

**This document comprises a prospectus relating to Aurora Investment Trust plc (the “Company”) prepared in accordance with the Prospectus Rules and Listing Rules of the UK Listing Authority made under section 73A of the Financial Services and Markets Act 2000. This document has been approved by the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules. This document will be made available to the public in accordance with the Prospectus Rules by being made available at [www.aurorainvestmenttrust.com](http://www.aurorainvestmenttrust.com).**

The Directors of the Company, whose names appear on page 31 of this document, and the Company each accept responsibility for the information contained in this document. Having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of the knowledge of the Directors and the Company, in accordance with the facts and does not omit anything likely to affect the import of such information.

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# **AURORA INVESTMENT TRUST PLC**

*Incorporated in England and Wales with registered no. 03300814*

*Registered as an investment company under section 833 of the Companies Act 2006*

## **Issue of New Shares pursuant to an Initial Placing, Offer for Subscription, Intermediaries Offers and a Placing Programme**

*Sponsor*

**Dickson Minto W.S**

*Placing Agent*

**Liberum Capital Limited**

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Applications will be made to the UK Listing Authority for the New Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the premium segment of the London Stock Exchange’s Main Market for listed securities. It is expected that such admissions will become effective, and dealings in the New Shares will commence, during the period from 2 October 2017 to 4 September 2018.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this document and the offering of New Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. The New Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the “US Securities Act”) or under any of the relevant securities laws of any EEA States (other than the United Kingdom), Canada, Australia, the Republic of South Africa or Japan. Accordingly, the New Shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the United States, or to, or for the account, or benefit of, US Persons (as defined in Regulation S under the US Securities Act), any of the EEA States (other than the United Kingdom), Canada, Australia, the Republic of South Africa or Japan. The Company will not be registered under the United States Investment Company Act of 1940 (as amended) (the “US Investment Company Act”) and investors will not be entitled to the benefits of the US Investment Company Act.

The Placing Agent and the Sponsor, each of which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, are acting exclusively for the Company and for no one else in relation to the Issues. Apart from the responsibilities and liabilities, if any, which may be imposed on the Placing Agent and the Sponsor by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, the Placing Agent and the Sponsor will not be responsible to anyone other than the Company for providing the protections afforded to clients of the Placing Agent or the Sponsor or for advising any other person in relation to the Issues or any transaction contemplated in or by this document.

Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other suitably qualified and independent financial adviser authorised under the Financial Services and Markets Act 2000 if they are in the United Kingdom or, in the case of Overseas Investors, another appropriately authorised financial adviser. Potential investors should also consider the risk factors relating to the Company set out on pages 13 to 18 of this document.

**5 September 2017**

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## SUMMARY

Summaries are made up of disclosure requirements known as ‘Elements’. These Elements are numbered in Sections A-E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted into the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

### Section A – Introduction and warnings

Element	Disclosure
A.1	<p><b>Warning</b></p> <p>This summary should be read as an introduction to this document. Any decision to invest in the securities should be based on consideration of this 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 EEA States, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches 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 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.</p>
A.2	<p><b>Financial Intermediaries</b></p> <p>The Company consents to the use of this document by Intermediaries in connection with the subsequent resale or final placement of securities by Intermediaries. The offer period within which any subsequent resale or final placement of securities by Intermediaries can be made, and for which consent is given to Intermediaries to use this document, commences on 5 September 2017 and closes at 5.00 p.m. on 4 September 2018 unless closed prior to that time and/or date.</p> <p><b>Information on the terms and conditions of any resale or final placement of securities by any Intermediary is to be provided by the relevant Intermediary at the time the offer is introduced to an investor.</b> Any applications made by investors to any Intermediary to acquire securities will be subject to the terms and conditions of resale or final placement of the relevant Intermediary. <b>Any Intermediary using this document must state on its website that it is using this document in accordance with the consent set out in the paragraph above.</b></p>

### Section B – Issuer

Element	Disclosure
B.1	<p><b>Legal and commercial name</b></p> <p>Aurora Investment Trust plc</p>
B.2	<p><b>Domicile and legal form</b></p> <p>The Company was incorporated and registered in England on 10 January 1997 as a public company limited by shares under the Companies Act 1985 with registered number 03300814. The Company operates under the Act and regulations made under the Act.</p>
B.5	<p><b>Group description</b></p> <p>Not applicable. The Company is not part of a group.</p>

B.6	<p><b>Major shareholders</b></p> <p>As at close of business on 31 August 2017 (being the latest practicable date prior to the publication of this document) the Company was aware of the following notifiable interests in the issued share capital of the Company:</p> <table border="1" data-bbox="338 313 1388 728"> <thead> <tr> <th></th> <th style="text-align: right;"><i>No. of Ordinary Shares</i></th> <th style="text-align: right;"><i>Percentage of issued share capital</i></th> </tr> </thead> <tbody> <tr> <td>Clients of Rothschild Wealth Management (UK) Limited</td> <td style="text-align: right;">6,288,101</td> <td style="text-align: right;">17.35%</td> </tr> <tr> <td>Clients of Ravenscroft Limited</td> <td style="text-align: right;">3,277,463</td> <td style="text-align: right;">9.04%</td> </tr> <tr> <td>Clients of Canaccord Genuity Wealth Limited</td> <td style="text-align: right;">2,951,468</td> <td style="text-align: right;">8.14%</td> </tr> <tr> <td>Phoenix Asset Management Partners Limited</td> <td style="text-align: right;">2,412,246</td> <td style="text-align: right;">6.66%</td> </tr> <tr> <td>Clients of Sand Aire Limited</td> <td style="text-align: right;">2,410,278</td> <td style="text-align: right;">6.65%</td> </tr> <tr> <td>Clients of Hargreaves Lansdown PLC</td> <td style="text-align: right;">1,858,790</td> <td style="text-align: right;">5.13%</td> </tr> <tr> <td>Troy Asset Management Limited</td> <td style="text-align: right;">1,253,708</td> <td style="text-align: right;">3.46%</td> </tr> <tr> <td>Clients of Banque Privee Edmond de Rothschild</td> <td style="text-align: right;">1,203,745</td> <td style="text-align: right;">3.32%</td> </tr> <tr> <td>Clients of Charles Stanley &amp; Co. Limited</td> <td style="text-align: right;">1,085,588</td> <td style="text-align: right;">3.00%</td> </tr> <tr> <td>Miton Group PLC</td> <td style="text-align: right;">1,055,161</td> <td style="text-align: right;">2.91%</td> </tr> </tbody> </table> <p>The Directors are not aware of any person or persons who currently does or who, following the Issues, will or could, directly or indirectly, jointly or severally, exercise control over the Company. There are no different voting rights for any Shareholder.</p>		<i>No. of Ordinary Shares</i>	<i>Percentage of issued share capital</i>	Clients of Rothschild Wealth Management (UK) Limited	6,288,101	17.35%	Clients of Ravenscroft Limited	3,277,463	9.04%	Clients of Canaccord Genuity Wealth Limited	2,951,468	8.14%	Phoenix Asset Management Partners Limited	2,412,246	6.66%	Clients of Sand Aire Limited	2,410,278	6.65%	Clients of Hargreaves Lansdown PLC	1,858,790	5.13%	Troy Asset Management Limited	1,253,708	3.46%	Clients of Banque Privee Edmond de Rothschild	1,203,745	3.32%	Clients of Charles Stanley & Co. Limited	1,085,588	3.00%	Miton Group PLC	1,055,161	2.91%																																															
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B.7	<p><b>Key financial information</b></p> <p>Following the appointment of Phoenix as the Company's investment manager in January 2016, the Company's accounting reference date was changed from 28/29 February to 31 December to bring it in line with other funds managed by Phoenix. Selected financial information relating to the Company which summarises the financial condition of the Company for the four financial periods ended 31 December 2016 (the annual report and accounts for the financial years ended 28 February 2014, 28 February 2015 and 29 February 2016 relate, in part, to financial periods prior to the appointment of the Investment Manager in January 2016) is set out in the following table:</p> <table border="1" data-bbox="338 1187 1388 1921"> <thead> <tr> <th></th> <th style="text-align: right;"><i>Year ended 28 February 2014</i></th> <th style="text-align: right;"><i>Year ended 28 February 2015</i></th> <th style="text-align: right;"><i>Year ended 29 February 2016</i></th> <th style="text-align: right;"><i>Period ended 31 December 2016</i></th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>Net Asset Value</b></td> </tr> <tr> <td>Net assets (£'000)</td> <td style="text-align: right;">19,939</td> <td style="text-align: right;">17,817</td> <td style="text-align: right;">18,440</td> <td style="text-align: right;">51,438</td> </tr> <tr> <td>Net Asset Value per Ordinary Share (p)</td> <td style="text-align: right;">191.78</td> <td style="text-align: right;">171.37</td> <td style="text-align: right;">162.30</td> <td style="text-align: right;">172.66</td> </tr> <tr> <td><b>Ordinary Share price (p)</b></td> <td style="text-align: right;">166.00</td> <td style="text-align: right;">147.50</td> <td style="text-align: right;">158.00</td> <td style="text-align: right;">173.50</td> </tr> <tr> <td colspan="5"><b>Income</b></td> </tr> <tr> <td>Revenue return after expenses and taxation (£'000)</td> <td style="text-align: right;">1,209</td> <td style="text-align: right;">79</td> <td style="text-align: right;">204</td> <td style="text-align: right;">636</td> </tr> <tr> <td>Revenue return per Ordinary Share (p)</td> <td style="text-align: right;">11.63</td> <td style="text-align: right;">0.76</td> <td style="text-align: right;">1.95</td> <td style="text-align: right;">3.00</td> </tr> <tr> <td>Dividend per Ordinary Share (p)</td> <td style="text-align: right;">3.80</td> <td style="text-align: right;">3.85</td> <td style="text-align: right;">1.00</td> <td style="text-align: right;">2.00</td> </tr> <tr> <td colspan="5"><b>Ongoing charges</b></td> </tr> <tr> <td>As a percentage of average total Shareholders' funds</td> <td style="text-align: right;">2.18%</td> <td style="text-align: right;">2.25%</td> <td style="text-align: right;">2.48%</td> <td style="text-align: right;">1.04%</td> </tr> <tr> <td colspan="5"><b>Portfolio summary</b></td> </tr> <tr> <td>Shareholders' funds (£'000)</td> <td style="text-align: right;">19,939</td> <td style="text-align: right;">17,817</td> <td style="text-align: right;">18,440</td> <td style="text-align: right;">51,438</td> </tr> <tr> <td colspan="5"><b>NAV/share price returns</b></td> </tr> <tr> <td>Net Asset Value return</td> <td style="text-align: right;">3.04%</td> <td style="text-align: right;">(10.64%)</td> <td style="text-align: right;">4.50%</td> <td style="text-align: right;">6.38%</td> </tr> <tr> <td>Ordinary Share price return</td> <td style="text-align: right;">11.13%</td> <td style="text-align: right;">(8.85%)</td> <td style="text-align: right;">7.12%</td> <td style="text-align: right;">9.81%</td> </tr> </tbody> </table>		<i>Year ended 28 February 2014</i>	<i>Year ended 28 February 2015</i>	<i>Year ended 29 February 2016</i>	<i>Period ended 31 December 2016</i>	<b>Net Asset Value</b>					Net assets (£'000)	19,939	17,817	18,440	51,438	Net Asset Value per Ordinary Share (p)	191.78	171.37	162.30	172.66	<b>Ordinary Share price (p)</b>	166.00	147.50	158.00	173.50	<b>Income</b>					Revenue return after expenses and taxation (£'000)	1,209	79	204	636	Revenue return per Ordinary Share (p)	11.63	0.76	1.95	3.00	Dividend per Ordinary Share (p)	3.80	3.85	1.00	2.00	<b>Ongoing charges</b>					As a percentage of average total Shareholders' funds	2.18%	2.25%	2.48%	1.04%	<b>Portfolio summary</b>					Shareholders' funds (£'000)	19,939	17,817	18,440	51,438	<b>NAV/share price returns</b>					Net Asset Value return	3.04%	(10.64%)	4.50%	6.38%	Ordinary Share price return	11.13%	(8.85%)	7.12%	9.81%
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B.9	<p><b>Profit forecast</b></p> <p>Not applicable. No profit forecast or estimate made.</p>																																										
B.10	<p><b>Description of the nature of any qualifications in the audit report on the historical financial information</b></p> <p>Not applicable. The audit reports on the historical financial information incorporated by reference within the document are not qualified.</p>																																										
B.11	<p><b>Insufficient working capital</b></p> <p>Not applicable. The Company is of the opinion that, taking into account the existing cash resources, the working capital available to the Company is sufficient for the Company's present requirements (that is, for at least the next 12 months from the date of this document).</p>																																										
B.34	<p><b>Investment policy</b></p> <p><i>Investment objective</i></p> <p>The Company's objective is to provide Shareholders with long-term returns through capital and income growth.</p>																																										

	<p><i>Investment policy</i></p> <p>The Company seeks to achieve its investment objective by investing in a portfolio of UK listed equities. The portfolio will be relatively concentrated. The exact number of individual holdings will vary over time but typically the portfolio will consist of 15 to 20 holdings. The Company may use derivatives and similar instruments for the purpose of capital preservation. There are no pre-defined maximum or minimum exposure levels for each individual holding or sector, but these exposures are reported to and monitored by, the Board in order to ensure that adequate diversification is achieved. The Company's policy is not to invest more than 15 per cent. of its gross assets in any one investment at the time of investment.</p> <p>While there is a comparable index for the purposes of measuring performance over material periods, no attention is paid to the composition of this index when constructing the portfolio and the composition of the portfolio is likely to vary substantially from that of the index. The Company may from time to time invest in other UK listed investment companies, but the Company will not invest more than ten per cent. in aggregate of the total assets of the Company in other listed closed-ended investment funds other than closed-ended investment funds which themselves have published investment policies to invest no more than 15 per cent. of their total assets in other listed closed-ended funds. The Company will not invest in any other fund managed by the Investment Manager.</p> <p>The Company does not currently intend to use gearing. However, if the Board did decide to utilise gearing the aggregate borrowings of the Company would be restricted to 30 per cent. of the aggregate of the paid up nominal capital plus the capital and revenue reserves.</p> <p>Any material change to the investment policy of the Company will only be made with the approval of Shareholders at a general meeting. In the event of a breach of the Company's investment policy, the Directors will announce through a Regulatory Information Service the actions which have been taken to rectify the breach.</p>
B.35	<p><b><i>Borrowing limits</i></b></p> <p>The Company does not currently intend to use gearing. However, if the Board did decide to utilise gearing the aggregate borrowings of the Company would be restricted to 30 per cent. of the aggregate of the paid up nominal capital plus the capital and revenue reserves.</p>
B.36	<p><b><i>Regulatory status</i></b></p> <p>Save for its compliance with the Act, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the Prospectus Rules the Company is not a regulated entity.</p>
B.37	<p><b><i>Typical investor</i></b></p> <p>The Directors believe that the Company is a suitable investment for equity investors who understand the investment approach including the Investment Manager's definition of risk. The Investment Manager defines risk as the potential for a permanent loss of capital. The investment approach is likely to result in periods of significant volatility and divergence from the market benchmark but importantly the Investment Manager does not believe that higher volatility means higher risk. The Directors believe that these investors are likely to be professionally advised private investors, institutions and individuals who understand the risks of an investment in the Company.</p>
B.38	<p><b><i>Investment of 20 per cent. or more in a single underlying asset or investment company</i></b></p> <p>Not applicable. The Company may not invest more than 15 per cent. of its gross assets in a single underlying asset or investment company at the time of investment.</p>
B.39	<p><b><i>Investment of 40 per cent. or more in another collective investment undertaking</i></b></p> <p>Not applicable. The Company may not invest more than 15 per cent. of its gross assets in another collective investment undertaking at the time of investment.</p>

B.40

***Applicant's service providers and maximum fees payable***

*Managerial arrangements*

The Board has appointed Phoenix Asset Management Partners Limited as its alternative investment fund manager in accordance with the AIFM Directive under the Investment Management Agreement. The Investment Management Agreement is terminable by either party on 12 months' notice or on shorter notice in certain circumstances.

Under the terms of the Investment Management Agreement, the Investment Manager does not earn an ongoing annual management fee but is entitled to a performance fee. The performance fee is equal to one third of the outperformance of the Company's Net Asset Value total return (after adjustment for material inflows and outflows including, for the avoidance of doubt, tender payments and share buy backs) with dividends reinvested over the FTSE All-Share Index, total return for each financial year (or, where no performance fee is payable in respect of a financial year, in the period since a performance fee was last payable). The fee payable will be based on the average of the net assets of the Company (adjusted for any dividends paid or payable and the effect of share buy backs) over the performance period.

The total performance fee will be capped at four per cent. per annum of the Net Asset Value of the Company at the end of the relevant financial year in the event that the Net Asset Value per Ordinary Share has increased in absolute terms over the period and two per cent. in the event that the Net Asset Value per Ordinary Share has decreased in absolute terms over the period. Any outperformance that exceeds these caps will be carried forward and only paid if the Company outperforms, and the annual cap is not exceeded, in subsequent years save where the Investment Management Agreement is terminated by the Company other than for fault in which case any carried forward performance fee will be paid without the cap.

The performance fee will also be subject to a clawback, including on termination of the Investment Management Agreement. Where a performance fee is earned, there follows a fixed three year period at the end of which a test is performed on the performance of the Company. If at the time the test is performed it is found that overall the Company has under performed in the fixed three year period the clawback shall apply. The clawback will continue to apply following termination of the Investment Management Agreement.

The performance fee is payable to the Investment Manager in Ordinary Shares (issued at the Net Asset Value per Ordinary Share on the date of issue) and such Ordinary Shares must be retained by the Investment Manager for a minimum period of three years from the date of issue unless the Investment Management Agreement is terminated. It is intended that the performance fee will be charged to the capital reserves of the Company.

Since the start of the year the portfolio has been performing well and making up for the earlier under-performance which followed the re-structuring of the portfolio after Phoenix was appointed as Investment Manager. As a result the total return is now close to levels at which a performance fee may become accruable.

*Administration arrangements*

All secretarial and administrative services are provided by PraxisIFM Fund Services (UK) Limited pursuant to the Administration Agreement. The Secretary is entitled to receive a fixed fee of £40,000 per annum together with a variable fee of 0.075 per cent. of the Company's net assets up to £100 million and 0.025 per cent. of the Company's net assets above £100 million (calculated at the end of each calendar month) per annum subject to a minimum overall fee of £6,500 per month plus VAT payable monthly in arrears for the provision of secretarial services to the Company.

