of such ICGL Private Fund, the rate of the advisory fee payable by the Company to the Investment Adviser 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.

As with all investments by the Group, any such investments are subject to approval by the Board and the completion of satisfactory due diligence, which, where the counterparty to such investment is the Investment Adviser or its Associates, may include obtaining an independent third party valuation.

The Investment Adviser may allocate some of its resources to activities in which the Group is not engaged, which could have a negative impact on the Company's ability to achieve its investment objective

The Investment Adviser is not required to commit all of its resources to the Group's affairs. Insofar as the Investment Adviser devotes resources to its responsibilities in relation to other business interests, its ability to devote resource and attention to the Group'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, NAV and Share price.

Historical returns may not be indicative of future performance

The past performance of the Group and the other funds or clients managed or advised by the Investment Adviser cannot be relied upon as an indicator of the future performance of the Group. The success of the Company depends, amongst other things, on the Investment Adviser's ability to identify and acquire investments in accordance with the Company's investment policy. There can be no assurance that it will be able to do so. An investor might not get back the amount originally invested. The Company can offer no assurance that investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

Risks relating to an investment in the Shares

The Shares may trade at a discount to Net Asset Value

The Shares may trade at a discount to NAV per Share for a variety of reasons, including market and liquidity concerns, the actual or expected performance of the Company, and concerns that regulatory and legislative attitudes to such funds may alter in such a way as to adversely affect the Group. While the Directors may seek to mitigate any discount to NAV per Share through share buybacks, there can be no guarantee that they will seek to do so or that any such actions will be successful or that the use of discount control mechanisms will be possible or advisable.

Shareholders have no right to have their Shares redeemed or repurchased by the Company

The Company has been established as a listed closed-ended vehicle. Accordingly, Shareholders 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 Shares in the manner described in this document, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors so to act. Shareholders wishing to realise their investment in the Company prior to the final liquidation of the Company may therefore be required to dispose of their Shares in the market.

Accordingly, Shareholders' ability to realise their investment at Net Asset Value or at all is dependent on the existence of a liquid market in the Shares.

The issue of Shares pursuant to the Placing Programme will dilute existing Shareholders' voting rights

The issue of Shares pursuant to the Placing Programme will dilute the voting rights of the holders of Shares, or the possibility of the issue of Shares, pursuant to the Placing Programme may cause the market price of existing Shares to decline although the minimum issue price will be equal to the prevailing NAV per Share at the time of allotment and issue together with a premium intended to at least cover the costs and expenses of the relevant Placing of Shares (including, without limitation, any placing commissions), and therefore will be accretive to the prevailing NAV per Share at the time of the relevant Placing.

As at the Latest Practicable Date, there were 108,219,250 Shares in issue. If 40 million Shares were to be issued pursuant to the Placing Programme, the issued share capital following the closing of the Placing Programme would have increased by approximately 37.0 per cent. On this basis, if an existing Shareholder did not acquire any Shares in the Placing Programme, his or her proportionate voting interest in the Company would be diluted by approximately 27.0 per cent.

If 100 million Shares (being the maximum number of Shares available under the Placing Programme) were to be issued pursuant to the Placing Programme, the issued share capital following the closing of the Placing Programme would have increased by approximately 92.4 per cent. On this basis, if an existing Shareholder did not acquire any Shares in the Placing Programme, his or her proportionate voting interest in the Company would be diluted by approximately 48.0 per cent.

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

Although the Placing Shares will be admitted to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, there can be no assurance as to the levels of secondary market trading in Shares or the prices at which such Shares may trade. Accordingly, Shareholders should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Group.

While the Directors retain the right to effect the repurchases of Shares in the manner described in this document, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors so to act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares on the market.

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

The Shares may be subject to significant forced transfer provisions

The Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or under any other applicable securities laws. The Shares are being offered and sold outside the United States to non-U.S. Persons (as defined in Regulation S under the U.S. Securities Act).

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any benefit Plan Investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and shares issued by the Company being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act of 1934 and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act of 1934; or (iv) may cause the Company to be a controlled foreign corporation for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, the Directors may require the holder of such shares to dispose of such shares and, if the shareholder does not sell such shares, may dispose of such shares

on their behalf. These restrictions may make it more difficult for a U.S. Person to hold and Shareholders generally to sell the Shares and may have an adverse effect on the market value of the Shares.

Local laws or regulations may mean that the status of the Company or the Shares is uncertain or subject to change, which could adversely affect a Shareholder's ability to hold Shares

For regulatory and tax purposes, the status and treatment of the Company and the Shares may be different in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the Shares may be treated as units in a collective investment scheme. Furthermore, in certain jurisdictions, the regulatory and tax status of the Company and/or the Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or as a result of disclosures made by the Company.

Changes in the status or treatment of the Company or the Shares for regulatory and/or tax purposes may have unforeseen effects on the ability of investors to hold Shares or the consequences to investors of doing so.

Risks relating to taxation and regulation

Adverse changes in the tax position of the Group

Any change in the Group's tax position or status or in tax legislation or proposed legislation, or in the interpretation of tax legislation or proposed legislation by tax authorities or courts, or tax rates could adversely affect the value of investments held by the Group or affect the Company's ability to achieve its investment objective and/or deliver returns to Shareholders. Any such change could adversely affect the net amount of any distributions payable to Shareholders or the tax treatment of distributions received by Shareholders. Furthermore, the Group may incur costs in taking steps to mitigate this effect. As a result, any such change may have a material adverse effect on the Company's performance, financial condition or prospects.

Whilst this document focuses on tax risks in the UK, as a more general matter, if the Company were to be considered to be resident for taxation purposes in any jurisdiction other than Guernsey or otherwise subject to taxation in another jurisdiction, its total income or capital gains or those attributable to or effectively connected with such other jurisdiction may be subject to tax in that other jurisdiction and this could have a material adverse effect on the Company's results of operations, financial condition or business prospects.

Non-UK tax residence or non-trading status of the Company and/or LuxCo could be challenged or transactions could be taxed under certain UK anti-avoidance rules

It is intended that the Company is and will continue to be exempt from tax in Guernsey. The Company has and will continue to conduct its operations in a manner that ensures that it is not treated as being tax resident or as having a taxable presence outside Guernsey and LuxCo has and will continue to conduct its operations in a manner that ensures that it is not treated as being tax resident or as having a taxable presence outside Luxembourg.

In order to maintain their non-UK tax residence status, the Company and LuxCo are required to be centrally managed and controlled outside the UK. It is intended that the affairs of the Company and LuxCo have been and will be conducted so that the central management and control of each of the Company and LuxCo are not exercised in the UK and, consequently, so that neither the Company nor LuxCo are UK tax resident. However, it cannot be guaranteed that HMRC will not challenge this position. The composition of the boards of directors of the Company and of LuxCo, the manner in which the boards of directors of the Company and of LuxCo conduct their business and the locations in which the boards of directors of the Company and of LuxCo make decisions has and will continue to be important in determining and maintaining the non-UK tax residence of the Company and of LuxCo. While the Company and LuxCo are incorporated and administered in Guernsey and Luxembourg respectively and a majority of each of their directors are resident outside the UK, the manner in which the business of each of the Company and LuxCo is conducted could result in HMRC questioning the non-UK tax residence status of either of them.

There is a risk that management errors could potentially lead to the Company and/or LuxCo being considered UK tax resident. If so, this would result in the Company and/or LuxCo paying more UK tax than is anticipated, which would negatively affect their financial and operating results and accordingly reduce returns (including dividends) payable to Shareholders.

In addition, even where a company maintains its non-UK tax residence status, it will potentially be subject to UK corporation tax if it is carrying on a trade through a permanent establishment in the UK or to UK income tax if it is carrying on a trade wholly or partly in the UK other than through a permanent establishment in the UK, in which case the relevant company will be subject to UK income or corporation tax on the income profits and capital gains attributable to its UK trade. It cannot be guaranteed that HMRC will not seek to contend that the Company and/or LuxCo has acquired one or more of its assets as trading stock and, consequently, is carrying on a trade wholly or partly in the UK or in the UK through a permanent establishment in the UK. If any such contention were correct, this is likely to result in the Company and/or LuxCo paying more UK tax than is anticipated, which would negatively affect its financial results and returns to Shareholders.

Withholding Tax

Interest payments on loans that are secured on UK real estate and provided to UK resident borrowers, will usually have a UK source for UK tax purposes. Typically, payments of UK source interest to non-resident lenders must be made subject to deduction of basic rate income tax. Although it is intended that transactions have been and will continue to be structured so that any such interest payments can be made free of any deductions or withholdings, it cannot be guaranteed that HMRC will not challenge any such structuring or that the Company will have obtained appropriate clearances from HMRC within any applicable timeframe, with the result that the level of interest returns from borrowers could, in certain circumstances, be reduced.

It is intended that returns on investments made in ICGL Private Funds will be paid under a structure allowing payments to be made free of any deductions or withholdings. It cannot be guaranteed that a tax authority will not challenge the position with the result that the level of returns could, in certain circumstances, be reduced.

Changes in tax legislation could result in the imposition of additional and material tax liabilities on Shareholders

References in this document (in particular in Part VII (Taxation)) to tax law and tax authority practice and the rates of tax reflect the position as at the date of this document (or as at the date specified in the relevant paragraphs of Part VII (Taxation), as appropriate). Such law (including applicable rates of taxation) and tax authority practice are subject to change, possibly with retrospective effect. Any change in tax legislation or proposed legislation, or in the interpretation of tax legislation or proposed legislation by tax authorities or courts, or tax rates in Guernsey, Luxembourg or the United Kingdom or any jurisdiction in which borrowers are held to be resident, or in the Company's or LuxCo's tax treatment (for example, due to the disposal of equity accepted in settlement for debt) may affect the value of the investments held by the Group or the Company's ability successfully to pursue and achieve its investment objective, and/or adversely affect the after tax returns to Shareholders from their investment in the Company. There can be no guarantee that the rates or bases of taxation described in Part VII (Taxation) of this document will necessarily be those which apply to Shareholders so far as their return from the Company is concerned over the life of their holding of Shares.

Statements in this document take into account, in particular, the UK offshore fund rules contained in Part 8 of the Taxation (International and Other Provisions) Act 2010. Should the Shares be regarded as being subject to the offshore fund rules this may have adverse tax consequences for certain UK resident Shareholders.

Individual Shareholders may have conflicting investment, tax and other interests with respect to their investments in the Company

Shareholders are expected to include taxable and tax-exempt entities and persons or entities organised and residing in various jurisdictions who may have conflicting investment, tax and other interests with respect to their investments in the Company. The conflicting interests of individual Shareholders may relate to or arise from, among other things, the nature of investments made by the Group, the structuring of the acquisition of investments, the timing of disposal of investments and the manner in which income and capital generated by the Company is distributed to Shareholders. The structuring of investments and distributions may result in different returns being realised by different Shareholders. As a consequence, conflicts of interest may arise in connection with decisions made by the Investment Adviser, including the selection of borrowers in whose debt obligations the Group will invest, which may be more beneficial for one investor than for another investor, especially with respect to investors' individual situations. In selecting and structuring investments appropriate for the Group and in determining the manner in which

distributions shall be made to Shareholders, the Investment Adviser and the Directors, respectively, will consider the investment and tax objectives of the Company and Shareholders as a whole, not the investment, tax or other objectives of any Shareholder individually, which may adversely affect the investment returns of individual Shareholders.

Base erosion and profit shifting

Base erosion and profit shifting (“**BEPS**”) refers to the tax planning strategies of multinational corporations that exploit mismatches in national tax rules to shift artificially profits to low or no-tax locations, resulting in little or no overall corporate tax being paid. The Organisation for Economic Co-operation and Development (“**OECD**”) and the G20 countries are currently attempting to implement a number of measures to address BEPS and published a final report on 5 October 2015 which sets out 15 actions to tackle BEPS. These include measures aimed at preventing treaty abuse, preventing the artificial avoidance of permanent establishment basis, strengthening controlled foreign company rules and neutralising the effects of hybrid mismatch arrangements. In addition, the OECD report includes a sizeable section on potential changes to interest deductibility rules. Implementation of the OECD’s BEPS measures, in final form, will be at the discretion of individual countries and the UK Government announced plans to introduce legislation to implement the OECD’s recommendations from 1 April 2017 as part of the 2016 Budget. While the Investment Adviser does not believe the Company is an intended target of the OECD’s BEPS measures, being neither a multinational company nor involved in artificial arrangements, it is currently unclear what the implications will be for the Group or the real estate sector. It is possible that the implementation of the BEPS actions in the UK or other jurisdictions through which the Group invests may have negative implications for the Group, including the potential for a reduction in the tax deductibility of debt interest. There is therefore a risk that the OECD’s BEPS measures could have an adverse effect on the value of the Group’s investments and/or the results of its operations.

Certain payments to the Group may in the future be subject to a 30 per cent. withholding tax unless the Company agrees to certain reporting and withholding requirements and certain Shareholders will be required to provide the Company with required information so that the Company may comply with its obligations under FATCA

US FATCA

Under Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as “**FATCA**”) “Financial Institutions” are required to use enhanced due diligence procedures to identify U.S. persons who have invested in either non-U.S. financial accounts or non-U.S. entities.

Pursuant to FATCA, certain payments of U.S.-source income, and (from 1 January 2019) the gross proceeds of sales of property that give rise to certain U.S.-source payments, and (from the later of 1 January 2019 or the date of publication of certain final regulations) a portion of non-U.S. source payments from certain non-U.S. financial institutions to the extent attributable to U.S. source payments, are subject to a 30 per cent. withholding tax unless the Company has agreed to certain reporting and withholding requirements (“**FATCA Withholding**”).

The United States and Guernsey have entered into an intergovernmental agreement (“**U.S.-Guernsey IGA**”) to implement FATCA. Under the terms of the U.S. Guernsey IGA, the Company is obliged to comply with the provisions of FATCA as enacted by the Guernsey legislation implementing the U.S.-Guernsey IGA (the “**Guernsey IGA Legislation**”), rather than directly complying with the U.S. Treasury Regulations implementing FATCA. Under the terms of the U.S.-Guernsey IGA, Guernsey resident entities that comply with the requirements of the Guernsey IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to FATCA Withholding on payments they receive and will not be required to withhold under FATCA on payments they make.

The Company is considered a Guernsey resident financial institution and is registered for these purposes with the United States Internal Revenue Service under GIIN 61G8VS.99999.SL.831. The Company is required to comply with the requirements of the Guernsey IGA Legislation as amended from time to time. Under the Guernsey IGA Legislation, the Company is required to report to the Director of Income Tax in Guernsey certain holdings by and payments made to certain investors in the Company that are, or are controlled by natural persons who are, residents or citizens of the U.S., as well as to non-U.S. financial institutions that are considered to be Non-Participating Financial Institutions for the purposes of the U.S.-Guernsey IGA. Under the terms of the U.S.-Guernsey IGA, such information will be onward reported by the Director of Income Tax in Guernsey to the United States.

Under the U.S.-Guernsey IGA and Guernsey IGA Legislation, securities that are “regularly traded” on an established securities market, such as the main market of the London Stock Exchange, are not considered financial accounts and are not subject to reporting. For these purposes, the Shares will be considered “regularly traded” if there is a meaningful volume of trading with respect to the Shares on an on-going basis. Notwithstanding the foregoing, from 1 January 2016, a Share has not been considered “regularly traded” and is considered a financial account if the holder of the Share (other than a financial institution acting as an intermediary) is registered as the holder of the Share on the Company’s share register. Such Shareholders will be required to provide information to the Company to allow the Company to satisfy its obligations under FATCA, although it is expected that whilst a Share is held in uncertificated form through CREST, the holder of that Share will likely be a financial institution acting as an intermediary. Additionally, even if the Shares are considered regularly traded on an established securities market, Shareholders that own the Shares through financial intermediaries may be required to provide information to such financial intermediaries in order to allow the financial intermediaries to satisfy their obligations under FATCA. Notwithstanding the foregoing, the relevant rules under FATCA may change and, even if the Shares are considered regularly traded on an established securities market, Shareholders may, in the future, be required to provide information to the Company in order to allow the Company to satisfy its obligations under FATCA.

Additional intergovernmental agreements similar to the U.S.-Guernsey IGA have been entered into or are under discussion by other jurisdictions with the United States. Different rules than those described above may apply depending on whether a payee is resident in a jurisdiction that has entered into an intergovernmental agreement to implement FATCA.

The scope and application of FATCA Withholding and information reporting pursuant to the terms of FATCA and the U.S.-Guernsey IGA is subject to review by the United States and Guernsey and the rules may change.

Common Reporting Standard

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

Shareholders may be required to provide information that the Company determines necessary in order to allow the Company to satisfy its obligations under FATCA, the U.S.-Guernsey IGA and/or the CRS. Shareholders should consult with their own tax advisers regarding the application of FATCA, the U.S.-Guernsey IGA and/or the CRS to their particular circumstances.

The Company has not registered and will not register as an investment company under the U.S. Investment Company Act and the Company’s assets could be deemed “plan assets” that are subject to the requirements of ERISA and/or Section 4975 of the U.S. Code

The Company seeks to qualify for an exemption from the definition of “investment company” under the U.S. Investment Company Act and will not register as an investment company in the United States under the U.S. Investment Company Act. The U.S. Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which are applicable to the Company or its investors. To avoid being required to register as an investment company under the U.S. Investment Company Act and to avoid violating such act, the Company has implemented restrictions on the ownership and transfer of the Shares, which may materially affect Shareholders’ ability to transfer their Shares to U.S. Persons.

The purchase of Shares by an employee benefit plan subject to ERISA, or Section 4975 of the U.S. Code or by any entity whose assets are treated as assets of any such plan, could result in the assets of the Company being considered plan assets for the purposes of ERISA, and/or Section 4975 of the U.S. Code and regulations made thereunder. In such circumstances the Company, the Investment Adviser and also the fiduciaries of such an employee benefit plan could be liable for any ERISA violations by the Company or the Investment Adviser and for other adverse consequences under ERISA. Each purchaser and transferee of Shares is deemed to have represented by its purchase or receipt of the Shares, and

throughout the period that it holds the Shares, that it is not an employee benefit plan subject to ERISA or Section 4975 of the U.S. Code or an entity whose assets are treated as assets of any such employee benefit plan. The Directors are also empowered by the Articles to require Shareholders, which they consider may because of their shareholding result in the assets of the Company being considered plan assets, to transfer their Shares in order to reduce this risk materialising. See paragraph 4 of Part VIII of this document for further details.

The investment activity to be undertaken by the Group may expose the Group to the risk of banking regulation in Guernsey and other jurisdictions

The European Commission and other relevant authorities have stated that they are considering whether lending by non-bank institutions (or “**shadow banking**”) should, in itself, be a regulated activity and the Financial Stability Board has recently announced a consultation on the subject. Whilst there are no firm proposals currently on the legislative agenda, the future regulation of shadow banking cannot be ruled out. Any future regulation may have an impact on the Group, which could be significant, in terms of compliance costs and, potentially, the restriction of its activities. Any such costs or restrictions may have an adverse effect on the performance of the Company, the NAV and the value of the Shares.

Greater regulation of the financial services industry, which imposes additional restrictions on the Group, may materially affect the Group’s business and the Company’s ability to achieve its investment objective

Legislation proposing greater regulation of the financial services industry and the financial markets is being actively pursued in the European Union and other jurisdictions.

There can be no assurance that future regulatory action will not result in additional market dislocation. It is impossible to predict the nature, timing and scope of future changes in laws and regulations applicable to the Group. Any such changes in laws and regulations may have a material adverse effect on the ability of the Company to successfully pursue its investment policy and to realise its profit potential, and may include a requirement of increased transparency as to the identity of investors in the Company. Any such event may materially adversely affect the investment returns of the Company.

The AIFM Directive may prevent the marketing of the Shares in the European Union, which may adversely affect liquidity in the Shares and the ability of Shareholders to realise their investment

The Alternative Investment Fund Managers Directive (No. 2011/61/EU) (“**AIFM Directive**”) was transposed into the national legislation of the UK on 22 July 2013 via The Alternative Investment Fund Managers Regulations 2013 (the “**AIFM Regulations**”). As an internally managed alternative investment fund (“**AIF**”), the Company acts as its own alternative investment fund manager (“**AIFM**”).

The AIFM Directive only allows the marketing of non-EEA incorporated AIFs (such as the Company) under applicable national private placement regimes (where EEA Member States choose to retain private placement regimes). The obligations on the AIFM under those national private placement regimes vary in each of the EEA Member States, and differ depending on whether the AIFM is classified as sub or above threshold at the time the relevant application to market under a national private placement regime is made.

In the UK, the national private placement regime includes, at a minimum, an obligation on the AIFM to notify the FCA that it is: (a) the person responsible for complying with the implementing provisions relating to the marketing of the relevant AIF’s shares; and (b) a third country (i.e. non-EEA domiciled) AIFM.

The FCA may suspend, or revoke, the Company’s entitlement to market the Shares in the UK if it appears to the FCA that: (a) one or more conditions confirmed in the FCA notification as being met are no longer satisfied; (b) it has contravened (or is likely to contravene) an implementing provision that applies to it; (c) it has knowingly or recklessly given the FCA information which is false or misleading in a material way; or (d) it is undesirable in the interests of investors or potential investors that the Company should continue to be marketed. Suspension or revocation of the Company’s entitlement to market the Shares could materially disrupt the business of the Group and could have a material adverse effect on the performance of the Company and returns to Shareholders.

As at the date of this document, the European Commission had signed bilateral cooperation agreements with 31 securities regulators from the EU and the wider EEA. It is intended that, over time, a passport will be phased in to allow the marketing of non-EEA incorporated AIFs (such as the Company) into the EEA

and that national private placement regimes will be phased out. In July 2015, the European Securities and Markets Authority (“**ESMA**”) issued its opinion and advice on the extension of the marketing (and managing) passport to AIFs incorporated in certain non-EEA jurisdictions, in accordance with the rules set out in articles 35 and 37 to 41 of the AIFM Directive. Following its assessment on Guernsey, ESMA confirmed it is of the view that there are no significant obstacles regarding investor protection, competition, market disruption and the monitoring of systemic risk impeding the application of the AIFM Directive passport to Guernsey. The European Commission subsequently asked ESMA to provide further details, which it submitted in July 2016. In principle, the European Commission should within three months of the publication of positive advice from ESMA adopt a delegated act specifying the date when the marketing (and managing) passport will be extended to AIFs incorporated in certain non-EEA jurisdictions (including Guernsey). As of the date of this document, ESMA’s advice is still being considered by the European Commission, Parliament and Council. Both the adoption of such a passport and the phasing out of national private placement regimes are therefore subject to certain criteria and are not certain. Consequently, there may be future restrictions on, and a material increase in the compliance costs involved in, the active marketing of the Shares in the EEA, which in turn may have a negative effect on the marketing and liquidity generally of the Shares.

The proposed EU Commission Financial Transaction Tax may adversely affect the Company

On 14 February 2013, the European Commission published a proposal for a Directive for a common financial transaction tax (the “**FTT**”) in certain EU Member States.

Under the current proposal the FTT could apply in certain circumstances to persons both within and outside of the participating EU Member States. Generally, it would apply to financial transactions where at least one party is a financial institution and: (a) one party is established in a participating EU Member State; or (b) the financial instrument which is subject to the transaction is issued in a participating EU Member State. A financial institution may be, or be deemed to be, “established” in a participating EU Member State in a broad range of circumstances, including by transacting with a person established in a participating EU Member State. The FTT will be payable by each financial institution established or deemed established in a participating EU Member State which is either a party to the financial transaction, or acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, will become jointly and severally liable for the payment of the FTT due.

While the FTT proposal remains subject to negotiation between the EU Member States, and may therefore be altered, if adopted in its current proposed form any investments made by the Company may be affected by the FTT and thus may have a direct or indirect effect on the Company’s financial condition, results of operations, NAV and/or market price of the Shares.

Prospective holders of Shares are strongly advised to seek their own professional advice in relation to the FTT.

The foregoing risks are not exhaustive and do not purport to be a complete explanation of all the risks and significant considerations involved in investing in the Company. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company’s business, operation, results and financial condition.

IMPORTANT NOTICES

GENERAL

In assessing an investment in the Shares, investors should rely only on the information in this document and any supplementary prospectus published by the Company prior to any Admission. No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this document and any such supplementary prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, the Investment Adviser, Cenkos, or any other person. Neither the delivery of this document nor any subscription or purchase of Shares made pursuant to this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Cenkos by FSMA or the regulatory regime established thereunder or under the regulatory regime of any other jurisdiction, Cenkos accepts no responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Group, the Investment Adviser, the Shares or the Placing Programme. Cenkos accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such document or any such statement.

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

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction 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. The distribution of this document and the offering of Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this document comes are required to inform themselves about and observe any restrictions as to the offer or sale of Shares and the distribution of this document under the laws and regulations of any jurisdiction in connection with any application for Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. Save for the UK, 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 document other than in any jurisdiction where action for that purpose is not required.

The Shares are being offered and issued outside the United States in reliance on Regulation S. The Shares have not been nor will they be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Company has not registered and will not register under the U.S. Investment Company Act. The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. 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 document. 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 U.S. law.

The Articles of Incorporation contain restrictions on transfer of Shares as set out under the heading "Articles of Incorporation" in Part VIII of this document.

The Directors have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the Directors accept responsibility accordingly.

If you are in any doubt about the contents of this document you should consult your accountant, legal or professional adviser or financial adviser.

REGULATORY INFORMATION

The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and RCIS Rules.

The Company is categorised as an internally managed non-EEAIF for the purposes of the AIFM Directive and the AIFM Regulations.

The Company is not (and is not required to be) regulated or authorised by the FCA, but in common with other investment companies admitted to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, is subject to the Prospectus Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation, the Listing Rules and the rules of the London Stock Exchange.

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

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

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

It may be necessary, from time to time, for the Company (or any third party service provider, functionary, or agent appointed by the Company) to disclose and/or transfer personal data without consent:

- to third party service providers, agents or functionaries appointed by the Company or its agents to provide services to prospective investors;
- to any government, regulatory authority, court of competent jurisdiction, stock exchange, clearing house or investigatory authority or as otherwise required by any applicable laws and regulations; and
- outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as Guernsey.

If the Company (or any third party service provider, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary or discloses personal data to such a government, regulatory authority, court of competent jurisdiction, stock exchange, clearing house or investigatory authority and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

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

PRESENTATION OF INFORMATION

Market, economic and industry data

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

Currency presentation

Unless otherwise indicated, all references in this document to “£” or “pence” are to the lawful currency of the UK and all references to “U.S. \$” are to the lawful currency of the United States of America.

Definitions

A list of defined terms used in this document is set out at pages 115 to 121.

Governing law

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

Investment considerations

The contents of this document are not to be construed as advice relating to legal, financial, taxation, investment or any other matters. Prospective investors should inform themselves as to:

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

An investment in Shares should be regarded as a long term investment. There can be no assurance that the Company's investment objective will be achieved.

This document should be read in its entirety before making any investment in the Shares. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles of Incorporation, which investors should review.

Reference to credit ratings (Regulation (EC) No 1060/2008)

The credit rating agencies providing ratings to securities referred to in this document (if any) are each established in the EU and registered under Regulation (EC) No. 1060/2008 (as amended). As such each such credit rating agency is included in the list of credit rating agencies published by the ESMA on its website in accordance with the CRA Regulations.

Website

The contents of the Company's website, insofar as they relate to the Placing Programme or the Shares, do not form part of this document. Investors should base their decision whether or not to invest in the Shares on the contents of this document and any supplementary prospectus published by the Company prior to any Admission alone.

FORWARD-LOOKING STATEMENTS

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

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

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 8 of Part VIII of this document.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Relevant Member State, no Shares have been offered or will be offered pursuant to the Placing Programme to the public in that Relevant Member State prior to the publication of a document 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:

- to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive with the prior consent of Cenkos,

provided that no such offer of Shares shall result in a requirement for the publication of a document 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 Placing Programme 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 these purposes, 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.

In addition, Shares will only be offered to the extent that Shares: (i) are permitted to be marketed into the relevant EEA jurisdiction pursuant to the AIFM Directive (if and as implemented into local law); or (ii) can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor). Each person who initially acquires Shares or to whom any offer is made will be deemed to have represented, warranted to and agreed with Cenkos and the Company (as the case may be) that: (i) it is a “qualified investor” within the meaning of the law in that Relevant Member State implementing Article 2.1(e) of the Prospectus Directive; and (ii) if that Relevant Member State has implemented the AIFM Directive, that it is a person to whom Shares in the Company may lawfully be marketed under the AIFM Directive or under the applicable implementing legislation (if any) of that Relevant Member State.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN GUERNSEY

To the extent to which any promotion of the Shares in the Company is deemed to take place in Guernsey, the Shares are only being promoted in or from within Guernsey either (i) by persons licensed to do so under the POI Law or (ii) to persons licensed under the POI Law, the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended) or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended). Promotion is not being made in any other way.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN JERSEY

This document may be circulated in Jersey only by persons who are registered to do so by the Jersey Financial Services Commission for the appropriate class of “fund services business” in accordance with the Financial Services (Jersey) Law 1998, as amended (“**FSL**”), or are exempt from such registration in accordance with the FSL. In addition, this document may be circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom.

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

DIRECTORS AND ADVISERS

Directors	John (Jack) Perry (<i>Chairman</i>) Stuart Beevor Patrick Firth Mark Huntley Paul Meader all of the registered office below
Registered office	Heritage Hall, PO Box 225, Le Marchant Street St Peter Port Guernsey GY1 4HY
Investment Adviser	Intermediate Capital Managers Limited Juxon House 100 St. Paul's Churchyard London EC4M 8BU United Kingdom
Administrator, Designated Administrator and Company Secretary	Heritage International Fund Managers Limited Heritage Hall, PO Box 225, Le Marchant Street St Peter Port Guernsey GY1 4HY
Luxembourg Administrator	MAS Luxembourg S.à r.l. 6C, rue Gabriel Lippmann L-5356 Munsbach Luxembourg
Sponsor and Placing Agent	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS United Kingdom
Solicitors to the Company (as to English law)	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU United Kingdom
Legal advisers to the Company (as to Guernsey law)	Carey Olsen P.O. Box 98 Carey House Les Banques St Peter Port Guernsey GY1 4BZ
Solicitors to the Sponsor and Placing Agent (as to English law)	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH United Kingdom
Reporting Accountants and Auditors to the Company	Deloitte LLP Regency Court Gategny Esplanade St Peter Port Guernsey GY1 3HW

Registrar

Capita Registrars (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey GY2 4LH

Principal Bankers of the Company

The Royal Bank of Scotland International Limited
PO Box 62
Royal Bank Place
1 Gategny Esplanade
St Peter Port
Guernsey GY1 4BQ

Lloyds Bank International Limited
PO Box 136
Sarnia House
Le Truchot
St Peter Port
Guernsey GY1 4EN

ABN AMRO (Guernsey) Limited
Martello Court
Admiral Park
St Peter Port
Guernsey GY1 3QJ

Barclays Bank plc
6-8 High Street
St Peter Port
Guernsey GY1 3BE

EXPECTED TIMETABLE

Publication of Prospectus	27 April 2017
Placing Programme opens	27 April 2017
Announcement of the results of each Placing	as soon as practicable following the closing of each Placing
Admission and crediting of CREST accounts in respect of each Placing	as soon as practicable following the closing of each Placing
Share certificates in respect of Placing Shares dispatched (if applicable)	approximately one week following the Admission of any Placing Shares
Last date for Placing Shares to be issued pursuant to the Placing Programme	26 April 2018

* The dates and times specified are subject to change. References to times are London times unless otherwise stated.

PLACING PROGRAMME STATISTICS

Size of Placing Programme	40 million Placing Shares*
Minimum Placing Price	NAV per Share plus a premium intended to at least cover the costs and expenses of the relevant Placing of Shares (including, without limitation, any placing commissions)

*The Directors currently have a specific authority to allot and issue up to 40 million Shares pursuant to the Placing Programme as granted by Shareholders at the EGM held on 1 March 2017. Notwithstanding the intention of the Directors to propose a Placing Programme in respect of the issue of up to 40 million Shares, as set out in the circular to Shareholders dated 11 January 2017, the Directors believe it is in the best interests of the Company to include flexibility in the Placing Programme to issue up to a maximum of 100 million Shares, as it will allow them to issue, subject to investor demand, further Shares pursuant to the Placing Programme without issuing a further prospectus, thereby potentially saving the Company costs. At the 2016 AGM held on 3 June 2016 Shareholders approved a general authority to allot and issue up to 10,811,103 Shares for cash on a non-pre-emptive basis. As a result, the Directors may, without further Shareholder approval, allot and issue up to an additional 10,811,103 Shares for cash on a non-pre-emptive basis under the Placing Programme. At the next annual general meeting of the Company to be held on 31 May 2017, the Directors will seek Shareholder authority for the renewal of the general authority. If the Directors resolve to allot and issue Shares for cash on a non-pre-emptive basis under the Placing Programme in excess of the available existing authorities, such Shares may only be allotted and issued subject to the grant of an additional Shareholder authority.

DEALING CODES

The dealing codes for the Placing Shares are as follows:

ISIN	GG00B8C23S81
SEDOL	B8C23S8
Ticker	LBOW

PART I INFORMATION ON THE GROUP

1 INTRODUCTION

ICG-Longbow UK Senior Secured UK Property Debt Investments Limited 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.

As at the date of this document the Group's Portfolio comprised 9 loans with an aggregate outstanding balance of £99.83 million. As at 31 January 2017 the audited NAV per Share was 103.80 pence.

As at the Latest Practicable Date, the market capitalisation of the Company was £112 million.

The Investment Adviser is part of the ICG group and is authorised and regulated by the FCA. ICG-Longbow is the real estate division of ICG, and operates through the Investment Adviser. ICG-Longbow is focused on the UK CRE debt market with, as at 31 March 2017, c.£3.0 billion assets under management, of which over £897 million relate to dedicated senior debt strategies. ICG is a specialist asset manager with over 28 years' history in private debt across the globe, with a focus on providing credit and capital market investment solutions and with, as at 31 December 2016, over €22.6 billion assets under management. ICG is listed on the London Stock Exchange and as at the Latest Practicable Date had a market capitalisation in excess of £2 billion. The Company is internally managed by its Board, but has delegated certain risk and portfolio management activities to the Investment Adviser, subject to the Company's investment policy, and subject to the overall direction of the Board.

The Company launched in February 2013 with the objective of producing an attractive level of dividends of 6 per cent. per annum, derived from investing in a diversified portfolio of good quality defensive senior secured UK real estate loans.

The Company has successfully achieved this objective with great consistency, which the Board believes directly reflects the quality and experience of the team behind the Investment Adviser, who have originated and managed the portfolio of loans during the Company's life. Additional value has been created through the reinvestment of the capital and exit fee proceeds following the early repayment of a number of loans.

As a result, the Company has paid a dividend equivalent to 6 pence per Share per annum since it became fully invested in April 2014. Since then, the Company has produced a total Shareholder return of 5.94 per cent. per annum. The Share price has traded with low volatility and generally at a premium to the Company's published prevailing NAV, reflecting the value that Shareholders have placed on the consistent and attractive returns achieved.

Over the coming 24 months and as detailed in paragraph 1 of Part II of this document, the majority of the Company's current loans become due for repayment. Given the material changes in the market dynamics affecting the financial market for the UK property sector since 2013, the Board concluded that it would not be possible for the relevant proceeds to be reinvested in accordance with both the investment objective and policy adopted on launch. However, the Board believes that attractive risk adjusted investment returns remain available in the UK real estate debt markets.

Accordingly, in a circular to Shareholders dated 11 January 2017, the Board proposed a revised investment objective and policy, which was approved by Shareholders on 1 March 2017. The new investment objective and investment policy enables the Company to reinvest the proceeds (and any monies raised pursuant to the Placing Programme) into new loans in order to take advantage of the continuing attractive opportunities in senior UK property lending. The revised investment policy also permits exposure to some of the highly successful private funds that the Investment Adviser and its Associates advise and manage and any new private funds advised or managed by the Investment Adviser and its Associates in the UK real estate lending sector, without incurring any second layer of fees.

2 MARKET OPPORTUNITY

The Investment Adviser has extensive experience and deep knowledge of UK Commercial Property and a thorough understanding of the drivers of the property financing market.

The Investment Adviser sees increasing opportunities for funding in support of small to medium sized acquisition or refinancing transactions across the UK. This is particularly the case where borrowers are seeking loans above a 70 per cent. LTV, an area where the Investment Adviser believes there are fewer competitors providing capital.

This market segment should benefit from strong underlying property fundamentals, underpinned by occupational demand created by record employment, low levels of property development and steady economic growth over recent years, despite the uncertainties caused by the result of the UK's referendum on Brexit.

By combining its knowledge and understanding with this market opportunity, the Investment Adviser anticipates that the Company will be able to deliver attractive returns without compromising the prudent lending philosophy which has served the Company so well since launch.

The Board believes that this strategy should provide Shareholders with attractive returns relative to alternative investment opportunities with a similar risk profile and offers participation in a market with demonstrated potential for capital deployment on a favourable risk/reward basis.

Further information on the investment outlook is contained in Part II of this document.

The Investment Adviser is already seeing a strong level of interest from prospective borrowers following the adoption of the new investment objective and investment policy, and has built up a pipeline of potential opportunities. The ability to issue Shares pursuant to the Placing Programme will provide the Directors with the necessary flexibility to both participate in and complete such opportunities, should they deem market conditions to be suitable at the relevant time, and to repay any short-term debt financing used to make investments from time to time.

3 PLACING PROGRAMME

The Company intends to issue Shares pursuant to the Placing Programme in order to take advantage of attractive investment opportunities as and when they arise.

The Directors currently have a specific authority to allot and issue up to 40 million Shares pursuant to the Placing Programme as granted by Shareholders at the EGM held on 1 March 2017. Notwithstanding the intention of the Directors to propose a Placing Programme in respect of the issue of up to 40 million Shares, as set out in the circular to Shareholders dated 11 January 2017, the Directors believe it is in the best interests of the Company to include flexibility in the Placing Programme to issue up to a maximum of 100 million Shares, as it will allow them to issue, subject to investor demand, further Shares pursuant to the Placing Programme without issuing a further prospectus, thereby potentially saving the Company costs.

At the 2016 AGM held on 3 June 2016 Shareholders approved a general authority to allot and issue up to 10,811,103 Shares for cash on a non-pre-emptive basis. As a result, the Directors may, without further Shareholder approval, allot and issue up to an additional 10,811,103 Shares for cash on a non-pre-emptive basis under the Placing Programme. At the next annual general meeting of the Company to be held on 31 May 2017, the Directors will seek Shareholder authority for the renewal of the general authority. If the Directors resolve to allot and issue Shares for cash on a non-pre-emptive basis under the Placing Programme in excess of the available existing authorities, such Shares may only be allotted and issued subject to the grant of an additional Shareholder authority.

The net proceeds of the Placing Programme, after providing for the Group's operational expenses, will be used to make investments in accordance with the Company's investment policy or to repay any short-term debt financing incurred from time to time.

Further information in relation to the Placing Programme is set out in Part V of this document.

4 INVESTMENT OBJECTIVE AND POLICY

Investment Objective

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.

Investment Policy

The Company's investment policy is to invest in:

- 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 valuations at the time of loan origination or acquisition once fully invested); and

- ICGL Private Funds acquired in primary or secondary transactions, including from the Investment Adviser or its Associates.

Investment Restrictions

The following restrictions apply to loan investments within the Portfolio.

The Company will, subject as set out below, only invest in loans that:

- are originated by the Investment Adviser 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 Investment Adviser or its Associates).

At the time any investment is made:

- the maximum percentage of the Company's gross assets allocated to a single loan shall be 10 per cent., provided that the limit may 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;
- 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.

The Company will not invest in subordinated loans and mezzanine loans, bridge loans, development loans or loan-on-loan financing.

The following restrictions apply to the Portfolio's indirect real estate exposure.

The Company may only invest in ICGL Private Funds where at the date of making an investment or commitment:

- 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.

Gearing

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.

Cash Management Policy

Cash held by the Company pending investment or distribution will be held in either cash or cash 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.

The Company will not invest in other listed or unlisted closed-ended funds.

Any material change to the Company's published investment policy will be made only with the prior approval of Shareholders by ordinary resolution.

5 DIVIDEND POLICY AND TARGET DIVIDEND

In any financial year, the Company has the discretion to pay dividends to Shareholders subject to the solvency test prescribed by Guernsey law.

The Articles also permit the Directors, in their absolute discretion, to offer a scrip dividend alternative to Shareholders when a cash dividend is declared from time to time. In the event a scrip dividend is offered in the future, an electing Shareholder would be issued new, fully paid up Shares (or Shares reissued from treasury) pursuant to the scrip dividend alternative, calculated by reference to the higher of: (i) the volume-weighted average mid-market quotation of the Shares as shown on the daily Official List of the London Stock Exchange for the day on which such Shares are first quoted "ex" the relevant dividend and the four subsequent dealing days; or (ii) the NAV per Share, at the relevant time. The scrip dividend alternative would be available only to those Shareholders to whom Shares might lawfully be marketed by the Company.

The Directors' intention is not to offer a scrip dividend at any time when the Shares are trading at a material discount to the NAV per Share.

On the basis of the Portfolio as at the date of this document and anticipated changes to the Portfolio over the medium term as a result of the recent change to the investment policy, the Company will continue to target a dividend at an annualised rate of 6 pence per Share in respect of the accounting period ending on 31 January 2018 and thereafter.

The Company pays dividends on a quarterly basis with dividends typically declared in April, June, September and December and paid in January, May, July and October. In 2017, dividends shall be paid in January, June, August and October.

In respect of the financial year ended 31 January 2017, the Company has declared four interim dividends of, in aggregate 6 pence per Share.

The fourth interim dividend in respect of the quarter ended 31 January 2017 was declared and will be paid in the current financial year.

In addition, the Board has declared a special dividend in respect of the prepayment fees received in the year ended 31 January 2017 of 2.25 pence per Share which will be paid at the same time as the fourth interim dividend.

Investors should note that the Company's dividend target is a target only and is not intended to be, and shall not be taken as, a profit forecast or estimate. Actual dividend payments cannot be predicted and

may differ materially from the target figure detailed in the policy. There can be no assurance that this target will be met or that any dividend will be paid.

6 LIFE OF THE COMPANY

The Company has an unlimited life.

An ordinary resolution for the Company to continue in its current form was passed at the general meeting of the Company held on 1 March 2017 (the “**Initial Continuation Resolution**”).

The Company’s Articles require that additional continuation resolutions (each a “**Follow-On Continuation Resolution**”) are proposed prior to the annual general meeting to be held in the fifth year following the passing of the Initial Continuation Resolution or most recent Follow-On Continuation Resolution (as the case may be). The first Follow-On Continuation Resolution will be required on or before the annual general meeting of the Company to be held in 2022.

If any such resolution is not passed the Directors will then, as soon as reasonably practicable, put proposals for the reconstruction or reorganisation of the Company to the Shareholders for their approval. These proposals may or may not involve affording an opportunity for those Shareholders who so wish to realise their investment in the Company (whether by liquidation, share redemptions, share repurchases or otherwise), and so failure to pass any such resolution for the continuation of the Company in its current form will not necessarily result in the winding-up of the Company or Shareholders realising their investment in the Company.

7 DISCOUNT MANAGEMENT

The Directors may seek to address any significant imbalance between the supply of and demand for Shares in the secondary market and to manage the discount to Net Asset Value at which the Shares may be trading from time to time by purchasing Shares in the market under its general buy-back authorities.

Buy-backs of Shares by the Company

A special resolution has been passed granting the Directors authority to repurchase up to 16,222,065 Shares (representing 14.99 per cent. of the Shares in issue as at the latest practicable date prior to the date of publication of notice of the 2016 AGM) during the period expiring on the conclusion of the Company’s annual general meeting to be held on 31 May 2017. Renewal of this buy-back authority to acquire 14.99 per cent. of the Company’s issued share capital will be sought at the Company’s annual general meeting to be held on 31 May 2017 and each subsequent annual general meeting of the Company.

The Directors believe that the most effective means of minimising any discount to Net Asset Value which may arise on the Company’s share price, is to deliver strong, consistent performance from the Group’s Portfolio in both absolute and relative terms. However, the Board recognises that wider market conditions and other considerations affect the rating of the Shares in the short term and the Board may seek to limit the level and volatility of any discount to Net Asset Value at which the Shares may trade. The means by which this might be done could include the Company repurchasing Shares. Therefore, subject to the requirements of the Listing Rules, the Companies Law, the Articles and other applicable legislation, the Company may purchase Shares in the market in order to address any imbalance between the supply of and demand for Shares or to enhance the Net Asset Value of the Shares.

In deciding whether to make any such purchases the Directors have regard to what they believe to be in the best interests of Shareholders and to the applicable Guernsey legal requirements which require the Directors to be satisfied on reasonable grounds that the Company will, immediately after any such repurchase, satisfy a solvency test prescribed by the Companies Law and any other requirements in its memorandum and articles of incorporation. The Directors do not currently have any intention to repurchase any Shares. The making and timing of any buybacks is at the absolute discretion of the Board and not at the option of the Shareholders. Any such repurchases would only be made through the market for cash at a discount to Net Asset Value.

Under the current Listing Rules, the maximum price (exclusive of expenses) which may be paid for a Share must not be more than the higher of: (i) five per cent. above the average of the mid-market values of the Shares for the five Business Days before the purchase is made; or (ii) that stipulated by the regulatory technical standards adopted by the EU pursuant to the Market Abuse Regulation.

Shareholders should note that the purchase of Shares by the Company is at the absolute discretion of the Directors and is subject to the working capital requirements of the Company and the amount of cash available to the Company to fund such purchases. Accordingly, no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

Shares purchased by the Company may be cancelled or held as treasury shares.

The Company may borrow and/or realise investments in order to finance such Share purchases.

Treasury Shares

The Company may hold any Shares repurchased by it “in treasury”, meaning that the Shares remain in issue owned by the Company rather than being cancelled. Shares held in treasury are not entitled to receive any dividend declared by the Company or to exercise voting rights.

Shares held in treasury may be subsequently cancelled or sold for cash. Whilst the Company currently has authority to sell Shares out of treasury for cash on a non-pre-emptive basis, the Directors do not intend to sell any Shares out of treasury at a price which represents a discount to the then prevailing NAV per Share. Shares being held in treasury should give the Company the ability to sell such Shares quickly and cost efficiently and should provide the Company with additional flexibility in the management of its capital base. In addition, the Board believes that the effective use of treasury shares could assist the Company in improving liquidity in the Shares and managing any imbalance between supply and demand.

The Company’s treasury share policy is subject to review by the Board on a periodic basis. The Board has regard to current market practice for the reissue of treasury shares by London-listed closed ended investment companies and the recommendations of its broker and the Investment Adviser. Any material change to the Company’s treasury share policy will be announced by the Company through an RIS.

8 FURTHER ISSUES

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment and issue of Shares. The Articles, however, contain pre-emption rights in relation to allotments and issues of Shares for cash.

The Directors currently have a specific authority to allot and issue up to 40 million Shares pursuant to the Placing Programme as granted by Shareholders at the EGM held on 1 March 2017. Notwithstanding the intention of the Directors to propose a Placing Programme in respect of the issue of up to 40 million Shares, as set out in the circular to Shareholders dated 11 January 2017, the Directors believe it is in the best interests of the Company to include flexibility in the Placing Programme to issue up to a maximum of 100 million Shares, as it will allow them to issue, subject to investor demand, further Shares pursuant to the Placing Programme without issuing a further prospectus, thereby potentially saving the Company costs.

At the 2016 AGM held on 3 June 2016 Shareholders approved a general authority to allot and issue up to 10,811,103 Shares for cash on a non-pre-emptive basis. As a result, the Directors may, without further Shareholder approval, allot and issue up to an additional 10,811,103 Shares for cash on a non-pre-emptive basis under the Placing Programme. At the next annual general meeting of the Company to be held on 31 May 2017, the Directors will seek Shareholder authority for the renewal of the general authority. If the Directors resolve to allot and issue Shares for cash on a non-pre-emptive basis under the Placing Programme in excess of the available existing authorities, such Shares may only be allotted and issued subject to the grant of an additional Shareholder authority.

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

No Shares will be issued at a price less than the prevailing NAV per Share at the time of their issue.

9 CAPITAL STRUCTURE

The Company’s issued share capital consists of Shares.

The rights attaching to the Shares to be issued pursuant to the Placing Programme are set out in the Articles and summarised below.

The Shares carry the right to receive the profits of the Company available for distribution at such times as the Directors may determine in accordance with the Articles. On a winding up, the surplus assets

attributable to the Shares (as determined by the Directors) and available for distribution shall be paid to the holders of Shares in accordance with the Articles and such assets shall be divided *pari passu* among the holders of Shares in proportion to the number of Shares held by them.

Holders of Shares have the right to receive notice of, and to attend and vote at, general meetings and class meetings of the Company. Each holder of Shares who is present in person (or, being a corporation, by representative) or by proxy at a general meeting or a class meeting on a show of hands has one vote and, on a poll, every such holder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of each Share held by him.

10 DISCLOSURE OBLIGATIONS

The provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules (as amended from time to time) (“**DTR 5**”) of the Financial Conduct Authority Handbook apply to the Company on the basis that the Company is a “non-UK issuer”, as such term is defined in DTR 5. As such, a person is required to notify the Company of the percentage of voting rights it holds as a holder of Shares or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within DTR 5 if, as a result of an acquisition or disposal of Shares (or financial instruments), the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of a non-UK issuer, 5, 10, 15, 20, 25, 30, 50 and 75 per cent. However, pursuant to the Articles, the Company has adopted provisions whereby Shareholders are required to notify the Company if they acquire or cease to hold a ‘notifiable interest’, being an interest in the Company equal to 3 per cent. of the number of Shares in issue. Once holding a ‘notifiable interest’, Shareholders are also required to notify the Company of any increase or decrease to their holding of Shares to the nearest whole percentage number.

11 NON-MAINSTREAM POOLED INVESTMENTS

The Board notes the rules of the FCA on the promotion of non-mainstream pooled investments. The Board confirms that it conducts the Company’s affairs and intends to continue to conduct its affairs, so that the Company’s shares will be “excluded securities” under the FCA’s rules. This is on the basis that the Company, which is resident outside the EEA, would qualify for approval as an investment trust by the Commissioners for HMRC under sections 1158 and 1159 of the Corporation Tax Act 2010 if resident and listed in the United Kingdom. Therefore, the Company’s shares will not amount to non-mainstream pooled investments. Accordingly, promotion of the Company’s shares will not be subject to the FCA’s restriction on promotion of non-mainstream pooled investments.

12 RISK FACTORS

The Company’s performance is dependent on many factors and potential investors should read the whole of this document and in particular the section entitled “Risk Factors” on pages 16 to 32.

PART II PORTFOLIO AND MARKET OVERVIEW

1 CURRENT PORTFOLIO

As at the date of this document, the Group's Portfolio comprised 9 loans, as set out below, with an aggregate outstanding balance of £99.83 million.

<i>Project</i>	<i>Region</i>	<i>Sector</i>	<i>Term start</i>	<i>Unexpired term (yrs)</i>	<i>Balance outstanding (£m)</i>	<i>Current LTV</i>	<i>Current ICR</i>
IRAF Portfolio	North West	Industrial/ Distribution	Jul-13	1.67	11.94	43.4%	213%
Meadows RE Fund II	London	Retail	Sep-13	0.75	18.07	63.0%	114%
Northlands Portfolio	London	Mixed Use	Nov-13	1.66	6.98	43.4%	142%
Hulbert	Midlands	Industrial/ Distribution	Dec-13	1.68	6.57	52.2%	191%
Halcyon Ground Rents	National	Industrial/ Distribution	Dec-13	1.68	8.60	63.3%	116%
Carrara Ground Rents	North West	Regional Office	Dec-13	1.68	1.30	65.0%	113%
Gateshead Ramada	North East	Other (Hotel)	Apr-14	2.08	7.98	66%	178%
Commercial Regional Space	North West	Industrial/ Distribution	Mar-16	2.04	22.40	64.0%	358%
BMO Real Estate	National	Mixed Use	Jan-17	2.04	16.00	55.4%	404%
Total/Weighted Average				1.68	99.83	57.9%	240%

The information set out above is unaudited and based on values as at 31 March 2017.

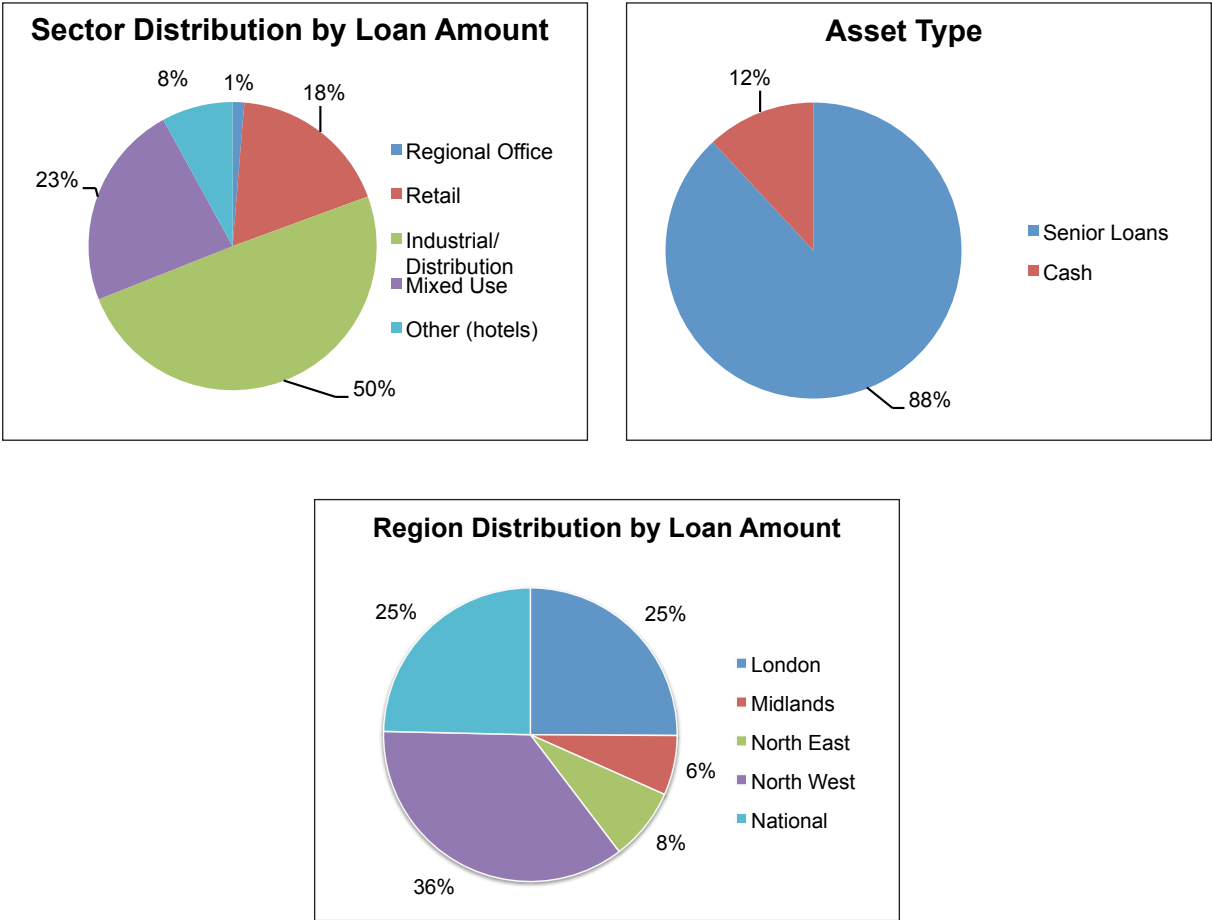
Based on the information set out above, the Portfolio weighted averages are as follows:

- projected gross IRR – 9.00 per cent.;
- interest coupon – 6.09 per cent.;
- LTV – 57.88 per cent.;
- ICR – 240 per cent.;
- loan maturity – 1.68 years; and
- remaining coupon protection – 0.60 years.

*Weighted average projected gross IRR reflects loan cash flows including interest, fees, advances and repayments, comprising: (i) actual cash flows arising from loans in current Portfolio and repaid loans since origination to date; and (ii) projected cash flows from the current Portfolio through to each loan's maturity.

2 PORTFOLIO ANALYSIS

The graphs below show the Group’s Portfolio by sector distribution, asset type and regional distribution as at the date of this document:



The information set out above is unaudited and based on values as at 31 March 2017.

3 MARKET OUTLOOK

Introduction

The Company has benefited from attractive commercial real estate (“CRE”) and CRE finance market dynamics since its launch in 2013. In particular, through the Investment Adviser’s market access, the Company was able to invest in a diversified portfolio of senior CRE loans with initial loan to value ratios no higher than 65 per cent. and a weighted average contracted return in excess of 8 per cent. per annum. Since early 2014 the market has evolved with the gradual return of banks to the market, along with new entrants, and now similar senior debt loans secured by investment property offer a return in the range of 3 per cent. to 4 per cent. per annum.