*Depositary*

BNP Paribas Securities Services, London Branch has been appointed as the Company's depositary. The Depositary is responsible for the safe keeping of the Company's assets. The Depositary has arranged for the safe keeping of the Company's financial instruments

	<p>and settles (directly or through sub-custodians) all transactions relating to those financial instruments on behalf of the Company. The Depositary is paid an annual fee calculated as 0.015 per cent. of the value of the Company's assets up to £150 million and 0.012 per cent. of the value of the Company's assets above £150 million subject to a minimum of £25,000 per annum in each case. The Depositary is also entitled to fees for safe keeping and other services.</p> <p>If the Depositary Agreement is terminated within three years of 28 January 2016 the Depositary is entitled to clawback the transition costs borne by the Depositary in respect of the Company, the legal and other costs incurred by the Depositary in preparation for the provision of services to the Company and any exit costs incurred by the Depositary in order to transition the Company to a new depositary.</p> <p><i>Auditors</i></p> <p>Grant Thornton UK LLP provides audit services to the Company. The fees charged by the Auditors are computed, <i>inter alia</i>, on the time spent by the Auditors on the affairs of the Company.</p> <p><i>Registrar</i></p> <p>Capita Asset Services has been appointed as the Company's registrar. The Registrar's duties include the maintenance of the Company's register of Shareholders and the processing of any transfer of Ordinary Shares. Fees are based on the number of holders on the register and number of transfers each year.</p> <p><i>Broker and Placing Agent</i></p> <p>Liberum Capital Limited has been appointed as corporate broker to the Company and will be paid a nominal fee for performing such role.</p> <p>Liberum has also agreed under the Placing Agreement to use its reasonable endeavours to procure Placees for New Shares under the Initial Placing and the Placing Programme. Liberum will be entitled to a commission payable by the Company in connection with monies raised under the Initial Placing and the Placing Programme.</p>
B.41	<p><b><i>Regulatory status of service providers</i></b></p> <p>The Investment Manager is authorised and regulated by the FCA and is an authorised alternative investment fund manager for the purposes of the AIFM Directive.</p> <p>The Depositary is authorised by the PRA and regulated by the FCA and the PRA.</p>
B.42	<p><b><i>Calculation of Net Asset Value</i></b></p> <p>The Net Asset Value per Ordinary Share is calculated by the Company in accordance with the Company's accounting policies and is published daily through a Regulatory Information Service. The calculation of the Net Asset Value per Ordinary Share will be suspended only in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.</p>
B.43	<p><b><i>Cross liability</i></b></p> <p>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.</p>
B.44	<p><b><i>No financial statements have been made up</i></b></p> <p>Not applicable. The Company has commenced operations and historical financial information is incorporated by reference within this document.</p>

B.45	<p><b>Portfolio</b></p> <p>As at 31 August 2017 (being the latest practicable date prior to the publication of this document) the Company's portfolio comprised, by value, 85.5 per cent. equities and 14.5 per cent. cash.</p>
B.46	<p><b>Net Asset Value</b></p> <p>The unaudited Net Asset Value per Ordinary Share as at 31 August 2017 (being the latest practicable date prior to the publication of this document) was 201.31 pence.</p>

### Section C – Securities

Element	Disclosure
C.1	<p><b>Type and class of securities</b></p> <p>The Ordinary Shares have a nominal value of 25 pence each. Application will be made to the UK Listing Authority for the New Shares to be admitted to the Official List with a premium listing. The ISIN for the Ordinary Shares is GB0000633262.</p>
C.2	<p><b>Currency</b></p> <p>The Ordinary Shares are and New Shares will be denominated in Sterling.</p>
C.3	<p><b>Number of securities in issue</b></p> <p>As at 31 August 2017 (being the latest practicable date prior to the publication of this document) the issued share capital of the Company comprised 36,237,853 fully paid Ordinary Shares.</p>
C.4	<p><b>Description of the rights attaching to the securities</b></p> <p>The New Shares will rank <i>pari passu</i> in all respects with the existing issued Ordinary Shares.</p> <p>Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares, Shareholders shall have the right to receive notice of and to attend and vote at general meetings of the Company. Subject to the provisions of the Act, the Company may from time to time declare dividends and make other distributions on the Ordinary Shares. Shareholders are entitled to participate in the assets of the Company attributable to their shares in a winding up of the Company or other return of capital.</p>
C.5	<p><b>Restrictions on the rights attaching to the securities</b></p> <p>Not applicable. There are no restrictions on the free transferability of Ordinary Shares.</p>
C.6	<p><b>Admission</b></p> <p>Applications will be made to the UK Listing Authority for the New Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the premium segment of the Main Market. It is expected that such admissions will become effective, and dealings in the New Shares will commence, during the period from 2 October 2017 to 4 September 2018.</p>
C.7	<p><b>Dividend policy</b></p> <p>The Company does not have any formal policy to achieve any specified level of dividend. However, the Board will distribute substantially all of the net revenue arising from the investment portfolio. Accordingly, the Company is expected to pay an annual final dividend but this may vary each year and could be lower than the level of dividends paid prior to the appointment of the Investment Manager.</p>

## Section D – Risks

Element	Disclosure
D.1	<p><b>Key information on the key risks specific to the Issuer</b></p> <ul style="list-style-type: none"> <li>• Changes in economic conditions and other factors can substantially and adversely affect the value of investments and therefore the Company's performance and prospects.</li> <li>• The past performance of the Company, and of investments managed by the Investment Manager, is not a guarantee of the future performance and prospects of the Company.</li> <li>• There is no guarantee that the Company's investment objective will be achieved or provide the returns sought by the Company.</li> <li>• The Company does not track any benchmark. Accordingly, the portfolio of investments held by the Company will not mirror the stocks and weightings that constitute any index or indices, which may lead to the Ordinary Shares failing to follow either the direction or extent of any moves in the financial markets generally.</li> <li>• The Company attempts to conduct its business to satisfy the conditions to retain approval as an investment trust under section 1158 of the Tax Act. In respect of each accounting period for which approval is retained, the Company will be exempt from United Kingdom taxation on its capital gains. Breach of the tests that a company must meet to retain approval as an investment trust company could lead to the Company being subject to tax on capital gains.</li> <li>• The fair value of equity and other financial securities held in the Company's portfolio fluctuates with market prices.</li> <li>• There are a number of risks inherent in investing in the manner contemplated by the Company's investment policy and strategy. Price movements of the underlying investments are volatile and are affected by a wide variety of factors including changing supply and demand relationships, corporate mergers and acquisition activity, capital raisings and credit spread fluctuations, interest rate and exchange rate fluctuations, international events and government policies. These price movements could result in significant losses for the Company.</li> </ul>
D.3	<p><b>Key information on the key risks specific to the securities</b></p> <ul style="list-style-type: none"> <li>• The market value of the Ordinary Shares can fluctuate and may not always reflect the Net Asset Value per Ordinary Share.</li> <li>• The income derived from the Ordinary Shares may fluctuate.</li> <li>• Although the New Shares will be listed on the Official List and admitted to trading on the Main Market, there may not be a liquid market in the New Shares and Shareholders may have difficulty selling them.</li> <li>• The Company may only pay dividends on the Ordinary Shares to the extent that it has profits (including distributable reserves) available for that purpose, which will largely depend on the amount of income which the Company receives on its investments and the timing of such receipt.</li> </ul>

## Section E – Offer

Element	Disclosure
E.1	<p><b>Net proceeds and costs of the Issues</b></p> <p>The Investment Manager has agreed to reimburse the Company for all fixed costs in relation to the Issues that are not covered by the premium to the Net Asset Value per Ordinary Share at which the New Shares are issued. The fixed costs (which include the Documentation Costs) of the Initial Issues and Subsequent Issues are estimated to be £182,700 (including any VAT).</p>

	<p>For illustrative purposes only, if the maximum number of New Shares available for issue under the Initial Placing, Offer for Subscription, Intermediaries Offers and Placing Programme are issued by way of a single Issue at a price of 203.83 pence (being the Net Asset Value per Ordinary Share as at 31 August 2017 plus a premium of 1.25 per cent.) approximately £305,745,000 would be raised and the net proceeds available for investment by the Company (assuming all variable costs including commission and admission fees are at the maximum level expected) would be approximately £304,077,499.</p>
E.2 A	<p><b>Reason for offer and use of proceeds</b></p> <p>The Issues have been proposed by the Directors to increase the size of the Company. The Issues may also provide an opportunity to attract new investors and therefore may also improve the liquidity of the Ordinary Shares. The Directors will apply the net proceeds of any Issues in accordance with the Company's investment policy.</p>
E.3	<p><b>Terms and conditions of the offer</b></p> <p>To become effective, the Initial Issues require, amongst other things, the following events to occur:</p> <ul style="list-style-type: none"> <li>• Shareholder approval being granted at the General Meeting for the issue of New Shares in relation to the Issues;</li> <li>• the Placing Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission; and</li> <li>• the Admission Condition in respect of the Initial Issues being satisfied prior to 8.00 a.m. on 2 October 2017 (or such later time and/or date, not being later than 8.00 a.m. on 31 October 2017, as the Board may determine).</li> </ul> <p>Subject to the requirements of the Act and the Listing Rules, any of the above conditions may be waived by the Company (or where appropriate by the party for whose benefit the relevant condition exists) in whole or in part before 2 October 2017. The Initial Issues will only become effective if all of the conditions referred to above are satisfied or waived (as the case may be) on or before 31 October 2017.</p> <p>To become effective, each Subsequent Issue will require the following events to occur:</p> <ul style="list-style-type: none"> <li>• Shareholder approval being granted at the General Meeting for the issue of New Shares in relation to the Issues and the appropriate authority remaining in place;</li> <li>• the Admission Condition being satisfied pursuant to such Issue; and</li> <li>• a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules.</li> </ul>
E.4	<p><b>Material interests</b></p> <p>Not applicable. No interest is material to the Issues.</p>
E.5	<p><b>Name of person selling securities</b></p> <p>Not applicable. No person or entity is offering to sell the securities as part of the Issues.</p>
E.6	<p><b>Dilution</b></p> <p>Existing Shareholders are not obliged to participate in the Issues. However, those Shareholders who do not participate in the Initial Issues will suffer a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of Ordinary Shares issued.</p> <p>If 150 million New Shares, being the maximum number of New Shares that could be issued, are issued under the Issues, Shareholders who do not participate in the Issues will suffer a dilution of approximately 80.54 per cent. to their existing percentage shareholding.</p>

	<p>New Shares will only be issued at a premium of 1.25 per cent. to the NAV per Ordinary Share at the relevant time. This premium is expected to be sufficient to cover the anticipated costs and expenses to be incurred by the Company in connection with the Issues and the Investment Manager has agreed to meet any shortfall in relation to the fixed costs. Accordingly, although any issue of New Shares pursuant to the Issues may be dilutive to an existing Shareholder's ownership in the Company, it will not result in any dilution to the NAV per Share.</p>
E.7	<p><b><i>Expenses charged to the investor</i></b></p> <p>Not applicable. There are no expenses charged to the investor.</p> <p>Any expenses incurred by an Intermediary are for its own account. Prospective investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer. The Intermediaries Terms and Conditions restrict the level of commission that Intermediaries may charge their respective clients who acquire New Shares pursuant to the Intermediaries Offers.</p>

## **RISK FACTORS**

**The risk factors set out below are those which the Directors consider to be material but are not the only risks relating to the Company or the Ordinary Shares. There may be additional risks that the Directors do not currently consider to be material or which are not presently known to the Directors. Before investing in the Ordinary Shares, potential investors should consult their stockbroker, bank manager, solicitor, accountant or other suitably qualified and independent financial adviser authorised under the Financial Services and Markets Act 2000 if they are in the United Kingdom or, in the case of Overseas Investors, another appropriately authorised financial adviser.**

**Potential investors should carefully consider all the information in this document, including the following material risk factors in relation to the Company and the Ordinary Shares, before deciding to invest in the Company.**

### **The Company**

Changes in economic conditions (including, for example, interest rates and rates of inflation), industry conditions, competition, changes in the law, local and national political and geopolitical events, terrorism, tax laws and other factors can substantially and adversely affect the value of investments and therefore the Company's performance and prospects.

### **Reliance on the Investment Manager**

The past performance of the Company, and of other funds with similar investment strategies and objectives managed by the Investment Manager, is not a guarantee of the future performance and prospects of the Company. The departure of key skilled professionals from the Investment Manager could have a material adverse effect on the Company's business, financial condition and operations.

### **Reliance on third party service providers**

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company is, therefore, reliant upon third party service providers for the performance of certain functions. The Investment Manager, Depositary and Registrar will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company and could affect the ability of the Company to meet its investment objectives. Similarly, the Investment Manager may be reliant on third party service providers (for services other than research) and a failure by any of these service providers to fulfil its obligations could materially affect the Investment Manager's ability to meet their obligations to the Company, which in turn would affect the ability of the Company to meet its investment objective and potentially have an adverse impact on the value of the Ordinary Shares and the Net Asset Value per Ordinary Share.

In the event that it is necessary for the Company or Investment Manager to replace any third party service provider it may be that the transition process takes time, increases costs and adversely impacts the Investment Manager's operations and/or the Company's investments and performance.

The Investment Manager, Registrar, Depositary, any of their members, directors, officers, employees, agents and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with the Company and its investments and which may affect the amount of time allocated by such persons to the Company's business. In particular, these parties may, without limitation: provide services similar to those provided to the Company to other entities; buy, sell or deal with assets on their own account (including dealings with the Company); and/or take on engagements for profit to provide services including but not limited to origination, development, financial advice, transaction execution, asset and special purpose vehicle management with respect to assets that are or may be owned directly or indirectly by the Company. These parties will not in any such circumstances be liable to the Company to account for any profit earned from any such services.

## **The Ordinary Shares**

The market prices of shares in investment trusts fluctuate independently of their net asset value and can be at a discount or premium to the net asset value at different times, depending on supply and demand, market conditions, general investor sentiment, dividend yields, prevailing interest rates and other factors. Accordingly, the market price of the Ordinary Shares may not fully reflect their underlying Net Asset Value.

Ordinary Shares in the Company are designed to be held over the long-term and may not be suitable as short term investments. The value of an investment in the Company and any income derived from it, if any, may go down as well as up. An investment in the Ordinary Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which might result from such an investment (which may be equal to the whole amount invested). There can be no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment. There can be no guarantee that the investment objectives of the Company will be achieved or provide the returns sought by the Company. No assurance can be given that any sale of the Company's investments would realise proceeds which would be sufficient to provide funds for any capital repayment to Shareholders. Shareholders will bear the rewards and risks of the success or otherwise of the Company's investments.

The investment returns from the Company's portfolio and the returns from an investment in Ordinary Shares in the future may differ materially from historical returns on the Ordinary Shares and will depend, among other things, on the composition of the Company's portfolio. The past performance of the Company, and of other investments managed by the Investment Manager, is not a guarantee of future performance.

The Company does not have a fixed winding up date and therefore, unless Shareholders vote to wind up the Company, Shareholders will only be able to realise their investment through the market. Although the New Shares will be listed on the premium segment of the Official List and admitted to trading on the premium segment of the Main Market, until the Company grows in size it will have a relatively small market capitalisation and it is possible that there may not be a liquid market in the New Shares and Shareholders may have difficulty selling them. In addition, the Company does not have a very wide shareholder base and a limited free float of Ordinary Shares may mean there is limited liquidity in the shares.

The Net Asset Value of an Ordinary Share is expected to fluctuate over time with the performance of the underlying assets. Under the terms of the Investment Management Agreement the Investment Manager does not earn an ongoing management fee but is entitled to a performance fee. Although the performance fee is capped at four per cent. of the Company's Net Asset Value per annum, in the event of significant outperformance this could result in a significant performance fee being payable to the Investment Manager and cause increased volatility in the Net Asset Value per Ordinary Share.

## **Dilution of Shareholders**

Existing Shareholders are not obliged to participate in the Issues. However, existing Shareholders who do not participate in the Issues will experience dilution in their ownership and voting interest in the Company if the Issues are implemented. In these circumstances a Shareholder's proportionate ownership and voting rights will be reduced and the percentage that his or her Shares will represent of the total share capital of the Company will be reduced accordingly. The number of New Shares that will be issued under the Issues is unknown at the date of this document. If 150 million New Shares, being the maximum number of New Shares that could be issued, are issued under the Issues, Shareholders who do not participate in the Issues will suffer a dilution of approximately 80.54 per cent. to their existing percentage shareholding.

New Shares will only be issued at a premium to the NAV per Ordinary Share at the relevant time which is expected to be sufficient to cover the anticipated costs and expenses to be incurred by the Company in connection with the Issues and the Investment Manager has agreed to meet any shortfall in relation to the fixed costs. Accordingly, although any issue of New Shares pursuant to the Issues may be dilutive to an existing Shareholder's ownership in the Company, it will not result in any dilution to the NAV per Share.

## **Borrowing**

The Company is not prohibited from incurring borrowings for working capital purposes, however the Board has no current intention to utilise borrowings. Whilst the use of borrowings should enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is falling, further reducing the total return on the Ordinary Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Ordinary Share.

The Company may invest in other closed-ended investment companies. As a consequence of its investments, the Company may therefore itself be indirectly exposed to gearing through the borrowings from time to time of these other investment companies. The Company has a policy of not investing more than ten per cent. of its gross assets in other closed-ended investment companies other than closed-ended investment companies which themselves have published investment policies to invest no more than 15 per cent. of their total assets in other listed closed-ended investment companies.

## **Dividends**

The Company does not have any formal policy to achieve any specified level of dividend. Dividends may only be paid to the extent that the Company has profits (including distributable reserves) available for that purpose, which will largely depend on the amount of income which the Company receives on its investments and the timing of such receipt.

If under UK law or accounting rules and standards applicable to the Company there were to be a change to the basis on which dividends could be paid by companies, this could have a negative effect on the Company's ability to pay dividends.

## **Investment objective and strategy**

The Company seeks to achieve its investment objective by investing in a portfolio of UK listed equities. The portfolio will be relatively concentrated and the exact number of individual holdings will vary over time but typically the portfolio will consist of 15 to 20 holdings.

The number, quality and size of investment opportunities, and general market and economic conditions, may lead to delays in investing the net proceeds of the Issues. If equity prices rise or fall significantly before the net proceeds are fully invested, the potential returns available to Shareholders may differ from the returns which would have been available on the Company's existing portfolio.

There is no guarantee that the Company's investment objective will be achieved.

The portfolio benchmark against which performance is measured is the FTSE All-Share Index, total return. The portfolio is actively managed and does not seek to track the benchmark and, although sector concentration and thematic characteristics of the portfolio are carefully monitored, the portfolio of investments held by the Company may not follow either the direction or extent of any moves in the benchmark or the financial markets generally (which may or may not be to the advantage of Shareholders).

The Company invests in large, medium and smaller capitalised companies. The medium and smaller capitalised companies may not necessarily have the resources of large-cap companies and, as a result, they may find it more difficult to operate in periods of economic slowdown, recession or turmoil, notwithstanding that the investment manager seeks to invest in high quality, resilient companies regardless of market capitalisation. The capitalisation of such companies could make the market in their shares less liquid and, consequently, the Company may be unable to liquidate all or a portion of its positions in such securities. In addition, the market prices tend to be more volatile and the Company may not be able to realise what it perceives to be their fair value in the event of a sale.

The performance of the Company's investments depends heavily on the skills and expertise of the Investment Manager. The Company has appointed Phoenix to manage the Company's assets in line with its investment objective. Phoenix uses a "value investing" approach. More information about Phoenix and its investment approach can be found in the section of this document titled "Investment Manager" in Part 2. In particular, the Company is dependent on the services of the Investment Manager's Chief Investment Officer Gary Channon who founded Phoenix in 1998 and acts as principal fund manager to the Company and therefore has significant influence over the particular investment strategy employed

by the Company. In the event of the death, incapacity, insolvency or withdrawal of Mr Channon the performance of the Company may be adversely affected.

The performance of the Company's investments will depend on the Investment Manager's ability to identify undervalued investment opportunities as well as to assess the import of news and events that may affect the financial markets. The Company may be required to hold investments for a substantial period of time before realising their anticipated value. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy the Company's assets. To the extent that there is a delay in making investments, the Company's returns will be reduced.

There are a number of risks inherent in the manner contemplated by the Company's investment policy and strategy. Price movements of the underlying investments are volatile and are affected by a wide variety of factors including changing supply and demand relationships, corporate mergers and acquisition activity, capital raisings and credit spread fluctuations, interest rate and exchange rate fluctuations, international events and government policies. These price movements could result in significant losses for the Company.

### **Disposal of assets**

Whilst the Company is not a limited life company, and is under no obligation to sell its investments within a fixed time frame, there can be no assurance that, at the time the Company seeks to dispose of its investments, conditions in the relevant market will be favourable or that the Company will be able to maximise the returns on such disposed investments. To the extent that market conditions are not favourable, the Company may not be able to dispose of investments at a gain. If the Company were required to dispose of or liquidate an investment on unsatisfactory terms, it may realise less than the last bid price at which the investment was previously recorded. As a result of the foregoing, there can be no assurances that the Company's portfolio can generate attractive returns for its Shareholders.

### **Sectoral diversification**

The Company has no specific limits placed on its exposure to any one sector (other than a 15 per cent. limit placed on any one investment at the time the investment is made). This may from time to time lead to the Company having significant exposure to certain business sectors. Concentration of investments in any one sector may result in greater volatility in the value of the Company's investments which could materially and adversely affect the performance of the Company and the return to Shareholders.

### **Past performance of the Investment Manager**

The Company has presented certain information in this Prospectus regarding the past performance of the Investment Manager and its key individuals. The past performance of the Investment Manager and its key individuals is not a guarantee, or intended to be a guarantee, of future performance or results of the Company for several reasons. For example, the structure, term, strategies and investment objectives and policy of the Company may differ from other funds managed by the Investment Manager and conditions in the market prevailing when the Investment Manager or its key individuals managed other funds may be different from those conditions that will be relevant to the Company.

Additionally, the future performance and results of the Company will be subject to fluctuating market conditions, changes in macro-economic factors and the availability of financing. Accordingly, there can be no assurance that the Company will have the same opportunities to invest in assets that generate similar returns to such other funds, although the Investment Manager will continue to adopt the same investment strategy.

### **Derivatives**

The Company may use derivatives which will be principally, but not exclusively, for the purpose of efficient portfolio management (that is for the purpose of reducing, transferring or eliminating investment risk in its investments, including protection against currency risks). The use of derivatives may lead to higher volatility in the Net Asset Value per Ordinary Share and Ordinary Share price than might otherwise be the case.

### **Credit and counterparty risk**

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. The Company's principal financial assets are investments, bank balances, cash and other receivables, which represent the Company's exposure to credit risk in relation to financial assets. The Company is exposed to potential failure by counterparties to deliver securities for which the Company has paid and to pay for securities which the Company has delivered. Risks relating to unsettled transactions are considered by the Company to be small as a result of the relatively short settlement period involved and the credit quality of the brokers used. Substantially all of the assets of the Company other than cash deposits are held by the Depositary. Bankruptcy or insolvency of the Depositary might cause the Company's rights in respect of the securities held by that Depositary to be delayed or limited. The credit risk on liquidity funds and derivative financial instruments is limited as the counterparties are banks with high credit ratings or with ratings that are reviewed by the Investment Manager. Bankruptcy or insolvency of any such financial institution may limit or delay the Company's ability to access cash placed on deposit.

### **Market price risk**

The fair value of equity and other financial securities held in the Company's portfolio fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues including the market perception of future risks.

### **UK economic conditions**

Changes in the economic conditions in the UK where the Company predominantly invests (for example interest rates and rates of inflation, industry conditions, competition, political and diplomatic events and other factors) could substantially and adversely affect the Company's prospects. Similarly, changes in economic conditions in other jurisdictions could also have indirect adverse effects on the Company's investment returns.