However, the Board believes that CRE debt continues to represent an attractive investment opportunity, potentially offering investors the combination of:

- the benefit of strong underlying property market fundamentals, underpinned by occupational demand created by record employment, low levels of property development and steady economic growth over recent years, notwithstanding the uncertainties caused by the result of the UK’s referendum on Brexit;
- participation in a market with demonstrable potential for capital deployment on a favourable risk/reward basis due to the retrenchment of UK and European banks; and
- attractive returns relative to alternative investment opportunities with a similar risk profile.

Economy

The UK economy ended 2016 on a strong note, with 0.7 per cent. Gross Domestic Product (“GDP”) growth estimated in Q4 2016 – the second quarter following the vote to leave the EU in the June referendum. Over the whole of 2016, the economy recorded 1.8 per cent. growth – amongst the strongest performance of the G7 nations.

In terms of future economic performance, the Bank of England’s February 2017 inflation report estimated GDP growth for 2017 of 2.0 per cent., up from 1.4 per cent. a quarter earlier and 0.8 per cent. in the immediate aftermath of the referendum, whilst it projects GDP growth of 1.6 per cent. and 1.7 per cent. for 2018 and 2019, respectively.

In terms of risks to the economy, inflation is a strong concern, with the Consumer Prices Index (“CPI”) 12-month rate standing at 2.3 per cent. in March 2017, unchanged from February 2017 but up from 0.5 per cent. in March 2016. However, at its February meeting, the Bank of England’s Monetary Policy Committee concluded “it remained appropriate to seek to return inflation to its 2.0 per cent. inflation target over a somewhat longer period than usual, and that the current stance of monetary policy remained appropriate”.

Occupational demand/supply

Demand for commercial real estate has been bolstered by the consistent steady growth in the UK economy and strong employment growth, with 31.84 million people in work as at February 2017, up by 312,000 over the year and by over 2.8 million since December 2008 to February 2010.

Over the same period, the supply of new commercial real estate floor space has been constrained, especially outside London, with construction orders in each year commencing 2009 being lower than every year before 2009 going back to 1985. Additionally, early indications are that Brexit is likely to further constrain near term supply, with a 42 per cent. decrease in office construction starts reported in central London in Q3 2016 compared to six months before. This combination of growing employment and restricted supply has contributed to the low commercial real estate vacancy rates being experienced across the UK.

However, whilst overall Commercial Property occupancy remains strong across the UK, with a void rate of 7.1 per cent. at the end of 2016, rental value growth is projected at negative 0.2 per cent. in 2017 and -0.1 per cent. in 2018 according to the Investment Property Forum November 2016 Consensus Forecast.

Looking forward, the potential impact of Brexit on demand remains uncertain but the Investment Adviser’s experience is that leasing activity has remained robust in the small to medium size assets market, whilst the largest negative impact is expected on City of London offices, given increased risk to jobs.

Property Investment Market

The MSCI UK All Property Total Returns Quarterly Index showed a 3.5 per cent. return for 2016, whilst the MSCI All Property Quarterly Capital Values Index declined 1.3 per cent. in 2016. At £46.5 billion, UK commercial property investment transaction volumes were 30 per cent. below 2015’s record level, although only just below the £47.8 billion average of the preceding five years.

As at December 2016, UK Commercial Property market capital values, as measured by the All Property Index, had increased by c.23 per cent. since the Company’s launch in 2013 and by 38 per cent. since the index low point in July 2009 but the index remains 22 per cent. below its level ten years ago. This compares with the FTSE 100 index at December 2016, which has grown 86 per cent. since its low point in February 2009 and is 16 per cent. above its level of ten years ago.

Reflecting the growth in capital values described above, the average UK Commercial Property initial yield has fallen by over 100bps since February 2013. However, property initial yields have remained attractive relative to gilts over the period, maintaining a premium of between 300 bps and 400 bps over the 10 year gilt yield (366bps as at December 2016).

Whilst the future impact of the Brexit vote on capital values will remain unclear until investors can fully assess its effect on the occupational market, the Investment Adviser expects the largest impact to be on shorter let City of London offices, given increased risk to jobs from the potential loss of the ability of firms involved in the financial services sector to utilise the EU passport, leading to a potential reversal of rental growth expectations and an outward yield shift. Further, the Investment Adviser believes there is less potential in the regions for adverse capital value correction due to the less stretched rental levels and wider initial yields.

The IPD capital values monthly index fell c.3.2 per cent. between February and December 2016 and market forecasters expect the index to show a further modest decline in values in 2017 (which is likely to already be factored into transactional activity today). However, the Board and Investment Adviser are confident that there will be no re-run of the 2008/9 market correction due to the strength of occupational markets, lower gearing in both the property and the banking markets and the attractive relative value in the property market demonstrated by the enduring premium over gilts.

Finance Markets

As mentioned above, the UK CRE finance market has evolved significantly over the period since the Company launched, with traditional lenders returning to the market and new entrants joining the market, leading to annual financing flows increasing from c.£35bn in 2012/13 to c.£50bn in 2015 (with such flows having fallen 41 per cent. in 2016 due to the Brexit vote).

However, within this increase in activity over the last 5 years, there have been some structural changes in the market place. The traditionally dominant UK, German and other international banks have retrenched from the market – having accounted for 100 per cent. of new lending in 2010, their market share had reduced to 75 per cent. in 2016, with new entrant institutional and debt fund capital filling the gap. Over the same period, the proportion of lending activity focused on London has increased from 25 per cent. to 44 per cent. with more lenders favouring the big ticket market.

Consequently, the regions and particularly the small to medium sized investment market are relatively undersupplied with debt capital. Coupled with less stretched underlying property valuations and rental levels in the regions, the Investment Adviser believes that this has resulted in the availability of attractive risk adjusted returns in this part of the market and has consequently focused much of its activity in recent years in these areas.

Even though capital has returned to the market, the imposition of more stringent capital allocation requirements on the banking market under Basel III, coupled with the credit losses experienced by banks in their CRE debt books following the global financial crisis, has resulted in a reduced CRE risk appetite of banks, with the average LTV reducing to 58 per cent. at the end of 2016, from 77 per cent. at the peak in 2006.

The Investment Adviser believes that the Commercial Property banking market has adjusted to the increased uncertainty in the market in 2016 through reducing LTV advance rates and increasing margins, estimated at 40 basis points per annum in CBRE Group's 2017 Debt Prospects Marketview report.

Given the dynamics in the CRE finance market described above, the Investment Adviser expects to see increased opportunities for funding in support of small to medium sized acquisition or refinancing transactions across the UK, especially where there is a leverage requirement above 70 per cent. loan to value, which is particularly undersupplied with capital. The Investment Adviser is already seeing a strong level of interest from prospective borrowers and has built up a pipeline of potential opportunities.

By targeting this market opportunity and through applying its extensive experience and knowledge of the UK Commercial Property market, coupled with a deep understanding of the drivers of the CRE financing market, the Investment Adviser anticipates that the Company will be able to deliver attractive returns without compromising the Company's and Investment Adviser's shared long standing prudent investment philosophies.

PART III THE INVESTMENT ADVISER AND INVESTMENT PROCESS

1 THE INVESTMENT ADVISER AND ICG-LONGBOW

The Investment Adviser is part of the ICG group and is authorised and regulated by the FCA. ICG-Longbow is the real estate division of ICG, and operates through the Investment Adviser. ICG-Longbow is focused on the UK CRE debt market with, as at 31 March 2017, c.£3.0 billion assets under management, of which over £897 million relate to dedicated senior debt strategies. ICG is a specialist asset manager with over 28 years' history in private debt across the globe, with a focus on providing credit and capital market investment solutions and with, as at 31 December 2016, over €22.6 billion assets under management. ICG listed on the London Stock Exchange in 1994 (LSE:ICP). As at the Latest Practicable Date, ICG had a market capitalisation in excess of £2.0 billion.

As at 31 December 2016, ICG-Longbow had made 125 investments, providing over £2.9 billion of capital across its core strategies of senior debt, whole loans, mezzanine and development finance. ICG-Longbow directly sources its own investment opportunities, works in partnership with property developers and property investors to provide flexible funding solutions and underwrites, structures and manages all of its investments in-house.

ICG-Longbow's eight strong team of investment directors have an average of 23 years' experience in direct property, financing or investment management. As at 31 December 2016, ICG-Longbow's team comprised 30 people, including 18 investment professionals and eight professionals responsible for credit risk management, portfolio monitoring and fund operations.

2 TEAM

The Investment Adviser's dedicated senior debt investment team is responsible for the day to day implementation of the Company's strategy. The team, which comprises five investment professionals, includes two qualified accountants and two chartered surveyors.

In addition to the senior debt investment team, the Company benefits from deal-flow generated by the combined origination networks of the wider ICG-Longbow platform and, in particular, ICG-Longbow's team of investment directors, Kevin Cooper and Martin Wheeler (Joint Heads of ICG-Longbow), Ralph Charlwood, Julian Naylor, Kevin Crowley, Matthew Main and Adam Hayner.

Investment monitoring, risk management and day to day fund operations are undertaken by Graeme Troll (Chief Financial Officer) and Steve Machin (Chief Credit Officer), who are supported by the five member portfolio management team responsible for the ongoing monitoring of investments and the underlying secured properties.

The Investment Committee (as defined below) for the Company comprises ICG-Longbow's Joint Heads, Chief Financial Officer, the Chief Credit Officer and the Head of Senior Debt, together with David Hunter (the non-executive chairman of ICG-Longbow) and a strategy director of ICG. The Investment Committee delivers effective portfolio oversight and possesses the necessary skills and experience to consider risk and maximise returns through actively managing investments.

Details of the key members of ICG-Longbow's team are set out below:

Kevin Cooper – Director and Joint Head of ICG-Longbow

Kevin is a co-founder of ICG-Longbow and a member of ICG-Longbow's investment committee and asset management committee in respect of the Company (respectively the "**Investment Committee**" and the "**Asset Management Committee**").

Kevin is responsible for (i) advising on the overall implementation of the Company's investment strategy; (ii) sourcing investments; and (iii) maintaining key borrower relationships. Kevin built his career in UK focused debt institutions. In 1998, Kevin was with Martin Wheeler, the founding members of the structured property finance business for Halifax. The Halifax business grew organically and performed strongly with a balance sheet book of c.£2 billion by 2002. In 2002, Kevin, with Martin Wheeler, joined GMAC, where he was appointed Managing Director, to lead the market entry and expansion of its UK real estate finance business.

Kevin is an Associate of the Chartered Institute of Bankers (ACIB) and holds a Masters in Business Administration from Cranfield School of Management.

Martin Wheeler – Director and Joint Head of ICG-Longbow

Martin is a co-founder of ICG-Longbow and a member of the Investment Committee and Asset Management Committee.

Martin is responsible for (i) advising on the overall implementation of the Company's investment strategy; (ii) overseeing the investment process and portfolio construction; (iii) maintaining key borrower relations; and (iv) fund reporting and investor relations. Martin started his career with Legal & General Investment Management where he worked in a number of different investment or asset management roles, gaining experience across the main Commercial Property sectors throughout the UK. In 1998, Martin was with Kevin Cooper, the founding members of the structured property finance business for Halifax. In 2002, Martin joined GMAC, with Kevin Cooper, and was appointed Executive Director to lead the market entry and growth of its UK Real Estate Finance business.

Martin is a member of the Royal Institution of Chartered Surveyors and holds an Honours Degree in Property Valuation and Finance from City University.

David Mortimer – Director and Head of Senior Debt

David is the Head of Senior Debt and a member of the Investment Committee. He joined ICG-Longbow in 2016 and is responsible for the day to day implementation of the Company's investment strategy and sourcing and executing investments.

David started his career at King Sturge LLP, where he qualified as a chartered surveyor. He subsequently joined Bear Stearns International Ltd where he orchestrated deal assessment, credit submissions, due diligence and underwriting on large deals, with a focus on UK, France and Germany. In 2008, David joined Santander UK plc rising to Head of Structured Finance Risk, Real Estate where his accomplishments include managing and monitoring a c.£5bn loan portfolio.

David holds an Honours Degree in Land Economy from Cambridge University.

The investment directors who will be supporting the origination and execution of investment opportunities are:

Ralph Charlwood – Director of ICG-Longbow

Ralph is a director of ICG-Longbow and a member of the Investment Committee, and is responsible for the origination, sourcing and execution of investments.

Ralph started his career at Jones Lang LaSalle where he worked in different departments (including Leasing, Fund Management and Investment Agency) with specific focus on capital markets. Ralph subsequently joined Regus Group plc where he was responsible for special projects and worldwide real estate growth strategies. Following the 2001 downturn, Ralph spearheaded lease renegotiation in Europe, South America and Asia. In 2003, Ralph was recruited by Kevin and Martin into GMAC where he started his career in property finance, capitalising on his extensive network within listed and private property companies, investment agents and advisers, to become a Senior Originator.

Ralph is a Fellow of the Royal Institution of Chartered Surveyors (FRICS) and holds an Honours Degree in Land Management from De Montfort University and a Masters in Business Administration from Open University Business School. Ralph is also a member of the Investment Property Forum and the Association of Property Lenders.

Julian Naylor – Director of ICG-Longbow

Julian is a director at ICG-Longbow and member of the Investment Committee and responsible for the origination, sourcing and execution of investment opportunities from borrowers based in the North of England and Scotland.

Prior to joining ICG-Longbow, Julian was the Regional Director of Anglo Irish Bank for Yorkshire and the North East. He has over thirty years' banking experience and has specialised in Commercial Property finance since 1993. Julian previously worked in senior lending positions at Hypo Real Estate, Halifax (where he was a colleague of Kevin Cooper and Martin Wheeler), County NatWest and HSBC Bank.

Julian is a qualified banker.

Matthew Main – Investment Director

Matthew joined ICG-Longbow in 2011. Prior to joining, Matthew spent four years in property finance with MARAC Finance in New Zealand before moving to London in 2004 to join Capmark Bank's (formerly GMAC Commercial Mortgage) European real estate team.

Matthew is a graduate of the University of Canterbury, New Zealand.

Kevin Crowley – Investment Director

Kevin joined ICG-Longbow in September 2014 from Hammerson plc where he worked for 10 years as Business Development Director responsible for the acquisition and disposal of investment assets. Before joining Hammerson Kevin worked for Drivers Jonas a property consultancy practise.

Kevin attended Oxford Brookes University gaining a degree in Estate Management. Kevin is a Member of the Royal Institution of Chartered Surveyors (MRICS).

Adam Hayner – Investment Director

Adam joined ICG-Longbow in 2011. He began his career working in residential development after helping to restructure one of the largest privately owned land holding companies in California. Adam managed development operations as well as researching and underwriting direct property investment opportunities for New Millennium Homes.

Adam is an Applied Mathematics and Engineering graduate of Harvard University.

The following individuals have responsibility for certain risk management and general operational matters, with support from the five strong portfolio management/risk monitoring team:

Graeme Troll – Director and Chief Financial Officer of ICG-Longbow

Graeme is a director and Chief Financial Officer of ICG-Longbow and a member of the Investment Committee and the Asset Management Committee. Graeme is responsible for investor reporting and operations.

Prior to joining ICG-Longbow, Graeme held various finance, board and FCA approved persons' roles at Williams de Broe and Daiwa Securities where he gained experience in the design and implementation of operating platforms and control frameworks. Graeme has also worked for 10 years in the alternative fund industry as a service provider and as a member on the Board of Management of Trustee companies in Ireland, New Jersey and Grand Cayman.

Graeme is an Associate Chartered Management Accountant (CIMA) and holds an Honours Degree in Mathematics from Reading University.

Steve Machin – Director and Chief Credit Officer of ICG-Longbow

Steve is a director of ICG-Longbow and a member of the Investment Committee and the Asset Management Committee. Steve is responsible for credit risk management, the ongoing monitoring of investment performance and the oversight of complex transactions.

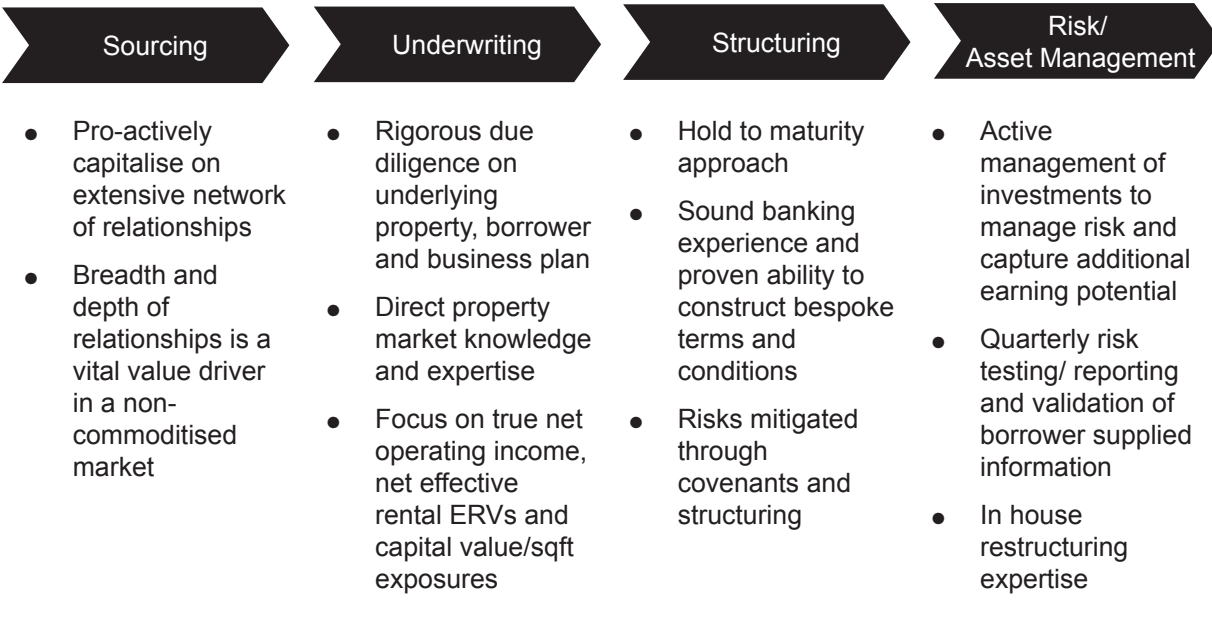
Steve has 25 years' experience in the real estate and structured finance sector, including roles at RBS, Capmark and Hamilton Partners Real Estate. Before joining ICG-Longbow, Steve was Vice President at Arab Banking Corporation, where he originated new business and managed a portfolio of core clients.

Steve is an Associate of the Chartered Institute of Bankers.

3 INVESTMENT PROCESS, POST INVESTMENT MONITORING AND ICGL PRIVATE FUNDS

Investment Process

ICG-Longbow has a centralised investment process which allows its investment professionals to apply their extensive experience, gained from diverse property and finance backgrounds through multiple economic cycles, to identify and facilitate the execution and management of attractive debt investments across the UK CRE debt markets, as summarised below. The Investment Adviser believes that this centralised process facilitates rapid decision making and maximises ICG-Longbow’s ability to identify and capture attractive opportunities in its target markets. The core investment philosophies underpinning ICG-Longbow’s investment and underwriting processes were developed when the Founders first worked together in 1998 and, since then, have been continually reviewed and refined and are applied across all funds and investment strategies.



Investment sourcing

The ICG-Longbow 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 23 years. This origination network is supplemented by relationships with financial advisers and brokers throughout the UK, who may be representing potential borrowers. The ICG-Longbow investment directors are based in London and Leeds, which allows such professionals to establish and maintain connections in ICG-Longbow’s target markets and provides valuable local market insight. The ICG-Longbow team’s local presence and network of relationships position it advantageously to access and facilitate the execution and active management of investments for the Group. These relationships have to date and are expected to continue to provide the ICG-Longbow 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.

Investment underwriting, structuring and selection

The ICG-Longbow 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-Longbow’s risk averse investment philosophy.

ICG-Longbow’s investment process seeks to utilise the combined experience and skill sets of the ICG-Longbow 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-Longbow’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.

Investment approval process

ICG-Longbow's internal investment approval process to consider which investments to recommend to the Group is iterative and involves the Investment Committee at various stages, summarised below:

- i. "heads up" review of suitability against the Company's investment criteria;
- ii. issue of indicative terms;
- iii. Investment Committee provisional approval as to whether or not to approve the recommendation of an investment decision by the Investment Adviser; and
- iv. once a transaction is provisionally approved by the Investment Committee, the ICG-Longbow team finalises the negotiation 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.

Execution

Investments approved by the Investment Committee are recommended to the Board and to LuxCo for consideration. The final decision as to whether to fund an investment is made by the Board.

The execution of investments approved by the Board is subject to the satisfaction of all outstanding due diligence items and conditions precedent, with any material changes to the terms of the investment requiring the further approval of the Board.

Investment Committee

The seven members of the Investment Committee have an average of 21 years of investment experience. The Investment Committee is chaired by Graeme Troll, the Chief Financial Officer, and is comprised of A, B and C members representing the senior management team and credit and risk functions of ICG-Longbow. The Investment Committee meets weekly and ad hoc, as required. Approving the recommendation of an investment decision by the Investment Adviser to the Board 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 Group and ongoing proposals relating to the Group's investments, in addition to maintaining oversight of portfolio composition.

The Investment Committee also considers reviews and assists with the management of potential conflicts of interest. The members of the Investment Committee and their experience are outlined below.

Investment Professional	Current Position with ICG-Longbow/ICG	Membership	Years with ICG/ICG-Longbow	Investment Experience
Graeme Troll	Director and Chief Financial Officer of ICG-Longbow	A	9	10
Kevin Cooper	Director and Joint Head of ICG-Longbow	A	9	27
Martin Wheeler	Director and Joint Head of ICG-Longbow	A	9	25
Steve Machin	Director and Chief Credit Officer of ICG-Longbow	A	1	25
David Hunter	Non-executive Chairman, ICG-Longbow	B	4	35
Mark Crowther	Strategy Director of ICG Group	B	12	12
David Mortimer	Director and Head of Senior Debt of ICG-Longbow	C	1	14

Details of other members of the Investment Committee are set out below:

David Hunter – non-executive Chairman, ICG-Longbow

David Hunter is the non-executive chairman of ICG-Longbow and is a member of the Investment Committee. David has over 35 years of experience in fund management and in direct property investing and was formerly Managing Director of Aberdeen Asset Management's £6.5 billion property fund business. David qualified as a Chartered Surveyor in 1977, is a former President of the British Property Federation and is an Honorary Professor of Real Estate at Heriot-Watt University.

Mark Crowther – Director, Corporate Strategy, ICG

Mark is a director of Corporate Strategy at ICG and sits on the Investment Committee as a representative of ICG. Mark has 12 years' investment experience in sub-investment grade corporate credit and was a member of ICG's UK Mezzanine Loan investment team. Before ICG, he spent five years at PricewaterhouseCoopers in Audit and then in Transaction Services.

Mark is a qualified chartered accountant and has a finance degree from Manchester University.

Post-Investment Monitoring

The ICG-Longbow portfolio management team pro-actively monitors the Group's investments and makes appropriate recommendations to the Company with regard to the ongoing management of those 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.

In particular, the portfolio management team:

- 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 Group's investment is being appropriately protected; and
- prepares a quarterly report for each investment and on a portfolio basis and submits to the Asset Management Committee for consideration.

Asset Management Committee

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.

ICGL Private Funds

From time to time, opportunities will arise for the Company to invest in ICGL Private Funds, where the underlying investments are originated by ICG-Longbow and are subject to the same rigorous underwriting and monitoring process as that set out above.

Where such opportunities arise, ICG-Longbow, through the Investment Adviser, will introduce them to the Company for consideration. At the request of the Company, the Investment Adviser will provide additional advice in respect of: 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.

Investments in ICGL Private Funds approved by the Investment Committee are recommended to the Board and, if appropriate, to LuxCo for consideration. The final decision as to whether to fund an investment into an ICGL Private Fund is made by the Board.

PART IV FURTHER INFORMATION ABOUT THE GROUP

1 DIRECTORS

The Board is responsible for the determination of the Company's investment objective and investment policy as specified in this document and portfolio and risk management and has overall responsibility for its activities, for supervising the Investment Adviser's and other service providers' performance in relation to the Company and for compliance with the Listing Rules, Prospectus Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules. All of the Directors are non-executive and are independent of the Investment Adviser.

The Directors meet at least four times a year.

The Directors, all of whom are non-executive, are as follows:

John (Jack) Perry CBE – Non-executive Chairman

Jack Perry pursues a career as a portfolio non-executive director. In addition to a number of current public and charitable appointments, he is chairman of European Assets Trust NV and a non-executive director of Witan Investment Trust plc. He was Chief Executive Officer of Scottish Enterprise and prior to this was a managing partner and regional industry leader for Ernst & Young LLP. Jack was also chairman of CBI Scotland. He has served on the Boards of FTSE 250 and other public and private companies and is a member of the Institute of Chartered Accountants of Scotland.

Stuart Beevor – Non-executive Director

Stuart is an independent consultant with various roles advising clients in real estate fund management, investment, development and asset management. He is Senior Independent Director of Metropolitan Housing Trust and a non-executive director of Empiric Student Property plc. From 2004 to 2013 he was a non-executive director at Unite Group Plc. From 2002 to 2011 he was Managing Director of Grosvenor Fund Management Limited and a member of the Board of Grosvenor Group Limited, the international property group. Prior to joining Grosvenor, he was Managing Director at Legal and General Property Limited, having previously held a number of roles at Norwich Union (now Aviva). Stuart is a Chartered Surveyor with over 30 years' experience in real estate both in the UK and overseas.

Patrick Firth – Non-executive Director

Patrick qualified as a chartered accountant with KPMG Guernsey in 1991 and is also a member of the Chartered Institute for Securities and Investment. He has worked in the fund industry in Guernsey since joining Rothschild Asset Management (C.I.) Limited in 1992, before moving to become Managing Director at Butterfield Fund Services (Guernsey) Limited (subsequently Butterfield Fulcrum Group (Guernsey) Limited), a company providing third party administration services, where he worked from April 2002 until June 2009. He is a non-executive director of a number of investment funds and management companies, including the following listed companies; DW Catalyst Limited (formerly BH Credit Catalysts Limited), Riverstone Energy Limited, JZ Capital Partners Limited, GLI Finance Limited (formerly Greenwich Loan Income Fund Limited), Guernsey Portfolio PCC Limited, Heritage Diversified Investments PCC Limited, Global Private Equity One Limited and NextEnergy Solar Fund Limited. Patrick is a former chairman of the Guernsey International Business Association.

Mark Huntley – Non-executive Director

Mark has nearly 40 years' experience in the fund and fiduciary sector and much of his involvement in the fund and private asset sectors has involved real estate and private equity investments. He holds a number of board appointments on listed and private funds and property advisory boards including Heritage Diversified Investments PCC Limited, Stirling Mortimer No. 8 Fund UK Limited, Stirling Mortimer No. 9 Fund UK Limited, and has been actively involved in real estate investment in the UK and internationally. He also has experience of a number of private and listed debt structures.

Mark is an associate of the Institute of Financial Services (Trustee Diploma). He is the Head of the Financial Services Group of Heritage Group, one of the largest independently owned financial services businesses in Guernsey. He is managing director of the Administrator.

Paul Meader – Non-executive Director

Paul is an independent director of investment companies, insurers and investment funds. Until the autumn of 2012 he was Head of Portfolio Management for Collins Stewart based in Guernsey, prior to which he was Chief Executive of Corazon Capital. He has 30 years' experience in financial markets in London, Dublin and Guernsey, holding senior positions in portfolio management and trading. Prior to joining Corazon he was Managing Director of Rothschild's Swiss private-banking subsidiary in Guernsey. He is a non-executive director of the following listed companies: Highbridge Multi-Strategy Fund Limited, Guaranteed Investment Products 1 PCC Limited, Volta Finance Limited, Schroder Oriental Income Fund Limited and JP Morgan Global Convertibles Income Fund Limited. Paul is a Chartered Fellow of the Chartered Institute of Securities & Investments, a past Commissioner of the Guernsey Financial Services Commission and past Chairman of the Guernsey International Business Association. He is a graduate of Hertford College, Oxford.

2 CORPORATE GOVERNANCE

The Board has resolved to comply with the principles and recommendations of the AIC Code by reference to the AIC Guide and in accordance with that code and as confirmed by the UK Financial Reporting Council in its letter of endorsement to the AIC dated 14 July 2016, the Company will meet its obligations in relation to the UK Corporate Governance Code and associated disclosure requirements in paragraph LR 9.8.6 of the Listing Rules by reporting against the AIC Code.

The Company is subject to the GFSC Finance Sector Code of Corporate Governance, which applies to all companies that hold a licence from the GFSC under the regulatory laws or which are registered or authorised as collective investment schemes. The Company is deemed to comply with the GFSC Finance Sector Code of Corporate Governance published by the Commission by virtue of reporting in compliance with the AIC Code.

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

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 specialist debt companies such as 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), provides better information to Shareholders.

The Company complies with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below:

- the Company has not established a separate remuneration committee as the Company has no executive officers;
- there is no Chief Executive position and no Senior Independent Director. As an investment company the Company has no employees, all Directors are non-executive and independent of the Investment Adviser and therefore the Directors consider the Company has no requirement for a Chief Executive or Senior Independent Director and the Board is satisfied that any relevant issues can be properly considered by the Board;
- the Company does not have an internal audit function, which is considered by the Board and the audit and risk management committee to be appropriate on the basis that the systems and procedures employed by the Administrator and the Investment Adviser, including their own internal controls and procedures, provide sufficient assurance that an appropriate level of risk management and internal control, which safeguards Shareholders' investment and the Group's assets, is maintained.

The Company is a member of the AIC and is classified as a sector specialist debt company by the AIC.

Directors' Share Dealings

The Directors comply with the share dealing code adopted by the Company following implementation of the Market Abuse Regulation on 3 July 2016 in relation to their dealings in Shares. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

Audit and risk management committee

The Company's audit and risk management committee (in this paragraph, the "**Audit Committee**") meets formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the auditor and to review the annual accounts and interim reports. Where non-audit services are to be provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement are considered before proceeding. The Audit Committee comprises all the Directors save for Mark Huntley. Patrick Firth acts as chairman of the Audit Committee. The principal duties of the Audit Committee are to consider the appointment of external auditors, to discuss and agree with the external auditors the nature and scope of the audit, to keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditors, to review the external auditors' letter of engagement and management letter and to analyse the key procedures adopted by the Company's service providers with a particular focus on financial controls and risk management. The Audit Committee also reviews any relevant reports from the internal auditor of the Administrator and/or the auditor of any subsidiary from time to time.

Nomination Committee

The Company has established a nomination committee (in this paragraph, the "**Nomination Committee**"), which comprises all the Directors. The Chairman acts as chairman of the Nomination Committee. The Nomination Committee meets not less than once a year and: (i) identifies individuals qualified to become Board members and selects the director nominees for election at general meetings of the Shareholders or for appointment to fill vacancies; (ii) determines director nominees for each committee of the Board; (iii) considers the appropriate structure, size and composition of the Board and its committees; and (iv) gives full consideration to succession planning for Directors. In addition, the chairmanship of the Audit Committee and each Director's performance is reviewed annually by the Chairman and the chairmanship of the Nomination Committee and the Management Engagement Committee (as defined below) and the performance of the Chairman is assessed by the remaining Directors.

Management Engagement Committee

The Company has established a management engagement committee (in this paragraph, the "**Management Engagement Committee**") which comprises all the Directors except for Mark Huntley (as he is the managing director of, and is remunerated by, the Administrator). The Chairman acts as chairman of the Management Engagement Committee. The Management Engagement Committee meets at least once a year. The Management Engagement Committee's main function is to review and make recommendations on any proposed amendment to the Investment Advisory Agreement and keep under review the performance of the Investment Adviser (including effective and active monitoring and supervision of the activities of the Investment Adviser) in its role as Investment Adviser to the Company as well as the performance of any other service providers to the Company (except for the Company's auditors).

3 SERVICE PROVIDERS, FEES AND EXPENSES

Investment Adviser

The Investment Adviser has, pursuant to the Investment Advisory Agreement, been given responsibility for the non-discretionary management of the Group's assets (including uninvested cash) in accordance with the Company's investment policy, and subject to the overall direction of the Board.

Further information about the Investment Adviser can be found at Part III of this document.

The terms of the Investment Advisory Agreement are set out at paragraph 14.2 of Part VIII of this document.

Administrator

The Administrator, Heritage International Fund Managers Limited, has been appointed as administrator and secretary of the Company pursuant to the Administration Agreement (further details of which are set out in paragraph 14.3 of Part VIII of this document). 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 documents of title relating to investments made for or on behalf of the Company.

The Administrator is licensed by the GFSC under the POI Law, to act as “designated administrator” under the POI Law and the RCIS Rules and provide administrative services to closed-ended investment funds and collective investment schemes.

Luxembourg Administrator

The Luxembourg Administrator, MAS International S.À.R.L. has been appointed as administrator and secretary of LuxCo pursuant to the Luxembourg Administration Agreement (further details of which are set out in paragraph 14.4 of Part VIII of this document). Under the terms of its appointment, the Luxembourg Administrator is entitled to receive a base fee of €8,400 per annum, together with time costs.

Registrar

The Registrar, Capita Registrars (Guernsey) Limited, acts as the Company’s registrar pursuant to the Registrar Agreement (further details of which are set out at paragraph 14.5 of Part VIII of this document). 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). The Registrar is licensed by the GFSC under the POI Law to provide registrar services to collective investment schemes.

Auditor

The Auditor is entitled to an annual fee from the Group, which is agreed each year in advance of the Auditor commencing audit work. In respect of the financial year ended 31 January 2017, the Auditor will be paid fees amounting to £48,000.

Principal Bankers

The Company has appointed The Royal Bank of Scotland International Limited, Lloyds Bank International Limited and ABNAMRO (Guernsey) Limited and Barclays Bank plc as its Principal Bankers. The Principal Bankers provide general banking facilities.

Operating Expenses

The Company bears its on-going operational expenses which were £1,821,710 for the financial year ended 31 January 2017. These ongoing operational expenses include the following:

(i) Investment Adviser

Under the terms of the Investment Advisory Agreement, the Investment Adviser is entitled to an advisory fee at a rate equivalent to 1 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 Investment Adviser is also entitled to certain expenses incurred in carrying out its duties under the Investment Advisory 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.

Where the Company invests in an ICGL Private Fund: in the event that the management or advisory fees payable to the Investment Adviser and/or its Associates by such ICGL Private Fund are: (i) 1 per cent. or more of the net asset value of such ICGL Private Fund, no advisory fee shall be payable by the Company to the Investment Adviser in respect of that proportion of the Net Asset Value attributable to the investment in such ICGL Private Fund; or (ii) less than 1 per cent. of the net asset value of such ICGL Private Fund, the rate of the advisory fee payable by the Company to the Investment Adviser 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.

(ii) Administration

Under the terms of the Administration Agreement, the Administrator is entitled to a fixed fee of £90,000 per annum for services such as administration, corporate secretarial services, corporate governance, regulatory compliance and stock exchange continuing obligations compliance

provided to the Company. 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.

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.

Furthermore, under the terms of the Luxembourg Administration Agreement, the Luxembourg Administrator is entitled to receive a base fee of €8,400 per annum, together with time costs.

(iii) Registrar

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual fee from the Company equal to £1.71 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.

(iv) Directors

The Directors are remunerated for their services at an annual fee of £27,500, with Patrick Firth receiving an additional annual fee of £5,000 for acting as chairman of the audit and risk management committee. The Chairman receives an annual fee of £40,000. In addition, each Director will receive £5,000 in connection with the extra services they have performed in connection with the Placing Programme. Having reviewed directors' remuneration for similar alternative asset class investment companies, after benchmarking these against the current fees payable to the Directors and considering the additional tasks to be undertaken in connection with the Company as its market capitalisation increases, and in recognition of the increased level of regulatory obligations on the Company, the Board concluded that the Directors' fees should be increased to £35,000, with an additional amount of £5,000 to be paid to the chairman of the audit committee. It was also agreed by the non-executive directors, in the absence of the chairman of the Board, that the chairman should receive a total annual fee of £50,000 per annum. These fees will be effective from 1 July 2017. Further information in relation to the remuneration of the Directors is set out in paragraph 6 of Part VIII of this document.

(v) Other operational expenses

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 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, expenses in relation to LuxCo and any other subsidiary from time to time, fees of the Commission, London Stock Exchange fees and associated fees of listing.

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.

4 VALUATIONS AND NET ASSET VALUE CALCULATIONS

Publication of Net Asset Value

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.

Valuation of the assets held in the Portfolio

The loans are classified as "Held to Maturity" under IAS39 with a view to having amortised cost treatment when IFRS9 is applied. Loans are held at amortised cost less impairment using the effective interest rate method. This method allocates interest income over the relevant period by applying the 'effective interest rate' to the carrying amount of the asset. The effective interest method is also applied in determining the interest recognised on an interest-bearing asset.

The effective interest rate is defined as the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity estimates cash flows considering all contractual terms of the financial instrument (e.g. prepayment, call and similar options).

Under IAS 39 (and, when adopted, IFRS 9) each loan asset must be assessed for impairment and the amortised cost of the asset adjusted for any such impairment. Under IAS 39 impairment losses are recognised when a loss event occurs; under IFRS 9 an expected loss approach is required which may result in losses being recognised more quickly. Although the Investment Adviser 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 Investment Adviser is not in a position to confirm the completeness, genuineness or accuracy of all such information and data. As such it may take some time for the Investment Adviser to receive sufficient information to propose to the Board that it assign an impairment provision to the asset.

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.

The estimated NAV per Share 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 NAV is disclosed in the Company's annual report and accounts and unaudited half-yearly interim reports.

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.

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.

All assets and liabilities are valued in Sterling.

Suspension of the calculation of Net Asset Value

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:

- (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
- (b) any breakdown in the means of communication normally employed in determining the value of the Company's investments.

Any suspension will be notified to Shareholders by way of an RIS announcement.

5 CONFLICTS OF INTEREST

There may be certain potential and actual conflicts of interest between the Company and the Investment Adviser and the Company and the Administrator. Certain of these relationships are described below.

The Investment Adviser and the Administrator provide services to the Company on a non-exclusive basis. The Investment Adviser and the Administrator are involved in other financial, investment and professional activities and accordingly do not necessarily devote their full time and attention to the affairs

of the Company. The Investment Advisory Agreement and the Administration Agreement generally do not limit or restrict the Investment Adviser's or the Administrator's ability to engage in any business or manage any other investment, subject to certain restrictions contained in those documents.

Whilst the Investment Adviser does currently manage and intends to advise and/or manage other funds, the investment objectives and strategies of such other funds are or will be differentiated from the investment objectives and strategies pursued by the Company. However, on an exceptional basis, there may be individual investment opportunities which fit the investment criteria of both the Company and other funds (whether current or future) advised and/or managed by the Investment Adviser and, as such, both the Company and such other funds may be eligible to invest in the same investment opportunities.

In such circumstances, it is the policy of the Investment Adviser to allocate investment opportunities fairly and equitably among the Company and other funds that it advises and/or manages to the extent possible over a period of time. The Investment Adviser, however, will have no obligation to originate, sell or exchange any investment for the Company which the Investment Adviser may originate, purchase, sell or exchange for one or more other funds if the Investment Adviser believes in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for the Company.

In allocating investment opportunities, the Investment Adviser takes into consideration a number of factors such as the investment programmes and restrictions of the Company and any relevant other funds, tax consequences, legal or regulatory restrictions, the participation of other accounts in the investment, the amounts of investable cash available in the Company relative to other funds and such other factors considered relevant by the Investment Adviser.

The Investment Adviser may advise on the sale of assets from or to the Group's Portfolio by other funds for which the Investment Adviser has advisory or management responsibilities. The Investment Adviser shall in such cases ensure that such transactions are effected on terms that are at least as favourable to the Group than if the conflict or potential conflict had not existed and all such transactions are effected on normal commercial terms and negotiated at arm's length.

In addition, the Company may invest in ICGL Private Funds acquired in primary or secondary transactions, including from the Investment Adviser or its Associates. Where the Company invests in an ICGL Private Fund: in the event that the management or advisory fees payable to the Investment Adviser and/or its Associates by such ICGL Private Fund are: (i) 1 per cent. or more of the net asset value of such ICGL Private Fund, no advisory fee shall be payable by the Company to the Investment Adviser in respect of that proportion of the Net Asset Value attributable to the investment in such ICGL Private Fund; or (ii) less than 1 per cent. of the net asset value of such ICGL Private Fund, the rate of the advisory fee payable by the Company to the Investment Adviser 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.

As with all investments by the Group, any such investments are subject to approval by the Board and the completion of satisfactory due diligence, which, where the counterparty to such investment is the Investment Adviser or its Associates, may include obtaining an independent third party valuation.

The Directors are required by the RCIS Rules issued by the GFSC to take all reasonable steps to ensure that there is no breach of the conflicts of interest requirements of those rules.

As an entity authorised and regulated by the FCA, the Investment Adviser 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 Investment Adviser is required to resolve the conflict by reference to the best interests of the Group.

The activities of the Investment Adviser, in its capacity as the Company's investment adviser are subject to the overall policies, supervision and review of the Directors.

For the purposes of this paragraph, references to the "Investment Adviser" includes Associates of the Investment Adviser, where appropriate.

Please see the risk factor entitled "Investment Adviser Conflicts of Interest" on page 24 of this document for further information regarding potential conflicts of interest applicable to the Investment Adviser.

6 MEETINGS, ACCOUNTS AND REPORTS TO SHAREHOLDERS

The Company's financial statements are prepared in Sterling and in compliance with IFRS and reported in Sterling.

The Company's audited financial statements are prepared to 31 January in each year. Copies of the annual audited financial statements are sent to each Shareholder (other than those Shareholders who have agreed to receive communications in electronic form) within four months of the end of the relevant accounting period.

Copies of the annual audited financial statements and the semi-annual unaudited interim reports are made available for inspection at and may be obtained upon request from the registered office of the Company shortly after their publication. These financial statements and reports contain information as to the Company's Net Asset Value as at their dates. Shareholders who have agreed to receive communications in electronic form are notified electronically (if an email address has been provided to the Company) or otherwise by post when annual and semi-annual reports are posted to the Company's website (<http://www.ICG-Longbow-SSUP.com>). The Company is required to send copies of its annual report and accounts to the GFSC as soon as reasonably practicable after their publication.

Annual general meetings of the Company are normally held in May of each year. General meetings of the Company are held in Guernsey or such other place (not being in the UK) as may be determined by the Board.

7 TAXATION

Information concerning the tax status of the Company and the tax treatment of Shareholders is contained in Part VII (Taxation) of this document. A potential investor should seek advice from his or her own independent professional adviser as to the taxation consequences of acquiring, holding or disposing of Shares.

PART V THE PLACING PROGRAMME

1 INTRODUCTION

The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Placing Shares on appropriate occasions over a period of time. The maximum number of Placing Shares available under the Placing Programme should not be taken as an indication of the number of Placing Shares finally to be issued. The Placing Shares are being made available under the Placing Programme at the Placing Price as determined from time to time. The terms and conditions that apply to the purchase of Placing Shares under the Placing Programme are set out in Part IX of this document.

The Directors currently have a specific authority to allot and issue up to 40 million Shares pursuant to the Placing Programme as granted by Shareholders at the EGM held on 1 March 2017. Notwithstanding the intention of the Directors to propose a Placing Programme in respect of the issue of up to 40 million Shares, as set out in the circular to Shareholders dated 11 January 2017, the Directors believe it is in the best interests of the Company to include flexibility in the Placing Programme to issue up to a maximum of 100 million Shares, as it will allow them to issue, subject to investor demand, further Shares pursuant to the Placing Programme without issuing a further prospectus, thereby potentially saving the Company costs.

At the 2016 AGM held on 3 June 2016 Shareholders approved a general authority to allot and issue up to 10,811,103 Shares for cash on a non-pre-emptive basis. As a result, the Directors may, without further Shareholder approval, allot and issue up to an additional 10,811,103 Shares for cash on a non-pre-emptive basis under the Placing Programme. At the next annual general meeting of the Company to be held on 31 May 2017, the Directors will seek Shareholder authority for the renewal of the general authority. If the Directors resolve to allot and issue Shares for cash on a non-pre-emptive basis under the Placing Programme in excess of the available existing authorities, such Shares may only be allotted and issued subject to the grant of an additional Shareholder authority.

2 BACKGROUND TO AND REASONS FOR THE PLACING PROGRAMME

The Investment Adviser sees increasing opportunities for funding in support of small to medium sized acquisition or refinancing transactions across the UK. This is particularly the case where borrowers are seeking loans above a 70 per cent. LTV, an area where there are fewer competitors providing capital.

This market segment should benefit from strong underlying property fundamentals, underpinned by occupational demand created by record employment, low levels of property development and steady economic growth over recent years, despite the uncertainties caused by the result of the UK's referendum on Brexit.

By combining its knowledge and understanding with this market opportunity, the Investment Adviser anticipates that the Company will be able to deliver attractive returns without compromising the prudent lending philosophy which has served the Company so well since launch.

The Board believes that this strategy should provide Shareholders with attractive returns relative to alternative investment opportunities with a similar risk profile and offers participation in a market with demonstrated potential for capital deployment on a favourable risk/reward basis.

The Investment Adviser is already seeing a strong level of interest from prospective borrowers following the adoption of the new investment objective and investment policy, and has built up a pipeline of potential opportunities. The ability to issue Shares pursuant to the Placing Programme will provide the Directors with the necessary flexibility to both participate in and complete such opportunities, should they deem market conditions to be suitable at the relevant time, and to repay any short-term debt financing used to make investments from time to time.

3 BENEFITS OF THE PLACING PROGRAMME

The Directors believe that instituting the Placing Programme will have the following benefits for Shareholders:

- the Company will be able to raise additional capital promptly, enabling it to take advantage of current and future investment opportunities, thereby further diversifying the Portfolio;
- an increase in the market capitalisation of the Company should make the Company more attractive to a wider investor base;

- it is expected that the secondary market liquidity in the Shares will be further enhanced as a result of a larger and more diversified shareholder base; and
- the Company's fixed running costs will be spread across a wider shareholder base, thereby reducing its on-going charges ratio.

4 PLACING PROGRAMME

The Placing Programme will open on 27 April 2017 and will close on the Final Closing Date. A maximum of 100 million Placing Shares will be issued pursuant to the Placing Programme. Such Placing Shares will, subject to the Company's decision to proceed with an allotment and issue at any given time, be made available at the Placing Price. The allotment and issue of Placing Shares under the Placing Programme is at the discretion of the Directors. Allotments and issuances may take place at any time prior to the Final Closing Date. An announcement of each allotment and issue will be released through an RIS, including details of the number of Placing Shares allotted and issued and the applicable Placing Price for the allotment and issue and the expected Admission date. There is no minimum or maximum subscription in respect of any Placing.

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

Where new Placing Shares are issued, the total assets of the Company will increase by that number of Placing Shares multiplied by the relevant Placing Price less the expenses of such issuance.

As at the Latest Practicable Date, there were 108,219,250 Shares in issue. If 40 million Shares were to be issued pursuant to the Placing Programme, the issued share capital following the closing of the Placing Programme would have increased by approximately 37.0 per cent. On this basis, if an existing Shareholder did not acquire any Shares in the Placing Programme, his or her proportionate voting interest in the Company would be diluted by approximately 27.0 per cent.

If 100 million Shares (being the maximum number of Shares available under the Placing Programme) were to be issued pursuant to the Placing Programme, the issued share capital following the closing of the Placing Programme would have increased by approximately 92.4 per cent. On this basis, if an existing Shareholder did not acquire any Shares in the Placing Programme, his or her proportionate voting interest in the Company would be diluted by approximately 48.0 per cent.

So far as the Directors are aware as at the date of this document, no major Shareholders or members of the Company's management, supervisory or administrative bodies intend to make a commitment for Placing Shares under the Placing Programme.

In the event that a related party (as defined in the Listing Rules) wishes to make a commitment for Placing Shares under the Placing Programme, the Company would comply with its obligations under Chapter 11 of the Listing Rules including, if required, seeking Shareholder approval for the allotment and issue of Placing Shares to that related party.

Applications will be made to the UKLA and the London Stock Exchange for the Shares to be issued pursuant to the Placing Programme to be admitted to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. All Placing Shares will be allotted and issued subject to the Admission of such Placing Shares occurring. No application will be made for the Placing Shares to be listed or dealt in on any other stock exchange or investment exchange.

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

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

5 CONDITIONS

Each allotment and issue of Placing Shares pursuant to the Placing Programme is conditional on:

- Shareholder authority for the disapplication of pre-emption rights in respect of the relevant allotment and issue being in place;
- the Placing Price being not less than the prevailing NAV per Share at the time of allotment and issue together with a premium intended to at least cover the costs and expenses of the relevant Placing of Shares (including, without limitation, any placing commissions);
- the Company having a placing agreement or equivalent arrangement in place at the time of the issue;
- a valid supplementary prospectus being published by the Company when required; and
- Admission of the Placing Shares issued pursuant to the allotment and issue.

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

The terms and conditions which apply to any subscriber for Placing Shares under each Placing carried out under the Placing Programme are set out in Part IX of this document.

6 THE PLACING PRICE

The minimum price at which Shares will be issued pursuant to the Placing Programme will be equal to the prevailing published NAV per Share at the time of allotment and issue together with a premium intended to at least cover the costs and expenses of the relevant Placing of Shares (including, without limitation, any placing commissions).

In accordance with Chapter 15 of the Listing Rules of the UK Listing Authority, the Company may not issue Shares at a price below the prevailing published NAV per Share, without prior Shareholder approval or on a pre-emptive basis.

An announcement of each allotment and issue under the Placing Programme will be released through an RIS, including details of the number of new Shares allotted and the Placing Price for the allotment and issue.

7 USE OF PROCEEDS

The net proceeds of the Placing Programme, after providing for the Group's operational expenses, will be used to make investments in accordance with the Company's investment policy or to repay any short-term debt financing incurred from time to time.

8 COSTS ASSOCIATED WITH THE PLACING PROGRAMME

The maximum aggregate number of Shares that may be made available under the Placing Programme is 100 million. The net proceeds of the Placing Programme are dependent on the number and Placing Price of Shares issued pursuant to the Placing Programme.

Expenses payable by the Company in relation to the Placing Programme, irrespective of whether any Shares are issued under the Placing Programme will be approximately £390,000. On the assumption that the Company issues the maximum number of Shares available for issue under the Placing Programme at an average Placing Price, for illustrative purposes only, of 102.05 pence* per Share, the gross proceeds of the Placing Programme will be approximately £102 million and the expenses payable by the Company in relation to the Placing Programme (including the costs of establishment of, and publication of the documentation relating to, the Placing Programme, fees, commissions and registration and Admission fees) will be approximately £1.4 million, resulting in net proceeds of approximately £100.6 million.

*This assumed illustrative Placing Price represents the NAV per Share as at 31 January 2017 (adjusted for the fourth interim dividend of 1.5 pence per Share and the special dividend of 2.25 pence per Share declared on 26 April 2017) together with a premium of 2 per cent., which is expected to cover the costs and expenses of the Placing Programme.

By issuing Shares at a premium to the prevailing NAV per Share intended to cover the costs and expenses of the relevant Placing (including, without limitation, any placing commissions), such fees and expenses in relation to the Placing Programme will be indirectly borne by subscribers for those Shares. Accordingly, it is intended that there will be no dilution by reference to the Company's then prevailing NAV arising from the issuance of Shares under the Placing Programme.

9 PLACING AGREEMENT

Pursuant to the Placing Agreement, Cenkos has agreed to use its reasonable endeavours to procure Placees on the terms and subject to the conditions set out in the Placing Agreement. The Placing Programme is not underwritten.

Under the Placing Agreement, Cenkos is entitled at its discretion and out of its own resources at any time to rebate to any third party part or all of its fees relating to the Placing Programme and to retain agents and may pay commission in respect of any Placing under the Placing Programme to any or all of those agents out of its own resources.

Details of the Placing Agreement are set out in paragraph 14.1 of Part VIII of this document.

10 GENERAL

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

In the event that there are any significant changes affecting any of the matters described in this document or where any significant new matters have arisen after the publication of this document, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

11 CLEARING, SETTLEMENT AND DEALINGS

Payment for the Placing Shares should be made in accordance with settlement instructions to be provided to Placees by or on behalf of the Company or Cenkos.

Whilst it is expected that all Placing Shares allotted and issued pursuant to a particular Placing will be issued in uncertificated form and settled through CREST from Admission, if any Placing Shares are issued in certificated form it is expected that share certificates would be dispatched approximately one week after the Admission of the relevant Placing Shares. No temporary documents of title will be issued. Dealings in Placing Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Shares, nor does it guarantee the price at which a market will be made in the Shares. Accordingly, the dealing price of the Shares may not necessarily reflect changes in the NAV per Share. Furthermore, the level of the liquidity in the Shares can vary significantly.

12 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 Placing Shares within the CREST system. Settlement of transactions in the Placing 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 Placing Shares under the Placing Programme may elect to receive Placing Shares in uncertificated form if such investor is a system-member (as defined in the Regulations) in relation to CREST.

13 SCALING BACK AND ALLOCATION

The maximum number of Placing Shares available under the Placing Programme is 100 million. In the event that applications for Placing Shares to be issued pursuant to any Placing were to exceed a level that the Directors determine, in their absolute discretion at the time of closing of that Placing, to be the appropriate maximum size of that issue of Placing Shares and, in any event, if applications under the Placing Programme were to exceed the maximum number of Placing Shares available under the Placing Programme, it would be necessary to scale back applications under the relevant Placing. Cenkos reserves the right, after consultation with the Company and the Investment Adviser, to scale back applications under a relevant Placing in such amounts as it considers appropriate. The Company reserves the right to decline in whole or in part any application for Placing Shares.

The Company will notify investors of the number of Placing Shares in respect of which their application has been successful. An announcement of each allotment and issue under the Placing Programme will be released through an RIS, including details of the number of new Shares allotted and the Placing Price for the allotment and issue.

Monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant to the applicant from whom the money was received.

14 OVERSEAS PERSONS

The attention of potential investors who are Overseas Persons is drawn to the paragraphs below.

The offer of Placing Shares under the Placing Programme 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 Placing Shares under the Placing Programme. It is the responsibility of all Overseas Persons receiving this document and/or wishing to subscribe for Placing Shares under the Placing Programme 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 document in any territory other than the UK and Guernsey 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 document may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the U.S. Investment Company Act and the offer, issue and sale of the Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States.

Accordingly, the Placing Shares will not be offered, sold or delivered, directly or indirectly within the United States or to any U.S. Person (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities law of any state or other jurisdiction in the United States. Save in connection with such an exemption, the Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person. Investors should additionally consider the provisions set out under the heading Important Notices on page 33 of this document and the terms and conditions of a participation in the Placing Programme contained in Part IX of this document.

The Company reserves the right to treat as invalid any agreement to subscribe for Placing Shares under the Placing Programme 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 Cenkos and the Investment Adviser warranted in the Placing Agreement that it will not offer or sell or procure the offer or sale of the Placing Shares except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities law of any state or other jurisdiction in the United States. The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, investors may not reoffer, resell, pledge or otherwise transfer or deliver, directly or indirectly, any Shares within the United States, or to, or for the account or benefit of, any U.S. Person.

15 TYPICAL INVESTOR

An investment in the Placing Shares is designed to be suitable for institutional investors, professional investors, high net worth investors and professionally advised private investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the Shares as well as the underlying investments of the Group; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment programme.

Furthermore, it should be remembered that the price of securities and the income from them can go down as well as up.

PART VI FINANCIAL INFORMATION ON THE GROUP

1 AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015, THE FINANCIAL YEAR ENDED 31 JANUARY 2016 AND THE FINANCIAL YEAR ENDED 31 JANUARY 2017

Audited consolidated financial statements of the Group for the financial years ended 31 January 2015, 31 January 2016 and 31 January 2017 in respect of which the Company's auditor, Deloitte LLP, Chartered Accountants and Statutory Auditor, of Regency Court, Gategny Esplanade, St Peter Port, Guernsey GY1 3HW, has given unqualified opinions that the accounts give a true and fair view of the state of affairs of the Group as at 31 January 2015, 31 January 2016 and 31 January 2017 respectively and its profits for the periods then ended, have been properly prepared in accordance with the Companies Law and are incorporated into this document in full by reference to the same.

Save for the historical information of the Group from 1 February 2014 to 31 January 2017 set out below and incorporated by reference, in paragraph 1 of this Part VI, none of the information in this document has been audited. Unless otherwise indicated, all unaudited financial information relating to the Group contained in this document has been sourced, without material adjustment, from the internal accounting records of the Group which are maintained by the Administrator and the Luxembourg Administrator on the Group's behalf on a basis consistent with the Company's accounting policies.