### **Due diligence**

Prior to investing in equities, the Investment Manager will perform due diligence on the proposed investment. In doing so, it may, in certain circumstances, rely in part on information from third parties as a part of its due diligence process. To the extent that the Investment Manager underestimates or fails to identify risks and liabilities associated with the investment in question, this may impact on the profitability of the investment.

### **Foreign currency risks**

The Ordinary Shares are denominated in Sterling. However, certain investments made by the Investment Manager may not be denominated in Sterling. Accordingly, the value of such investments may decline due to fluctuations in the exchange rates between Sterling and the currencies in which such investments are made. The risk to the Company of a decline in value of the investments due to foreign exchange fluctuations may not be hedged.

### **Discount and premium control**

The Board monitors the level of the discount or premium at which the Ordinary Shares trade and the Company has authority to buy back or issue shares when deemed to be in the best interests of Shareholders as a whole.

The ability of the Company to control the level of discount or premium will depend on the Company being able to buy back or issue Ordinary Shares, which will be dependent upon Shareholders in general meeting conferring authority on the Board to buy back or issue Ordinary Shares. The Board will seek renewal of these authorities from Shareholders annually and at other times should this prove necessary. However, there can be no guarantee that the requisite Shareholder approvals will be obtained.

The extent to which the Company can buy back and issue Ordinary Shares will be limited to certain percentages of the Company's issued share capital as at the date on which the authorities are granted. In order to continue buying back and issuing Ordinary Shares once any such authorities have been exhausted, the Company would require to renew such authorities from Shareholders in a general meeting.

The ability of the Company to buy back or issue Ordinary Shares will be subject to the Act and all other applicable legislation, rules and regulations of any government, regulatory body or market applicable to the Directors or the Company and, will be dependent on the availability of distributable reserves.

#### **Cessation of investment trust status**

The Company aims to conduct its business so as to continue to satisfy the conditions to retain approval as an investment trust under section 1158 of the Tax Act. The Company has been approved as an investment trust pursuant to the Investment Trust (Approved Company) (Tax) Regulations 2011 and it will therefore continue to have investment trust status in each accounting period going forward, other than to the extent that the Company commits a serious breach of one of the conditions for qualification as an investment trust, and will be exempt from United Kingdom taxation on its capital gains. Breach of the tests that a company must meet to retain approval as an investment trust company could lead to the Company being subject to tax on capital gains which could have a material adverse effect on the financial condition of the Company.

#### **Tax and accounting**

Any change in the Company's tax status or in taxation legislation or accounting practice could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this document concerning the taxation of investors are based upon current tax law and practice, which are, in principle, subject to change.

Any change in accounting standards may adversely affect the value of the Company's assets in its books of account or restrict the ability of the Company to pay dividends.

#### **Laws and regulations which may affect the Company**

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect the Company's business, investments and performance. The Company is subject to laws and regulations enacted by national and local government. In addition, the Company is required to comply with certain regulatory requirements which are applicable to closed-ended investment companies (including continuing obligations) whose shares are listed on the premium segment of the Official List. Any change in the laws and regulations affecting the Company, the Investment Manager or the Company's investments may have an adverse effect on the ability of the Company to carry on its business and pursue its investment policy.

#### **Risks relating to the UK's proposed exit from the European Union**

The Company could face potential uncertainty as a result of the UK Government triggering Article 50 of the Treaty on the European Union on 29 March 2017. The exit, anticipation of the exit or the terms of the exit could create UK (and potentially global) uncertainty, which may have a material effect on the total shareholder returns, the Net Asset Value and the price of the Ordinary Shares favourably or unfavourably.

## IMPORTANT INFORMATION

### General

This document should be read in its entirety. New investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company or the Investment Manager or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation neither the delivery of this document nor any subscription made following receipt of this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

Shareholders must not treat the contents of the document or any subsequent communications from the Company, or the Investment Manager or any of their respective affiliates, officers, directors, employees or agents, as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Apart from the liabilities and responsibilities (if any) which may be imposed on the Placing Agent and the Sponsor by FSMA or the regulatory regime established thereunder, the Placing Agent and the Sponsor make no representations, express or implied, or accept any responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by them or on their behalf in connection with the Company, the New Shares or the Issues. The Placing Agent and the Sponsor accordingly disclaim all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which they might otherwise have in respect of this document or any such statement.

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

The Company consents to the use of this Prospectus by the Intermediaries in connection with the Intermediaries Offers in the United Kingdom on the following terms: (i) in respect of Intermediaries who are appointed by the Company on or prior to the date of this Prospectus, from the date of this Prospectus; and (ii) in respect of Intermediaries who are appointed by the Company after the date of this Prospectus, from the date on which they are appointed to participate in the Intermediaries Offers and agree to adhere to and be bound by the Intermediaries Terms and Conditions, in each case until the closing of the relevant Intermediaries Offer.

The offer period, within which any subsequent resale or final placement of securities by Intermediaries can be made and for which consent to use this Prospectus is given, commences on 5 September 2017 and closes at 5.00 p.m. on 4 September 2018, unless closed prior to that time and/or date (any such earlier closure will be announced through a Regulatory Information Service).

**Any Intermediary that uses this Prospectus must state on its website that it is using this Prospectus in accordance with the Company's consent. Intermediaries are required to provide the terms and conditions of any subsequent resale or final placement of securities to any prospective investor who has expressed an interest in participating in the Intermediaries Offers to such Intermediary at the time of the offer by the Intermediary.** The Company consents to the use of this Prospectus and accepts responsibility for the content of this Prospectus also with respect to any subsequent resale or final placement of securities by any Intermediary in accordance with the Intermediaries Terms and Conditions.

All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

If you are in doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant, legal or professional adviser or other adviser.

### **Regulatory information**

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, New Shares in any jurisdiction in which such offer or solicitation is unlawful. The issue or circulation of this document may be prohibited in some countries.

### **Investment considerations**

The contents of this document are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment decisions or any other matter. Prospective investors must inform themselves as to (i) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares.

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

It should be remembered that the price of an Ordinary Share, and the income from such Ordinary Shares (if any), can go down as well as up. An investment in Ordinary Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as long-term in nature and complementary to existing investments in a range of other financial assets.

### **Forward looking statements**

To the extent that this document includes “forward looking statements” concerning the Company, those statements are based on the current expectations of the Board and are naturally subject to uncertainty and changes in circumstances. Forward looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates” and words of similar import.

By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Forward looking statements are not guarantees of future performance. Given these risks and uncertainties, potential investors should not place undue reliance on forward looking statements as a prediction of actual results.

Nothing in the preceding two paragraphs seeks to limit or qualify, in any way, the working capital statement in paragraph 8 of Part 5 of this document.

The Company does not undertake any obligation to update publicly or revise forward looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Information in this document will be updated as required by the Prospectus Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation, as appropriate.

### **Latest practicable date**

In this document, where the context requires, references to 31 August 2017 should be treated as being references to the latest practicable date prior to the publication of this document.

## Documents incorporated by reference

The published annual report and accounts of the Company for the four financial periods ended 31 December 2016 (the annual report and accounts for the financial periods ended 28 February 2014, 28 February 2015 and 29 February 2016 relate, in part, to financial periods prior to the appointment of the Investment Manager in January 2016) and the interim reports for the Company for the four month period ended 30 June 2016 and the six month period ended 30 June 2017 on the pages specified in the table below are incorporated by reference into this document. The non-incorporated parts of these annual report and accounts of the Company are either not relevant to investors or are covered elsewhere in this document.

	<i>Accounts for year ended 28 February 2014 Page No.</i>	<i>Accounts for year ended 28 February 2015 Page No.</i>	<i>Accounts for year ended 29 February 2016 Page No.</i>	<i>Accounts for period ended 31 December 2016 Page No.</i>	<i>Interim report for the four months ended 30 June 2016 Page No.</i>	<i>Interim report for the six months ended 30 June 2017 Page No.</i>
<b>Nature of information</b>						
Financial Highlights	2	2	5	—	—	—
Chairman's Statement	3-4	3-4	6-8	6-7	—	—
Investment Manager's Review and Outlook	5-9	5-8	12-15	9-13	2-4	3-6
Investment Policy and Performance	10-12	9-11	16-20	14-18	1	1
Portfolio Analysis	13	12	22-23	20	5-6	7-8
Analysis of Investments	14-16	13-15	—	—	—	—
Independent Auditors' Report	32-33	31-33	47-51	44-48	—	—
Statement of Comprehensive Income	34	34	54	50	9	11
Balance Sheet	35	35	55	51	11	12
Statement of Changes in Equity	36	36	56	52	10	13-14
Cash Flow Statement	37	37	58	54	12	15
Notes to the Financial Statements	41-48	41-48	59-75	55-67	13-14	16-17

The documents incorporated by reference can be obtained from the Company's website [www.aurorainvestmenttrust.com](http://www.aurorainvestmenttrust.com), and as set out in paragraph 13 of Part 7 of this document.

## Data protection

The information that a new investor in the Company provides in documents in relation to a subscription for New Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("personal data") will be held and processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) and/or the Secretary in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom. Each prospective investor acknowledges and consents that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) and/or the Secretary 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;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

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

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

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

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

### **Currency presentation**

Unless otherwise indicated, all references in this document to “GBP”, “pounds sterling”, “£”, “pence” or “p” are to the lawful currency of the UK.

### **Website**

The contents of the Company’s website ([www.aurorainvestmenttust.com](http://www.aurorainvestmenttust.com)), save to the extent that such content is incorporated by reference into this document, does not form part of this document. Investors should base their decision whether or not to invest in the New Shares on the contents of this document alone.

### **Governing law**

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales.

### **Notice to prospective investors in the European Economic Area**

The New Shares have not been, and will not be, registered under the securities laws, or with any securities regulatory authority of, any EEA State other than the United Kingdom and subject to certain exceptions, the New Shares may not, directly or indirectly, be offered, sold, taken up or delivered in or into any EEA State other than the United Kingdom. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions.

### **Notice to prospective investors in Jersey**

Subject to certain exemptions (if applicable), offers for securities in the Company may only be distributed and promoted in or from within Jersey by persons with appropriate registration under the Financial Services (Jersey) Law 1998, as amended. It must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company.

Consent under the Control of Borrowing (Jersey) Order 1958 has not been obtained for the circulation of this document. Accordingly, the offer that is the subject of this document may only be made in Jersey where the offer is not an offer to the public or the offer is valid in the United Kingdom and is circulated into 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 as the case may be.

## EXPECTED TIMETABLE

### Initial Placing and Offer for Subscription

Initial Placing and Offer for Subscription opens	5 September 2017
Publication of Initial Issues Price	27 September 2017
Latest time and date for receipt of commitments under the Initial Placing	3.00 p.m. on 28 September 2017
Latest time and date for receipt of Application Forms under the Offer for Subscription	3.00 p.m. on 28 September 2017
Results of Initial Issues announced	by close of business on 28 September 2017
Admission and dealings in New Shares commence	2 October 2017
Crediting of CREST accounts in respect of the New Shares	2 October 2017
Share certificates in respect of the New Shares despatched (if applicable)	week commencing 9 October 2017

### Intermediaries Offers

Initial Intermediaries Offer opens	5 September 2017
Latest time and date for receipt of application forms from Intermediaries under the Initial Intermediaries Offer	3.00 p.m. on 28 September 2017
Second Intermediaries Offer opens	27 November 2017
Latest time and date for receipt of application forms from Intermediaries under the Second Intermediaries Offer	13 December 2017
Third Intermediaries Offer opens	5 March 2018
Latest time and date for receipt of application forms from Intermediaries under the Third Intermediaries Offer	23 March 2018
Fourth Intermediaries Offer opens	11 June 2018
Latest time and date for receipt of application forms from Intermediaries under the Fourth Intermediaries Offer	29 June 2018
Final Intermediaries Offer opens	13 August 2018
Latest time and date for receipt of application forms from Intermediaries under the Final Intermediaries Offer	31 August 2018
Publication of Subsequent Issues Price in respect of each Intermediaries Offer	the Business Day prior to the close of the relevant Intermediaries Offer
Results of Intermediaries Offers announced	by close of business on the Business Day following the close of the relevant Intermediaries Offer
Admission and dealings in New Shares commence	as soon as practicable following each Issue
Crediting of CREST accounts in respect of the New Shares	8.00 a.m. on each day New Shares are issued

## Placing Programme

Placing Programme opens	2 October 2017
Admission and dealings in New Shares commence	2 October 2017 to 4 September 2018
Publication of Subsequent Issues Price in respect of each Issue under the Placing Programme	the Business Day prior to the close of the relevant Issue
Crediting of CREST accounts in respect of New Shares	8.00 a.m. or as soon as practicable thereafter on each day New Shares are issued
Share certificates in respect of New Shares despatched (if applicable)	Approximately one week following the issue of any New Shares

### Notes:

- (i) *The dates set out in the expected timetable above may be adjusted by the Company, in which event details of the new dates will be notified to the UK Listing Authority and the London Stock Exchange and an announcement will be made through a Regulatory Information Service.*
- (ii) *All references to time in this document are to London time.*
- (iii) *New Shares will be issued pursuant to the Issues only at such times (if any) as the Directors believe it is advantageous to the Company's Shareholders to do so. New Shares will be issued pursuant to the Issues only during the period commencing at 8.00 a.m. on 2 October 2017 and ending at 5.00 p.m. on 4 September 2018.*
- (iv) *Prospective investors who apply for New Shares in the Intermediaries Offers should consult their Intermediary as to when they will be sent documents in respect of the New Shares that they have been allocated and when they may commence dealing in any such New Shares.*

## ISSUE STATISTICS

Number of Ordinary Shares as at the date of this document 36,237,853

### **New Shares to be issued under the Issues**

Maximum number of New Shares that may be issued under the Initial Placing and Placing Programme 75 million

Maximum number of New Shares that may be issued under the Offer for Subscription and Intermediaries Offers 75 million

### **Price at which New Shares will be issued**

Initial Issues Price per New Share 1.25 per cent. premium to the Net Asset Value per Ordinary Share as at 26 September 2017

Subsequent Issues Price per New Share 1.25 per cent. premium to the Net Asset Value per Ordinary Share two Business Days prior to the close of the relevant Issue

## DEALING CODES

ISIN GB0000633262

SEDOL 0063326

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## DEFINITIONS

In this document, the words and expressions listed below have the meanings set out opposite them (except where the context otherwise requires):

<b>Act</b>	the Companies Act 2006, as amended
<b>Administration Agreement</b>	the administration agreement dated 26 February 1997 (as amended by side letters dated December 2011 and 28 January 2016) between the Company and the Secretary, further details of which are set out in paragraph 8.3 of Part 7 of this document
<b>Admission</b>	in respect of New Shares, the admission of such New Shares to the Official List and to trading on the Main Market
<b>Admission Condition</b>	(i) the UKLA having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of any New Shares arising under the Issues to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (“listing conditions”)) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied and (ii) the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the relevant New Shares will be admitted to trading on the Main Market
<b>AIC</b>	the Association of Investment Companies
<b>AIC Code</b>	the Association of Investment Companies Code of Corporate Governance
<b>AIFM Directive</b>	Directive 2011/61/EU of the European Parliament and of the Council, as amended
<b>Application Form</b>	the application form for use in connection with the Offer for Subscription
<b>Articles</b>	the articles of association of the Company, as amended
<b>Auditors</b>	Grant Thornton UK LLP, a limited liability partnership incorporated in England and Wales (registered number OC307742), whose registered office is at Grant Thornton House, Melton Street, Euston Square, Euston, London NW1 2EP
<b>Australia</b>	the Commonwealth of Australia, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof
<b>Business Day</b>	a day (other than a Saturday, Sunday or public holiday) on which the London Stock Exchange is open for business
<b>Canada</b>	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
<b>Capita Asset Services</b>	a trading name of Capita Registrars Limited, a company incorporated in England and Wales (registered number 02605568), whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU

<b>Company</b>	Aurora Investment Trust plc, a company incorporated in England and Wales (registered number 03300814), whose registered office is at Mermaid House, 2 Puddle Dock, London EC4V 3DB
<b>CREST</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
<b>Depository</b>	BNP Paribas Securities Services, London Branch, a company incorporated in France (registered number 552 108 011), whose registered office is at 3, rue d'Antin, 75002 Paris, France acting through its London branch whose office is at 10 Harewood Avenue, London NW1 6AA
<b>Depository Agreement</b>	the depository agreement dated 28 January 2016 between the Company, the AIFM and the Depository, further details of which are set out in paragraph 8.2 of Part 7 of this document
<b>Directors or Board</b>	the directors of the Company
<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA, as amended
<b>Documentation Costs</b>	the aggregate costs of and incidental to the publication of this document
<b>EEA States</b>	the member states of the European Economic Area
<b>ERISA</b>	the US Employee Retirement Income Security Act 1974, as amended
<b>Euroclear</b>	Euroclear UK & Ireland Limited
<b>fair value</b>	the amount for which an asset or liability could be exchanged in an arm's length transaction between unrelated, willing parties
<b>FATCA</b>	the US Foreign Account Tax Compliance Act 2010 as amended and any regulations made thereunder or in association therewith
<b>FCA</b>	the Financial Conduct Authority
<b>Final Intermediaries Offer</b>	the Intermediaries Offer expected to close on or around 31 August 2018
<b>Fourth Intermediaries Offer</b>	the Intermediaries Offer expected to close on or around 29 June 2018
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended
<b>General Meeting</b>	the general meeting of the Company to be held at 3.00 p.m. on 28 September 2017 and any adjournment thereof
<b>IFRS</b>	international financial reporting standards
<b>Initial Admission</b>	the admission of the New Shares to the Official List and to trading on the Main Market pursuant to the Initial Issues

<b>Initial Intermediaries Offer</b>	the initial offer of New Shares at the Initial Issues Price by the Intermediaries as described in Part 3 of this document
<b>Initial Issues</b>	the issue of New Shares at the Initial Issues Price under the Initial Placing, Offer for Subscription and Initial Intermediaries Offer as described in Part 3 of this document
<b>Initial Issues Price</b>	the price at which New Shares will be issued under the Initial Issues as set out in Part 3 of this document
<b>Initial Placing</b>	the initial placing of New Shares at the Initial Issues Price by the Company as described in Part 3 of this document
<b>Intermediaries</b>	the entities listed in paragraph 10 of Part 7, together with any other intermediary that is appointed by the Company in connection with the Intermediaries Offers after the date of this document
<b>Intermediaries Offers Adviser</b>	Solid Solutions Associates (UK) Limited, a company incorporated in England and Wales (registered number 07166589), whose registered office is at 5 St. John's Lane, London EC1M 4BH
<b>Intermediaries Offers Application Form</b>	the form of application for New Shares in the Intermediaries Offers used by the Intermediaries
<b>Intermediaries Offers</b>	the offers of New Shares by the Intermediaries as described in Parts 3 and 4 of this document, including the Initial Intermediaries Offer and the Subsequent Intermediaries Offers
<b>Investment Management Agreement</b>	the investment management agreement dated 28 January 2016 between the Company and the AIFM, further details of which are set out in paragraph 8.1 of Part 7 of this document
<b>Investment Manager or AIFM or Phoenix</b>	Phoenix Asset Management Partners Limited, a company incorporated in England and Wales (registered number 03514660), whose registered office is at 64-66 Glenthams Road, Barnes, London SW13 9JJ
<b>ISA</b>	an individual savings account for the purposes of section 694 of the Income Tax (Trading and Other Income) Act 2005
<b>Issues</b>	the issue of New Shares pursuant to the Initial Placing, Offer for Subscription, the Intermediaries Offers and/or the Placing Programme (as the case may be) as described in this document
<b>Japan</b>	Japan, its cities, prefectures, territories and possessions
<b>Listing Rules</b>	the listing rules made by the FCA under Part VI of FSMA, as amended
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Main Market</b>	the London Stock Exchange's main market for listed securities
<b>Market Abuse Regulation</b>	Regulation (EU) 596/2014, all delegated regulations and implementing regulations made thereunder and any legislation made in the United Kingdom in connection with the entry into force of such regulation