1.1 Historical financial information

The audited consolidated financial statements of the Group for the financial years ended 31 January 2015, 31 January 2016 and 31 January 2017, which have been incorporated in this document by reference, include the information specified in the tables below. Where the audited consolidated financial statements of the Group for the financial years ended 31 January 2015, 31 January 2016 and 31 January 2017 make reference to other documents, such other documents are not incorporated into and do not form part of this document.

	<i>Audited consolidated financial statements of the Group for the financial year ended 31 January 2017</i>	<i>Audited consolidated financial statements of the Group for the financial year ended 31 January 2016</i>	<i>Audited consolidated financial statements of the Group for the financial year ended 31 January 2015</i>
Nature of information	Page no(s)	Page no(s)	Page no(s)
Consolidated Statement of Comprehensive Income	49	47	41
Consolidated Statement of Financial Position	50	48	42
Consolidated Statement of Changes in Equity	51	49	43
Consolidated Statement of Cash Flows	52	50	44
Notes to the Consolidated Financial Statements	53-67	51-65	45-59
Independent Auditor's Report	42-48	43-46	37-40
Chairman's Statement	4-5	4-5	5-6
Report of the Directors	21-25	24-28	20-24

1.2 Selected financial information

The key audited figures that summarise the Group's financial condition in respect of the financial years ended 31 January 2015, 31 January 2016 and 31 January 2017, which have been extracted directly on a straightforward basis without material adjustment from the historical financial information referred to in paragraph 1.1 of this Part VI, are set out in the following table:

Consolidated Statement of Financial Position

	<i>As at or for the financial year ended 31 January 2017 (audited) £'000</i>	<i>As at or for the financial year ended 31 January 2016 (audited) £'000</i>	<i>As at or for the financial year ended 31 January 2015 (audited) £'000</i>
Total assets	113,227	109,375	108,642
Total liabilities	899	966	431
Net assets	112,329	108,409	108,211
Net Asset Value per Share	103.80 pence	100.18 pence	99.99 pence

Consolidated Statement of Comprehensive Income

	<i>As at or for the financial year ended 31 January 2017 (audited) £'000</i>	<i>As at or for the financial year ended 31 January 2016 (audited) £'000</i>	<i>As at or for the financial year ended 31 January 2015 (audited) £'000</i>
Total income	12,335	8,360	9,248
Total expenses	(1,822)	(1,662)	(1,672)
Total comprehensive income for the year	10,413	6,691	7,568
Basic and diluted earning per Share	9.62 pence	6.18 pence	7.05 pence

1.3 Operating and financial review

The published audited consolidated financial statements of the Group for the financial years ended 31 January 2015, 31 January 2016 and 31 January 2017, which have been incorporated by reference into this document, include, on the pages specified in the table below, descriptions of the Group's financial condition (in both capital and revenue terms), details of the Group's investment activity and portfolio exposure, and changes in its financial condition for the financial years ended 31 January 2015, 31 January 2016 and 31 January 2017:

	<i>As at or for the financial year ended 31 January 2017</i>	<i>As at or for the financial year ended 31 January 2016</i>	<i>As at or for the financial year ended 31 January 2015</i>
Chairman's statement	4-5	4-5	5-6
Investment Manager's/ Adviser's Report	6-16	6-20	7-18
Corporate Governance Report	28-36	31-37	27-32
Report of the Directors	21-25	24-28	20-24

2 AVAILABILITY OF REPORTS AND FINANCIAL STATEMENTS FOR INSPECTION

Copies of the Group's annual report and audited accounts referred to in paragraph 1 of this Part VI are available online at <http://www.lbow.co.uk> and are also available for inspection at the address set out in paragraph 21 of Part VIII of this document. Copies of the documents are also available using the hyperlinks below:

- <http://www.lbow.co.uk/documents/ICG%20Longbow%20Annual%20Report%20YE%2031Jan17.pdf>;
- <http://www.lbow.co.uk/documents/ICG-Longbow%20SSUP%20-%20Annual%20Report%20-%202031.01.16.pdf>; and
- <http://www.lbow.co.uk/documents/ICG-Longbow%2031%20Jan%202015%20Annual%20Report.pdf>.

The non-incorporated parts of the annual reports and audited accounts of the Group referred to in this Part VI are either not relevant to investors or covered elsewhere in this document.

3 CAPITALISATION AND INDEBTEDNESS

The following table, shows the Group's indebtedness (distinguishing between guaranteed and unguaranteed, secure and unsecured indebtedness) as at 31 January 2017 and the Group's capitalisation as at 31 January 2017. The figures for indebtedness and capitalisation as at 31 January 2017 have been extracted from the audited underlying accounting records of the Group as at 31 January 2017.

<i>Indebtedness as at 31 January 2017</i>	<i>£'000</i>
Total current debt	0
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0
Total non-current debt	0
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0
 <i>Capitalisation as at 31 January 2017</i>	 <i>£'000</i>
Shareholder equity	
Share capital (including share premium)	106,039
Legal reserves (excluding revenue reserve)	0
Other reserves (excluding revenue reserve)	0
Total	106,039

The following table shows the Group's net indebtedness as at 31 January 2017.

	£'000
A Cash	3,259
B Cash equivalent	0
C Trading securities	0
D Liquidity (A + B + C)	3,259
E Current financial receivables	25
F Current bank debt	0
G Current portion of non-current debt	0
H Other current financial debt	0
I Current financial debt (F + G + H)	0
J Net current financial debt (I - E - D)	(3,284)
K Non-current bank loans	0
L Bonds Issue	0
M Other non-current loans	0
N Non-current financial indebtedness (K + L + M)	0
O Net financial indebtedness (J + N)	(3,284)

PART VII TAXATION

1 INTRODUCTION

The information below, which relates only to Guernsey and United Kingdom taxation, is for general information purposes only and is a summary of the advice received by the Board from the Company's advisers so far as applicable to the Company and to persons who are resident in Guernsey and/or the United Kingdom for taxation purposes and who hold Shares as an investment. It is not intended to be a comprehensive summary of all technical aspects of the structure, or tax law and practice in Guernsey and the United Kingdom. It is not intended to constitute legal or tax advice to Shareholders.

The information below is based on current Guernsey and United Kingdom tax law and published practice which is, in principle, subject to any change (potentially with retroactive effect). Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder of investing in the Company may depend on the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

2 GUERNSEY TAXATION

2.1 The Company

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

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

2.2 Taxation of Shareholders

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

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

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

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in Shares, with details of the interest. Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of distributions paid in relation to any Shares owned by them or on the disposal of their holding of shares in the Company, unless and to the extent that the holding of Shares is attributable to a business carried on through a permanent establishment of such a Shareholder in Guernsey.

2.3 Capital Taxes and Stamp Duty

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

2.4 Anti-Avoidance

Guernsey has a wide-ranging anti-avoidance provision. This provision targets transactions where the effect of the transaction or series of transactions is the avoidance, reduction or deferral of a tax liability. At his discretion, the Director of Income Tax will make such adjustments to the tax liability to counteract the effect of the avoidance, reduction nor deferral of the tax liability.

2.5 EU Savings Tax Directive

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

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

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

2.6 United States-Guernsey Intergovernmental Agreement

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

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

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

2.7 Common Reporting Standard

On 13 February 2014, the Organisation for Economic Co-operation and Development released the “Common Reporting Standard” (“**CRS**”) designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed the multilateral competent authority agreement (“**Multilateral Agreement**”) that activates this automatic exchange of FATCA-like information in line with the CRS. Since then further jurisdictions have signed the Multilateral Agreement and in total over 100 jurisdictions have committed to adopting the CRS. Over 90 of these jurisdictions have now adopted the CRS with effect from either 1 January 2016 or 1 January 2017.

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

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

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

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

If the Company fails to comply with any due diligence and/or reporting requirements under Guernsey legislation implementing the U.S.-Guernsey IGA and/or the CRS then the Company could be subject to (in the case of the U.S.-Guernsey IGA) U.S. withholding tax on certain U.S. source payments, and (in all cases) the imposition of financial penalties introduced pursuant to the relevant implementing regulations in Guernsey. Whilst the Company will seek to satisfy its obligations under the U.S.-Guernsey IGA and the CRS and associated implementing legislation in Guernsey to avoid the imposition of any financial penalties under Guernsey law, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Shareholders (if any). There can be no assurance that the Company will be able to satisfy such obligations.

Request for Information

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

3 UNITED KINGDOM TAXATION

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

3.1 The Company

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

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

3.2 Shareholders

(a) *Taxation of chargeable gains*

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

In addition, a UK Individual Shareholder who ceases to be tax resident in the UK for a period of five years or less (or, for departures before 6 April 2013, ceases to be resident or ordinarily resident or becomes Treaty non-resident for a period of less than five tax years) may, on re-establishing UK tax residence, be subject to capital gains tax in respect of disposals which occurred in the period of non-residence.

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

For UK Corporate Shareholders any gain will be within the charge to corporation tax at a rate of 19 per cent. for the financial year beginning on 1 April 2017. UK Corporate Shareholders will benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index.

(b) **Taxation of dividend income — UK Individual Shareholders**

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

(c) **Taxation of dividend income — UK Corporate Shareholders**

Unless the recipient is a “**small company**” (as to which see below), UK Corporate Shareholders will not be subject to corporation tax on dividends paid by the Company on the Shares so long as the dividends fall within an exempt class and certain conditions are met. Although it is likely that dividends paid by the Company on the Shares would qualify for exemption from corporation tax, it should be noted that the exemptions are not comprehensive and are subject to anti-avoidance rules. Dividends that are not exempt will be subject to corporation tax, currently at the rate of 19 per cent. for the financial year beginning on 1 April 2017.

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

(d) **Withholding tax**

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

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

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

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

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

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

Shares acquired pursuant to a Placing will not be eligible to be held in an ISA. Shares acquired in the secondary market should be eligible for inclusion in an ISA, subject to the applicable subscription limits. Investors resident in the UK who are considering acquiring Shares in the secondary market are recommended to consult their own tax and/or investment advisers in relation to the eligibility of the Shares for ISAs and SSAS/SIPPs.

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

3.3 **Other United Kingdom tax considerations**

(a) **UK Offshore Fund Rules**

The Directors have been advised that the Company should not be, and the Shares should not be shares in, an “offshore fund” for the purposes of UK taxation, although the Company does not make any commitment to investors that it will not be treated as an offshore fund.

Accordingly, UK Individual Shareholders and UK Corporate Shareholders should not be liable to income tax or corporation tax on income respectively in relation to any gain on disposal of the Shares. Such Shareholders should instead be subject to tax on chargeable gains as referred to above. Further, for so long as the Company is not an offshore fund, the “bond fund” rules should not apply such that the Shares should not be treated as creditor loan relationships for

UK Corporate Shareholders as set out in section 490 of the Corporation Tax Act 2009, and distributions on the Shares should not be treated as interest for income tax purposes for UK Individual Shareholders as set out in section 754 of the Income Tax (Trading and Other Income) Act 2005.

(b) *Controlled Foreign Companies*

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

(c) *Transfer of assets abroad*

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

(d) *Attribution of Gains to Persons Resident in the United Kingdom*

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

(e) *Transactions in securities*

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

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

PART VIII ADDITIONAL INFORMATION

1 RESPONSIBILITY

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

2 THE COMPANY

- 2.1 The Company was incorporated as a non-cellular company limited by shares in Guernsey under the Companies Law on 29 November 2012 with registration number 55917.
- 2.2 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.
- 2.3 The registered office and principal place of business of the Company is Heritage Hall, P.O. Box 225, Le Marchant Street, St Peter Port, Guernsey GY1 4HY, Channel Islands with telephone number +44 (0)1481 716000. The statutory records of the Company are kept at this address.
- 2.4 The Company operates under the Companies Law and ordinances and regulations made thereunder. The Company is not (and is not required to be) regulated or authorised by the FCA, but in common with other investment companies listed on the Premium Listing segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities, is subject to the Prospectus Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation, the Listing Rules and the rules of the London Stock Exchange. The liability of the Company's members is limited.
- 2.5 The Company's accounting period ends on 31 January of each year.
- 2.6 The annual report and accounts are prepared according to IFRS.
- 2.7 As at the date of this document, the Company has one wholly owned subsidiary, being LuxCo.
- 2.8 Neither of the Company nor LuxCo has any employees.

3 SHARE CAPITAL

- 3.1 The Company has the power to issue an unlimited number of shares with or without a par value which, upon issue, the Directors may designate as: (a) Shares; (b) B Shares; or (c) C Shares, in each case of such classes and denominated in such currencies as the Directors may determine.
- 3.2 The following table shows the issued capital as at the date of this document and following completion of the Placing Programme:

	<i>Number of Shares (assuming 40 million Shares are issued pursuant to the Placing Programme)</i>	<i>Number of Shares (assuming 100 million Shares are issued pursuant to the Placing Programme)</i>
As at the date of this document	108,219,250	108,219,250
Following completion of the Placing Programme	148,219,250	208,219,250

- 3.3 At incorporation, one Share was subscribed for by the subscriber to the memorandum of incorporation. Such Share was transferred to investors as part of the issue on the Company's initial public offering.
- 3.4 As at the date of this document, the Company's issued share capital history since incorporation is as follows:
 - (a) on 5 February 2013, 104,619,250 Shares were issued fully paid pursuant to a placing at a price of 100 pence per Share; and

- (b) on 24 April 2014, 3,600,000 Shares were issued fully paid pursuant to a placing at a price of 102 pence per Share.
- 3.5 Subject to the exceptions set out in paragraph 4.2(j) of this Part VIII of the document, Shares and C 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 or C Shares in a winding-up of the Company or a winding-up of the business of the Company.
- 3.6 All of the Placing Shares will be in registered form and eligible for settlement in CREST. Temporary documents of title will not be issued.
- 3.7 As at the date of this document, the Company has not repurchased or redeemed any shares since its incorporation and no shares are held in treasury.
- 3.8 By extraordinary resolutions and a special resolution respectively of the Company passed on 3 June 2016:
- (a) the Directors were authorised to allot and issue or make offers or agreements to allot and issue equity securities (as defined in the Articles) for cash pursuant to article 4.4 of the Articles or by way of a sale of treasury shares as if article 6.2 of the Articles did not apply to any such allotment and issue provided that this power shall be limited to up to an aggregate 100,000,000 C Shares, such authority to expire at the end of the annual general meeting of the Company to be held on 31 May 2017 (unless previously renewed, revoked or varied by the Company by extraordinary resolution) save that the Company may, before such expiry, make an offer or agreement which would or might require C Shares to be allotted and issued after such expiry and the Directors may allot and issue C Shares in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired;
- (b) the Directors were authorised to allot and issue or make offers or agreements to allot and issue equity securities (as defined in the Articles) for cash pursuant to article 4.4 of the Articles or by way of a sale of treasury shares as if article 6.2 of the Articles did not apply to any such allotment and issue provided that this power shall be limited to the allotment and issue of such number of Shares as is equal to 9.99 per cent. of the number of Shares in issue as at the latest practicable date prior to 11 May 2016 (and after giving effect to the exercise of any warrants, options or other convertible securities outstanding as at such date) such authority to expire at the end of the annual general meeting of the Company to be held on 31 May 2017 (unless previously renewed, revoked or varied by the Company by extraordinary resolution) save that the Company may, before such expiry, make an offer or agreement which would or might require Shares to be allotted and issued after such expiry and the Directors may allot and issue Shares in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired;
- (c) the Company was authorised, in accordance with the Companies Law, subject to the Listing Rules and all other applicable legislation and regulations, to make market acquisitions (within the meaning of section 316 of the Companies Law) of its own Shares which may be cancelled or held as treasury shares, provided that:
- (i) the maximum number of Shares authorised to be purchased under this authority shall be a number equal to 14.99 per cent. of the Shares in issue as at the latest practicable date prior to 11 May 2016;
- (ii) the minimum price (exclusive of expenses) which may be paid for a Share shall be £0.01 pence per Share;
- (iii) the maximum price (exclusive of expenses) which may be paid for a Share shall be not more than an amount equal to the higher of (i) 5 per cent. above the average mid-market value of the Shares for the five business days prior to the day the purchase is made and (ii) the higher of the price of the last independent trade and the highest current independent bid for Shares on the trading venues where the purchase is carried out,

such authority to expire at the end of the annual general meeting of the Company to be held on 31 May 2017 (unless previously renewed, revoked or varied by the Company by ordinary resolution) save that the Company may make a contract to acquire Shares under this authority before its expiry which will or may be executed wholly or partly after its expiration and the Company may make an acquisition of Shares pursuant to such a contract.

- 3.9 By an extraordinary resolution of the Company passed on 1 March 2017, the Directors were authorised to allot and issue or make offers or agreements to allot and issue equity securities (as defined in the Articles) for cash pursuant to article 4.4 of the Articles or by way of a sale of treasury shares for cash as if the pre-emption provisions contained in article 6.2 of the Articles did not apply to any such issue or sale, provided that this power shall be limited to the allotment and issue of up to an aggregate of 40,000,000 Shares pursuant to the Placing Programme, such authority to expire on the date that is twelve months after the date of publication of this document, unless such authority is renewed prior to this time, save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Shares to be allotted and issued, or rights to subscribe for or to convert any security into Shares to be granted, after the authority expires and the Directors may allot and issue Shares or grant such rights pursuant to any such offer or agreement as if the authority had not expired, and such authority shall be in addition to any other such authority granted to the Directors from time to time.
- 3.10 By extraordinary resolutions and a special resolution, respectively, the following authorities will be sought at the Company's annual general meeting to be held on 31 May 2017:
- (a) the Directors be and are hereby authorised to allot and issue or make offers or agreements to allot and issue equity securities (as defined in Articles) for cash pursuant to article 4.4 of the Articles or by way of a sale of treasury shares as if article 6.2 of the Articles did not apply to any such allotment and issue provided that this power shall be limited to up to an aggregate 100,000,000 C Shares, such authority to expire on the date which is 15 months from 31 May 2017 or, if earlier, at the end of the annual general meeting of the Company to be held in 2018 (unless previously renewed, revoked or varied by the Company by extraordinary resolution) save that the Company may, before such expiry, make an offer or agreement which would or might require C Shares to be allotted and issued after such expiry and the Directors may allot and issue C Shares in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired;
 - (b) the Directors be and are hereby authorised to allot and issue or make offers or agreements to allot and issue equity securities (as defined in the Articles) for cash pursuant to article 4.4 of the Articles or by way of a sale of treasury shares as if article 6.2 of the Articles did not apply to any such allotment and issue provided that this power shall be limited to the allotment and issue of such number of Shares as is equal to 9.99 per cent. of the number of Shares in issue as at the latest practicable date prior to 31 May 2017 (and after giving effect to the exercise of any warrants, options or other convertible securities outstanding as at such date), such authority to expire on the date which is 15 months from 31 May 2017 or, if earlier, at the end of the annual general meeting of the Company to be held in 2018 (unless previously renewed, revoked or varied by the Company by extraordinary resolution) save that the Company may, before such expiry, make an offer or agreement which would or might require Shares to be allotted and issued after such expiry and the Directors may allot and issue Shares in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired, and such authority shall be in addition to any other such authority granted to the Directors from time to time;
 - (c) the Company be and is hereby authorised, in accordance with the Companies Law, subject to the Listing Rules made by the UK Listing Authority and all other applicable legislation and regulations, to make market acquisitions (within the meaning of section 316 of the Companies Law) of its own Shares which may be cancelled or held as treasury shares, provided that:
 - (i) the maximum number of Shares authorised to be purchased under this authority shall be a number equal to 14.99 per cent. of the Shares (excluding treasury shares) in issue as at the latest practicable date prior to 31 May 2017;
 - (ii) the minimum price (exclusive of expenses) which may be paid for a Share shall be £0.01 pence per Share;
 - (iii) the maximum price (exclusive of expenses) which may be paid for a Share must not be more than the higher of: (i) five per cent. above the average mid-market value of the Shares for the five Business Days before the purchase is made; and (ii) the higher of the price of the last independent trade and the highest current independent bid for Shares on the trading venues where the purchase is carried out,

such authority to expire on the date which is 15 months from the date of passing of this resolution or, if earlier, at the end of the annual general meeting of the Company to be held in 2018 (unless previously renewed, revoked or varied by the Company by ordinary resolution) save that the Company may make a contract to acquire Shares under this authority before its expiry which will or may be executed wholly or partly after its expiration and the Company may make an acquisition of Shares pursuant to such a contract.

- 3.11 As further detailed in paragraph 3.9 above, the Directors currently have a specific authority to allot and issue up to 40 million Shares pursuant to the Placing Programme as granted by Shareholders at the EGM held on 1 March 2017. Notwithstanding the intention of the Directors to propose a Placing Programme in respect of the issue of up to 40 million Shares, as set out in the circular to Shareholders dated 11 January 2017, the Directors believe it is in the best interests of the Company to include flexibility in the Placing Programme to issue up to a maximum of 100 million Shares, as it will allow them to issue, subject to investor demand, further Shares pursuant to the Placing Programme without issuing a further prospectus, thereby potentially saving the Company costs. As further detailed in paragraph 3.8(b) above, at the 2016 AGM held on 3 June 2016 Shareholders approved a general authority to allot and issue up to 10,811,103 Shares for cash on a non-pre-emptive basis. As a result, the Directors may, without further Shareholder approval, allot and issue up to an additional 10,811,103 Shares for cash on a non-pre-emptive basis under the Placing Programme. As further detailed in paragraph 3.10(b) above, at the next annual general meeting of the Company to be held on 31 May 2017, the Directors will seek Shareholder authority for the renewal of the general authority. If the Directors resolve to allot and issue Shares for cash on a non-pre-emptive basis under the Placing Programme in excess of the available existing authorities, such Shares may only be allotted and issued subject to the grant of an additional Shareholder authority.
- 3.12 In accordance with the power granted to the Directors by the Articles, it is expected that the Placing Shares to be issued pursuant to the Placing Programme will be allotted and issued (conditionally upon the relevant Admission) pursuant to a resolution of the Board to be passed shortly before the relevant Admission in accordance with the Companies Law.
- 3.13 The legislation under which the Placing Shares will be created is the Companies Law.
- 3.14 As at the date of this document:
- (a) no Shares have been issued otherwise than fully paid;
 - (b) the Company had no outstanding convertible securities, exchangeable securities or securities with warrants;
 - (c) there are no acquisition rights and/or obligations over the unissued share capital of the Company and the Company has given no undertaking to issue Shares other than in accordance with the Articles and this document; and
 - (d) no capital of the Company is under option or is agreed, conditionally or unconditionally, to be put under option.
- 3.15 Shareholders have no right to have their Shares redeemed by the Company.

4 ARTICLES OF INCORPORATION

4.1 The Company's objects are unrestricted.

4.2 The Articles contain (among other things) provisions to the following effect.

(a) **Share rights**

Subject to the Articles and the terms and rights attaching to shares already in issue, shares may be issued with or have attached such rights and restrictions as the Board may from time to time determine in accordance with the Companies Law.

(b) **Issue of shares**

Subject to the provisions of the Articles, the unallotted and unissued shares of the Company shall be at the disposal of the Board which may dispose of them to such persons and in such manner and on such terms as the Board may determine from time to time. Without prejudice to the authority conferred on the Directors pursuant to the Articles, the Directors are generally and unconditionally authorised to exercise all powers of the Company to allot and issue,

grant rights to subscribe for, or to convert any securities into, an unlimited number of shares of each class in the Company, which authority shall expire on the date which is five years from 1 March 2017, being the date of adoption of the Articles (unless previously renewed, revoked or varied by the Company in general meeting) save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted and issued after such expiry and the Directors may allot and issue shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

(c) Dividends and other distributions

- (i) The Directors may from time to time authorise dividends and distributions to be paid to shareholders on a class by class basis in accordance with the procedure set out in the Companies Law and subject to any shareholder's rights attaching to their shares. The amount of such dividends or distributions paid in respect of one class may be different from that of another class.
- (ii) All dividends and distributions declared in respect of a class of share shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares of the relevant class during any portion or portions of the period in respect of which the dividend or distribution is paid; but if any share of a particular class is issued on terms providing that it shall rank for dividend or distribution as from a particular date such share shall rank for dividend or distribution accordingly.
- (iii) The Directors may, in relation to any dividend or distribution, direct that the dividend or distribution shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares, debentures, or other securities of any other company, and where any difficulty arises in regard to the dividend or distribution the Directors may settle it as they think expedient, and in particular may authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for dividend and distribution purposes of any assets or any part thereof and may determine that cash shall be paid to any shareholders upon the footing of the value so fixed in order to secure equality of dividend or distribution and may vest any assets the subject of a dividend or distribution in trustees as may seem expedient to the Directors.
- (iv) All unclaimed dividends and distributions may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted as trustee in respect thereof. All dividends unclaimed on the earlier of (i) a period of seven years after the date when it first became due for payment and (ii) the date on which the Company is wound-up, shall be forfeited and shall revert to the Company without the necessity for any declaration or other action on the part of the Company.

(d) Voting

- (i) Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any shares, shareholders shall have the right to receive notice of and to attend and vote at general meetings of the Company:
 - (A) each shareholder being present in person or by proxy or by a duly authorised representative (if a corporation) at a general meeting shall upon a show of hands have one vote and upon a poll each such shareholder present in person or by proxy or by a duly authorised representative (if a corporation) shall, in the case of a separate class meeting, have one vote in respect of each share of such class held by him and, in the case of a general meeting of all shareholders, have one vote in respect of each share held by him; and
 - (B) in respect of a share denominated in any currency other than Sterling held by him, such number of votes as shall be determined by the Directors in their absolute discretion upon the issue for the first time of shares of the relevant class.
- (ii) B Shares and, save in certain limited circumstances, C Shares will not carry the right to attend and receive notice of any general meetings of the Company, nor will they carry the right to vote at such meetings.

(e) **Capital**

- (i) As to a return of capital or a winding-up of the Company (other than by way of a repurchase or redemption of shares (except a compulsory redemption of B Shares in accordance with paragraph (e)(iii) below) in accordance with the provisions of the Articles and the Companies Law), the surplus assets attributable to a class of shares (as determined by the Directors) and available for distribution shall be paid to holders of shares of each class *pro rata* to the relative Net Asset Value of each of the classes of shares calculated in accordance with the Articles and within each such class such assets shall be divided *pari passu* among the holders of shares of that class in proportion to the number of shares of such class held by them.
- (ii) The manner in which distributions of capital proceeds realised from investments (net of fees, costs and expenses) ("**Capital Proceeds**") attributable to the shares shall be effected shall, subject to compliance with the Companies Law, be determined by the Directors in their absolute discretion and, once determined, shall be notified to Shareholders by way of an RIS announcement.
- (iii) Without restricting the discretion of the Directors described in sub-paragraph (e)(ii) above, the Directors may effect distributions of Capital Proceeds by issuing B Shares of a particular class to holders of shares of a particular class *pro rata* to their holdings of shares of such class (such B Shares to be fully paid-up out of Capital Proceeds attributable to the relevant class of share), which such B Shares shall be compulsorily redeemed, and the redemption proceeds (being equal to the amount paid-up on such B Shares) paid to the holders of such B Shares, on such terms and in such manner as the Directors may determine.

(f) **C Shares**

The Articles permit the Directors to issue C Shares on the following terms. Defined terms used in this paragraph are set out at the end of the paragraph:

- (i) The Directors are authorised to issue C Shares of such classes (and denominated in such currencies) as they may determine in accordance with the Articles and with C Shares of each such class being convertible into shares of such class as the Directors may determine at the time of issue of such C Shares (such class of share being the "**Correspondent Shares**").
- (ii) The Directors shall, on the issue of each class of C Shares, be entitled to effect any amendments to the definition of Conversion Ratio attributable to such class. The Directors may, in their absolute discretion change the Correspondent Shares for any class of C Shares to reflect any change in the currency classes of the Shares by notice to the holders of such class of C Shares.
- (iii) Subject to the terms of the Articles, the new Correspondent Shares arising on Conversion of any class of C Shares shall rank *pari passu* with all other Correspondent Shares of the same class.
- (iv) No dividend or other distribution shall be made or paid by the Company on any class of Correspondent Shares between the Calculation Time and the Conversion Time (both dates inclusive) and no dividend shall be declared with a record date falling between the Calculation Time and the Conversion Time (both dates inclusive).
- (v) The capital and assets of the Company shall on a winding up or on a return of capital (other than by way of a repurchase or redemption of shares by the Company) prior, in each case, to Conversion be applied as follows:
 - (A) the Correspondent Share Surplus shall be divided amongst the holders of the relevant Correspondent Shares *pro rata* to their holdings of Correspondent Shares as if the Correspondent Share Surplus comprised the assets of the Company available for distribution; and
 - (B) the C Share Surplus attributable to each class of C Share shall be divided amongst the C Shareholders of such class *pro rata* according to their holdings of C Shares of that class.
- (vi) C Shares shall be transferable in the same manner as the Correspondent Shares.