<b>Net Asset Value or NAV</b>	the value of the Company's assets, less any liabilities (including any costs or borrowings)
<b>Net Asset Value per Ordinary Share</b>	the prevailing net asset value per Ordinary Share from time to time, calculated in accordance with the Company's normal accounting policies
<b>New Shares</b>	the new Ordinary Shares to be issued pursuant to any Issue
<b>Offer for Subscription</b>	the offer for subscription of New Shares at the Initial Issues Price by the Company as described in Part 3 of this document
<b>Official List</b>	the official list of the UK Listing Authority
<b>Ordinary Shares or Shares</b>	ordinary shares of 25 pence each in the capital of the Company
<b>Overseas Investor</b>	a person who is not resident in, or who is outside or who has a registered address outside, the United Kingdom
<b>Placees</b>	the persons to whom the New Shares are issued pursuant to the Initial Placing and/or the Placing Programme
<b>Placing Agent or Liberum</b>	Liberum Capital Limited, a company incorporated in England and Wales (registered number 05912554), whose registered office is at Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY
<b>Placing Agreement</b>	the placing agreement between the Company, the Investment Manager and the Placing Agent, further details of which is set out in paragraph 8.4 of Part 7 of this document
<b>Placing Programme</b>	the proposed programme of placings of New Shares by the Placing Agent as described in Part 4 of this document
<b>PRA</b>	the Prudential Regulation Authority
<b>Prospectus</b>	this document
<b>Prospectus Rules</b>	the prospectus rules made by the FCA under Part VI of FSMA, as amended
<b>Receiving Agent or Registrar</b>	Capita Asset Services
<b>Regulatory Information Service</b>	a regulatory information service that is on the list of regulatory information services maintained by the FCA
<b>Second Intermediaries Offer</b>	the Intermediaries Offer expected to close on or around 13 December 2017
<b>Secretary</b>	PraxisIFM Fund Services (UK) Limited, a company incorporated in England and Wales (registered number 09879916), whose registered office is at Mermaid House, 2 Puddle Dock, London EC4V 3DB
<b>Shareholder</b>	a holder of Ordinary Shares
<b>SIPP</b>	a self-invested personal pension plan
<b>Sponsor</b>	Dickson Minto W.S.
<b>SSAS</b>	a small self-administered pension scheme

<b>Subsequent Intermediaries Offers</b>	the offers of New Shares at the Subsequent Issues Price by the Intermediaries following the Initial Intermediaries Offer as described in Part 4 of this document
<b>Subsequent Issues</b>	the issue of New Shares at the Subsequent Issues Price under the Placing Programme and Subsequent Intermediaries Offers as described in Part 4 of this document
<b>Subsequent Issues Price</b>	the price at which New Shares will be issued under the Subsequent Issues which will be calculated as described in Part 4 of this document
<b>Takeover Code</b>	the City Code on Takeovers and Mergers, as amended
<b>Tax Act</b>	the Corporation Tax Act 2010, as amended
<b>Tax Code</b>	the US Internal Revenue Code of 1986, as amended
<b>Third Intermediaries Offer</b>	the Intermediaries Offer expected to close around 23 March 2018
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UK Code</b>	the UK Corporate Governance Code issued by the Financial Reporting Council, as amended
<b>UK Listing Authority or UKLA</b>	the FCA, acting in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>US Investment Company Act</b>	the US Investment Company Act of 1940, as amended
<b>US Person</b>	has the meaning given in Regulation S of the US Securities Act
<b>US Securities Act</b>	the US Securities Act of 1933, as amended
<b>VAT</b>	value added tax

## DIRECTORS, INVESTMENT MANAGER AND OTHER ADVISERS

<b>Directors</b>	Lord Flight (Chairman) Tristan Chapple Richard Martin The Honourable James Nelson David Stevenson  all non-executive and of Mermaid House, 2 Puddle Dock, London EC4V 3DB
<b>Registered Office</b>	Mermaid House 2 Puddle Dock London EC4V 3DB
<b>Investment Manager and AIFM</b>	Phoenix Asset Management Partners Limited 64-66 Glentham Road Barnes London SW13 9JJ
<b>Secretary</b>	PraxisIFM Fund Services (UK) Limited Mermaid House 2 Puddle Dock London EC4V 3DB
<b>Corporate Broker and Placing Agent</b>	Liberum Capital Limited Ropemaker Place 25 Ropemaker Street London EC2Y 9LY
<b>Intermediaries Offers Adviser</b>	Solid Solutions Associates (UK) Limited 5 St. John's Lane London EC1M 4BH
<b>Solicitor and Sponsor</b>	Dickson Minto W.S. Broadgate Tower 20 Primrose Street London EC2A 2EW
<b>Legal Adviser to the Placing Agent</b>	Travers Smith LLP 10 Snow Hill London EC1A 2AL
<b>Auditors</b>	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU
<b>Receiving Agent</b>	Capita Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Registrar</b>	Capita Asset Services Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA
<b>Depository</b>	BNP Paribas Securities Services, London Branch 10 Harewood Avenue London NW1 6AA

## PART 1

### AURORA INVESTMENT TRUST PLC

#### **Introduction**

Aurora Investment Trust plc, which was launched in March 1997, is an investment trust company whose objective is to achieve long-term returns through capital and income growth by investing in a concentrated portfolio of UK listed equities.

The Company appointed Phoenix Asset Management Partners Limited as its investment manager on 28 January 2016. The Investment Manager was set up in 1998 by Gary Channon and had approximately £785 million of assets under management as at 31 August 2017. The core investment team of the Investment Manager has been together for over 16 years.

The Company's investment portfolio is relatively concentrated, typically holding between 15 and 20 investments in UK listed equities. The Company's benchmark is the FTSE All-Share Index, total return.

#### **Background to the Issues**

The Issues have been proposed by the Directors to increase the size of the Company. The Issues may also provide an opportunity to attract new investors and therefore may improve the liquidity of the Ordinary Shares. The Directors will apply the net proceeds of any Issues in accordance with the Company's investment policy.

#### **Investment objective and policy**

##### *Investment objective*

The Company's objective is to provide Shareholders with long-term returns through capital and income growth.

##### *Investment policy*

The Company seeks to achieve its investment objective by investing in a portfolio of UK listed equities. The portfolio will be relatively concentrated. The exact number of individual holdings will vary over time but typically the portfolio will consist of 15 to 20 holdings. The Company may use derivatives and similar instruments for the purpose of capital preservation. There are no pre-defined maximum or minimum exposure levels for each individual holding or sector, but these exposures are reported to and monitored by, the Board in order to ensure that adequate diversification is achieved. The Company's policy is not to invest more than 15 per cent. of its gross assets in any one investment at the time of investment.

While there is a comparable index for the purposes of measuring performance over material periods, no attention is paid to the composition of this index when constructing the portfolio and the composition of the portfolio is likely to vary substantially from that of the index. The Company may from time to time invest in other UK listed investment companies, but the Company will not invest more than ten per cent. in aggregate of the total assets of the Company in other listed closed-ended investment funds other than closed-ended investment funds which themselves have published investment policies to invest no more than 15 per cent. of their total assets in other listed closed-ended funds. The Company will not invest in any other fund managed by the Investment Manager.

The Company does not currently intend to use gearing. However, if the Board did decide to utilise gearing the aggregate borrowings of the Company would be restricted to 30 per cent. of the aggregate of the paid up nominal capital plus the capital and revenue reserves.

Any material change to the investment policy of the Company will only be made with the approval of Shareholders at a general meeting. In the event of a breach of the Company's investment policy, the Directors will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.

#### **Investment outlook**

The Board believes that the long-term investment outlook for the Company is positive and will be determined by two factors: firstly, how "cheap" the portfolio is at prevailing market prices in relation to the

Investment Manager's estimate of its true or "intrinsic" value; and, secondly, the strong 19 year track record that the Investment Manager has of buying cheap stocks that converge with intrinsic value over time.

The investment strategy relies on being able to buy shares in high quality businesses at times when they are out of favour and the Investment Manager considers that the share price is low. This is likely to mean that, often, the future value of the investment portfolio is being increased the most as the Net Asset Value and/or the Share price is falling. These falls might be exaggerated in a bear market. The investment approach is likely to result in periods of significant volatility and divergence from the market benchmark but the Investment Manager does not believe that higher volatility means higher risk. Phoenix believe that the long-term value of a business is driven by the underlying business fundamentals and not the share price. Phoenix therefore believe that extensive knowledge of the fundamentals of a business mitigate the investment risk. Where a business is identified as having strong business fundamentals, Phoenix view low share prices as an opportunity to buy more shares.

The Board believes that the Investment Manager's rational stock picking approach, will continue to generate favourable investment results over the long-term. The track record of the Investment Manager has been achieved over a period that has included several periods of considerable geopolitical and economic uncertainty including the end of the "dot-com bubble", the 2003 Iraq war and the global financial crisis in 2008.

### Investment portfolio

As at 31 August 2017 (being the latest practicable date prior to the publication of this document) the Company's portfolio comprised investments with an aggregate unaudited value, calculated in accordance with the Company's accounting policies, of £62,396,928 and £10,368,542 of cash.

The investment policy permits the Company to invest in listed UK equities and has no pre-defined maximum or minimum exposure levels for holdings or sectors. Recent areas of focus have included: UK housebuilding, fast moving consumer goods, steel flow control, spirits, UK supermarkets, UK pubs, insurance, airlines and UK sports retail. A full breakdown of the current portfolio by sector is contained on pages 56 and 57 of this document.

The Company's ten largest holdings, as at 31 August 2017 (being the latest practicable date prior to the publication of this document), were as follows:

	<i>Valuation</i> (£)	<i>% of</i> <i>Portfolio</i>
Lloyds Banking Group PLC	7,421,026.40	10.2%
Bellway PLC	6,700,973.40	9.2%
Sports Direct International	6,630,604.40	9.1%
Tesco PLC	6,463,737.90	8.9%
Vesuvius PLC	4,415,400.18	6.1%
Randall and Quilter Investment	4,401,625.20	6.0%
Morrison (WM.) Supermarkets	3,981,756.00	5.5%
Wetherspoon (J.D) PLC	3,008,170.66	4.1%
Glaxosmithkline PLC	2,826,240.50	3.9%
Redrow PLC	2,736,566.33	3.8%
<b>Total</b>	<b><u>48,586,100.97</u></b>	<b><u>66.8%</u></b>

### Capital structure

The Company's share capital is comprised only of Ordinary Shares, all of which are listed on the premium segment of the Official List and admitted to trading on the premium segment of the Main Market. Shareholders are entitled to such dividends (if any) as are announced by the Company and are entitled, on a return of capital by way of a winding up or otherwise, to all undistributed revenue of the Company and to the residual capital of the Company which remains after satisfying any liabilities.

At the annual general meeting of the Company held on 8 June 2017, the Directors were granted authority to allot Ordinary Shares up to an aggregate nominal amount of £585,085. The provisions of the Act which would confer pre-emption rights in respect of such allotments were also disapplied in respect of the

allotment or issue out of treasury of Ordinary Shares up to an aggregate nominal value of £585,085 for the period of 15 months from the passing of the resolution or up until the conclusion of the next annual general meeting of the Company, whichever is earlier. As at the date of this document, 1,458,985 such Shares had been issued and accordingly the Directors' remaining authority to issue new Ordinary Shares on a non-pre-emptive basis for cash extends to 881,355 Ordinary Shares. The Company has convened the General Meeting to seek additional authority to allot up to 150 million Ordinary Shares on a non-pre-emptive basis in relation to the Issues.

### **Dividend policy**

The Company does not have any formal policy to achieve any specified level of dividend. However, the Board will distribute substantially all the net revenue arising from the investment portfolio. Accordingly, the Company is expected to pay an annual final dividend but this may vary each year and could be lower than the level of dividends paid prior to the appointment of the Investment Manager.

### **Borrowings and gearing**

The Company has the power under its Articles to borrow money. The Company does not currently intend to use gearing. However, if the Board did decide to utilise gearing the aggregate borrowings of the Company would be restricted to 30 per cent. of the aggregate of the paid up nominal capital plus the capital and revenue reserves.

### **Duration**

As the Company is a long-term investment vehicle it does not have a fixed life. However, the Articles currently require the Board to put an ordinary resolution to the Shareholders to approve the continuation of the Company as an investment trust at each third subsequent annual general meeting of the Company after the annual general meeting held in 2014. Following the appointment of Phoenix in January 2016, the Board announced that they would not propose a continuation vote at the annual general meeting held on 8 June 2017. It is the intention of the Board that the next continuation vote will be put to Shareholders at the annual general meeting of the Company to be held in 2019.

### **Discount and premium control**

The Board is aiming to achieve a Share price over the long-term that reflects the level and movement of the Net Asset Value per Ordinary Share. This is intended to be achieved in the following ways.

- The Company will use clear and transparent communication that seeks to attract new and existing investors to invest and keep investing in the Company.
- Execution of the stated investment strategy and the delivery of excellent long-term investment returns in excess of most peers and the benchmark.
- The Company intends to buy back shares when the discount to Net Asset Value per Ordinary Share is persistent and a share buy back represents the appropriate use of Shareholders' funds.

The Directors have been given authority, in accordance with the Act, by Shareholders to allot new Ordinary Shares for cash on a non pre-emptive basis. Further details of this authority are set out in paragraph 2.5 of Part 7 of this document. The Directors will seek renewals of this authority annually and at other times should this prove necessary.

At the General Meeting the Directors shall seek authority to allot up to a maximum of 150 million New Shares on a non pre-emptive basis in relation to the Issues. The Company has in place a block listing which it utilises from time to time to meet demand in the market. The Company intends to continue to utilise the block listing following expiry of this Prospectus.

At the Company's most recent annual general meeting on 8 June 2017, the Company was granted the authority to buy back up to 5,213,352 Ordinary Shares. As at the date of this document, the Company has not purchased any Ordinary Shares pursuant to this authority. Any buy back of Ordinary Shares will be made subject to the Act and within guidelines established from time to time by the Board and the making and timing of any buy backs will be at the absolute discretion of the Board. The Directors are authorised to cancel any Ordinary Shares purchased under this authority or to hold them in treasury. Purchases of Ordinary Shares will be made only through the market for cash at prices below the prevailing Net Asset Value per Ordinary Share (as last published). Such purchases will also be made only in accordance with the rules of the UK Listing Authority, which provide that the price to be paid must not

be more than five per cent. above the average of the middle market quotations for the Ordinary Shares for the five Business Days before the purchase is made, or less than the nominal value of an Ordinary Share.

It is the intention of the Directors that the share buy back authority will be used to purchase Ordinary Shares if the discount to Net Asset Value per Ordinary Share is persistent and the Directors consider it appropriate. However, this will not require the Directors to take any steps that would require the Company to make a tender offer for its Ordinary Shares. Shareholders are referred to the risk factors on pages 13 to 18 of this document.

## PART 2

### DIRECTORS, INVESTMENT MANAGER AND ADMINISTRATION

#### Directors

The Directors, each of whom is non-executive and, save for Mr Chapple, independent of the Investment Manager, are responsible for the determination of the investment policy of the Company and its overall supervision. The Board does not consider it appropriate to have any schedule of matters reserved for the Board, as explained further in the section titled “Managerial, administration and depositary arrangements” below. The Directors are as follows:

**Lord Flight MA, MBA (Chairman):** Lord Flight has worked for over 40 years in the financial services industry, starting his career at Rothschilds as an investment adviser. He was co-founder and joint Managing Director of Guinness Flight Global Asset Management Limited, formed in 1986 and acquired by Investec Asset Management Limited in 1998, of which he remains a Director. He is Chairman of Downing Four VCT plc and Flight and Partners Limited and a Director of Metro Bank PLC. He is a Commissioner of the Guernsey Financial Services Commission and a consultant to Arden Partners PLC and Duff & Phelps Limited. Lord Flight was the MP for Arundel and South Downs from 1997-2005, Shadow Chief Secretary to the Treasury and was a member of the Shadow Cabinet during 2001-2004. He was appointed to the House of Lords in 2011 and is a working Conservative peer, focusing mainly on Treasury and EU affairs.

**The Honourable James Nelson:** Mr Nelson has had a long career in the financial services sector, working in banking with Morgan Guaranty Trust Company of New York (the predecessor to JP Morgan), in investment management with Foreign & Colonial, where he was a Director of F&C Management Limited, and in private equity with Graphite Capital Management LLP as a founding partner. He has held many non-executive directorships, more recently with Henderson Smaller Companies Investment Trust plc, Syncora Guarantee (UK) Limited and Intermediate Capital Group plc. He is a past Chairman of the British Venture Capital Association and is currently Chairman of the McGill University Trust.

**Tristan Chapple:** Mr Chapple is a Director of Phoenix. He joined the firm in 2001 as a business manager. He became a research analyst in 2004 and a partner in 2010. Tristan holds a BA (Honours) War Studies degree from King's College, London.

**Richard Martin:** Mr Martin is an adviser to various family groups as well as Chairman of F&C Managed Portfolio Trust plc and a Director of Odysseus Capital Management Limited. He was previously CIO and adviser to T Bailey Asset Management Limited for fourteen years. Previously he was Chairman of the Investment Committee of the National Trust for Scotland.

**David Stevenson:** Mr Stevenson is a columnist for the Financial Times, Investment Week and Money Week and author of several books on investment matters. He was the founding Director of Rocket Science Group. Currently he is a Director of AltFi Limited and AltFi Data Limited and a strategy consultant to several asset management firms and investment banks.

#### Investment Manager

The Company's portfolio is managed by Phoenix Asset Management Partners Limited. Phoenix uses a “value investing” approach to buy high quality businesses that are temporarily cheap. Phoenix has delivered excellent long-term investment returns since being set up by Gary Channon. Since 1998 to the end of August 2017 the approach has delivered a return to investors, net of all fees and expenses, of 10.0 per cent. annualised, among the best for any UK Equities strategy regardless of fund structure. The annualised gross return before the deduction of fees and expenses has been 12.9 per cent. The FTSE All-Share Index has delivered 5.4 per cent. over the same period. Phoenix has experienced only three negative return years, 1999, 2002 and 2008, whereas the FTSE All-Share Index, which is the most appropriate benchmark, has had six negative years over the same period. Each of the three negative return years was followed by strong positive performance the next year.

The following table shows the track record of the Phoenix UK Fund since launch to 31 August 2017.

	<i>Investment Return</i>			<i>NAV per Share</i>
	<i>Gross Return (excluding Investment Manager's fee)</i>	<i>Net Return</i>	<i>All Share Index</i>	
1998 (8 months)	17.6%	14.4%	-3.3%	£1,143.71
1999	-1.3%	-4.6%	24.3%	£1,090.75
2000	24.7%	23.0%	-5.8%	£1,341.46
2001	31.7%	26.0%	-13.1%	£1,690.09
2002	-17.8%	-20.1%	-22.6%	£1,349.64
2003	51.5%	49.8%	20.9%	£2,021.24
2004	14.1%	11.2%	12.8%	£2,247.26
2005	1.4%	0.3%	22.0%	£2,254.99
2006	9.5%	8.3%	16.8%	£2,442.90
2007	3.4%	2.3%	5.3%	£2,498.40
2008	-39.5%	-40.2%	-29.9%	£1,494.31
2009	62.8%	59.7%	30.2%	£2,386.48
2010	1.1%	0.0%	14.7%	£2,386.37
2011	3.0%	1.9%	-3.2%	£2,430.75
2012	48.3%	42.2%	12.5%	£3,456.27
2013	40.5%	31.3%	20.9%	£4,539.47
2014	1.9%	0.1%	1.2%	£4,544.25
2015	20.1%	14.7%	0.9%	£5,211.13
2016	9.1%	7.6%	16.8%	£5,605.58
2017 (to 31 August)	17.1%	13.2%	8.2%	£6,347.76
<b>Cumulative</b>	<b>938.0%</b>	<b>534.8%</b>	<b>176.6%</b>	
<b>Annualised Returns</b>	<b>12.9%</b>	<b>10.0%</b>	<b>5.4%</b>	

Source: Phoenix Asset Management Partners Limited

#### *Investment approach*

Phoenix believes that there are a number of distinctive elements to the approach that are responsible for its investment success.

**Patience** – Phoenix identifies shares in high quality businesses that it would like to own and then waits for the opportunity to buy at an attractive “value” price. Experience has proven that the waiting period can vary from several months to more than ten years.

**Humility** – The investment team has made some mistakes over the last 19 years and realises that it will make mistakes in the future. The research process is improved and modified on an ongoing basis to help prevent Phoenix repeating the same mistakes.

**Rational capital allocation** – Phoenix deploys the most capital in what it has identified as the best opportunities. It uses a disciplined phasing approach to portfolio construction, ensuring that the portfolio weights reflect a number of factors including, the level of confidence in the investment thesis, the price (or “value”) and the level of fundamental business risk. This phasing approach results in large percentage weights in what Phoenix believes are the best ideas. These will sometimes be stocks that are reviled by much of the stock market.

**Running winners** – In 2008, the investment team conducted a review of the first ten years (since inception in 1998) investment performance. The work showed that although Phoenix’s research analysis and buying discipline was effective and had resulted in a good performance track record, investments were generally sold too early. Changes were made to the investment process and the investment team now believes that a substantial component of the investment return comes from having developed a more sophisticated and patient approach to selling investments. In practice, this means that when Phoenix has gone to great lengths to identify a great investment they will sell more slowly if the investment thesis holds.

**Investment team continuity** – Gary Channon has been Chief Investment Officer at Phoenix since founding the business in 1998. Two key members of the Investment Team, Charlotte Maby (Director, Research) and Tristan Chapple (Director, Research) have worked with Gary since 2000 and 2001 respectively. Furthermore, another Director of Phoenix, Steve Tatters, has worked with Gary Channon since 1993. Steve is responsible for business development and operations.

**Long-term thinking** – Phoenix believes that the stock market is prone to strong negative reactions to short-term bad news. The investment team works to understand if the reaction is justified, or whether the share price has overreacted. Phoenix might determine that an overreaction has occurred if evidence suggests that the long-term prospects for the business remain intact.

**Rigorous and consistent research** – The Phoenix investment process has evolved over 19 years. There are several distinct stages and they are applied to every potential investment. At the centre of the process is a comprehensive manual that codifies Phoenix’s analysis. It is called the Dynamic Relative Evaluation & Assessment Manual (DREAM for short).