- (vii) The holders of any class of C Shares will be entitled to receive such dividends as the Directors may resolve to pay to such holders out of the assets attributable to such class of C Shares (as determined by the Directors).
- (viii) Subject to the terms of the Articles, the C Shares shall not carry any right to attend or vote at any general meeting of the Company.
- (ix) Without prejudice to the generality of the Articles, until Conversion the consent of the C Shareholders as a class (irrespective of whichever class they may hold) shall be required for, and accordingly the special rights attached to any class of C Shares shall be deemed to be varied, *inter alia*, by:
 - (A) any alteration to the Memorandum of Incorporation or the Articles; or
 - (B) the passing of any resolution to wind up the Company.
- (x) The C Shares are issued on the terms that each class of C Shares shall be redeemable by the Company in accordance with the Articles.
- (xi) At any time prior to Conversion, the Company may, at its discretion, redeem all or any of the C Shares of a particular class then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may determine (subject to the facility and procedures of the Regulations and the Rules) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holder(s) of the relevant class of C Shares.
- (xii) Until Conversion and without prejudice to its obligations under the Companies Law, the Company shall in relation to each class of C Shares establish a separate class account for that class in accordance with the Articles and, subject thereto:
 - (A) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares of the relevant class can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant class; and
 - (B) allocate to the assets attributable to the C Shares of the relevant class such proportion of the income, expenses or liabilities of the Company incurred or accrued between the Issue Date and the Calculation Time (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares of the relevant class; and
 - (C) give appropriate instructions to the Administrator and/or Investment Adviser to manage the Company's assets so that such undertakings can be complied with by the Company.
- (xiii) Each class of C Shares shall be converted into new Correspondent Shares at the Conversion Time in accordance with the provisions of paragraphs (xiv) to (xx).
- (xiv) The Directors shall procure that within 20 Business Days after the Calculation Time:
 - (A) the Administrator or, failing which, an independent accountant selected for the purpose by the Board, shall be requested to calculate the Conversion Ratio as at the Calculation Time and the number of new Correspondent Shares which each holder of C Shares of the relevant class shall be entitled on Conversion; and
 - (B) the Auditors may, if the Directors consider it appropriate, be requested to certify that such calculations have been performed in accordance with the Articles and are arithmetically accurate;

whereupon, subject to the proviso in the definition of "Conversion Ratio", such calculations shall become final and binding on the Company and all Shareholders. If the Auditors are unable to confirm the calculations of the Administrator or the independent accountant, as described above, the Conversion shall not proceed.
- (xv) The Directors shall procure that, as soon as practicable following such certification (if any), an RIS announcement is made advising holders of C Shares of that class of the Conversion Time, the Conversion Ratio and the aggregate numbers of new Correspondent Shares to which holders of C Shares of that class are entitled on Conversion.

- (xvi) Conversion of each class of C Shares shall take place at the Conversion Time designated by the Directors for that class of C Shares. On Conversion the issued C Shares of the relevant class shall automatically convert (by re-designation or otherwise as appropriate) into such number of new Correspondent Shares as equals the aggregate number of C Shares of the relevant class in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole new Correspondent Share) and if, as a result of the Conversion, the C Shareholder concerned is entitled to:
- (A) more shares of the relevant class of Correspondent Shares than the number of original C Shares of the relevant class, additional Correspondent Shares of the relevant class shall be allotted and issued accordingly; or
- (B) fewer shares of the relevant class of Correspondent Shares than the number of original C Shares of the relevant class, the appropriate number of original C Shares shall be cancelled accordingly.
- (xvii) Notwithstanding the provisions of paragraph (xvi), conversion of the original C Shares of the relevant class may be effected in such other manner permitted by applicable legislation as the Directors shall from time to time determine.
- (xviii) The new Correspondent Shares of the relevant class arising upon Conversion shall be divided amongst the former holders of the relevant class of C Shares *pro rata* according to their respective former holdings of the relevant class of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to the new shares, including, without prejudice to the generality of the foregoing, selling or redeeming any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former C Shareholders of the relevant class to do any other act or thing as may be required to give effect to the same including, in the case of a share in certificated form, to execute any stock transfer form and, in the case of a share in uncertificated form, to give directions to or on behalf of the former C Shareholder who shall be bound by them.
- (xix) Forthwith upon Conversion, any certificates relating to C Shares of the relevant class shall be cancelled, the register of members of the Company shall be updated and the Company shall issue to each such former C Shareholder new certificates in respect of the shares of the relevant class which have arisen upon Conversion unless such former C Shareholder elects to hold such shares in uncertificated form, and the register of the Company shall be updated accordingly.
- (xx) The Company will use its reasonable endeavours to procure that, upon Conversion, the resulting shares are admitted to trading on the London Stock Exchange's main market for listed securities or such other market as the Directors shall determine at the time that C Shares of such class are first offered.
- (xxi) In connection with the issue of C Shares of any class, the Directors shall state the Specified Conversion Criteria with respect to such class in any relevant disclosure document or prospectus and in an RIS announcement at the time that C Shares of such class are first offered.
- (xxii) The following definitions apply (for the purposes of this Part VIII only) in addition to, or (where applicable) in substitution for, the definitions elsewhere in this Prospectus:
- | | |
|------------------------|---|
| “Backstop Date” | such date as determined by the Directors and set out in the Specified Conversion Criteria; |
| “C Admission” | the admission of that class of C Shares to trading on the London Stock Exchange's main market for listed securities (or such other market as the Directors shall determine at the time that C Shares of such class are first offered); |
| “C Share” | a redeemable ordinary share of no par value in the capital of the Company issued and designated as a C Share of such class, denominated in such currency, and convertible into such Correspondent Shares, as may be determined by the Directors at the time of issue; |

“C Share Surplus”	in relation to any class of C Shares, the net assets of the Company attributable to the C Shares of that class as determined by the Directors;
“Calculation Time”	the earliest of: <ul style="list-style-type: none"> (a) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances have arisen or the Directors resolve that they are in contemplation; (b) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of the Conversion of that class of C Shares; (c) the close of business on the Back Stop Date for the relevant class of C Shares; and (d) the close of business on such date as the Directors may determine, in the event that the Directors, provided that the Directors shall, in their discretion, have resolved that the Early Investment Condition for the relevant class of C Shares has been satisfied and that the relevant class of C Shares shall be converted;
“Class Account”	a separate class account (in such currency as the Directors may determine) in the books of the Company for each class of share;
“Conversion”	in relation to any class of C Shares, conversion of that class of C Shares in accordance with the Articles;
“Conversion Ratio”	in relation to each class of C Shares, A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where: $A = \frac{C - D}{E}$ and $B = \frac{F - G}{H}$ and where: <p>“C” is the aggregate value of all assets and investments of the Company attributable to the relevant class of C Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;</p> <p>“D” is the amount which (to the extent not otherwise deducted in the calculation of C) in the Directors’ opinion fairly reflects as at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the C Shares of the relevant class (as determined by the Directors);</p> <p>“E” is the number of the C Shares of the relevant class in issue as at the relevant Calculation Time;</p> <p>“F” is the aggregate value of all assets and investments attributable to the relevant class of Correspondent Shares (as determined by Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;</p>

“G” is the amount which, (to the extent not otherwise deducted in the calculation of F) in the Directors’ opinion, fairly reflects as at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the relevant Correspondent Shares (as determined by the Directors); and

“H” is the number of Correspondent Shares of the relevant class in issue as at the relevant Calculation Time,

provided always that:

- (a) the Directors shall be entitled to make such adjustments to the value or amount of A and/or B as they believe to be appropriate having regard to, among other things, the assets of the Company immediately prior to the Issue Date or the Calculation Time or to the reasons for the issue of the C Shares of the relevant class;
- (b) in relation to any class of C Shares, the Directors may, as part of the terms of issue of such class, amend the definition of Conversion Ratio in relation to that class;

“Conversion Time”

a time following the Calculation Time, being the opening of business in London on such Business Day as may be selected by the Directors and falling not more than 20 Business Days after the Calculation Time;

“Correspondent Shares”

the Shares of the relevant class into which C Shares of a particular class are to be converted as determined by the Directors at the time of issue of the relevant class of C Shares, subject as may subsequently be amended by the Directors to reflect any change in the currency classes of the Company’s shares;

“Correspondent Share Surplus”

the net assets of the Company attributable to the Correspondent Shares (as determined by the Directors) at the date of winding up or other return of capital;

“Early Investment Condition”

any such condition specified in the Specified Conversion Criteria;

“Force Majeure Circumstances”

in relation to any class of C Shares:

- (a) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable;
- (b) the issue of any proceedings challenging or seeking to challenge the power of the Company and/or its Directors to issue the C Shares with the rights proposed to be attached to them or to the persons to whom they are, and/or the terms on which they are, proposed to be issued; or
- (c) the convening of any general meeting of the Company at which a resolution is to be proposed to wind up the Company;

“Issue Date”

in relation to any class of C Shares, the date on which C Admission becomes effective or, if later, the day on which the Company receives the net proceeds of the issue of the relevant class of C Shares;

“Specified Conversion Criteria”

in respect of any issue of C Shares, such criteria as determined by the Directors and announced by the Company through an RIS, setting out, among other matters, the Back Stop Date and the Early Investment Condition.

(g) Pre-emption rights

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment and issue of the Shares or C Shares. However, the Articles provide that the Company is not permitted to grant or allot and issue (wholly for cash) equity securities (including Shares or C Shares or rights to subscribe for, or convert securities into, Shares or C Shares) or sell (wholly for cash) any equity securities held in treasury, unless, subject to certain exceptions, it shall first have offered to grant, allot and issue to each existing holder of equity securities, as applicable, on the same or more favourable terms a proportion of those equity securities the aggregate value of which (at the proposed issue price) is as nearly as practicable equal to the proportion of the total Net Asset Value of the Company represented by the equity securities held by such Shareholder. These pre-emption rights may be excluded and disapplied or modified by extraordinary resolution of the Shareholders.

(h) Variation of rights

(i) If at any time the shares of the Company are divided into different classes, all or any of the rights for the time being attached to any share or class of share may be varied or abrogated (and notwithstanding that the Company may or may be about to go into liquidation) in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either:

(A) with the consent in writing of the holders of more than two thirds in number of the issued shares of that class; or

(B) with the consent of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class.

(ii) The necessary quorum (other than in the case of an adjourned meeting) shall be two persons present holding or representing by proxy at least one third of the voting rights of that class (excluding any shares of that class held as treasury shares). If any such meeting is adjourned for lack of a quorum, the quorum at the reconvened meeting shall be one holder entitled to vote and present in person holding shares of that class or his proxy, provided always that where the class has only one member, that member shall constitute the necessary quorum and any holder of shares of that class in question may demand a poll.

(iii) The rights conferred upon the holders of the shares of any class issued with preferred, deferred or other rights (including, without limitation, Shares, B Shares and C Shares, as the case may be) shall not (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by (a) the creation or issue of further shares or classes of shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith or having rights to participate only in a separate pool of assets of the Company provided in any event that such shares do not rank in any respect in priority to any existing class of shares or (b) the purchase or redemption by the Company of any of its own shares (or the holding of such shares as treasury shares).

(i) Disclosure of interests in Shares

(i) The Directors shall have power by notice in writing (a “Disclosure Notice”) to require a shareholder to disclose to the Company the identity of any person other than the shareholder (an “**interested party**”) who has any interest (whether direct or indirect) in the shares held by the Shareholder and the nature of such interest or who has been so interested at any time during the three years immediately preceding the date on which the Disclosure Notice is issued. Any such Disclosure Notice shall require any information in response to such Disclosure Notice to be given in writing to the Company within 28 days of the date of service.

(ii) If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days

if the shares concerned represent 0.25 per cent. or more in number of the issued shares of the relevant class), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the Shareholder (a "**Direction Notice**"). The Direction Notice may direct that in respect of the shares in respect of which the default has occurred (the "**Default Shares**") the Shareholder shall not be entitled to vote in general meetings or class meetings. Where the Default Shares represent at least 0.25 per cent. in number of the class of share concerned, the Direction Notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the Default Shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

- (iii) The Directors may be required to exercise their power to require disclosure of interested parties on a requisition of Shareholders holding not less than one tenth of the total voting rights attaching to the Shares in issue at the relevant time.

(j) **Transfer of Shares**

- (i) Subject to the Articles (and the restrictions on transfer contained therein) and the Regulations and the Rules, a shareholder may transfer all or any of his shares in any manner which is permitted by the Companies Law or in any other manner which is from time to time approved by the Board.
- (ii) A transfer of a certificated share shall be in the usual common form or in any other form approved by the Board. An instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
- (iii) The Articles provide that the Board has, under and subject to the Regulations and the Rules, power to implement such arrangements as it may, in its absolute discretion, think fit in order for any class of share to be admitted to settlement by means of an Uncertificated System. If the Board implements any such arrangements, no provision of the Articles will apply or have effect to the extent that it is in any respect inconsistent with:
 - (A) the holding of shares of the relevant class in uncertificated form;
 - (B) the transfer of title to shares of the relevant class by means of an Uncertificated System; or
 - (C) the Regulations or the Rules.
- (iv) Where any class of share is, for the time being, admitted to settlement by means of an Uncertificated System, such securities may be issued in uncertificated form in accordance with and subject to the Regulations and the Rules. Unless the Board otherwise determines, shares held by the same holder or joint holders in certificated form and uncertificated form will be treated as separate holdings. Shares may be changed from uncertificated to certificated form and from certificated to uncertificated form, in accordance with and subject to the Regulations and the Rules. Title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of an Uncertificated System.
- (v) The Board may, in its absolute discretion and without giving a reason, decline to transfer, convert or register any transfer of any share in certificated form or (to the extent permitted by the Regulations and the Rules) uncertificated form, subject to the Articles, which is not fully paid or on which the Company has a lien provided that, in the case of a listed or quoted share, this would not prevent dealings in the shares of that class from taking place on an open and proper basis on the relevant stock exchange.
- (vi) In addition, the Board may refuse to register a transfer of shares if in the case of certificated shares: (a) it is in respect of more than one class of share; (b) it is in favour of more than four joint transferees; (c) it is delivered for registration to the registered office of the Company or such other place as the Board may decide, not accompanied by the certificate for the shares to which it relates and such other evidence of title as the Board may reasonably require; or (d) the transfer is in favour of any Non-Qualified Holder.
- (vii) If any shares are owned directly or beneficially by a person believed by the Board to be a Non-Qualified Holder, the Board may give notice to such person requiring him either (i) to provide the Board within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder

or (ii) to sell or transfer his shares to a person who is not a Non-Qualified Holder within 30 days and within such 30 days to provide the Board with satisfactory evidence of such sale or transfer. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited his shares. If the Board in its absolute discretion so determines, to the extent permitted by the Regulations and the Rules, the Company may dispose of the shares at the best price reasonably obtainable and pay the net proceeds of such disposal to any other person so that the shares will cease to be held by a Non-Qualified Holder.

(viii) The Board may decline to register a transfer of an uncertificated share which is traded through an Uncertificated System in accordance with the Rules where, in the case of a transfer to joint holders, the number of joint holders to whom uncertificated shares are to be transferred exceeds four.

(k) General meetings

(i) The first general meeting of the Company shall be held within 18 months of the date of the Company's incorporation and thereafter annual general meetings shall be held at least once in each calendar year and in any event, no more than 15 months may elapse since the last annual general meeting. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. Extraordinary general meetings and annual general meetings shall be held in Guernsey or such other place outside the United Kingdom as may be determined by the Board from time to time.

(ii) The notice must specify the date, time and place of any general meeting and the text of any proposed special, extraordinary and ordinary resolution. Any general meeting shall be called by at least 10 clear days' notice. A general meeting may be deemed to have been duly called by shorter notice if it is so agreed by all the members entitled to attend and vote thereat. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the proceedings at the meeting.

(iii) The shareholders may require the Board to call an extraordinary general meeting in accordance with the Companies Law.

(l) Restrictions on voting

Unless the Board otherwise decides, no member shall be entitled to be present in person or take part in any proceeding or vote, either in person or by proxy, at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting in respect of any share held by him unless all calls and other sums presently payable by him in respect of that share have been paid. No member of the Company shall, if the Directors so determine, be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such shares has failed to comply with a Disclosure Notice (see sub-paragraph (i)(i) above) within 14 days, in a case where the shares in question represent at least 0.25 per cent. of their class, or within 28 days, in any other case, from the date of such Disclosure Notice. These restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

(m) Appointment, retirement and disqualification of Directors

(i) Unless otherwise determined by the shareholders by ordinary resolution, the number of Directors shall not be less than two and there shall be no maximum number. At no time shall a majority of the Board be resident in the UK for UK tax purposes.

(ii) A Director need not be a shareholder. A Director who is not a shareholder shall nevertheless be entitled to attend and speak at shareholders' meetings.

(iii) Subject to the Articles, Directors may be appointed by the Board (either to fill a vacancy or as an additional Director). No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the

office of Director unless not less than seven and not more than 42 clear days before the date appointed for the meeting there shall have been left at the Company's registered office (or, if a Relevant Electronic Address or another electronic address has been specified by the Company for such purposes, sent to the Company's Relevant Electronic Address or other electronic address) notice in writing signed by a shareholder who is duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected, specifying his tax residency status and containing a declaration that he is not ineligible to be a Director in accordance with the Companies Law.

- (iv) No person shall be or become incapable of being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age.
- (v) Subject to the Articles, at each annual general meeting of the Company (i) any Director who has been appointed by the Board since the last annual general meeting, (ii) any Director who held office at the time of the two preceding annual general meetings and who did not retire at either of them, (iii) any Director who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting, and (iv) such further Directors (if any) shall retire by rotation as would bring the number retiring by rotation up to one third of the number of Directors in office at the date of the notice of the meeting (or, if their number is not a multiple of three, the number nearest to but not greater than one third), shall retire or retire by rotation (as the case maybe) from office and may offer himself for election or re-election by the Shareholders.
- (vi) Subject to the provisions relating to retirement by rotation at sub-paragraph (m)(v) above, a Director who retires at an annual general meeting may, if willing to continue to act, be elected or re-elected at that meeting. If he is elected or re-elected he is treated as continuing in office throughout. If he is not elected or re-elected, he shall remain in office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place or when a resolution to elect or re-elect the Director is put to the meeting and lost.
- (vii) The office of a Director shall be vacated: (i) if he (not being a person holding for a fixed term an executive office subject to termination if he ceases from any cause to be a Director) resigns his office by one month's written notice signed by him and sent to or deposited at the Company's registered office; (ii) if he dies; (iii) if the Company requests that he resigns his office by giving three month's written notice; (iv) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of six months and the Board resolves that his office shall be vacated; (v) if he becomes bankrupt or makes any arrangements or composition with his creditors generally; (vi) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment; (vii) if he is requested to resign by written notice signed by a majority of his co-Directors (being not less than two in number); (viii) if the Company by ordinary resolution shall declare that he shall cease to be a Director; (ix) if he becomes resident in the United Kingdom for UK tax purposes and, as a result thereof, half or more in number of the Directors would, if he were to remain a Director, be resident in the United Kingdom for tax purposes; or (x) if he becomes ineligible to be a Director in accordance with the Companies Law.
- (viii) Any Director may, by notice in writing, appoint any other person (subject to the provisions in sub-paragraph (m)(ix) below), who is willing to act as his alternate and may remove him from that office.
- (ix) Each alternate Director shall be either (i) resident for tax purposes in the same jurisdiction as his appointor, or (ii) resident outside the UK for UK tax purposes, in each case for the duration of the appointment of that alternate Director and in either case shall also be eligible to be a Director under the Companies Law and shall sign a written consent to act. Every appointment or removal of an alternate Director shall be by notice in writing signed by the appointor and deposited at the Company's registered office or delivered at a meeting of the Board.

(n) Proceedings of the Board

- (i) The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two provided that only a meeting at which a majority of the Directors present are not resident in the United Kingdom for UK tax purposes shall be declared quorate. Subject to the Articles, a meeting of the Board at which a quorum is present shall be competent to exercise all the powers and discretion exercisable by the Board.
- (ii) All meetings of the Board are to take place outside the United Kingdom and any decision reached or resolution passed by the Directors at any meeting of the Board held within the United Kingdom or at which no majority of the Directors resident outside the UK (and not within the UK) for UK tax purposes is present shall be invalid and of no effect.
- (iii) The Board may elect one of their number as chairman. If no chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.
- (iv) Questions arising at any meeting shall be determined by a majority of votes.
- (v) The Board may delegate any of its powers to committees consisting of one or more Directors as they think fit with a majority of such Directors being resident outside of the United Kingdom for United Kingdom tax purposes. Committees shall only meet outside the United Kingdom. Any committee so formed shall be subject to the supervision of the Board and shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board and (subject to such regulations) by the provisions of the Articles that apply to meetings of the Board.

(o) Remuneration of Directors

The Directors shall be entitled to receive fees for their services, such sums not to exceed in aggregate £250,000 in any financial year (or such higher sum as the Company in general meeting shall from time to time determine by ordinary resolution). The Directors shall be entitled to be re-paid all reasonable travelling, hotel and other expenses properly incurred by them in attending board or committee meetings or general meetings, and all reasonable expenses properly incurred by them in seeking independent professional advice on any matter that concerns them in the furtherance of their duties as a Director. Any fees payable in this manner shall be distinct from any salary, remuneration or other amounts payable to a Director under other provisions of the Articles and shall accrue from day to day. The Board may grant special remuneration to any Director who performs any special or extra services to, or at the request of, the Company.

(p) Interests of Directors

- (i) Subject to and in accordance with the Companies Law, a Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose that fact to the Directors (including the nature and extent of that interest).
- (ii) Subject to the provisions of the Companies Law, and provided that he has disclosed to the Directors the nature and extent of any interests of his, a Director notwithstanding his office:
 - (A) may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to the tenure of office and otherwise as the Directors may determine;
 - (B) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (C) 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 promoted by the Company, or with which the Company has entered into any transaction, arrangement or agreement, or in which the Company is otherwise interested;

- (D) shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit;
 - (E) may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as though he were not a director of the Company; and
 - (F) may be counted in the quorum present at any meeting in relation to any resolution in respect of which he has declared an interest and he may vote thereon.
- (iii) A Director may continue to be or become a director, managing director, manager or other officer, employee or member of any company promoted by the Company or in which the Company may be interested or with which the Company has entered into any transaction, arrangement or agreement, and no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager, or other officer or member of any such other company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to the directors, managing directors, managers or other officers of such company).
 - (iv) Any Director who, by virtue of office held or employment with any other body corporate, may from time to time receive information that is confidential to that other body corporate (or in respect of which he owes duties of secrecy or confidentiality to that other body corporate) shall be under no duty to the Company by reason of his being a Director to pass such information to the Company or to use that information for the benefit of the Company, in either case where the same would amount to breach of confidence or other duty owed to that other body corporate.

(q) **Winding-up**

- (i) On a winding-up, the surplus assets remaining after payment of all creditors shall be divided amongst the classes of shares then in issue (if more than one) in accordance with the rights of such classes of shares as set out in the Articles.
- (ii) If the Company shall be wound up, the Company may, with the sanction of an extraordinary resolution and any other sanction required by the Companies Law, divide the whole or any part of the assets of the Company among the members in specie and the liquidator or, where there is no liquidator, the Directors may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members and, with the like sanction, may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he or they may determine, but no member shall be compelled to accept any assets upon which there is any outstanding liability.
- (iii) Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company, the liquidator may, with the sanction of an ordinary resolution, receive in compensation shares, policies or other like interests for distribution or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.

(r) **Borrowing powers**

The Directors may exercise all the powers of the Company to borrow money, to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property (present or future) or assets or uncalled capital and to issue debentures and other securities whether outright, or as collateral security for any debt, liability or obligation of the Company or of any third party.

(s) **Indemnity of Directors and other officers**

Subject to applicable law, the Company may indemnify any Director or a Director who has been appointed as a director of any subsidiary undertaking (in this paragraph, a “**Subsidiary Director**”) against any liability except such (if any) as they shall incur by or through their own breach of trust, breach of duty or negligence and may purchase and maintain for any Director or any Subsidiary Director insurance against any liability.

5 DIRECTORS’ AND OTHER INTERESTS

5.1 As at the Latest Practicable Date and immediately following completion of the Placing Programme (assuming 40 million and 100 million Shares are issued under the Placing Programme and none of the Directors acquire any Shares over the life of the Placing Programme), the interests (all of which are beneficial unless otherwise stated), whether direct or indirect, of the Directors and their families in the issued share capital of the Company and the existence of which is known to or could, with reasonable diligence, be ascertained by that Director, are as follows:

<i>Director</i>	<i>Number of Shares</i>	<i>Percentage of issued Share capital as at the Latest Practicable Date</i>	<i>Percentage of issued Share capital (assuming 40 million Shares are issued pursuant to the Placing Programme)</i>	<i>Percentage of issued Share capital (assuming 100 million Shares are issued pursuant to the Placing Programme)</i>
Jack Perry*	35,000	0.03	0.02	0.02
Stuart Beevor	20,000	0.02	0.01	0.01
Patrick Firth	10,000	0.01	0.01	0.00
Mark Huntley	10,000	0.01	0.01	0.00
Paul Meader**	25,000	0.02	0.02	0.01

*The Shares are held by Suffolk Life Annuities Limited, SIPP for Jack Perry (registered in England and Wales with registered number 01011674), as nominee for Mr Perry.

**The Shares are held by the Paul Meader Retirement Annuity Trust Scheme, as nominee for Mr Meader.

5.2 Save as disclosed above, none of the Directors nor any member of their respective immediate families, nor any person connected with the Directors, has any interest, as at the date of this document, whether beneficial or non-beneficial, in the share capital of the Company.