**100 per cent. proprietary research** – Phoenix never takes broker or “sell side” research. Its thinking and decisions are informed entirely by the investment team’s own work. This ensures clear analysis based on demonstrable facts and reduces the influence of “crowd thinking” and popular opinion.

**Business-like investing** – When evaluating a business, Phoenix thinks as if it owned the entire company. This means thinking about the nuts and bolts of how a business earns its returns. Establishing whether it has pricing power, together with understanding the marginal competitive dynamic, are two important considerations in this process.

**Business-like research** – Phoenix thinks that desk-based work is necessary, although in many instances, has limitations. For example, desk based investors tend to rely on official company announcements, formal (i.e. stage managed) investor events, the media and stock brokers. Phoenix supplements these sources with more uncommon research methods, including: reading trade journals, mystery shopping, attending trade shows and conferences and interviewing competitors and customers. Phoenix believes that these research techniques provide an information advantage over its competitors.

**Monitoring programmes** – The investment team at Phoenix dedicates most of the time allocated for research purposes to monitoring the existing portfolio investments. Every stock in the portfolio has a monitoring programme that is designed to ensure that the investment thesis continues to hold. This is important because this is where the capital is “at risk”. Examples of what a monitoring programme might involve are:

1. **Sports retail:** Phoenix invested in a large sports retailer with a UK and European business. The investment case assumed that the retailer is a first class business with significant operational advantages over its competitors. Phoenix has undertaken many “mystery shopping” visits across Europe and the UK to observe and assess the trading performance of the business. The findings of these visits are also used to help the investment team engage in a meaningful dialogue with the executive management of the business.
2. **House building:** Phoenix invested in a large UK house builder in 2008/9, a time when the general narrative for the sector was negative. Phoenix’s investment case assumed (among other things) that the business was generating more cash than the consensus expectations of stock market analysts. Phoenix tested its hypothesis by monitoring, in real time, revenue generated on two hundred housing developments (over half the business) across the UK. Phoenix visited building sites, posing as interested buyers, receiving information about available houses on a plot-by-plot basis. Phoenix made accurate revenue estimates by comparing the movement in specific stock availability between two time periods. From this Phoenix estimated group revenue.
3. **Specialist retailing:** Phoenix conducted an investigation that looked at the operational health and morale of the UK and US divisions. Phoenix visited dozens of stores in both countries and established the potential threat from an emergent competitor, poor service standards and disillusioned consumers. Phoenix used the findings of the investigation to engage in a detailed, high quality dialogue with the executive team. A series of changes and improvements to the business followed.

4. **UK supermarket retail:** Phoenix invested in a large UK supermarket business. Part of the investment case relies on a belief that the German discounters, Lidl & Aldi, pose less of a long-term threat than many commentators believe. Part of Phoenix's research to support this thesis is to frequently visit supermarkets in the UK and Europe to monitor the service standards and trading performance of the business and its major competitors. The work reinforced Phoenix's hypothesis that Lidl and Aldi will face constraints on expanding beyond a certain size in the UK and that their long-term disruptive influence in the UK is likely to be somewhat less than many analysts fear.

**Circle of competence** – Over the last 19 years, Phoenix has developed expertise in certain sectors, including: UK housebuilding, fast moving consumer goods, spirits, UK supermarket retailing, UK leisure, hobby retailing, airlines, steel flow control, insurance and UK sports retail. It believes that the best investment returns will be generated by sticking to what it knows and rejecting potential investments that are in sectors which are outwith its expertise.

**Behavioural psychology** – Phoenix uses many aspects of behavioural psychology to improve judgement in the decision making process, including minimising the impact of human biases. A few examples include:

- All stocks in the portfolio are periodically subjected to a comprehensive “devil's advocate” process. The stock is re-evaluated as if Phoenix did not own it; two analysts present opposing cases to the investment team; one analyst makes the case “for”, the other makes the case “against”.
- Phoenix recognises that company valuation is not an exact science and stocks in the portfolio are therefore valued using a range of scenario outcomes to prevent the investment team succumbing to “certainty bias”, which can happen if too much emphasis is placed on a single outcome.
- Phoenix have observed that “loss aversion bias” can distort company analysis. For example, a business might distract attention from a loss making division by focusing on divisions that are performing better; as investors we are loss averse and therefore vulnerable to focusing on the good news rather than the bad. Phoenix's research process warns the analyst to beware situations where this phenomena may exist, and to be extra vigilant in such scenarios.

**Discipline** – All the above factors depend on the investment team continuing to follow the same investment approach in a disciplined and consistent way.

This investment approach results in a low turnover, concentrated portfolio that although volatile in the short-term, has delivered strong long-term returns.

#### *Investment team*

The core investment team of the Investment Manager has been together for over 16 years. The investment team at Phoenix comprises the following individuals:

**Gary Channon** founded Phoenix in 1998 and has been the fund manager since launch. He has 29 years financial markets experience in fixed income and equities with spells at Nikko, Goldman Sachs and Nomura prior to Phoenix. Gary started investing when he was 12 but his epiphany came in 1995 when he discovered Warren Buffett's investment philosophy.

**Charlotte Maby MD** joined Phoenix in 2000 and is Deputy Portfolio Manager as well as a senior research analyst. Prior to joining Phoenix, Charlotte was an accountant with Ernst & Young. She specialises in the fast moving consumer goods industries as well as grocery retail, banking and engineering. She holds a Masters in Mechanical Engineering from the University of Birmingham and a Manufacturer and Management degree from the University of Illinois. During her studies she also spent two years working in industry at Alvis Aerospace and Proctor & Gamble.

**Tristan Chapple** joined Phoenix in 2001 after completing a BA (Honours) War Studies degree at King's College, London. He is a senior research analyst at Phoenix and has been a Director of the Company since January 2016.

**James Wilson** joined Phoenix as a research analyst in May 2013 after spending three years as an equity analyst with Aviva Investors in a pan European role covering the telecommunication, media and technology, construction and tobacco sectors. He has passed all three levels of the CFA program and holds a M.Eng (hons.) degree in Civil Engineering from the University of Durham.

**Diana Tan** joined Phoenix in November 2014 as a research analyst after six years' experience as an actuary. She started out as a graduate at Legal & General, assisting in the development of savings and investment products. She moved on to be a consultant at KPMG and subsequently a contractor at both Lloyds Banking Group and Phoenix Group (which has no relationship to the Investment Manager) where her repertoire expanded to include pricing, valuation, reserving, capital optimisation and management of with-profit funds. Diana holds a degree in Mathematics (BSc) from Imperial College London and Actuarial Science (MSc) from Cass Business School.

**Freddie Martin** joined Phoenix in 2016 as a research analyst. After graduating from the University of Manchester with a BA (Hons) in Business Studies and Economics, Freddie worked at the online retailer Rapha, initially as an Assistant Financial Accountant before moving into a role as a Process Improvement Analyst, reporting on business efficiency to the Head of Finance and Chief Operating Officer.

**Graham Shircore** joined Phoenix as a research analyst in 2017. In 2005 he joined the graduate scheme at Aviva Investors as a UK Equity Analyst. Having passed all three levels of the CFA exam, he became a UK Equity Fund Manager in 2008 and later also managed European Funds. In 2013 he joined Rothschild Wealth Management as a Senior Equity Analyst where he helped shape and implement the equity research process, investing on a geographically unconstrained basis.

### **Managerial, administration and depositary arrangements**

#### *Managerial arrangements*

The Board has appointed Phoenix Asset Management Partners Limited as its alternative investment fund manager in accordance with the AIFM Directive under the Investment Management Agreement. The Investment Management Agreement is terminable by either party on 12 months' notice or on shorter notice in certain circumstances.

Under the terms of the Investment Management Agreement, the Investment Manager does not earn an ongoing annual management fee but is entitled to a performance fee. The performance fee is equal to one third of the outperformance of the Company's net asset value total return (after adjustment for material inflows and outflows including, for the avoidance of doubt, tender payments and share buy backs) with dividends reinvested over the FTSE All-Share Index, total return for each financial year (or, where no performance fee is payable in respect of a financial year, in the period since a performance fee was last payable). The fee payable will be based on the average of the net assets of the Company (adjusted for any dividends paid or payable and the effect of share buy backs) over the performance period.

The total performance fee will be capped at four per cent. per annum of the Net Asset Value of the Company at the end of the relevant financial year in the event that the Net Asset Value per Ordinary Share has increased in absolute terms over the period and two per cent. in the event that the Net Asset Value per Ordinary Share has decreased in absolute terms over the period. Any outperformance that exceeds these caps will be carried forward and only paid if the Company outperforms, and the annual cap is not exceeded, in subsequent years save where the Investment Management Agreement is terminated by the Company other than for fault in which case any carried forward performance fee will be paid without the cap.

The performance fee will also be subject to a clawback, including on termination of the Investment Management Agreement. Where a performance fee is earned, there follows a fixed three year period at the end of which a test is performed on the performance of the Company. If at the time the test is performed it is found that overall the Company has under performed in the fixed three year period the clawback shall apply. The clawback will continue to apply following termination of the Investment Management Agreement.

The performance fee is payable to the Investment Manager in Ordinary Shares (issued at the Net Asset Value per Ordinary Share on the date of issue) and such Ordinary Shares must be retained by the Investment Manager for a minimum period of three years from the date of issue unless the Investment Management Agreement is terminated. It is intended that the performance fee will be charged to the capital reserves of the Company.

Since the start of the year the portfolio has been performing well and making up for the earlier under-performance which followed the re-structuring of the portfolio after Phoenix was appointed as Investment

Manager. As a result the total return is now close to levels at which a performance fee may become accruable.

Further details of the terms of the Investment Management Agreement are set out in paragraph 8.1 of Part 7 of this document.

#### *Administration arrangements*

All secretarial and administrative services are provided by PraxisIFM Fund Services (UK) Limited pursuant to the Administration Agreement. The Secretary is entitled to receive a fixed fee of £40,000 per annum together with a variable fee of 0.075 per cent. of the Company's net assets up to £100 million and 0.025 per cent. of the Company's net assets above £100 million (calculated at the end of each calendar month) per annum subject to a minimum overall fee of £6,500 per month plus VAT payable monthly in arrears for the provision of secretarial services to the Company.

Further details of the terms of the Administration Agreement are set out in paragraph 8.3 of Part 7 of this document.

#### *Depositary arrangements*

BNP Paribas Securities Services, London Branch has been appointed as the Company's depositary. The Depositary is responsible for, amongst other things, the safe keeping of the Company's assets. The Depositary has arranged for the safe keeping of the Company's financial instruments to be held and settles (directly or through sub-custodians) all transactions relating to those financial instruments on behalf of the Company. The Depositary is paid an annual fee calculated as 0.015 per cent. of the value of the Company's assets up to £150 million and 0.012 per cent. of the value of the Company's assets above £150 million subject to a minimum of £25,000 per annum in each case. The Depositary is also entitled to fees for safe keeping and other services.

If the Depositary Agreement is terminated within three years of 28 January 2016 the Depositary is entitled to clawback the transition costs borne by the Depositary in respect of the Company, the legal and other costs incurred by the Depositary in preparation for the provision of services to the Company and any exit costs incurred by the Depositary to transition the Company to a new depositary.

Further details of the terms of the Depositary Agreement are set out in paragraph 8.2 of Part 7 of this document.

#### *Delegation of authority*

There is no schedule of matters specified as being reserved for the Board since the Board effectively reviews all aspects of the Company's governance on an ongoing basis and is of a sufficiently small size to decide upon such matters as a full Board.

The Board has contractually delegated to external agencies, including the Investment Manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the registration services and the accounting and company secretarial requirements.

#### **Annual expenses**

The Company has incurred, and will continue to incur, administrative expenses, including, *inter alia*, audit fees, Directors' fees, depositary fees, regulatory fees, directors' and officers' liability insurance premiums and printing costs.

It is estimated that the total expenses of the Company for the financial year ending 31 December 2017 (excluding the costs of the Issues) will not exceed £380,000, being 0.52 per cent. of the Company's net asset value as at 31 August 2017. This figure excludes any performance fee that may be paid to the Investment Manager.

#### **Accounting policies**

The performance fee payable under the Investment Management Agreement will be charged to the capital reserves of the Company.

## **Corporate governance**

The Chairman and each of the Directors except Mr Chapple is independent of the Investment Manager and each of the Directors is non-executive. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The executive responsibilities for investment management have been delegated to the Investment Manager. There is, therefore, no chief executive officer.

The Company is committed to high standards of corporate governance. The Board has put in place a framework for corporate governance which it believes is appropriate for the Company. In doing so, the Board has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Company complied in its most recent financial year, and continues to comply, with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as disclosed below.

### *The Board*

The size and structure of the Board is such that it is considered unnecessary to identify a senior independent director other than the Chairman, who is *de facto* the senior independent director.

The Board has considered the issue of boardroom diversity and in principle supports a policy of greater diversity. With only four independent positions to fill, it has not to date proved possible to give practical effect to such a policy.

The Board is of the view that length of service will not necessarily compromise the independence or contribution of Directors of an investment trust company, where continuity and experience can be of benefit to the Board. The Board concurs with the view expressed in the AIC Code that "independence stems from the ability to make those objective decisions that may be in conflict with the interests of management". The Articles require that directors are subject to re-election at a maximum interval of three years but the Board has decided as a matter of Company policy that the Directors are required to retire and, if appropriate, seek re-election annually. The Board is not controlled by long serving Directors. The Board considers that the benefits of experience and seniority are particularly important and generally help promote independent performance by directors in carrying out their duties. The Board considers that none of the Directors' other commitments interfere with the discharge of their duties to the Company and the Board is satisfied that they are capable of devoting sufficient time to the Company.

The UK Code provides that the Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors. The Board arranged for an objective evaluation of its performance during the period ended 31 December 2016 to be carried out by means of a written questionnaire circulated by the Secretary. This evaluation was completed during October and November 2016. The Board considered the detailed results of the survey and concluded that no major changes were required to the composition and operation of the Board.

### *Audit committee*

The audit committee, chaired by Mr Martin and consisting of all the other Directors except for Mr Chapple, meets at least twice per year. The principal role of the audit committee is to monitor and review the integrity of the half-yearly and annual financial statements and to consider the appointment of the auditor and internal control procedures, including those of the Investment Manager and Secretary.

### *Nominations committee*

The nominations committee, chaired by Mr Nelson and comprising all the other Directors except for Mr Chapple, considers the appointment of new Directors. The nominations committee will meet as and when required.

### *Remuneration and management engagement committee*

The remuneration and management engagement committee, chaired by Mr Nelson, considers the level of fees paid to Directors and considers issues related to the engagement of the Investment Manager and other service providers, making recommendations as appropriate to the Board. Since all the executive functions of the Company are delegated to service providers, issues concerning the remuneration of those functions relate to the payment of service providers rather than of directors or employees. The committee therefore considers whether amounts paid to service providers are appropriate, with particular reference to those contracted to the Company on a continuing basis, including the Investment Manager, and whether those contracts should be maintained. When considering issues related to directors' fees and the remuneration of service providers other than the Investment Manager, the remuneration and management engagement committee comprises all the directors. Mr Chapple stands down from the committee when the management contract is under discussion. The criteria which are taken into consideration when reviewing the performance of the Investment Manager are as follows.

- The performance of the Company.
- Quality of team – the skills and particularly the experience of the team involved.
- Commitment to the investment trust business generally and to the Company in particular.
- Investment management skills – experience, track record, use of gearing, knowledge of currency issues and other investment related considerations.
- General management skills – understanding of administrative and financial issues and working relationship with the Secretary.
- Shareholder relations – consciousness of and commitment to Shareholders' needs and objectives, share price awareness and discount management.
- Reasonableness of the Investment Management Agreement – fees, notice period and duties.

### **Conflicts of interest**

The Investment Manager and its officers and employees may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager may provide investment management, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company.

The Investment Manager will have regard to its obligations under the Investment Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to their obligations to other clients or funds, should potential conflicts of interest arise.

The Investment Manager has put in place effective organisational and administrative arrangements to ensure that reasonable steps are taken to prevent a conflict giving rise to a material risk of damage to the interests of its clients. In addition, where the Investment Manager pays or accepts any fee or commission, or provides or receives any non-monetary benefit in relation to its investment services, the Investment Manager takes care to ensure that such benefits do not place its or any third party firm in a situation which would not be in compliance with the general duty to act in accordance with the best interests of their clients.

The Investment Manager maintains a firm-wide conflicts matrix which identifies conflicts and potential conflicts of interest that exist within the firm, and the procedures and controls that have been adopted to manage these conflicts. This is subject to annual review and approval by the compliance committee.

### **Reports to Shareholders and Net Asset Value per Ordinary Share**

Following the appointment of Phoenix in January 2016 the Company changed its accounting reference date from 28/29 February to 31 December to align its accounting period with that of its Investment Manager. Report and accounts were made up for the 10 month period from 29 February 2016 to 31 December 2016 and going forward the annual report and accounts of the Company will be prepared to 31 December each year. The Company's annual report and accounts are prepared in accordance with IFRS. Copies of the annual report and accounts are sent to Shareholders in April of each year and annual general meetings of the Company are held in June of each year. Shareholders also receive an unaudited interim report covering the first six months of each financial year of the Company.

The Net Asset Value per Ordinary Share is calculated by the Company in accordance with the Company's accounting policies and is published daily through a Regulatory Information Service. The calculation of the Net Asset Value per Ordinary Share will be suspended only in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.

### **Taxation**

The Company has been approved by HM Revenue & Customs as an investment trust. The Directors believe that the affairs of the Company have been conducted so as to continue to satisfy the conditions to qualify as an investment trust under section 1158 of the Tax Act and the Company will be exempt from UK taxation on its capital gains. The Company will, however, be liable to UK corporation tax on its income in the normal way, with dividend income generally being exempt from corporation tax. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates but double taxation relief may be available on overseas income.

A guide to the general UK taxation position as at the date of this document is set out in Part 6 of this document.

**If you are in any doubt as to your taxation position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.**

## PART 3

### DETAILS OF THE INITIAL ISSUES

#### Introduction

The Initial Issues will consist of an Initial Placing, Offer for Subscription and Initial Intermediaries Offer. Under the Initial Issues, subject to compliance with the Act and the Articles, the Company is proposing to issue a maximum of 75 million New Shares under the Initial Placing and an additional maximum of 75 million New Shares in aggregate under the Offer for Subscription and Initial Intermediaries Offer. New Shares will be issued at the Initial Issues Price. The Initial Issues Price will be calculated by applying a premium of 1.25 per cent. to the Net Asset Value per Ordinary Share as at 26 September 2017. The Initial Issues Price will be announced through a Regulatory Information Service on 27 September 2017. There are no additional expenses charged to the investor.

The New Shares issued pursuant to the Initial Issues will rank *pari passu* in all respects with the existing Ordinary Shares (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant New Shares).

The Initial Issues are conditional, *inter alia*, on:

- (i) Shareholder approval being granted at the General Meeting for the issue of New Shares in relation to the Issues;
- (ii) the Placing Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission; and
- (iii) the Admission Condition being satisfied prior to 8.00 a.m. on 2 October 2017 (or such later time and/or date, not being later than 8.00 a.m. on 31 October 2017, as may be agreed by the Board and the Placing Agent).

The Directors believe that the Company is a suitable investment for equity investors who understand the investment approach including the Investment Manager's definition of risk. The Investment Manager defines risk as the potential for a permanent loss of capital. The investment approach is likely to result in periods of significant volatility and divergence from the market benchmark but importantly the Investment Manager does not believe that higher volatility means higher risk. The Directors believe that these investors are likely to be professionally advised private investors, institutions and individuals who understand the risks of an investment in the Company.

The number of New Shares available under the Initial Issues is intended to provide for flexibility and should not be taken as an indication of the number of New Shares to be issued. The Directors intend to invest the net proceeds of the Initial Issues in accordance with the Company's investment policy. The Initial Issues are not being underwritten.

#### The Initial Placing

Liberum has agreed under the Placing Agreement to use its reasonable endeavours to procure Placees for New Shares at the Initial Issues Price. Placees may be new and/or existing institutional investors. Details of the Placing Agreement are set out in paragraph 8.4 of Part 7 of this document.

The procedure for, and the terms and conditions of, application under the Initial Placing are set out in Part 8 of this document.

The agreement to subscribe for New Shares under the Initial Placing is conditional on Initial Admission and will become an unconditional commitment on Initial Admission. Also, once made, the agreement to subscribe may not be withdrawn without the consent of the Directors.

#### *Subscriber warranties*

Each subscriber for New Shares in the Initial Placing and each Placee in the Placing Programme will be deemed to have represented, warranted and acknowledged and agreed to the representations, warranties, acknowledgments and agreements set out in paragraph 4 in Part 8 of this document.

The Company, the Investment Manager, the Placing Agent and their respective directors, officers, members, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with the investor must immediately notify the Company.

#### *Initial Placing arrangements*

The Placing Agreement contains provisions entitling the Placing Agent to terminate the Initial Placing (and the arrangements associated with it) at any time prior to Initial Admission in certain circumstances. If this right is exercised, the Initial Placing and these arrangements will lapse and any monies received in respect of the Initial Placing will be returned to applicants without interest.

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

Further details of the terms of the Placing Agreement are set out in paragraph 8.4 of Part 7 of this document.

#### **The Offer for Subscription**

New Shares will also be offered under the Offer for Subscription. The Offer for Subscription will be made in the UK only.

Applicants under the Offer for Subscription must specify a fixed sum in Sterling, being the aggregate subscription price for the Ordinary Shares for which they wish to apply at the Initial Issues Price. Individual applications must be for Ordinary Shares with a minimum aggregate value at the Initial Issues Price of £1,000 and applications in excess of that amount should be made in multiples of £1,000.

The procedures for, and the terms and conditions of, application under the Offer for Subscription are set out in Part 9 of this document and the Application Form for use under the Offer for Subscription is attached. The terms and conditions should be read carefully before an application is made. Investors should consult their respective stockbrokers, bank managers, solicitors, accountants or other independent advisers if they are in any doubt.

Completed Application Forms and the accompanying payment in relation to the Offer for Subscription must be posted to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham, Kent BR3 4TU or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by no later than 3.00 p.m. on 28 September 2017.

Commitments under the Offer for Subscription, once made, may not be withdrawn without the consent of the Directors.

#### **The Initial Intermediaries Offer**

Members of the general public in the United Kingdom may be eligible to apply for New Shares through the Initial Intermediaries Offer, by following the application procedures of the relevant Intermediary, by no later than 3.00 p.m. on 28 September 2017. New Shares are being made available under the Intermediaries Offer to retail investors in the UK only.

There is a minimum application amount of £1,000 per retail investor in the Initial Intermediaries Offer. There is no maximum application amount in the Initial Intermediaries Offer. No New Shares allocated under the Initial Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom. Applications under the Initial Intermediaries Offer must be by reference to the total monetary amount the applicant wishes to invest and not by reference to a number of New Shares or the Initial Issues Price.

Each Intermediary has agreed, or will on appointment agree, to be bound by the Intermediaries Terms and Conditions (further details of which are set out at paragraph 9 of Part 7 of this Prospectus), which

regulate, *inter alia*, the conduct of the Intermediaries Offer on market standard terms, and may provide for the payment of commission to any Intermediary.

Intermediaries are required to provide the terms and conditions of the relevant offer made by the Intermediary to any prospective investor who has expressed an interest in participating in the Initial Intermediaries Offer.

### **The results of the Initial Issues**

The Placing Agent, following consultation with the Company and the Investment Manager, will determine the identity of successful applicants and Placees in the Initial Placing. The Company will notify investors of the number of New Shares in respect of which their application under the Offer for Subscription has been successful. The Receiving Agent will notify Intermediaries of the number of New Shares in respect of which their application under the Initial Intermediaries Offer has been successful.

The final results of the Initial Issues will be announced via a Regulatory Information Service by no later than close of business on 28 September 2017.

### **Costs of the Issues pursuant to the Initial Issues**

The Investment Manager has agreed to reimburse the Company for all fixed costs in relation to the Issues that are not covered by the premium to the Net Asset Value at which the New Shares are issued. The fixed costs (which include the Documentation Costs) of the Initial Issues and Subsequent Issues are estimated to be £182,700 (including any VAT).

For illustrative purposes only, if the maximum number of New Shares available for issue under the Initial Placing, Offer for Subscription, Intermediaries Offers and Placing Programme are issued by way of a single Issue at a price of 203.83 pence (being the Net Asset Value per Ordinary Share as at 31 August 2017 plus a premium of 1.25 per cent.) approximately £305,745,000 would be raised and the net proceeds available for investment by the Company (assuming all variable costs including commission and admission fees are at the maximum level expected) would be approximately £304,077,499.

### **Admission and dealings**

Applications will be made to the UK Listing Authority for admission of the New Shares to the Official List. Applications will also be made for the New Shares to be admitted to trading on the Main Market. It is expected that Initial Admission will become effective and that unconditional dealings in the New Shares will commence on the Main Market at 8.00 a.m. (London time) on 2 October 2017.

The New Shares issued under the Initial Issues will be issued in registered form and may be held in certificated or uncertificated form. The New Shares allocated will be issued through the CREST system unless otherwise stated. The New Shares issued under the Initial Issues will be eligible for settlement through CREST with effect from Initial Admission.

The Company will arrange for CREST to be instructed to credit the appropriate CREST accounts of the applicants concerned or their nominees with their respective entitlements to the New Shares under the Initial Issues. The names of applicants or their nominees that invest through their CREST accounts will be entered directly on to the share register of the Company.

Dealings in the New Shares in advance of the crediting of the relevant stock account under the Initial Issues shall be at the risk of the person concerned.

The New Shares issued under the Initial Issues will be denominated in Sterling.

### **Transfer**

The transfer of the New Shares outside the CREST system should be arranged directly through the Registrar by completing and lodging an appropriate stock transfer form. However, an investor's beneficial holding held through the CREST system may re-materialise, in whole or in part, only upon the specific request of a beneficial owner to CREST through submitting a stock withdrawal form for share certificates or an uncertificated holding in definitive registered form.

If an applicant or transferee requests New Shares to be issued in certificated form and is holding such New Shares outside CREST, a share certificate will be despatched either to it or its nominated agent (at its own risk) within ten days of completion of the registration process or transfer, as the case may be, of the New Shares. Investors holding a definitive certificate may elect at a later date to hold their New Shares through CREST.

### **Scaling back**

In the event that subscriptions exceed the maximum number of Ordinary Shares available under the Initial Issues then it would be necessary to scale back such applications. In such event New Shares will be allocated, as far as reasonably possible, so that applications from existing Shareholders are given priority over other applicants, and, where applicable, with a view to ensuring that existing Shareholders are allocated such percentage of New Shares as is as close as possible to their existing percentage holding of Ordinary Shares. The final results of the Initial Issues and any scaling back will be announced via a Regulatory Information Service.

### **Dilution**

Existing Shareholders are not obliged to participate in the Initial Issues. However, those Shareholders who do not participate in the Initial Issues will suffer a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of Ordinary Shares issued.

If 150 million New Shares, being the maximum number of New Shares that could be issued under the Initial Issues, are issued, Shareholders who do not participate in the Initial Issues will suffer a dilution of approximately 80.54 per cent. to their existing percentage shareholding.

New Shares will only be issued at a premium of 1.25 per cent. to the NAV per Ordinary Share as at 26 September 2017. This premium is expected to be sufficient to cover the anticipated costs and expenses to be incurred by the Company in connection with the Issues and the Investment Manager has agreed to meet any shortfall in relation to the fixed costs. Accordingly, although any issue of New Shares pursuant to the Initial Issues may be dilutive to an existing Shareholder's ownership in the Company, it will not result in any dilution to the NAV per Share.

### **Purchase and transfer restrictions**

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the Investment Manager or the Placing Agent.

The Company has elected to impose the restrictions described in Part 8 of this document on the Initial Placing and on the future trading of the New Shares so that the Company will not be required to register the offer and sale of the New Shares under the US Securities Act and will not have an obligation to register as an investment company under the US Investment Company Act and related rules and to address certain ERISA, US Internal Revenue Code and other considerations.

These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the New Shares to trade such securities. The Company and its agents will not be obliged to recognise any resale or other transfer of the New Shares made other than in compliance with the restrictions described below.

The New Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the New 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, US Persons, except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the US Securities Act. There will be no public offer of the New Shares in the United States. The New Shares are being offered and sold outside the United States to non-US Persons in reliance on Regulation S.

Moreover, the Company has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of the US Investment Company Act. No offer, purchase,

sale or transfer of the New Shares may be made except under circumstances which will not result in the Company being required to register as an investment company under the US Investment Company Act.

### **General**

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, the Company and its agents (and their agents) may require evidence in connection with any application for New Shares, including further identification of the applicant(s), before any New 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 the document and prior to Initial Admission, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s). In the event that a supplementary prospectus is published prior to Initial Admission, potential investors in the Initial Issues will have a statutory right of withdrawal.

## PART 4

### DETAILS OF THE SUBSEQUENT ISSUES

#### Subsequent Issues

Under the Subsequent Issues the Company will issue New Shares by way of a Placing Programme and the Subsequent Intermediaries Offers. The Company will issue a maximum of 75 million New Shares, less any New Shares issued under the Initial Placing, under the Placing Programme and an additional maximum of 75 million New Shares, less any New Shares issued under the Offer for Subscription and Initial Intermediaries Offer, under the Subsequent Intermediaries Offers.

The Placing Agent, following consultation with the Company and the Investment Manager, will determine the identity of Placees in the Placing Programme.

The number of New Shares available under the Subsequent Issues is intended to provide flexibility and should not be taken as an indication of the number of New Shares to be issued. The Directors will apply the net proceeds of the Subsequent Issues in making investments that have been identified by the Investment Manager in accordance with the Company's investment objective and policy.

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 and prior to Admission of the New Shares issued pursuant to the Subsequent Issues, the Company will publish a supplementary prospectus. Any supplementary prospectus published will give details of the significant change(s) or the significant new matter(s).

#### Placing Programme

Under the Placing Programme New Shares may be issued from 8.00 a.m. on 2 October 2017 until 5.00 p.m. on 4 September 2018. The issue of New Shares pursuant to the Placing Programme is at the discretion of the Directors. Any New Shares issued pursuant to the Placing Programme will rank *pari passu* in all respects with the existing Ordinary Shares (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant New Shares). The Placing Programme will not be underwritten.

Any issues of New Shares under the Placing Programme will be notified by the Company through a Regulatory Information Service and the Company's website prior to each Admission.

The procedure for, and the terms and conditions of, application under the Placing Programme are set out in Part 8 of this document.

#### Subsequent Intermediaries Offers

Following the Initial Intermediaries Offer the Company intends to carry out additional Intermediaries Offers in December 2017, March 2018, June 2018 and August 2018. The results of the Subsequent Intermediaries Offers will be announced on the Business Day following the close of the relevant Subsequent Intermediaries Offer.

Members of the general public in the United Kingdom may be eligible to apply for New Shares through the Subsequent Intermediaries Offers, by following the application procedures of the relevant Intermediary. The Subsequent Intermediaries Offers are being made to retail investors in the UK only.

There is a minimum application amount of £1,000 per retail investor in each of the Subsequent Intermediaries Offers. There is no maximum application amount in the Subsequent Intermediaries Offers. No Ordinary Shares allocated under the Subsequent Intermediaries Offers will be registered in the name of any person whose registered address is outside the United Kingdom. Applications under the Subsequent Intermediaries Offers must be by reference to the total monetary amount the applicant wishes to invest and not by reference to a number of New Shares or the Subsequent Issues Price.

Each Intermediary will agree to the Intermediaries Terms and Conditions (further details of which are set out at paragraph 9 of Part 7 of this Prospectus), which regulate, *inter alia*, the conduct of the

Intermediaries Offer on market standard terms, and may provide for the payment of commission to any Intermediary.

Intermediaries are required to provide the terms and conditions of the relevant offer made by the Intermediary to any prospective investor who has expressed an interest in participating in the Subsequent Intermediaries Offer.

### **Conditions**

To become effective, each Issue under the Subsequent Issues will require the following events to occur:

- (i) Shareholder approval being granted at the General Meeting for the issue of New Shares in relation to the Issues and the appropriate authority remaining in place;
- (ii) the Admission Condition being satisfied pursuant to such Issue; and
- (iii) a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules.

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

### **Subsequent Issues Price**

The Subsequent Issues Price will be calculated by applying a premium of 1.25 per cent. to the Net Asset Value per Ordinary Share as at close of business two Business Days prior to the close of the relevant Subsequent Issue. The Subsequent Issues Price will be announced through a Regulatory Information Service on the Business Day prior to the close of the relevant Subsequent Issue.

### **Admission and dealings**

Applications will be made to the UK Listing Authority for admission of the New Shares to the Official List. Applications would also be made for the New Shares to be admitted to trading on the London Stock Exchange throughout the period from 2 October 2017 to 4 September 2018. It is expected that such admission and dealings in the Ordinary Shares issued pursuant to the Placing Programme would commence in the period from 2 October 2017 to 4 September 2018. It is expected that such admission and dealings in the Ordinary Shares issued pursuant to the Subsequent Intermediaries Offers will commence on 18 December 2018, 27 March 2018, 2 July 2018 and 4 September 2018, or such later dates as the Board may determine.

The New Shares will be issued in registered form and may be held in uncertificated form. The New Shares allocated will be issued through the CREST system unless otherwise stated. The New Shares would be eligible for settlement through CREST with effect from Admission.

The Company will arrange for CREST to be instructed to credit the appropriate CREST accounts of the applicants concerned or their nominees with their respective entitlements to the New Shares. The names of applicants or their nominees that invest through their CREST accounts would be entered directly on to the share register of the Company.

Dealings in the New Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

Any New Shares issued will be denominated in Sterling.

### **Dilution**

Existing Shareholders are not obliged to participate in the Subsequent Issues. However, those Shareholders who do not participate in the Subsequent Issues will suffer a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of Ordinary Shares issued.

If no New Shares are issued under the Initial Issues and 150 million New Shares, being the maximum number of New Shares that could be issued, are issued under the Subsequent Issues, Shareholders will suffer a dilution of approximately 80.54 per cent. to their existing percentage holdings.

New Shares will only be issued at a premium of 1.25 per cent. to the NAV per Ordinary Share at the relevant time. This premium is expected to be sufficient to cover the anticipated costs and expenses to be incurred by the Company in connection with the Issues and the Investment Manager has agreed to meet any shortfall in relation to the fixed costs. Accordingly, although any issue of New Shares pursuant to the Subsequent Issues may be dilutive to an existing Shareholder's ownership in the Company, it will not result in any dilution to the NAV per Share.

### **Subscriber warranties**

Each subscriber for New Shares in the Placing Programme and each subsequent investor in the New Shares will be deemed to have represented, warranted, acknowledged and agreed to the representations, warranties, acknowledgments and agreements set out in paragraph 4 in Part 8 of this document.

The Company, the Investment Manager, the Placing Agent and their respective directors, officers, members, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with the investor must immediately notify the Company.

### **Purchase and transfer restrictions**

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the Investment Manager or the Placing Agent.

The Company has elected to impose the restrictions described in Part 8 of this document on the Placing Programme and on the future trading of the New Shares so that the Company will not be required to register the offer and sale of the New Shares under the US Securities Act and will not have an obligation to register as an investment company under the US Investment Company Act and related rules and also to address certain ERISA, US Internal Revenue Code and other considerations.

These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the New Shares to trade such securities. The Company and its agents will not be obliged to recognise any resale or other transfer of the New Shares made other than in compliance with the restrictions described below.

The New Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the New 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, US Persons, except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the US Securities Act. There will be no public offer of the New Shares in the United States. The New Shares are being offered and sold outside the United States to non-US Persons in reliance on Regulation S.

Moreover, the Company has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of the US Investment Company Act. No offer, purchase, sale or transfer of the New Shares may be made except under circumstances which will not result in the Company being required to register as an investment company under the US Investment Company Act.

## PART 5

### FINANCIAL INFORMATION (INCLUDING PORTFOLIO INFORMATION)

#### 1. Introduction

Statutory accounts of the Company (prepared in accordance with IFRS) for the four financial periods ended 31 December 2016, in respect of which the Company's auditors, Grant Thornton UK LLP, who are members of the Institute of Chartered Accountants in England and Wales, made an unqualified report under section 495 or section 497 of the Act, did not contain any statement under section 498(2) or (3) of the Act. Copies of the statutory accounts of the Company for the four financial periods ended 31 December 2016 are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW and the registered office of the Company until 3 September 2018.

Following the appointment of Phoenix as the Company's investment manager in January 2016, the Company's accounting reference date was changed from 28/29 February to 31 December to bring it in line with other funds managed by Phoenix.

#### 2. Historical financial information

Historical financial information relating to the Company on the matters referred to below is included in the published annual report and audited accounts of the Company for the four financial periods ended 31 December 2016 (the annual report and accounts for the financial periods ended 28 February 2014, 28 February 2015 and 29 February 2016 relate, in part, to financial periods prior to the appointment of the Investment Manager in January 2016) and in the unaudited interim reports for the four months ended 28 February 2015 and the six months ended 29 February 2016 as set out in the table below and is expressly incorporated by reference into this document. The non-incorporated parts of these annual reports of the Company are either not relevant to investors or covered elsewhere in this document.

	<i>Accounts for year ended 28 February 2014 Page No.</i>	<i>Accounts for year ended 28 February 2015 Page No.</i>	<i>Accounts for year ended 29 February 2016 Page No.</i>	<i>Accounts for period ended 31 December 2016 Page No.</i>	<i>Interim report for the four months ended 30 June 2016 Page No.</i>	<i>Interim report for the six months ended 30 June 2017 Page No.</i>
<b><i>Nature of information</i></b>						
Financial Highlights	2	2	5	—	—	—
Chairman's Statement	3-4	3-4	6-8	6-7	—	—
Investment Manager's Review and Outlook	5-9	5-8	12-15	9-13	2-4	3-6
Investment Policy and Performance	10-12	9-11	16-20	14-18	1	1
Portfolio Analysis	13	12	22-23	20	5-6	7-8
Analysis of Investments	14-16	13-15	—	—	—	—
Independent Auditors' Report	32-33	31-33	47-51	44-48	—	—
Statement of comprehensive Income	34	34	54	50	9	11
Balance Sheet	35	35	55	51	11	12
Statement of Changes in Equity	36	36	56	52	10	13-14
Cash Flow Statement	37	37	58	54	12	15
Notes to the Consolidated Financial Statements	41-48	41-48	59	55-67	13-14	16-17

### 3. Selected financial information

The information in this paragraph 3 is information regarding the Company which has been prepared by the Company and has been extracted directly from the historical financial information referred to in paragraph 2 of this Part 5. Selected historical financial information relating to the Company which summarises the financial condition of the Company for the three financial years ended 28 February 2015, 29 February 2016 and 31 December 2016 is set out in the following table:

	<i>Year ended 28 February 2014</i>	<i>Year ended 28 February 2015</i>	<i>Year ended 29 February 2016</i>	<i>Period ended 31 December 2016</i>	<i>Four months ended 30 June 2016</i>	<i>Six months ended 30 June 2017</i>
<b>Net asset value</b>						
Net assets (£'000)	19,939	17,817	18,440	51,438	27,887	67,950
Net asset value per Ordinary Share (p)	191.78	171.37	162.30	172.66	147.96	191.36
<b>Ordinary Share price (p)</b>	166.00	147.50	158.00	173.50	154.00	196.00
<b>Income</b>						
Revenue return after expenses and taxation (£'000)	1,209	79	204	636	180	711
Revenue return per Ordinary Share (p)	11.63	0.76	1.95	3.00	1.06	2.19
Dividend per Ordinary Share (p)	3.80	3.85	1.00	2.00	0	0
<b>Ongoing charges</b>						
As a percentage of average total Shareholders' Funds	2.18%	2.25%	2.48%	1.04%	—	—
<b>Portfolio summary</b>						
Shareholders' funds (£'000)	19,939	17,817	18,440	51,438	27,887	67,950
<b>NAV/share price returns</b>						
Net asset value return	3.04%	(10.64%)	4.50%	6.38%	22.38%	10.8%
Ordinary Share price return	11.13%	(8.85%)	7.12%	9.81%	28.85%	13.0%

During the four financial periods ended 31 December 2016, the period from 1 January 2017 to 30 June 2017 (being the end of the last financial period of the Company for which financial information has been published) and subsequent to 30 June 2017, there has been no significant change to the Company's financial condition or its operating results, save for the increase in net assets from 22 March 2016 to 31 December 2016 due to the issue of Ordinary Shares under an initial placing and placing programme announced on 22 March 2016.

### 4. Operating and financial review

A description of changes in the performance of the Company, both capital and revenue, and changes to the Company's portfolio of investments is set out in the sections headed "Chairman's Statement", "Investment Manager's Review and Outlook", "Portfolio Analysis" and "Analysis of Investments" in the published statutory accounts of the Company as follows:

	<i>Year ended 28 February 2014 Page No.</i>	<i>Year ended 28 February 2015 Page No.</i>	<i>Year ended 29 February 2016 Page No.</i>	<i>Period ended 31 December 2016 Page No.</i>	<i>Four months ended 30 June 2016 Page No.</i>	<i>Six months ended 30 June 2017 Page No.</i>
<b>Nature of information</b>						
Chairman's Statement	3-4	3-4	6-8	6-7	—	—
Investment Manager's Review and Outlook	5-9	5-8	12-15	9-13	2-4	3-6
Portfolio Analysis	13	12	22-23	20	5-6	7-8
Analysis of Investments	14-16	13-15	—	—	—	—

## 5. Significant change

Since 30 June 2017 (being the end of the last financial period of the Company for which financial information has been published), there has been no significant change in the financial or trading position of the Company.

## 6. Net proceeds and expenses of the Issues

The Investment Manager has agreed to reimburse the Company for all fixed costs in relation to the Issues that are not covered by the premium to the Net Asset Value at which the New Shares are issued. The fixed costs (which include the Documentation Costs) of the Initial Issues and Subsequent Issues are estimated to be £182,700 (including any VAT).