5.3 As at the date of this document, the Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.

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

<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Jack Perry European Assets Trust NV Hospice Developments Limited Perry-Net Limited Scottish Aquaculture Innovation Centre Witan Investment Trust PLC Witan Investment Services Limited	Capital for Enterprise Ltd Capital for Enterprise Fund Managers Ltd Craigholme Foundation Silent Herdsman Holdings Limited
Stuart Beevor Beevor Consulting Limited Empiric Student Property plc Metropolitan Housing Trust Limited Metropolitan Living Limited	Clapham Park Homes Limited Clapham Park Development Limited Unite Group plc

Current directorships/partnerships**Previous directorships/partnerships****Patrick Firth**

Associated Partners GP Limited
Celtic Pharma Holdings GP Limited
DW Catalyst Limited
GLI Finance Limited
Global Private Equity One Limited
Guernsey Finance LBG
Guernsey Portfolios PCC Limited
Heritage Diversified Investments PCC Limited
Inflexion (2010) General Partner Limited
Inflexion Buyout Fund IV General Partner
Guernsey Limited
Inflexion Curtis General Partner Guernsey
Limited
Inflexion Enterprise Fund I Guernsey Limited
Inflexion Partnership Capital Fund 1 General
Partner Limited
Inflexion Supplemental Fund IV Guernsey
Limited
Investec World Axis PCC Limited
JZ Capital Partners Limited
LMP Bell Farm Limited
LMP Dagenham Limited
LMP Green Park Cinemas Limited
LMP Green Park Holdings Limited
LMP Omega II Limited
LMP Retail Warehouse JV Holdings Limited
LMP Retail Warehouse JV Management
Limited
LMP Thrapston Limited
LMP Wakefield Limited
London & Stamford Property Limited
London & Stamford Property Subsidiary
Limited
LSP Green Park Distribution Holdings Limited
LSP London Residential Investments Limited
LSP London Residential Holdings Limited
LSP Marlow Limited
LSP RI Moore House Limited
MRIF Guernsey GP Limited
NextEnergy Solar Fund Limited
Pera Capital Partners GP Limited
Riverstone Energy Limited
Saltus (Channel Islands) Limited
Sierra GP Limited
Tilney Asset Management (Guernsey) Limited

Asset Management Investment Company
Limited (voluntary liquidation)
Bullion Funds GP Limited
Celtic Pharma Holdings GP III Limited
DWM Inclusive Finance Income Fund
EISER Infrastructure II Limited
EuroDekania Limited (voluntary liquidation)
FF&P Alternative Strategy Income Subsidiary
Limited
FF&P Enhanced Opportunities PCC Limited
FF&P General Partner I Limited
FF&P Russia Real Estate Adviser Holdings
Limited
FF&P Venture Funds Subsidiary Limited
FF&P World Equity Fund PCC Limited
FP Holdings Limited
GLIF BMS Holdings Limited
L&S Distribution II Limited
L&S Distribution III Limited
L&S Distribution IV Limited
L&S Distribution V Limited
L&S Leeds Limited (voluntary liquidation)
LMP Omega 1 Limited
London & Stamford Retail Limited (voluntary
liquidation)
London & Stamford Offices Limited (voluntary
liquidation)
London & Stamford Offices Unitholder 2 Limited
(voluntary liquidation)
LSP Green Park Management Limited
(voluntary liquidation)
LSP Green Park Office Holdings Limited
(voluntary liquidation)
LSP Green Park Logistics Holdings Limited
(voluntary liquidation)
LSP Leatherhead Limited
LSP Moore House (Ground Rents) Limited
(voluntary liquidation)
LSP RI Wandsworth Limited (voluntary
liquidation)
Patria Brazil Fund Limited
Porton Capital Technology Funds
Prosperity Quest II Unlisted Limited
Sniper China Logistics Properties Limited
(voluntary liquidation)

Stonehenge Fleming Investment Management
Guernsey Limited
Victoria Capital PCC Limited (voluntary
liquidation)

Current directorships/partnerships**Previous directorships/partnerships****Mark Huntley**

Aile Limited	AAC Capital NEBO Carry GP Limited
Anglo Limited	AAC Capital NEBO Feeder GP Limited
Anglo Secretaries Limited	BC Partners Holdings Limited
Baring Coller Secondaries Fund Limited	BC Partners Investment Holdings Limited
Baring Coller Secondaries Fund II Limited	BECAP GP Limited
BC European Capital IX Limited	BECAP12 GP Limited
CCEIP Manager Limited	Better Capital PCC Limited
Collingwood Holdings Limited	Bluefield Solar Income Fund Limited
Crystal Amber Asset Management (Guernsey) Limited	Channel Islands Stock Exchange LBG
Devco Property Advisors Limited	CIE Holdings Limited
DF Investments Limited	CIE Management Holdings Limited
ECAS 2010 Limited	CIE Management II Limited
European Capital Asset Management Limited	CIE Management IX Limited
European Capital Limited	Collateral 1 Limited
Genesis Asset Managers LLP	Collateral 2 Limited
HDI USA Real Estate Bond 1 plc	Collateral 3 Limited
Heritage Administration Services Limited	Crystal Amber Fund Limited
Heritage Corporate Services (Malta) Limited	DCB Investments Limited
Heritage Corporate Services Limited	Enigmatic Investments Limited
Heritage Corporate Trustees Limited	Fund Capital Limited (voluntary liquidation)
Heritage Depository Company (UK) Limited	Genesis Administration Limited (voluntary liquidation)
Heritage Diversified Investments PCC Limited	Genesis Taihei Investments, LLC
Heritage Financial Services Group Limited	GLC Limited
Heritage Group Limited	GTU Limited
Heritage International Fund Managers (Malta) Limited	Guernsey Sailing Trust LBG
Heritage International Fund Managers Limited	HAT Limited
Heritage Management Holdings (Malta) Limited	Healthcare Investments Limited (voluntary liquidation)
HG Nominees 1 Limited	Heritage Partners GP Limited (voluntary strike off)
HG Nominees 2 Limited	Heritage Partners Limited (voluntary strike off)
Hologram FSG Limited	Mediterra Capital Management Limited
Hologram Holdings Limited	NEBO I Carry GP Limited
International Hospitals Network (GP) Limited	NEBO I GP Limited
NB PEP GP Limited	Passivity Investments Limited
P25 (GP) Limited	SM EBC South Africa Development Financing Limited (voluntary strike off)
P25 Investments Limited	Sniper Capital (Guernsey) Limited (voluntary strike off)
Pietersen Holdings Limited	Stirling Mortimer (Guernsey) Limited
Plein Limited	Stirling Mortimer Property Fund PCC Limited (voluntary liquidation)
Redmonde Limited	The Coratina Fund Limited (voluntary liquidation)
Sniper Macau Heritage Properties II Limited	Therium Holdings Limited (voluntary strike off)
Stirling Mortimer (Channel Islands) Limited	Therium Litigation Funding Limited (voluntary strike off)
Stirling Mortimer (St Peter Port) Limited	
Stirling Mortimer Global Property Fund PCC Limited	
Stirling Mortimer No. 8 Fund UK Land Limited	
Stirling Mortimer No. 9 Fund UK Land 2 Limited	
Trilantic Capital Management GP Limited	
Trilantic Capital Partners Management Limited	
Trilantic Capital Partners V Management Limited	
Yucatan Devco Limited	
Yucatan Devco 2 Limited	

Current directorships/partnerships**Previous directorships/partnerships****Paul Meader**

Allez Property Limited
Apax Guernsey Managers Limited
Dampfeet Investments Limited
Frontier Capital Bermuda Limited
Guaranteed Investment Products 1 PCC Limited
Guernsey Employment Trust LBG
Highbridge Multi-Strategy Fund Limited
JP Morgan Global Convertibles Income Fund Limited
Schroder Oriental Income Fund Limited
Sompo Canopus A.G.
Spitfire Asset Managers (Bermuda) Limited
Volta Finance Limited
The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Ltd

ABD General Partner Limited (voluntary liquidation)
Arle Expro (Guernsey) Limited (voluntary liquidation)
Arle Heritage (Guernsey) Limited (voluntary liquidation)
Bluefield European Solar Fund Limited
Canopus Group Limited (voluntary liquidation)
Corazon Absolute Return Fund Limited (voluntary liquidation)
Frontier Commercial Property Fund plc
Frontier Global Real Estate Fund plc
International Capital Accumulation Fund IC Limited
International Investments ICC Limited
International P&I Reinsurance Company Limited
Island Forestry and Countryside Services Limited (voluntary liquidation)
Rutherford Indemnity Limited
Smithfield Capital (Guernsey) Limited
Spitfire British Property Recovery Fund
Spitfire Funds (Bermuda) Limited
Spitfire International Property Recovery Fund
Talisman Guernsey Management Limited
The TDM Master Fund (voluntary liquidation)
The TDM Fund (voluntary liquidation)
The TDM Fund L.P. (voluntary liquidation)

- 5.5 As at the date of this document, none of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.
- 5.6 Mark Huntley is a director of the Administrator, and in that capacity he may be privy to information which would be prejudicial to the Company. Likewise, in his capacity as a Director, Mark Huntley may be privy to information which would be prejudicial to the Administrator. Save as referred to in this paragraph 5.6, as at the date of this document, there were no potential conflicts of interest between any duties to the Company of any of the Directors and their private interests and/or other duties.
- 5.7 Save as disclosed in paragraph 5.4 above, no Director has for at least the five years immediately prior to the date of this document:
- (a) any convictions in relation to fraudulent offences;
 - (b) been a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company at the time of any bankruptcy, receivership or liquidation proceedings;
 - (c) been associated with any bankruptcy, receivership or liquidation in which such person acted in the capacity of a member of an administrative, management or supervisory body or senior manager; or
 - (d) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.
- 5.8 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

- 5.9 Pursuant to an instrument of indemnity entered into between the Company and each Director, the Company has undertaken, subject to the Companies Law and certain limitations, to indemnify each Director out of the assets and profits of the Company against all costs, charges, losses, damages, expenses and liabilities arising out of any claims made against him in connection with the performance of his duties as a director of the Company.
- 5.10 As at the Latest Practicable Date, insofar as is known to the Company, the following persons hold directly or indirectly three per cent. or more of the Shares (being the lowest threshold for notification of interests that will apply pursuant to either the Articles or Chapter 5 of the Disclosure Guidance and Transparency Rules):

<i>Shareholder</i>	<i>Number of Shares</i>	<i>Percentage of issued Share capital</i>
Close Asset Management Limited	15,148,726	14.00
Premier Fund Managers Limited	11,500,000	10.63
TDC Pensionskasse	10,653,156	9.84
Intermediate Capital Group	10,000,000	9.24
SG Private Banking	7,260,661	6.71
Brooks Macdonald	6,626,488	6.12
Brewin Dolphin Limited	5,840,774	5.40
Investec Wealth & Investment Limited	5,714,866	5.28
AXA Investment Managers S.A.	4,400,000	4.07
Hawksmoor Investment Management	3,767,250	3.48
Blankstone Sington	3,414,920	3.16

- 5.11 Save as disclosed in paragraph 5.10 above, the Company is not aware of any person, who as at the Latest Practicable Date was interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company.
- 5.12 The Company and the Directors are not aware of (i) any persons who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company, nor (ii) any arrangements the operation of which may at a subsequent date result in a change in control of the Company.
- 5.13 All Shareholders have the same voting rights in respect of the share capital of the Company.

6 DIRECTORS' APPOINTMENTS

- 6.1 Pursuant to their letters of appointment:
- (a) the appointment of the Chairman of the Company and the other Directors will be terminable on not less than three months' notice by each party. Director's appointments may also be terminated in accordance with the provisions of the Articles and will automatically end, without any notice, payment in lieu of notice, or other compensation if a Director is not elected or re-elected (as applicable) by the Shareholders at any annual general meeting at which, pursuant to the Articles, such Director is required to retire and seek election or re-election (as applicable);
- (b) notwithstanding the foregoing, the Company may, in its sole and absolute discretion, terminate the appointment of any Director at any time and with immediate effect by paying a sum in lieu of notice equal to the fees (as at the date of termination) which such Director would have been entitled to receive under the letter of appointment during the notice period referred to in the foregoing (or, if notice has already been given, during the remainder of the notice period) less any appropriate withholdings as prescribed by law. The existence of this discretion in no way entitles a Director to receive payment in lieu of notice nor shall it prevent the Company from terminating the appointment without notice or payment in lieu in accordance with paragraph (c) below;
- (c) notwithstanding the provisions of the above paragraphs, the Company has the right summarily to terminate a Director's appointment and his right to director's fees without any notice, payment in lieu of notice, or other compensation should he: (i) materially or persistently breach the terms of his appointment; (ii) be required to vacate office for any reason pursuant to any of the provisions of the Articles; or (iii) be removed as a Director or otherwise be required to vacate office under any applicable law; and

(d) notwithstanding the above paragraphs, a Director's appointment and his right to director's fees shall be terminated summarily without any notice, payment in lieu of notice, or other compensation should he be removed as a Director by the Shareholders in accordance with the Articles.

- 6.2 As at the date of this document, the Chairman receives an annual fee of £40,000 and each of the other Directors receive an annual fee of £27,500, in each case payable quarterly in arrears (subject to the deduction of any appropriate withholdings as prescribed by law) commencing on the date of their appointment. The annual fee is subject to an annual review by the Board. As at the date of this document, as chairman of the audit and risk management committee, Patrick Firth receives an additional annual fee of £5,000. In addition, each Director will receive £5,000 in connection with the extra services they have performed in connection with the Placing Programme. Having reviewed directors' remuneration for similar alternative asset class investment companies, after benchmarking these against the current fees payable to the Directors and considering the additional tasks to be undertaken in connection with the Company as its market capitalisation increases, and in recognition of the increased level of regulatory obligations on the Company, the Board concluded that the Directors' fees should be increased to £35,000, with an additional amount of £5,000 to be paid to the chairman of the audit committee. It was also agreed by the non-executive directors, in the absence of the chairman of the Board, that the chairman should receive a total annual fee of £50,000 per annum. These fees will be effective from 1 July 2017.
- 6.3 In addition to these fees, the Company reimburses Directors for all reasonable and proper out-of-pocket expenses which they incur in performing their duties of office.
- 6.4 The aggregate remuneration of the Directors in respect of the Company's accounting period ended on 31 January 2017 was £155,000. No benefits in kind were received.
- 6.5 None of the Directors provides his services to the Company pursuant to a service contract with the Company. Their appointments are subject to the terms of their letters of appointment and the Articles. In the case of Jack Perry, the appointment letter is between the Company and Perry-Net Limited pursuant to which Perry-Net Limited undertakes to provide the services of Jack Perry.
- 6.6 The Company has not set aside or accrued amounts to provide pension, retirement or similar benefits for the Directors.

7 RELATED PARTY TRANSACTIONS

Except with respect to: (i) the appointment letters entered into between the Company and each Director and as set out in paragraph 6 of this Part VIII of this document; (ii) the Investment Advisory Agreement; and (iii) the payment to each Director of an additional fee of £5,000 in connection with the extra services they have performed in connection with the Placing Programme, the Company has not entered into any related party transaction during the period covered by the historical financial information (being 1 February 2014 to 31 January 2017) or from 31 January 2017 to the Latest Practicable Date.

8 WORKING CAPITAL

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

9 AUDITORS AND ACCOUNTS

Deloitte LLP has been appointed auditors to the Company and has been its only auditor since its incorporation. Deloitte LLP is a member of the Institute of Chartered Accountants in England and Wales.

10 INVESTMENT RESTRICTIONS

- 10.1 In addition to the investment restrictions as set out in the published investment policy and as required under the Listing Rules, the Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with the published investment policy and must not conduct any trading activity which is significant in the context of its group as a whole.
- 10.2 The Company will not invest in other closed ended investment funds listed on the Official List.

11 CAPITAL RESOURCES

The Company currently has 108,219,250 Shares in issue (as at the date of this document). No Shares are currently held in treasury. As at the Latest Practicable Date, the Company had cash available of £0.43 million with total cash available to the Group of £13.38 million. The Company's source of funds is its returns from investments in the Portfolio. The Company's principal expenditure is the fees payable to the Investment Adviser, the Directors and the Administrator. Its total expenditure for the period to 31 January 2017 was £1,821,710.

12 LITIGATION

There were no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the twelve months immediately preceding the date of this document which may have, or have had in the recent past, significant effect on the Company's and/or the Group's financial position or profitability.

13 NO SIGNIFICANT CHANGE

Save to the extent disclosed below, as at the date of this document, there has been no significant change to the financial or trading position of the Company or the Group since 31 January 2017 (the date to which the latest financial statements of the Company have been prepared):

- (a) on 26 April 2017, the Company declared and on 2 June 2017 will pay a fourth interim dividend of 1.5 pence per Share in respect of the quarter ended 31 January 2017;
- (b) on 26 April 2017, the Company declared a special dividend in respect of the prepayment fees received in the year ended 31 January 2017 of 2.25 pence per Share which will be paid at the same time as the fourth interim dividend on 2 June 2017.
- (c) on 27 March 2017, the borrower under the Group's Lanos (York) loan repaid its loan of £10 million in full, together with accrued interest, exit and prepayment fees of approximately £1.1 million in aggregate; and
- (d) on 27 March 2017, the Group advanced a further £500,000 to the borrower of the Group's Northlands loan, to progress capital expenditure works and meet certain corporate costs. The increase was made on substantially the same terms and conditions as the existing loan.

14 MATERIAL CONTRACTS

The following contracts are all of the contracts, not being contracts entered into in the ordinary course of business that have been entered into by the Group in the two years immediately preceding the date of this document and which are, or may be, material or contain any provision under which the Group has an obligation or entitlement which is or may be material to it as at the date of this document:

14.1 Placing Agreement

The Placing Agreement dated 27 April 2017 between the Company, Cenkos and the Investment Adviser, pursuant to which, Cenkos has agreed to use its reasonable endeavours to procure subscribers for Shares under the Placing Programme.

Under the Placing Agreement, the Company has agreed to pay Cenkos a corporate finance fee and a commission based on the gross proceeds of each Placing under the Placing Programme. The commission will be reflected in the relevant Placing Price.

Cenkos is entitled at its discretion and out of its own resources at any time to rebate to any third party part or all of its fees relating to the Placing Programme to any or all of those agents out of its own resources.

The Placing Agreement contains warranties given by the Company and the Investment Adviser to Cenkos concerning, *inter alia*, the accuracy of the information contained in this document, and also contains indemnities given by the Company and the Investment Adviser to Cenkos. The warranties and indemnities given by the Company and the Investment Adviser are standard for an agreement of this nature. Cenkos is entitled to terminate the Placing Agreement in certain specified circumstances.

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

14.2 Investment Advisory Agreement

The Company entered into the Investment Advisory Agreement with an affiliate of the Investment Adviser on 31 January 2013 which was novated to the Investment Adviser on 30 April 2015 and amended and restated on 27 April 2017.

Under the Investment Advisory Agreement, the Investment Adviser has been given responsibility for the non-discretionary management of the Company's (and any of the Company's subsidiaries) assets (including uninvested cash) in accordance with the Company's investment policy, and subject to the overall direction of the Board.

Fees

The fees and expenses due to the Investment Adviser under the Investment Advisory Agreement are set out under the heading "Operating Expenses" in Part IV (Further Information about the Group) of this document.

No performance fee shall be payable by the Company to the Investment Adviser.

Termination

- (a) The Investment Advisory Agreement is terminable at any time by either the Investment Adviser or the Company giving to the other not less than 12 months' written notice.
- (b) The Investment Advisory Agreement may be terminated by the Company with immediate effect if:
 - (i) an order has been made or an effective resolution passed for the liquidation of the Investment Adviser, other than a reconstruction pursuant to a solvent liquidation previously approved by the Company (such approval not to be unreasonably withheld or delayed);
 - (ii) the Investment Adviser ceases or threatens to cease to carry on its business;
 - (iii) the Investment Adviser has committed a material breach of the Investment Advisory Agreement and fails to remedy such breach within 30 days of receiving notice requiring it to do so;
 - (iv) the Investment Adviser is no longer authorised or regulated by the FCA or is no longer permitted by the FCA to carry on any regulated activity necessary to perform its duties under the Investment Advisory Agreement.

Fees and Expenses on Termination

Upon termination, the Investment Adviser will be entitled to all fees accrued up to the date of termination along with all expenses reasonably incurred in connection with the making or monitoring of the Group's investments.

Name

In the event of the termination of the Investment Advisory Agreement for whatsoever reason, the Company shall be obliged to change its name to a name not including the letters or words "ICG", "Longbow", "ICG-Longbow" or any letters or words confusingly similar thereto.

Indemnities

The Company has agreed that the Investment Adviser shall not be liable for any loss to the Company or any of its subsidiaries, however arising (including due to trade errors), except to the extent that such loss is due to the Investment Adviser's or its directors or its employees' fraud, wilful misconduct, bad faith or gross negligence as finally determined by a court of competent jurisdiction. The Company has given certain market standard indemnities in favour of the Investment Adviser in respect of the Investment Adviser's potential losses in carrying on its responsibilities under the Investment Advisory Agreement.

General

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

14.3 Administration Agreement

The Company is party to an Administration Agreement with Heritage dated 23 January 2013 pursuant to which the Administrator provides certain administration and secretarial services to the Company which entail, among other things, the maintenance of the accounts, the dispatching of all circulars, notices of meetings, reports, financial statements and other correspondence, the operating of the bank accounts of the Company, ensuring that the Company complies with all reporting and filing requirements of any regulatory authorities in Guernsey, in particular the Commission, the safekeeping of the Company's documents, the preparation of unaudited half-yearly reports and accounts and the preparation of the annual report and accounts.

For provision of the administration services, the Administrator is entitled to receive an annual fixed fee of £90,000 per annum. The Administrator is also entitled to receive an annual 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 addition, the reasonably incurred out of pocket costs and expenses of the Administrator are reimbursed. 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.

The Administration Agreement shall continue until either the Company or the Administrator gives notice to the other of not less than 90 days' in writing given so as to expire on the last day of any calendar month. The Administration Agreement will be terminated immediately on the occurrence of certain specified events or if either party commits a material breach of its obligations and fails within 30 days of notice served on the party in breach, to remedy such breach.

The Administrator will not in the absence of negligence, fraud, wilful default or breach of the Administration Agreement, be liable for any loss, cost, expense or damage suffered by the Company arising from or incurred in the course of the Administrator's duties. The Company indemnifies the Administrator against all liabilities which may be suffered or incurred by the Administrator in respect of its duties under the Administration Agreement save to the extent that such liabilities result from negligence, fraud, wilful default or breach of the Administration Agreement.

The Administration Agreement is governed by Guernsey law.

14.4 Luxembourg Administration Agreement

LuxCo is party to an administration agreement with the Luxembourg Administrator dated 20 February 2013, comprised of two parts setting out domiciliation and accounting services to be provided by the Luxembourg Administrator respectively. Under the terms of its appointment, the Luxembourg Administrator is entitled to receive a base fee of €2,000 per annum in respect of the domiciliation services provided and €6,400 per annum in respect of the accounting services provided, together with time costs. The agreement is terminable on one month's notice by either party.

The Luxembourg Administrator will not, in the absence of gross negligence or wilful default or breach of the agreement by the Luxembourg Administrator, be liable for any loss, cost, expense or damage suffered by LuxCo arising from or incurred in the course of the Luxembourg Administrator's duties. LuxCo agrees to indemnify the Luxembourg Administrator against all liabilities which may be suffered or incurred by the Luxembourg Administrator in respect of its duties under the Luxembourg Administration Agreement, save to the extent that such liabilities result from gross negligence or wilful default or breach of the agreement by the Luxembourg Administrator. The agreement is governed by Luxembourg law.

14.5 Registrar Agreement

The Company is party to a Registrar Agreement with Capita Registrars (Guernsey) Limited dated 31 January 2013, pursuant to which the Registrar provides registration services to the Company which entail, among other things, the Registrar having responsibility for the transfer of shares, maintenance of the share register and acting as transfer agent. For provision of the registrar services, the Registrar is entitled to receive a basic fee based on the number of shareholder accounts subject to an annual minimum charge of £7,500. In addition to this basic fee, the Registrar is entitled to receive additional fees for specific actions. The Registrar Agreement renews for successive periods of 12 months unless six months' written notice to terminate is given by either party to the other (or three months' written notice if agreement cannot be reached on any increase

in fees). The Registrar Agreement may be terminated immediately by either party on the occurrence of certain specified events or if the other party is materially in breach of the Registrar Agreement and fails (in the case of a breach capable of being remedied) to remedy such breach within 45 days of receipt of a written notice from the other party requiring it to do so. The Company has indemnified the Registrar against all and any liabilities which may be suffered or incurred by the Registrar in connection with the performance of its duties under the Registrar Agreement save to the extent that such liabilities may be due to the fraud, wilful default or gross negligence of the Registrar. The liability of the Registrar under the Registrar Agreement is capped at the lesser of £500,000 or an amount equal to seven times the annual fee payable to the Registrar under the Registrar Agreement.

The Registrar Agreement is governed by Guernsey law.

14.6 Placing Agreement in relation to the initial public offering of the Company (“IPO Placing Agreement”)

The IPO Placing Agreement dated 31 January 2013 between the Company, the Investment Adviser, the Directors and Investec Bank plc (“**Investec**”), pursuant to which, subject to certain conditions, Investec agreed to use reasonable endeavours to procure subscribers for Shares at a price of 100 pence per Share at the Company’s launch (“**IPO Placing**”).

In consideration for its services, Investec was paid a commission of 2 per cent. of the total gross proceeds raised under the IPO Placing.

The Company and the Investment Adviser gave warranties to Investec concerning, *inter alia*, the accuracy of the information contained in the Company’s prospectus published in connection with its launch. The Company and the Investment Adviser also gave indemnities to Investec. The warranties and indemnities given by the Company and the Investment Adviser were standard for an agreement of this nature.

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

15 CONSENT

Each of Cenkos and the Investment Adviser has given and not withdrawn its consent to the issue of this document with the inclusion of its name and reference to it in the form and context in which it appears.

16 TAKEOVER CODE

16.1 Mandatory Bid

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

- a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

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

16.2 Compulsory acquisition

The Companies Law provides that if an offer is made for the shares or any class of shares in the capital of a company and if, within four months after the date of such offer, the offer is approved or accepted by shareholders comprising not less than 90 per cent. in value of the shares affected, then the offeror may, within a period of two months immediately after the last day on which the offer can be approved or accepted, give notice to any dissenting shareholders informing them that it wishes to acquire their shares (an “**Acquisition Notice**”). Where an Acquisition Notice is

given, the offeror is then entitled and bound to acquire the dissenting shareholders' shares on the terms of the offer approved by the shareholders comprising not less than 90 per cent. in value of the shares affected; and where the terms of the offer provided a choice of consideration, the Acquisition Notice must give particulars of the choice and state (a) the period within which, and the manner in which, the dissenting shareholder must notify the offeror of his choice and (b) which consideration specified in the offer will apply if he does not so notify the offeror.

17 GENERAL

- 17.1 The Placing Shares have no par value. The Placing Price is payable in full on application.
- 17.2 Cenkos, as Sponsor, is independent from the Company and the Investment Adviser.
- 17.3 No application is being made for the Shares to be dealt with in or on any stock exchanges or investment exchanges other than the London Stock Exchange.
- 17.4 The Administrator is a non-cellular company limited by shares incorporated in Guernsey on 15 February 2006 with registration number 44336 and licensed by the GFSC under the POI Law, to act as "designated administrator" under the POI Law and the RCIS Rules and provide administration services to closed-ended investment funds and collective investment schemes.
- 17.5 The Investment Adviser is the promoter of the Company for the purpose of the RCIS Rules. Save as disclosed in paragraph 14.2 above of this Part VIII, no amount or benefit has been paid, or given, to the promoter or any of its subsidiaries since the incorporation of the Company and none is intended to be paid, or given.
- 17.6 No securities have been sold or are available in whole or in part to the public in connection with the Placing Programme.
- 17.7 The assets of the Group are held and controlled by the Group directly and no assets are held in third party custody arrangements.
- 17.8 The Investment Adviser was incorporated on 12 December 1988 in England as a private company limited by shares with company number 02327504. The Investment Adviser operates under the Companies Act 2006 of England and Wales. The registered office and place of business of the Investment Adviser is at Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU with telephone number +44 (0)203 201 7700. The Investment Adviser is authorised and regulated by the FCA.
- 17.9 The Investment Adviser, whose registered office appears on page 38 of this document, accepts responsibility for the information contained within the section headed 'Risk Factors', and the information at paragraph 2 of Part I, the information contained at paragraph 3 of Part I, the information contained in Parts II and III, the information under the heading 'Conflicts of Interest' in Part IV and paragraphs 1 to 3 under the heading 'Background to and Reasons for the Placing Programme' in Part V of this document. To the best of the knowledge and belief of the Investment Adviser (who has taken all reasonable care to ensure that such is the case) the aforementioned information is in accordance with the facts and contains no omission likely to affect its import.

18 THIRD PARTY INFORMATION

Where information detailed in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and so far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

19 ADDITIONAL DISCLOSURES PURSUANT TO THE AIFM REGULATIONS

The information in this paragraph 19 sets out additional information disclosed pursuant to the AIFM Directive and related national implementing measures.

- 19.1 The Company does not have in place any collateral or asset reuse arrangements.
- 19.2 The Company may be leveraged through the use of borrowings. The definition of 'leverage' as understood pursuant to the AIFM Directive is wider than 'gearing', as measured in accordance with AIC guidelines. 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 1.30 using the commitment methodology and 1.25 using the gross methodology.

- 19.3 The Company is an investment company whose shares are listed on the Official List of the UK Listing Authority and are admitted to trading on the London Stock Exchange’s main market for listed securities. The Company was incorporated with limited liability under the laws of Guernsey. While investors acquire an interest in the Company on subscribing for or purchasing Shares, the Group 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.

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; unfair prejudice claims; and derivative actions. 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.

As noted above, Shareholders’ rights are governed principally by the Articles and the Companies Law. By subscribing for Shares, investors agree to be bound by the Articles which are governed by, and construed in accordance with, the laws of Guernsey.

- 19.4 As the Company is incorporated under the laws of Guernsey, any disputes between an investor and the Company will be resolved by the Royal Courts 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 Courts 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.
- 19.5 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 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.
- 19.6 Where a matter comes before the courts of an EU member state (other than Denmark), the parties’ choice of law to govern their contractual obligations is generally subject to the provisions of Regulation (EC) 593/2008 (“**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 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 and where it is bound in relation to particular proceedings, types of contract or issues to apply the law of a different jurisdiction. 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.

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.

With regard to any non-contractual obligations, EU member state courts (other than Denmark) will generally apply the provisions of Regulation 2007/864 (“**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 is the law of the country in which the damage occurs or is likely to occur. 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).

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.

- 19.7 The Group is reliant on the performance of third party service providers, including the Investment Adviser, the Administrator, the Luxembourg Administrator, the Auditor and the Registrar.

Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.

In the event that a Shareholder considers that it may have a claim against a third party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.

The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of 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 FSMA, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.

Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolutions Complaints" rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints against the Investment Adviser to the Financial Ombudsman Service ("FOS") (further details of which are available at www.financial-ombudsman.org.uk). Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme ("FSCS") if they have claims against an FCA authorised service provider (including the Investment Adviser) which is in default. There are limits on the amount of compensation. Further information about the FSCS is at www.fscs.org.uk. To determine eligibility in relation to either the FOS or the FSCS, Shareholders should consult the respective websites above and speak to their legal advisers.