For illustrative purposes only, if the maximum number of New Shares available for issue under the Initial Placing, Offer for Subscription, Intermediaries Offers and Placing Programme are issued by way of a single Issue at a price of 203.83 pence (being the Net Asset Value per Ordinary Share as at 31 August 2017, plus a premium of 1.25 per cent.) approximately £305,745,000 would be raised and the net proceeds available for investment by the Company (assuming all variable costs including commission and admission fees are at the maximum level expected) would be approximately £304,077,499.

## 7. Capitalisation and indebtedness

The following table sets out the capitalisation and indebtedness of the Company (distinguishing between guaranteed and unguaranteed, and secured and unsecured indebtedness) as at 31 August 2017 (the information in the table below being unaudited financial information extracted from internal management accounting records):

	<i>31 August 2017 (£'000)</i>
<b>Total current debt</b>	—
– Guaranteed	—
– Secured	—
– Unguaranteed/unsecured	—
<b>Total non-current debt</b>	—
– Guaranteed	—
– Secured	—
– Unguaranteed/unsecured	—
<b>Shareholders' equity</b>	
– Share capital	9,059
– Legal reserves (excl. revenue reserves)	47,834
– Other reserves (excl. revenue reserves)	14,863
<b>Total</b>	<b>71,756</b>

The following table shows the Company's capitalisation and indebtedness as at 31 August 2017 (the information in the table being unaudited financial information extracted from internal management accounting records):

	£'000
A. Cash	10,369
B. Cash equivalent	—
C. Trading securities	62,397
D. <b>Liquidity (A+B+C)</b>	<b>72,481</b>
E. <b>Current financial receivable</b>	<b>230</b>
F. Current bank debt	—
G. Current portion of non-current debt	—
H. Other current financial debt	—
I. <b>Current financial debt (F+G+H)</b>	<b>—</b>
J. <b>Net current financial indebtedness (I-E-D)</b>	<b>(72,251)</b>
K. Non-current bank loans	—
L. Bonds issued	—
M. Other non-current loans	—
N. <b>Non-current financial indebtedness (K+L+M)</b>	<b>—</b>
O. <b>Net financial indebtedness (J+N)</b>	<b>(72,251)</b>

## 8. Working capital

The Company is of the opinion that, taking into account the existing cash resources, the working capital available to the Company is sufficient for the Company's present requirements (that is, for at least the next 12 months from the date of this document).

## 9. Net Asset Value

The unaudited Net Asset Value per Ordinary Share as at 31 August 2017 was 201.31 pence.

## 10. Analysis of investment portfolio

As at 31 August 2017 (being the latest practicable date prior to the publication of this document), the Company's portfolio comprised investments with an aggregate unaudited value, calculated in accordance with the Company's accounting policies, of £62,396,928 and £10,368,542 of cash. The following tables show the distribution of the portfolio by asset class and sector as at 31 August 2017.

<i>By asset class</i>	<i>% of Total Assets</i>
Listed equities	85.5%
Cash	14.5%
	<hr style="border-top: 1px solid black;"/>
	<b>100.0%</b> <hr style="border-top: 3px double black;"/>

<i>By sector</i>	<i>Valuation (£)</i>	<i>% of Portfolio</i>
Retail	19,255,065.30	26.4%
Construction	11,041,057.03	15.1%
Finance	9,694,151.40	13.3%
Leisure	7,455,239.06	10.2%
Industrial	4,415,400.18	6.1%
Insurance	4,401,625.20	6.0%
Food and beverage	3,308,149.50	4.5%
Pharmaceutical	2,826,240.50	3.9%
	<hr style="border-top: 1px solid black;"/>	
	<b>62,396,928.17</b>	<b>85.5%</b> <hr style="border-top: 3px double black;"/>

The Company's 17 holdings, as at 31 August 2017 (being the latest practicable date prior to the publication of this document), were as follows:

	<i>Valuation</i> (£)	<i>% of</i> <i>Portfolio</i>
Lloyds Banking Group PLC	7,421,026.40	10.2%
Bellway PLC	6,700,973.40	9.2%
Sports Direct International	6,630,604.40	9.1%
Tesco PLC	6,463,737.90	8.9%
Vesuvius PLC	4,415,400.18	6.1%
Randall and Quilter Investment	4,401,625.20	6.0%
Morrison (WM.) Supermarkets	3,981,756.00	5.5%
Wetherspoon (J.D) PLC	3,008,170.66	4.1%
Glaxosmithkline PLC	2,826,240.50	3.9%
Redrow PLC	2,736,566.33	3.8%
Hornby PLC	2,449,748.40	3.4%
CPP Group PLC	2,273,125.00	3.1%
Headlam Group PLC	2,178,967.00	3.0%
Easyjet PLC	1,997,320.00	2.7%
Diageo PLC	1,722,682.50	2.4%
Barratt Developments PLC	1,603,517.30	2.2%
Unilever PLC	1,585,467.00	2.2%
<b>Total</b>	<u>62,396,928.17</u>	<u>85.5%</u>

The information in this paragraph 10 is unaudited information on the Company, which has been extracted from internal management accounting records held by the Company and has not been reported on by an accountant.

## PART 6

### TAXATION

The information contained in this document relating to taxation is a summary of the taxation matters which the Directors consider should be brought to the attention of prospective investors. The following statements are intended as a general guide only and do not constitute legal or tax advice to any Shareholder or prospective Shareholder or investor. They are based upon the United Kingdom law and HM Revenue & Customs practice currently in force, and relate only to the position of Shareholders who are beneficial owners of their Ordinary Shares. They may not relate to certain categories of Shareholders, such as dealers in securities. Prospective investors should consult their own professional advisers on the potential tax consequences of acquiring, holding or selling Ordinary Shares in the Company.

#### 1. The Company

It is the intention of the Directors to continue to conduct the affairs of the Company so as to satisfy the conditions for approval as an investment trust under section 1158 of the Tax Act. The Company has been approved as an investment trust pursuant to the Investment Trust (Approved Company) (Tax) Regulations 2011, which came into force on 1 January 2012, and have applied to the Company from its accounting period beginning 1 September 2012. The Company will therefore continue to have investment trust status in each accounting period going forward, other than to the extent that the Company commits a serious breach of one of the conditions for qualification as an investment trust and will be exempt from United Kingdom taxation on its capital gains. In order to maintain its investment trust status for an accounting period, the Company must not, *inter alia*, be a close company at any time in that accounting period. The Directors do not anticipate that the Company will be a close company.

The Company will, however, be liable to UK corporation tax on its income profits in the normal way, with dividend income generally being exempt from UK corporation tax. Income arising from overseas investments may be subject to withholding taxes under the appropriate domestic legislation in the country in which the investment is situated. Depending on the specific investment, double taxation relief may be available against the Company's UK corporation tax liability in relation to withholding taxes suffered on overseas income.

#### 2. Shareholders

##### 2.1 Taxation of capital gains

Shareholders resident in the UK for taxation purposes may, depending upon their personal circumstances, be liable to UK capital gains tax or, in the case of corporations, UK corporation tax on chargeable gains arising from the sale or other disposal (which includes disposal upon a winding up) of their Ordinary Shares. On such a disposal by an individual Shareholder who is resident in the UK for taxation purposes, a rate of tax of 20 per cent. for individuals who pay income tax at the higher or additional rates of tax; otherwise a tax rate of 10 per cent. applies. An individual may be able to claim certain reliefs (including the annual exemption in respect of the first £11,300 of capital gains received in the financial year 2017/18). Shareholders which are corporations resident in the UK will benefit from an indexation allowance which, in general terms, increases the capital gains tax base cost of an asset in accordance with changes in the Retail Prices Index. Indexation allowance may not create or increase an allowable loss.

Shareholders who are not resident in the UK for taxation purposes will not normally be liable to UK capital gains tax arising from the sale or other disposal of their Ordinary Shares unless (in the case of a corporate shareholder) those Ordinary Shares are held through a UK branch or agency, although they may be subject to foreign taxation depending upon their personal circumstances.

##### 2.2 Taxation of dividends

Each individual who is resident in the UK for tax purposes is entitled to an annual tax free dividend allowance of £5,000 (tax year 2017/2018). Dividends received in excess of this threshold will be taxed, for the fiscal year 2017/18 at 7.5 per cent. (basic rate taxpayers), 32.5 per cent. (higher rate taxpayers) and 38.1 per cent. (additional rate taxpayers). The UK Government previously

announced proposals which would reduce this allowance to £2,000 from the tax year 2018/2019 onwards.

Due to the announcement of a UK General Election, these proposals were not included in the Finance Act (2017) which received Royal Assent on 27 April 2017. However, the Government has indicated that the proposed reduction to the dividend allowance to £2,000 will be included in Finance Bill (No.2) 2017 and is therefore expected to take effect from the tax year 2018/2019 onwards.

In general, UK resident corporate Shareholders (other than dealers and certain insurance companies) are not liable to UK corporation tax or UK income tax in respect of dividends, except in certain circumstances.

Non-UK resident Shareholders may be subject to tax on dividend income under any law to which they are subject outside the UK. Under current legislation, no withholding tax will be deducted from any dividends paid by the Company.

### **3. Stamp duty and stamp duty reserve tax**

An agreement to transfer Ordinary Shares through CREST will normally be subject to stamp duty reserve tax at the rate of 0.5 per cent. However, if the transferee is a person to whom the depositary receipt or clearance service charge to stamp duty reserve tax may apply, stamp duty reserve tax at the rate of 1.5 per cent. is applicable to the value of the consideration paid. If an instrument of transfer of the Ordinary Shares is subsequently executed (if the Ordinary Shares are not transferred through CREST), it will generally be subject to stamp duty at the rate of 0.5 per cent. Where the transferor is a person to whom the depositary receipt or clearance service charge to stamp duty may apply, stamp duty at the rate of 1.5 per cent. is applicable to the value of the consideration paid. In either case, the duty paid will be rounded up to the nearest multiple of £5. When such an instrument of transfer is duly stamped and stamp duty is paid within specified time limits, the stamp duty reserve tax charge will be cancelled and any stamp duty reserve tax already paid will be refunded.

When Ordinary Shares are transferred in CREST, there will be no stamp duty reserve tax on the transfer (unless made for a consideration, in which case stamp duty reserve tax will be payable at the rate of 0.5 per cent. of the actual consideration paid).

Liability to pay stamp duty or stamp duty reserve tax is normally that of the transferee or purchaser.

### **4. ISAs**

New Shares will qualify for the purposes of an ISA, provided that they are acquired by an ISA manager pursuant to the Offer for Subscription.

For the 2017/18 fiscal year ISAs have an overall subscription limit of £20,000, all of which can be invested in stocks and shares.

### **5. SIPPs and SSASs**

Ordinary Shares will be permitted investments for SIPPs and SSASs.

## PART 7

### GENERAL INFORMATION

#### 1. Incorporation and general

- 1.1. The Company was incorporated and registered in England and Wales on 10 January 1997 as a public company limited by shares under the Companies Act 1985 with registered number 03300814. Ordinary Shares in the Company were first admitted to listing in March 1997. The Company operates under the Act and regulations made under the Act. Its registered office is at Mermaid House, 2 Puddle Dock, London EC4V 3DB (telephone number: +44 (0)20 7490 4355). Save for its compliance with the Act, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the Prospectus Rules, the Company is not a regulated entity.
- 1.2. In accordance with the Act, the objects of the Company are unrestricted.
- 1.3. The Investment Manager is a company incorporated in England and Wales under the Companies Act 1985 on 20 February 1998 with registered number 03514660. The Investment Manager's registered office is at 64-66 Glentham Road, Barnes, London SW13 9JJ (telephone number: +44 (0)208 600 0100). The Investment Manager is authorised and regulated by the FCA with firm reference number 186871.
- 1.4. BNP Paribas Securities Services, London Branch acts as depositary to the Company. The Depositary is responsible for the safe keeping of the Company's assets. The Depositary is a company incorporated in France registered at the Companies Register of Paris with registered number 552 108 011 acting through its London branch which is registered in England and Wales with registered number FC023666. The Depositary's registered office is 3, rue d'Antin, 75002, Paris, France and the office of its London branch is at 55 Moorgate, London EC2R 6PA. The Depositary is authorised by the PRA and regulated by the FCA and PRA with firm reference number 206940.

#### 2. Share capital and indebtedness

- 2.1. The issued share capital of the Company (all of which issued Ordinary Shares will be fully paid-up) as at the date of this document and immediately following completion of the Initial Issues and Subsequent Issues (assuming the maximum number of New Shares are issued) will be as follows:

	<i>No. of Ordinary Shares</i>	<i>Nominal value</i>
<b>As at the date of this document</b>		
Ordinary Shares	36,237,853	£9,059,463.25
<b>Immediately following Admission of all of the New Shares</b>		
Ordinary Shares*	186,237,853	£46,559,463.25

\* Assuming that the maximum number of Shares available under the Issues are issued and that no Ordinary Shares are repurchased by the Company.

As at the date of this document, no Ordinary Shares are held by the Company in treasury. The Company has no authorised share capital and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.

- 2.2. The following changes have occurred in the share capital of the Company between 1 March 2013 and 30 June 2017:
- 2.2.1. in the financial year from 1 March 2015 to 29 February 2016 the Company issued 964,810 Ordinary Shares from treasury;
- 2.2.2. in the financial period from 1 March 2016 to 31 December 2016 the Company issued 10,542,166 new Ordinary Shares and 3,029,520 Ordinary Shares from treasury; and

- 2.2.3. in the six months from 1 January 2017 to 30 June 2017 the Company issued 5,716,563 new Ordinary Shares.
- 2.3. As at 1 March 2013, the Company had in issue 14,391,389 Ordinary Shares and, as at 30 June 2017, the Company had in issue 35,508,868 Ordinary Shares.
- 2.4. No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 2.5. At the annual general meeting of the Company held on 8 June 2017, the Directors were authorised as follows:
- 2.5.1. generally and unconditionally, pursuant to and in accordance with section 551 of the Act, to exercise all powers of the Company to allot shares in the Company up to an aggregate nominal amount of £585,085 (such authority to expire (unless previously varied, revoked or renewed by the Company in general meeting) 15 months after the date of the passing of the resolution or at the conclusion of the next Annual General Meeting of the Company after the passing of the resolution, whichever should first occur, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired; and
- 2.5.2. pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) for cash either pursuant to the authority noted in paragraph 2.5.1 above or by way of a sale of treasury shares, as if section 561 of the Act did not apply to any such allotment or sale, provided that this power:
- (i) shall expire (unless previously varied, revoked or renewed by the Company in general meeting) 15 months from the passing of the resolution, or at the conclusion of the next Annual General Meeting of the Company after the passing of the resolution, whichever is earlier, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot equity securities (including by way of sale of treasury shares) as if such expiry had not occurred; and
  - (ii) shall be limited to the allotment of equity securities up to an aggregate nominal value of £585,085.
- 2.6. At the General Meeting, Shareholders will be asked to authorise the Directors as follows:
- 2.6.1. generally and unconditionally, pursuant to and in accordance with section 551 of the Act, to exercise all powers of the Company to allot shares in the Company up to an aggregate nominal amount of £37,500,000 (such authority to expire (unless previously varied, revoked or renewed by the Company in general meeting) 15 months after the date of the passing of the resolution or at the conclusion of the next Annual General Meeting of the Company after the passing of the resolution, whichever should first occur, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired; and
- 2.6.2. pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) for cash either pursuant to the authority noted in paragraph 2.6.1 above or by way of a sale of treasury shares, as if section 561 of the Act did not apply to any such allotment or sale, provided that this power:
- (i) shall expire (unless previously varied, revoked or renewed by the Company in general meeting) 15 months from the passing of the resolution, or at the conclusion of the next Annual General Meeting of the Company after the passing of the resolution, whichever is earlier, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after

such expiry and the Directors may allot equity securities (including by way of sale of treasury shares) as if such expiry had not occurred; and

- (ii) shall be limited to the allotment of equity securities up to an aggregate nominal value of £37,500,000.

- 2.7. The disapplication of statutory pre-emption rights in the terms provided under the special resolutions noted at paragraphs 2.5.2 and 2.6.2 above gives the Company the flexibility to resell any Ordinary Shares which it may hold in treasury for cash without first being required to offer such Ordinary Shares to existing Shareholders in proportion to their existing holdings.
- 2.8. The Company has authority to buy back up to 5,220,847 Ordinary Shares. The Company has not purchased any Ordinary Shares pursuant to this authority.
- 2.9. The provisions of section 561 of the Act, which confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities which are to be paid up in cash, apply to the unissued capital of the Company except as referred to in paragraphs 2.5.2 and 2.6.2 above.

### **3. Articles**

The Ordinary Shares (which at the date of this document are the only class of share in issue of the Company) have attached thereto the respective rights and privileges and are subject to the respective limitations and restrictions set out in this paragraph 3. The Articles contain provisions, *inter alia*, to the following effect:

#### **3.1. Dividends**

Subject to the provisions of the Act, the Company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of the members but only on the recommendation of the Board and no dividend shall exceed the amount recommended by the Board. The Board may also pay such interim dividends as appear to it to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals set by the Board whenever the financial position of the Company justifies its payment.

Any dividend unclaimed for a period of 12 years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

In the event that any call or other sum immediately payable by a member in respect of any Ordinary Share remains unpaid or a section 793 notice (as detailed in paragraph 3.2.2 below) has been served, and the person holding the restricted Ordinary Shares holds at least 0.25 per cent. in number or nominal value of the Ordinary Shares in the Company, the Board may withhold the payment of all or part of any dividend (including shares issued in lieu of dividends) due on those restricted Ordinary Shares.

#### **3.2. Voting**

##### **3.2.1. General voting rights**

The holder of an Ordinary Share shall be entitled to receive notice of and to attend, speak and vote at all general meetings of the Company in person (or, if a corporation, by a duly authorised representative) or by proxy. At any general meeting, on a show of hands every holder of Ordinary Shares who is present and entitled to vote shall have one vote and upon a poll every such holder of Ordinary Shares present in person, by duly authorised corporate representative or by proxy shall have one vote in respect of each Ordinary Share held by him and every corporate representative present in person may exercise all the powers on behalf of the company which authorised him to act as its representative and shall have one vote for every Ordinary Share in respect of which he is appointed the corporate representative. However, no member shall be entitled to exercise a vote at any general meeting (or class meeting) (i) in relation to an Ordinary Share if any call or other sum immediately payable by him in respect of that Ordinary Share remains unpaid; or (ii) in relation to any Ordinary Shares if a member has been served with a section 793 notice by the Directors in the manner described in paragraph 3.2.2 below and has failed to supply to the Company the information required thereby within 14 days.

### 3.2.2. *Restrictions on voting*

If a holder of Ordinary Shares or any person appearing to be interested in those Ordinary Shares is served with a statutory notice by the Company under section 793 of the Act (which notice demands the disclosure of certain information regarding the relevant receiver's interest in the Ordinary Shares) but defaults in supplying to the Company the information thereby required within 14 days of the service of such notice then the Directors may serve on the holder of those Ordinary Shares a further notice (a "section 793 notice") the effect of which is, *inter alia*, to prevent the holder from voting at any general meeting or class meeting of the Company in respect of those Ordinary Shares.

### 3.3. *Redeemable ordinary shares*

The Company may (subject to the Act and any rights conferred on the holders of any other ordinary shares) issue ordinary shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or the holder of the ordinary share and the Board is authorised to determine the terms, conditions and manner of redemption of any such ordinary shares.

### 3.4. *Transfer of Ordinary Shares*

The Articles provide that Ordinary Shares may be transferred on the following basis:

- 3.4.1. any member may transfer all or any of his uncertificated Ordinary Shares by means of a relevant system in such manner provided for, and subject as provided in the Uncertificated Securities Regulations 2001 and the rules of any relevant system, and accordingly no provision of the Articles shall apply in respect of an uncertificated Ordinary Share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the Ordinary Share to be transferred; and
- 3.4.2. any member may transfer all or any of his certificated Ordinary Shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the register of members of the Company in respect of it.

However, the Board may, in its absolute discretion and without giving any reason for so doing, decline to register any transfer of any Ordinary Share which is not fully paid provided that where such Ordinary Share is admitted to the Official List such discretion may not be exercised in such a way as to prevent dealings in Ordinary Shares of that class from taking place on an open and proper basis.

The Board may also decline to register a transfer of an uncertificated Ordinary Share in the circumstances set out in the Uncertificated Securities Regulations 2001 and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

In relation to certificated Ordinary Shares, the Board may also decline to register any transfer unless:

- (i) the instrument of transfer is left at the registered office of the Company or such other place as the Board may from time to time determine accompanied (save in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued) by the certificate for the Ordinary Share to which it relates and such other evidence as the Board may reasonably require to show the right of the person executing the instrument of transfer to make the transfer;
- (ii) (if stamp duty is generally chargeable on transfers of certificated Ordinary Shares) the instrument of transfer is duly stamped or adjudged or certified as not chargeable to stamp duty;
- (iii) the instrument of transfer is in respect of only one class of share; and

- (iv) in the case of a transfer to joint holders, the number of joint holders to whom the Ordinary Share is to be transferred does not exceed four.