- 19.8 As an internally managed non-EEA AIF, the Company is not required to comply with Article 9(7) of the AIFM Directive relating to professional liability risk.

- 19.9 From time to time, the Company may delegate certain management functions to third parties. The Company has delegated certain risk and portfolio management activities to the Investment Adviser, subject to the Company's investment policy, and certain record and safekeeping duties to the Administrator.

- 19.10 The Company is categorised as an internally managed non-EEA AIF and so is not subject to the AIFM Directive requirements relating to the appointment of depositaries.

- 19.11 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 in common with other investment companies admitted to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, is subject to the Prospectus 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.

As an internally managed non-EEA AIF, the Company is not subject to the provisions concerning liquidity management in Article 16 of the AIFM Directive. In that context, 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.

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 the Board exercising such discretion on any one or more occasions. The Board ensures that the Company maintains a level of liquidity in its assets having regard to its obligations and monitors liquidity accordingly.

19.12 As a company listed on the UK Listing Authority's Official List, the Company is required under the Premium Listing Principles to treat all Shareholders of a given class equally.

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.

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.

19.13 The Company's shares are admitted to trading on the main market 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 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.

19.14 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: <http://www.lbow.co.uk/shareholders/regulatory-announcements/>.

19.15 The Company has published its annual report for the period ended 31 January 2017. When published, annual reports can be found on the Company's website: <http://www.lbow.co.uk/shareholders/documents>.

19.16 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: <http://www.lbow.co.uk/shareholders/documents>.

19.17 Subject to the Company becoming an above-threshold non-EEA internally managed AIF, the Company will be required to disclose periodically to investors:

- the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature, if applicable;
- any new arrangements for managing the liquidity of the Company; and
- the current risk profile of the Company and the risk management systems employed by the Company to manage those risks.

The information shall be disclosed as part of the Company's periodic reporting to investors, as required as an issuer of listed securities on the Premium Listing segment of the Official List, and, at a minimum, at the same time as the Company's annual report is made available.

Subject to satisfaction of the above requirement, the Company must disclose on a regular basis any changes to:

- the maximum level of leverage that the Company may employ;
- any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and
- the total amount of leverage employed by the Company.

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.

Information on the total amount of leverage employed by the Company shall be disclosed as part of the Company's periodic reporting to investors, as required as an issuer of listed securities on the Premium Listing segment of the Official List (and under the AIFM Directive) and at least at the same time as the annual report is made available to investors.

Without limitation to the generality of the foregoing, any of the information specified above may be disclosed:

- in the Company's annual report;
- in the Company's unaudited interim report;

- by the issue of an announcement via an RIS (or equivalent); or
- by publication of the relevant information on the Company's website.

20 AVAILABILITY OF THIS DOCUMENT

Copies of this document are available, for inspection only from the date of this document from the National Storage Mechanism (www.morningstar.co.uk/uk/nsm) and may be obtained from the date of this document until the Final Closing Date from either the registered office of the Company or from the offices of Gowling WLG (UK) LLP at 4 More London Riverside, London, United Kingdom, SE1 2AU.

21 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until the Final Closing Date:

- (a) the Company's memorandum of incorporation and Articles;
- (b) the consolidated financial statements of the Group for the financial year from 1 February 2014 to 31 January 2015;
- (c) the consolidated financial statements of the Group for the financial year from 1 February 2015 to 31 January 2016;
- (d) the consolidated financial statements of the Group for the financial year from 1 February 2016 to 31 January 2017; and
- (e) this document.

Dated: 27 April 2017

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“2016 AGM”	the annual general meeting of the Company held on 3 June 2016;
“Administration Agreement”	the administration agreement dated 23 January 2013 between the Company and the Administrator;
“Administrator” or “Heritage”	Heritage International Fund Managers Limited;
“Admission”	any admission of Placing Shares pursuant to the Placing Programme to the Premium Listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities;
“AIC”	the Association of Investment Companies;
“AIC Code”	the Association of Investment Companies Code of Corporate Governance for Guernsey domiciled member companies and the Corporate Governance Guide for Investment Companies;
“AIC Guide”	the AIC Corporate Governance Guide for Investment Companies;
“AIF”	alternative investment fund;
“AIFM Directive”	has the meaning given on page 31 of this document;
“AIFM Regulations”	has the meaning given on page 31 of this document;
“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;
“Associate”	any direct or indirect subsidiary of the Investment Adviser, the parent undertaking of the Investment Adviser and any direct or indirect subsidiary of such parent undertaking;
“Auditors”	Deloitte LLP;
“Authorised Operator”	the authorised operator (as defined in the Regulations) of an Uncertificated System;
“Basel III”	the third Basel accord;
“Board”	the directors of the Company from time to time;
“Business Days”	any day (other than a Saturday or a Sunday) on which clearing banks are open for a full range of banking transactions in London and Guernsey;
“B Share”	any redeemable ordinary share of no par value in the capital of the Company classified as a ‘B’ share;
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is not in an Uncertificated System);
“Commercial Property”	any property which falls within a Mainstream Property Sector, an Alternative Property Sector or the Mixed Property Sector;
“Commission” or “GFSC”	the Guernsey Financial Services Commission;

“Companies Law”	the Companies (Guernsey) Law, 2008, as amended;
“Company”	ICG-Longbow Senior Secured UK Property Debt Investments Limited;
“Court”	the Royal Court of Guernsey;
“CRA Regulations”	Regulation (EC) No 1060/2009 on credit rating agencies;
“CRE”	Commercial Real Estate;
“CREST”	the facilities and procedures for the time being of the relevant system of which Euroclear has been recognised as the “recognised operator” pursuant to the Regulations;
“CRS”	the Organisation for Economic Cooperation and Development’s “Common Reporting Standard”;
“C Shares”	has the meaning given in paragraph 4.2(f) in Part VIII of this document;
“Directors” or “Board”	the directors of the Company as at the date of this document whose names are set out on page 38 of this document and “Director” means any one of them;
“Disclosure Guidance and Transparency Rules” or “DTRs”	the disclosure guidance published by the FCA and the 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;
“DP Law”	the Data Protection (Bailiwick of Guernsey) Law, 2001, as amended;
“EEA”	the European Economic Area;
“EGM”	extraordinary general meeting;
“ERISA”	the US Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder;
“ESG”	environmental, social and governance;
“EU”	the European Union;
“EUR” or “€”	Euros, the currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended;
“Euroclear”	Euroclear UK & Ireland Limited;
“ERV”	estimated rental value;
“FATCA”	the United States Foreign Account Tax Compliance provisions of the US Hiring Incentives to Restore Employment Act 2000, which implemented sections 1471-1474 of the U.S. Internal Revenue Code of 1986, as amended;

“Final Closing Date”	26 April 2018, or such earlier date or time (a) at which the maximum number of Placing Shares to be issued pursuant to the Placing Programme have been issued, or (b) as determined by the Directors;
“Founders”	Martin Wheeler and Kevin Cooper;
“FCA” or “Financial Conduct Authority”	the UK Financial Conduct Authority;
“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;
“G20”	the international forum for the governments and central bank governors of 20 major economies currently being Argentina, Australia, Brazil, Canada, China, France, Germany, Saudi Arabia, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the U.S. and the E.U;
“GMAC”	GMAC Commercial Mortgage Europe;
“Gross Asset Value”	the total assets of the Company as determined in accordance with the accounting principles adopted by the Directors;
“Group”	the Company together with any subsidiaries of the Company from time to time including LuxCo;
“Guernsey”	the Bailiwick of Guernsey;
“Guernsey AML Requirements”	The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), regulations made thereunder, and the GFSC’s Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time);
“HMRC”	HM Revenue & Customs;
“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;
“ICG-Longbow”	the real estate division of ICG;
“ICGL Private Funds”	private real estate debt funds managed or advised by the Investment Adviser or its Associates;
“IFRS”	the International Financial Reporting Standards as adopted by the EU;
“Investment Adviser”	Intermediate Capital Managers Limited;
“Investment Advisory Agreement”	the Investment Advisory Agreement dated 31 January 2013 between the Company and an affiliate of the Investment Adviser, and novated to the Investment Adviser on 30 April 2015 and amended and restated on 27 April 2017;

“Investment Committee”	the body that comprises ICG-Longbow’s Joint Heads, Chief Financial Officer, the Chief Credit Officer and the Head of Senior Debt, together with David Hunter (the non-executive chairman of ICG-Longbow) and a strategy director of ICG or as otherwise constituted from time to time;
“ICR”	interest coverage ratio;
“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;
“IRR”	internal Rate of Return;
“ISA”	individual savings account;
“Latest Practicable Date”	25 April 2017;
“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;
“LuxCo”	ICG-Longbow Senior Debt S.A., a company incorporated and registered in Luxembourg;
“Luxembourg Administrator”	MAS International S.À.R.L;
“Luxembourg Administration Agreement”	the agreements between the Luxembourg Administrator and LuxCo pursuant to which the Luxembourg Administrator has agreed to provide administrative and domiciliation services to LuxCo;
“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 States”	member states of the EU;
“mezzanine loan”	an investment in respect of which the relevant indebtedness is subordinate only to a senior indebtedness over the relevant underlying property or other equivalent security interest;
“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” or “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, further details of which are set out in Part IV (Further Information about the Group) of this document;
“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);
“Non-Qualified Holder”	any person, as determined by the Board in its sole discretion, whose interest in shares in the capital of the Company, whether direct, indirect or beneficial, would or might result in the Company being required to register as an “investment company” under the U.S. Investment Company Act, the Company thereby losing any exemptions it may previously have benefited from under the U.S. Investment Company Act, or the assets of the Company being deemed to be assets of a Plan Investor;
“Official List”	the official list of the UK Listing Authority;
“Overseas Persons”	persons who are not resident in, or who are not citizens of, the United Kingdom or Guernsey;
“Panel”	the Panel on Takeovers and Mergers;
“Placee”	a person subscribing for Shares under the Placing Programme;
“Placing”	any placing of Placing Shares under the Placing Programme;
“Placing Agreement”	the conditional agreement dated 27 April 2017 between Cenkos, the Company and the Investment Adviser relating to the Placing Programme, further details of which are set out in paragraph 14.1 of Part VIII of this document;
“Placing Price”	the price per Placing Share determined in accordance with the terms of the Placing Programme set out in this document;
“Placing Programme”	the proposed programme of placings of Shares as more particularly described in this document;
“Placing Shares”	Shares to be issued pursuant to the Placing Programme;
“Plan Investor”	means: (i) an “employee benefit plan” that is subject to Title I of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to section 4975 of the U.S. Code, (iii) an entity whose underlying assets are considered to include “plan assets” of any plan, account, or arrangement described in preceding paragraph (i) or (ii), or (iv) any governmental plan, church plan, non-U.S. plan or other investor whose purchase or holding of shares would be subject to any similar law;
“POI Law”	The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;
“Portfolio”	the portfolio of assets and investments of the Group from time to time;

“Prospectus”	this document;
“Prospectus Directive”	the EU Prospectus Directive 2003/71 EC;
“Prospectus Rules”	the prospectus rules of the FCA made pursuant to section 73A of FSMA;
“RCIS Rules”	The Registered Collective Investment Schemes Rules 2015 issued by the GFSC;
“Registrar”	Capita Registrars (Guernsey) Limited, whose details are set out on page 39;
“Registrar Agreement”	the registrar agreement dated 31 January 2013 between the Company and the Registrar;
“Regulations”	the Uncertificated Securities (Guernsey) Regulations, 2009;
“Regulation S”	Regulation S promulgated under the U.S. Securities Act;
“Relevant Electronic Address”	shall have the meaning ascribed to it by the Companies Law;
“Relevant Member State”	a member state of the European Economic Area which has implemented the Prospectus Directive;
“RIS”	regulatory information service;
“Rules”	the rules, including any manuals, issued from time to time by an Authorised Operator governing the admission of securities to and the operation of the Uncertificated System managed by such Authorised Operator;
“Shareholder”	a holder of a Share;
“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;
“shares”	shares of whatever class in the Company denominated in such currencies as the Directors may determine in accordance with the Articles;
“SIPP”	self-invested personal pension;
“Sponsor” or “Cenkos”	Cenkos Securities plc;
“SSAS”	small self-administered scheme;
“Sterling” or “£”	the lawful currency of the United Kingdom;
“Takeover Code”	the City Code on Takeovers and Mergers (as amended from time to time);
“uncertificated”	a unit of a Guernsey security, title to which is recorded on the relevant register of members or on the Company’s register of non-share securities as being held in uncertificated form, and title to which may be transferred by means of an Uncertificated System in accordance with the Regulations and the Rules, if any;

“Uncertificated System”	any computer based system and its related facilities and procedures that are provided by an Authorised Operator and by means of which title to units of a security (including shares) can be evidenced and transferred in accordance with the Regulations without a written certificate or instrument;
“UK” or “United Kingdom”	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;
“UK Government”	the central government of the United Kingdom including any of its ministries, departments and/or executive agencies, including regional governments;
“UK Listing Authority” or “UKLA”	the FCA in its capacity as the competent authority for the purposes of Part VI of FSMA;
“U.S.” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“U.S. Code”	the US Internal Revenue Code of 1986 as amended;
“USD” or “US Dollar”	US dollars, the legal currency of the United States;
“U.S. Investment Company Act”	the United States Investment Company Act of 1940 (as amended);
“U.S. Person”	has the meaning given to it in Regulation S;
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended;
“VAT”	Value Added Tax; and
“whole loan”	an investment in respect of which the relevant indebtedness is not subject to subordination to any other indebtedness and has an initial LTV ratio of greater than 65 per cent. or where the investment benefits from a profit participation in the relevant underlying property.

PART IX TERMS AND CONDITIONS OF THE PLACING PROGRAMME

1 INTRODUCTION

- 1.1 Placing Shares are available under the Placing Programme at the relevant Placing Price. The Placing Shares will, when issued and fully paid, include the right to receive dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 1.2 Each Placee which confirms its agreement (whether orally or in writing) to Cenkos to subscribe for Placing Shares under the Placing Programme will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.3 The Company and/or Cenkos may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a **"Placing Letter"**).

2 AGREEMENT TO SUBSCRIBE FOR PLACING SHARES

- 2.1 A Placee agrees to become a member of the Company and agrees to subscribe for those Placing Shares allocated to it by Cenkos at the relevant Placing Price, conditional on:
 - (a) Shareholder authority for the disapplication of pre-emption rights in respect of the relevant allotment and issue being in place;
 - (b) the Placing Price being not less than the prevailing NAV per Share at the time of allotment and issue together with a premium intended to at least cover the costs and expenses of the relevant Placing of Shares (including, without limitation, any placing commissions);
 - (c) the Company having a placing agreement or equivalent arrangement in place at the time of the issue;
 - (d) a valid supplementary prospectus being published by the Company when required; and
 - (e) Admission of the Placing Shares issued pursuant to the allotment and issue.
- 2.2 In circumstances where these conditions are not fully met, the relevant issue of Placing Shares pursuant to the Placing Programme will not take place.
- 2.3 To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.
- 2.4 There is no minimum or maximum subscription.

3 PAYMENT FOR PLACING SHARES

- 3.1 Each Placee must pay the relevant Placing Price for the Placing Shares issued to the Placee in such manner and by the time directed by Cenkos. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Placing Shares may, at the discretion of Cenkos, either be rejected or accepted and, in the latter case, paragraph 3.2 of these terms and conditions shall apply.
- 3.2 Each Placee is deemed to agree that if it does not comply with its obligation to pay the relevant Placing Price for the Placing Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and Cenkos elects to accept that Placee's application, Cenkos may sell all or any of the Placing Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for Cenkos's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

4 REPRESENTATIONS AND WARRANTIES

By agreeing to subscribe for Placing Shares, each Placee which enters into a commitment to subscribe for Placing Shares will (for itself and any person(s) procured by it to subscribe for Placing Shares and any nominee(s) for any such person(s)) be deemed to agree, represent and warrant to each of the Company, the Investment Adviser, Cenkos and the Registrar that:

- 4.1 in agreeing to subscribe for Placing Shares under the Placing Programme, it is relying solely on this document and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company and/or the Placing Programme. It agrees that none of the Company, the Investment Adviser, Cenkos or the Registrar, nor any of their respective officers, agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- 4.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Placing Shares under the Placing Programme, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, Investment Adviser, Cenkos or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing Programme;
- 4.3 it has carefully read and understands this document and any supplementary prospectus issued by the Company prior to Admission in its entirety and acknowledges that it is acquiring Placing Shares on the terms and subject to the conditions set out in this Part IX and the Articles as in force at the date of Admission of the relevant Shares;
- 4.4 it has not relied on Cenkos or any person affiliated with Cenkos in connection with any investigation of the accuracy of any information contained in this document or any supplementary prospectus issued by the Company prior to Admission;
- 4.5 it acknowledges that the content of this document and any supplementary prospectus issued by the Company prior to Admission is exclusively the responsibility of the Company and its Directors and neither Cenkos nor any person acting on their respective behalf nor any of its respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document or any supplementary prospectus issued by the Company prior to Admission or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing Programme based on any information, representation or statement contained in this document or any supplementary prospectus issued by the Company prior to Admission or otherwise;
- 4.6 it acknowledges that no person is authorised in connection with the Placing Programme to give any information or make any representation other than as contained in this document and any supplementary prospectus issued by the Company prior to Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Adviser or Cenkos;
- 4.7 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- 4.8 if it is within the United Kingdom, it is (i) a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the Placing Shares may otherwise lawfully be offered under such Order or (ii) is a person who is a “professional client” or an “eligible counterparty” within the meaning of Chapter 3 of the FCA’s Conduct of Business Sourcebook;
- 4.9 if it is a resident in the EEA (other than the United Kingdom): (a) it is a qualified investor within the meaning of the law in the Relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive; and (b) if that Relevant Member State has implemented the AIFM Directive, that it is a person to whom the Placing Shares may lawfully be marketed under the AIFM Directive or under the applicable implementing legislation (if any) of that Relevant Member State;

- 4.10 if it is within the Bailiwick of Guernsey, the Placing Shares are only being promoted in or from within Guernsey either (i) by persons licensed to do so under the POI Law or (ii) to persons licensed under the POI Law, the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended) or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended);
- 4.11 in the case of any Placing Shares acquired by a Placee as a financial intermediary within the EEA (other than the United Kingdom) as that term is used in Article 3(2) of the Prospectus Directive: (a) the Placing Shares acquired by it in the Placing Programme have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the 2010 PD Amending Directive, or in circumstances in which the prior consent of Cenkos has been given to the offer or resale; or (b) where Placing Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- 4.12 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no document is being issued by Cenkos in connection with the Placing Programme in its capacity as an authorised person under section 21 of FSMA and it may not therefore be subject to the controls which would apply if they were made or approved as a financial promotion by an authorised person;
- 4.13 it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving, the United Kingdom;
- 4.14 it is aware of the provisions regarding insider dealing in the United Kingdom under the Criminal Justice Act 1993, the Market Abuse Regulation and the Proceeds of Crime Act 2002 and in Guernsey under the Company Securities (Insider Dealing) (Bailiwick of Guernsey) Law, 1996 (as amended), Section 41A of the POI Law, and the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, as amended and confirms that it has and will continue to comply with any obligations imposed by such statutes;
- 4.15 no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Shares or possession of this document (and any supplementary prospectus issued by the Company prior to Admission), in any country or jurisdiction where action for that purpose is required;
- 4.16 that, save in the event of fraud on the part of Cenkos, neither Cenkos, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to such Placee or any of its clients for any matter arising out of Cenkos's role as placing agent or otherwise in connection with the Placing Programme and that where any such responsibility or liability nevertheless arises as a matter of law such Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which such investor or any of its clients may have in respect thereof;
- 4.17 that it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- 4.18 in the event that a supplementary prospectus is required to be produced pursuant to section 87G of FSMA and in the event that it chooses to exercise any right of withdrawal pursuant to section 87(Q)(4) of FSMA, such Placee will immediately re-subscribe for the Shares previously comprising its Placing commitment;
- 4.19 the commitment to subscribe for Shares on the terms set out in these terms and conditions will continue notwithstanding any amendment that may in the future be made to the terms of the Placing Programme and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of the Placing Programme;

- 4.20 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
- 4.21 if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for Placing Shares under the Placing Programme and will not be any such person on the date any such agreement to subscribe under the Placing Programme is accepted;
- 4.22 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any supplementary prospectus issued by the Company prior to Admission or any other offering materials concerning the Placing Programme or the Shares to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 4.23 it acknowledges that neither Cenkos nor any of its affiliates, nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing Programme or providing any advice in relation to the Placing Programme and participation in the Placing Programme is on the basis that it is not and will not be a client of Cenkos and that Cenkos does not have any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing Programme nor in respect of any representations, warranties, undertakings or indemnities otherwise required to be given by it in connection with its application under the Placing Programme;
- 4.24 it acknowledges that where it is subscribing for Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (a) to subscribe for the Placing Shares for each such account; (b) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (c) to receive on behalf of each such account any documentation relating to the Placing Programme in the form provided by the Company and/or Cenkos. It agrees that the provision of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account;
- 4.25 it irrevocably appoints any director of the Company and any director of Cenkos to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Placing Shares for which it has given a commitment under the Placing Programme, in the event of its own failure to do so;
- 4.26 it accepts that if the Placing Programme does not proceed or the conditions to the Placing Agreement are not satisfied or the Placing Shares for which valid applications are received and accepted are not admitted to the Premium Listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities for any reason whatsoever then neither Cenkos, nor the Investment Adviser, nor the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.27 in connection with its participation in the Placing Programme it has observed all relevant legislation and regulations;
- 4.28 it acknowledges that Cenkos and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- 4.29 the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Cenkos and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Placing Shares are no longer accurate, it shall promptly notify Cenkos and the Company;
- 4.30 where it or any person acting on behalf of it is dealing with Cenkos, any money held in an account with Cenkos on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Cenkos to segregate such money, as that money will be held by Cenkos under a banking relationship and not as trustee;

- 4.31 any of its clients, whether or not identified to Cenkos, will remain its sole responsibility and will not become clients of Cenkos for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.32 it accepts that the allocation of Placing Shares shall be determined by Cenkos in its absolute discretion (in consultation with the Company and the Investment Adviser) and that Cenkos may scale down any commitments for this purpose on such basis as it may determine; and
- 4.33 time shall be of the essence as regards its obligations to settle payment for the Placing Shares and to comply with its other obligations under the Placing Programme.

5 UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS

- 5.1 By participating in the Placing Programme, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Adviser, the Registrar and Cenkos that:
- (a) it is either: (i) not a U.S. Person or located in the United States and it acknowledges that the Shares are being offered or sold outside the United States in reliance on Regulation S; or (ii) a U.S. Person to whom Shares may be offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States;
 - (b) it acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or an exemption from registration under the U.S. Securities Act;
 - (c) it acknowledges that the Company has not registered under the U.S. Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;
 - (d) unless the Company expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (a) an “**employee benefit plan**” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (b) a “**plan**” as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Code; or (c) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the U.S. Code. In addition, if a Placee is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Code, its purchase, holding, and disposition of the Placing Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
 - (e) if any Placing Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect, unless otherwise determined by the Company in accordance with applicable law:

“ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT IN ACCORDANCE WITH THE U.S. SECURITIES ACT OR AN EXEMPTION

THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS. FURTHER, NO PURCHASE, SALE OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE UNLESS SUCH PURCHASE, SALE OR TRANSFER WILL NOT RESULT IN THE ASSETS OF THE COMPANY CONSTITUTING “PLAN ASSETS” WITHIN THE MEANING OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THAT ARE SUBJECT TO PART 4 OF TITLE I OF ERISA OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”);

- (f) if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of any Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which: (a) will not require the Company to register under the U.S. Investment Company Act; and (b) will not result in the assets of the Company constituting “plan assets” within the meaning of ERISA, that are subject to Part 4 of Title I of ERISA or Section 4975 of the U.S. Code. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
 - (g) it is purchasing the Placing Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;
 - (h) it acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person’s status under U.S. federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under U.S. securities laws to transfer such Shares or interests in accordance with the Articles;
 - (i) it is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Placing Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Adviser, the Registrar, Cenkos or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing Programme or its acceptance of participation in the Placing Programme;
 - (j) it has received, carefully read and understands this document and any supplementary prospectus issued by the Company prior to Admission, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any supplementary prospectus issued by the Company prior to Admission or any other presentation or offering materials concerning the Placing Shares to within the United States or to any U.S. Persons, nor will it do any of the foregoing; and
 - (k) if it is acquiring any Placing Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- 5.2 The Company, the Investment Adviser, the Registrar, Cenkos and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.
- 5.3 If any of the representations, warranties, acknowledgments or agreements made by the Placee are no longer accurate or have not been complied with, the Placee will immediately notify the Company and Cenkos.

6 MONEY LAUNDERING

Each Placee acknowledges and agrees that:

- 6.1 in connection with its participation in the relevant Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament) (the "**Money Laundering Directive**") and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) subject to the Guernsey AML Requirements; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 6.2 it acknowledges that due to anti-money laundering requirements, Cenkos, the Administrator, the Registrar and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Cenkos and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify Cenkos and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;
- 6.3 that it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002; and
- 6.4 it acknowledges that any person in Guernsey involved in the business of the Company who has a suspicion or belief that any other person (including the Company or any person subscribing for Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the Financial Intelligence Service pursuant to the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended).

7 THE DATA PROTECTION ACT

Each Placee acknowledges and agrees pursuant to the Data Protection (Bailiwick of Guernsey) Law, 2001 (as amended) (the "**DP Law**"), the Company, the Administrator and/or the Registrar may hold personal data (as defined in the DP Law) relating to past and present Shareholders and that such personal data held is used by the Registrar and/or the Administrator to maintain the Company's register of Shareholders and mailing lists and this may include sharing data with third parties in one or more countries when (a) effecting the payment of dividends and redemption proceeds to Shareholders and the payment of commissions to third parties and (b) filing returns of Shareholders and their respective transactions in Placing Shares with statutory bodies and regulatory authorities and may also involve transferring personal data without consent:

- (a) to third party service providers, agents or functionaries appointed by the Company or its agents to provide services to prospective investors;
- (b) to any government, regulatory authority, court of competent jurisdiction, stock exchange, clearing house or investigatory authority or as otherwise required by any applicable laws and regulations; and
- (c) outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as Guernsey,

the applicant (in respect of itself (if it is an individual) or a third party individual (if acting on their behalf)) consents to the processing by the Company, the Administrator and/or the Registrar of any personal data relating to it in the manner described above.

8 SUPPLY AND DISCLOSURE OF INFORMATION

If Cenkos, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Placing Shares under the Placing Programme, such Placee must promptly disclose it to them.

9 NON UNITED KINGDOM INVESTORS

- 9.1 If the Placee is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Placing Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Placing Shares pursuant to the Placing Programme unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration, qualification, publication or other regulatory or legal requirements.
- 9.2 The offer and sale of Placing Shares have not been, and will not be, registered under the applicable securities laws of the United States, Australia, Canada, the Republic of South Africa or Japan. The Placing Shares may not be offered, sold or delivered, directly or indirectly within the United States or to any U.S. Person (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities law of any state or other jurisdiction in the United States, or within Australia, Canada, the Republic of South Africa or Japan or to any national, resident or citizen of Australia, Canada, the Republic of South Africa or Japan.

10 TAX INFORMATION REPORTING

Each Placee acknowledges and understands the Company is required to comply with legislation implementing FATCA and/or the CRS and any similar legislation and that the Company will follow the extensive reporting and/or withholding requirements of such legislation. Each Placee agrees to promptly furnish any information and documents which the Company may from time to time request, including but not limited to information required under legislation implementing FATCA and/or the CRS and any similar legislation.

11 MISCELLANEOUS

- 11.1 The rights and remedies of the Company, the Investment Adviser, Cenkos and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 11.2 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing Programme will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 11.3 Each Placee agrees to be bound by the Articles once the Placing Shares, which the Placee has agreed to subscribe for pursuant to the Placing Programme, have been acquired by the Placee. The contract to subscribe for Placing Shares under the Placing Programme and the appointments and authorities mentioned in this document and any supplementary prospectus issued by the Company prior to Admission and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Adviser, Cenkos and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.
- 11.4 In the case of a joint agreement to subscribe for Placing Shares under the Placing Programme, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 11.5 Cenkos and the Company expressly reserve the right to modify the Placing Programme (including, without limitation, the timetable and settlement) at any time. The Placing Programme is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in paragraph 14.1 of Part VIII of this document.