The Board may in addition decline, subject to the requirements of the Uncertificated Securities Regulations 2001, to register the transfer of an Ordinary Share subject to a restriction notice (as detailed in paragraph 3.2.2 above) where the person holding the restricted Ordinary Shares holds at least 0.25 per cent. in number or nominal value of the Ordinary Shares in the Company. This restriction cannot be applied where the transfer is pursuant to an “arm’s length sale”.

### 3.5. *Variation of rights*

All or any of the rights for the time being attached to any class of shares in issue may from time to time (whether or not the Company is being wound up) be varied either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares. All the provisions of the Articles as to general meetings of the Company (described at paragraph 3.11 below) shall, *mutatis mutandis*, apply to any such separate general meeting, but so that the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares), but so that at any adjourned meeting one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum, that every holder of shares of the class present in person or by proxy (excluding any Ordinary Shares of that class held as treasury shares) shall be entitled on a poll to one vote for every share of the class held by him (subject to any rights or restrictions attached to any class of shares) and that any holder of shares of the class present in person or by proxy may demand a poll. The foregoing provisions shall apply to the variation of any special rights which only attach to certain shares of a particular class as if the shares carrying such special rights formed a separate class.

### 3.6. *Reduction of capital*

The Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any other distributable reserve in any manner permitted by law.

### 3.7. *Untraced Shareholders*

Subject to various notice requirements, the Company may sell on the London Stock Exchange at the best price reasonably obtainable any certificated Ordinary Share provided that for a period of 12 years at least three cash dividends on those Ordinary Shares have become payable and no such cash dividend has been claimed by presentation at a bank of the relevant cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the holder of (or person entitled to) the Ordinary Shares or otherwise been transferred through CREST (or another relevant service), and so far as the Directors are aware the Company has not received any communication during the relevant period from the holder of, or person entitled to, those Ordinary Shares.

### 3.8. *Capital reserve*

The Board shall establish a reserve to be called the “capital reserve” and shall either carry to the credit of such reserve from time to time all capital profits or appreciations arising on the sale, transposition, payment off of or revaluation of any investment or other capital asset of the Company (including, for the avoidance of doubt, any increase in value of any investments in any subsidiary undertaking or amounts that may be paid by way of subscription, capital contribution or otherwise under any subscription or similar agreement or arrangement) in excess of the book value thereof and all other monies in the nature of accretion to capital. Any loss realised on the sale, realisation, transposition, repayment or revaluation of any investments or other capital assets and any other sum incurred in connection with the assets of the Company (including, for the avoidance of doubt, any diminution in the value of any investments in any subsidiary undertaking or amounts that may be paid by way of subscription, capital contribution or otherwise under any subscription or similar agreement or arrangement) and any other sums incurred in connection with the management of the assets of the Company (including any proportion of the expenses of the management or administration of the Company’s investments or of the finance costs of any borrowings of the

Company), which in the opinion of the Board is reasonably and fairly apportioned to capital, may be carried to the debit of the capital reserve except in so far as the Directors may in their discretion decide to make good the same out of other reserves of the Company, together in each case with any taxation, relevant to the same.

Subject to the Act and without prejudice to the foregoing generality, the Board may determine whether any amount received by the Company is to be dealt with as income or capital or partly one and partly the other.

### 3.9. *Borrowing powers*

The Board may, subject to the restrictions set out below, exercise all of the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities.

The Board shall restrict the borrowings of the Company and exercise all voting rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that, save with the previous sanction of an ordinary resolution, no money shall be borrowed if the aggregate amount (including any premium payable in final repayment outstanding of all monies borrowed by the Company and subsidiary undertaking or undertakings for the time being of the Company) then exceeds or would as a result of such borrowing exceed an amount equal to 30 per cent. of the aggregate of: (i) the amount paid up on the share capital of the Company; and (ii) the total of the capital and revenue reserves of the Company (including any share premium account, capital redemption reserve fund and credit balance on the combined profit and loss account) but excluding sums set aside for taxation and amounts attributable to outside shareholders in subsidiary undertakings of the Company and deducting any debit balance on the combined profit and loss account all as shown in the then latest audited consolidated balance sheet of the Company, but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account of the Company since the date of its latest audited balance sheet.

No person dealing with the Company or any of its subsidiary undertakings in good faith shall, by reason of the foregoing provisions, be concerned to see or inquire whether the limit imposed by the Articles is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or the security was given, the express notice that the said limit had been or would thereby be exceeded.

### 3.10. *Directors*

#### 3.10.1. *Number of Directors*

The minimum number of Directors is two and there is no limit on the maximum number of Directors.

#### 3.10.2. *Appointment and removal of Directors*

The Company may by ordinary resolution appoint any person who is willing to act to be a Director (either as an addition to the Board or to fill a vacancy). The Board may also appoint any person to the Board (either as an addition or to fill a vacancy) for the period from the date of appointment until the next annual general meeting.

One-third of the Directors or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third shall retire from office by rotations at each annual general meeting. Any Director who was elected or last re-elected at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation. If there are fewer than three Directors, one Director shall retire from office.

The Company may remove a Director at any time by ordinary resolution. The office of Director shall also be vacated if:

- (i) he resigns his office by notice in writing; or

- (ii) he ceases to be a Director by virtue of company law, is removed from office pursuant to the Articles or becomes prohibited by law from being a Director; or
- (iii) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the court for an interim order in connection with a voluntary arrangement or enters into any analogous or similar procedure in any jurisdiction; or
- (iv) an order is made by any court of competent jurisdiction on the ground (howsoever formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his affairs or he becomes a patient for any purpose of any statute relating to mental health and the Board resolves that his office be vacated; or
- (v) he is absent without the permission of the Board from meetings of the Board (whether or not an alternate director appointed by him attends) for six consecutive months and the Board resolves that his office is vacated; or
- (vi) he is requested to resign by notice in writing authenticated by all the other Directors.

#### 3.10.3. *Directors' fees, expenses and remuneration*

The fees paid to Directors for their services as Directors shall not exceed £150,000 in aggregate or such higher amount as the Company may by ordinary resolution determine. A Director may also be paid his reasonable travelling, hotel and other expenses incurred by him in or about the performance of his duties as Director, including any expenses incurred in attending Board meetings or any committee of the Board or general or class meetings of the Company. A Director who performs or renders any special duties or services which, in the opinion of the Board, are outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office may be paid such additional remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board (or any committee thereof) may think fit.

#### 3.10.4. *Directors' interests*

Subject to the Act and provided the Director has disclosed to the Board the nature and extent of his material interest, a Director, notwithstanding his office:

- (i) may hold any other office or place of profit with the Company (except that of auditor) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the Company on such terms as to remuneration (whether by way of salary, commission, participation in profits or otherwise) and otherwise as the Board may determine;
- (ii) may be a party to, or otherwise interested in, any contract with the Company or in which the Company is otherwise interested;
- (iii) may be a director or other officer of, or employed by, or a party to any contract with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- (iv) 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 contract or from any interest in such body corporate and no such office, employment or contract shall be liable to be avoided on the ground of any such interest or benefit.

A Director shall not vote on or be counted in the quorum in relation to any resolution of the Board concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested.

A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board in respect of any actual or proposed transaction or arrangement with the Company in which he has an interest which, taken together with any interest of any person connected with him, is to his knowledge an interest of which he is aware, or ought reasonably to be aware, does conflict, or can reasonably be regarded as likely to give rise to a conflict, with the interests of the Company and, if he shall do so, his vote shall not be counted (subject to certain exceptions provided under the Articles).

A Director who is in any way, whether directly or indirectly, interested in an actual or proposed transaction or arrangement with the Company shall declare the nature and extent of his interest at the meeting of the Board at which the question of entering into the contract is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested.

A Director shall not vote on or be counted in the quorum in relation to any resolution of the Board concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested.

A Director who is in any way, whether directly or indirectly, interested in an actual or proposed transaction or arrangement with the Company shall declare the nature and extent of his interest at the meeting of the Board at which the question of entering into the contract is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested.

In respect of any situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, the Board may authorise the matter, on such terms as they may determine, provided that:

- (i) the Director has declared the full nature and extent of the situation to the Board; and
- (ii) it is proposed (either by the Director in question or another) that the Board authorise the matter and upon the resolution to do so the requirement for the quorum is met without counting the Director in question and the resolution was agreed to without such Director voting or would have been agreed to if that conflicted Director's vote had not been counted.

Any authorisation given by the Board under the Articles may provide that, where the interested Director obtains (other than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or use it in relation to the Company's affairs in circumstances where to do so would amount to breach of confidence.

Subject to the Act and the Listing Rules, the Company may by ordinary resolution suspend or relax the above provisions on Directors' conflicts to any extent or ratify any contract not properly authorised by reason of a contravention of the Articles.

#### 3.10.5. *Voting and quorum*

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

The quorum at Board meetings shall be two Directors (unless fixed at another number by the Board).

#### 3.11. *General meetings*

Annual general meetings and general meetings shall be convened by such notice as may be required by law from time to time. The notice shall specify the place, day and time of the meeting, the general nature of the business to be transacted, any procedures as to attendance and voting and, if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such. Notice of every general meeting shall be given to all members other than any who, under the provisions of the Articles or any restrictions imposed on

any Ordinary Shares they hold, are not entitled to receive such notices from the Company, to the Directors and to the Auditors and to any other person who may be entitled to receive it.

The Board may, from time to time, make such arrangements for the purpose of controlling the level of attendance and ensuring the safety at any place specified for the holding of a general meeting as they shall, in their absolute discretion, consider appropriate, and may from time to time vary any such arrangements or make any new arrangements in place of them, provided that the entitlement of a member to attend a general meeting at such place shall be subject to any such arrangements as may be for the time being approved by the Board.

The Board may direct that persons wishing to attend any meeting should provide evidence of identity and submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to, or to eject from, such meeting any person who fails to provide such evidence or submit to such searches or otherwise to comply with such security arrangements or restrictions.

### 3.12. *Alteration of share capital and purchase of shares*

The Company may from time to time by ordinary resolution increase its share capital by such sum to be divided into shares of such amount as the resolution may prescribe.

The Company may from time to time, subject to the provisions of the Act, purchase its own shares (including any redeemable shares) in any manner authorised by the Act.

Subject to the Articles and the Act, the Company may by ordinary resolution: (i) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; (ii) subdivide all or any of its shares into shares of a smaller amounts; or (iii) re-denominate its share capital by converting shares from having a fixed nominal value in one currency to have a fixed nominal value in another currency.

### 3.13. *Duration*

The Directors shall put an ordinary resolution to the Shareholders to approve the continuation of the Company as an investment trust at each third subsequent annual general meeting of the Company after the annual general meeting held in 2014. The next continuation vote will be put to Shareholders at the annual general meeting of the Company in 2019.

## **4. Directors' and other interests**

4.1. The aggregate of the remuneration paid and benefits in kind granted to the Directors by the Company for the financial period which ended on 31 December 2016 was £67,708 (being £21,875 to Lord Flight (the Chairman), £14,583 to Mr Nelson, £14,583 to Mr Stevenson and £16,667 to Mr Martin). Mr Chapple is an employee of Phoenix and it was agreed with Phoenix and Mr Chapple that he would take no remuneration from the Company. The fees are reviewed annually and may be increased in line with fees paid at comparable investment trusts. It is estimated that the aggregate remuneration to be paid and benefits in kind granted to the Directors by the Company for the current financial period ending 31 December 2017 will not exceed £81,250. The total remuneration and benefits in kind granted to the Directors will not be varied as a consequence of the Issues. No Director is eligible for pension, retirement or similar benefits and no amounts have been set aside by the Company to provide pension, retirement or similar benefits.

4.2. Any new Directors appointed during the year must stand for election at the first annual general meeting following their appointment. Thereafter, as a matter of Company policy, each of the Directors is obliged to retire and, subject to a performance evaluation, if they wish, offer themselves for re-election annually. Mr Martin joined the Board on 8 September 2010. Lord Flight and Mr Nelson joined the Board on 18 July 2011. Mr Chapple and Mr Stevenson joined the Board on 29 January and 2 February 2016 respectively. None of the Directors' letters of appointment contain notice periods or provisions for any compensation being payable upon early termination by the Company.

- 4.3. No Director has or has had any direct or indirect interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of the Company and which has been effected by the Company as at the latest practicable date.
- 4.4. No loan or guarantee has been granted or provided by the Company for the benefit of any Director.
- 4.5. The Directors do not have any options over Ordinary Shares. As at the date of this document, the interests of the Directors in the issued share capital of the Company were as follows:

	<i>No. of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
Lord Flight	43,000	0.12%
Tristan Chapple	—	—
Richard Martin	30,100	0.08%
The Honourable James Nelson	40,000	0.11%
David Stevenson	9,466	0.03%

- 4.6. As at close of business on 31 August 2017, the Company was aware of the following notifiable interests in the issued share capital of the Company:

	<i>No. of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
Clients of Rothschild Wealth Management (UK) Limited	6,288,101	17.35%
Clients of Ravenscroft Limited	3,277,463	9.04%
Clients of Canaccord Genuity Wealth Limited	2,951,468	8.14%
Phoenix Asset Management Partners Limited	2,412,246	6.66%
Clients of Sand Aire Limited	2,410,278	6.65%
Clients of Hargreaves Lansdown PLC	1,858,790	5.13%
Troy Asset Management Limited	1,253,708	3.46%
Clients of Banque Privee Edmond de Rothschild	1,203,745	3.32%
Clients of Charles Stanley & Co. Limited	1,085,588	3.00%
Miton Group PLC	1,055,161	2.91%

The Directors are not aware of any person or persons who currently does or who, following the Issues, will or could, directly or indirectly, jointly or severally, exercise control over the Company. There are no different voting rights for any Shareholder.

- 4.7. Details of those companies (other than the Company) and partnerships of which the Directors have been a member of the administrative, management or supervisory body or a partner at any time in the five years preceding the date of this document are as follows:

	<i>Current Directorships</i>	<i>Previous Directorships</i>
Lord Flight	Downing Four VCT plc Edge Performance VCT plc The EIS Association The Elgar Foundation Flight & Barr Limited Flight & Partners Limited Investec Asset Management Limited Investec Asset Management Holdings Limited Marechale Capital plc Mercantile Ports & Logistics Limited Metro Bank plc The Monarchist Movement Trust Limited R5FX Ltd	Arden Partners EBT Limited Arden Partners plc CIM Investment Management Limited

	<i>Current Directorships</i>	<i>Previous Directorships</i>
Tristan Chapple	Phoenix Asset Management Partners Limited	None
Richard Martin	F&C Managed Portfolio Trust plc Odysseus Capital Management Limited	Montanaro European Smaller Companies Trust plc Odysseus Projects Limited (dissolved) Schroder Split Investment Fund plc (dissolved) Schroder Split Zdp plc (dissolved) Upgrade Properties Limited (in liquidation) Victory VCT plc (dissolved)
James Nelson	82 Tachbrook Street RTM Company Limited McGill University Trust	Hadleigh Limited (dissolved) The Henderson Smaller Companies Investment Trust plc Intermediate Capital Group plc Prosight Speciality Underwriters Ltd. Syncora Guarantee (U.K.) Limited
David Stevenson	321 Publishing and TV Limited Altfi Data Limited Altfi Limited ETF Stream Limited SQN Secured Income Fund plc Planet Sports Rights Limited SQN Secured Income Fund plc Stockmarkets Digest Limited Windhorse Aerospace Limited	Coalition Partners Limited (dissolved) Investment Compass Limited (dissolved) Irichmedia Limited (dissolved) Planet Yomp Limited (dissolved) Portfolio Review Limited (dissolved) Rocket Science TV Limited (dissolved) Rokit Media Limited (dissolved) Vidualise Limited (dissolved) Watering Hole Media Limited (dissolved) Wealthview Limited (dissolved) Wild Wiki Limited (dissolved)

4.8. As at the date of this document, none of the Directors:

4.8.1. has any convictions in relation to fraudulent offences for at least the previous five years;

4.8.2. has been the subject of any bankruptcies, receiverships or liquidations when acting in the capacity of a member of the administrative, management or supervisory body or a partner of the companies and/or partnerships referred to in paragraph 4.7 above; or

4.8.3. has any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has ever 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 for at least the previous five years.

4.9. There are no potential conflicts of interest between any duties of the Directors to the Company and their private interests and/or other duties. All of the Directors, save for Mr Chapple, are independent of the Investment Manager and any other company in the same group of companies as the Investment Manager.

## 5. Subsidiary undertakings

The Company has no subsidiary undertakings.

## 6. Related party transactions

The Company was not a party to, nor had any interest in, any related party transaction (as defined in the standards adopted according to the Regulation (EC) No 1606/2002) at any time during the four financial

periods ended 31 December 2016 in respect of which the Company has published statutory accounts, the six month period from 1 January 2017 to 30 June 2017 in respect of which the Company has published an unaudited interim report or during the period from 30 June 2017 to the date of this document, other than: (i) those disclosed in notes 3, 11 and 17 to the financial statements of the Company for the four financial periods ended 31 December 2016; and (ii) the Investment Management Agreement.

## **7. Mandatory bids, squeeze-out and sell-out rules**

### **7.1. Mandatory bids**

As a company incorporated in England with shares admitted to trading on the Main Market, the Company is subject to the provisions of the Takeover Code. Under Rule 9 of the Takeover Code, any person or group of persons acting in concert with each other which, taken together with shares already held by that person or group of persons, acquires 30 per cent. or more of the voting rights of a public company which is subject to the Takeover Code or holds not less than 30 per cent. but not more than 50 per cent. of the voting rights exercisable at a general meeting and acquires additional shares which increase the percentage of their voting rights, would normally be required to make a general offer in cash at the highest price paid within the preceding 12 months for all the remaining equity share capital of the Company.

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9. A shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9. However, under note 2 to Rule 37, where a shareholder has acquired shares at a time when it had reason to believe that a purchase by the company of its own voting shares might take place, an obligation to make a mandatory bid under Rule 9 may arise in certain circumstances. The buying back by the Company of Ordinary Shares could, therefore, have implications for Shareholders with significant shareholdings.

### **7.2. Squeeze-out and sell-out rules**

Other than as provided by the Act, there are no rules or provisions relating to squeeze-out and sell-out rules in relation to the Ordinary Shares.

## **8. Material contracts**

The following are all of the material contracts, other than contracts entered into in the ordinary course of business, to which the Company has been a party within the two years preceding the date of publication of this document and any other contract, not being a contract entered into in the ordinary course of business, that has been entered into the Company which contains any provisions under which the Company has any obligation or entitlement which is material to the Company as at the date of this document.

- 8.1. The Investment Management Agreement dated 28 January 2016 pursuant to which the AIFM has agreed, subject to the overall policy and supervision of the Directors and such directions as the Directors may give from time to time, to advise upon investments in accordance with the Company's investment policy with effect from 28 January 2016.

Under the terms of the Investment Management Agreement, the AIFM does not earn an ongoing annual management fee but is entitled to a performance fee. The performance fee is equal to one third of the outperformance of the Company's net asset value total return (after adjustment for material inflows and outflows including, for the avoidance of doubt, tender payments and share buy backs) with dividends reinvested over the FTSE All-Share Index, total return for each financial year (or, where no performance fee is payable in respect of a financial year, in the period since a performance fee was last payable). The fee payable will be based on the average of the net assets of the Company (adjusted for any dividends paid or payable and the effect of share buy backs) over the performance period.

The total performance fee will be capped at 4 per cent. per annum of the Net Asset Value of the Company at the end of the relevant financial year in the event that the Net Asset Value per Ordinary Share has increased in absolute terms over the period and 2 per cent. in the event that the Net

Asset Value per Ordinary Share has decreased in absolute terms over the period. Any outperformance that exceeds these caps will be carried forward and only paid if the Company outperforms, and the annual cap is not exceeded, in subsequent years save where the Investment Management Agreement is terminated by the Company other than for fault in which case any carried forward performance fee will be paid without the cap.

The performance fee will also be subject to a clawback, including on termination of the Investment Management Agreement. Where a fee is earned, there follows a fixed three year period at the end of which a test is performed on the performance of the Company. If at the time the test is performed it is found that overall the Company has under performed in the fixed three year period the clawback shall apply. The clawback will continue to apply following termination of the Investment Management Agreement.

The performance fee is payable to the AIFM in Ordinary Shares (issued at the Net Asset Value per Ordinary Share on the date of issue) and such Ordinary Shares must be retained by the AIFM for a minimum period of three years from the date of issue unless the Investment Management Agreement is terminated. It is intended that the performance fee will be charged to the capital reserves of the Company.

The Investment Management Agreement will continue until terminated at any time by either party giving to the other not less than 12 months' written notice. Either party may, however, terminate the Investment Management Agreement on shorter notice in certain circumstances, *inter alia*, where one of the parties has a receiver appointed over its assets, an order is made or an effective resolution is passed for the winding up of one of the parties or if one of the parties commits a material breach of the Investment Management Agreement. If the Investment Management Agreement is terminated as a result of (i) the Company notifying the AIFM of an intended breach or change to any thresholds or profiles which the AIFM determines it has been given unreasonably short notice of or would cause it to be in breach of its obligations under the AIFM Directive or (ii) the AIFM notifies the Company of a change to a threshold or profile and the Company has not agreed to such change within two months of the notification then the AIFM is entitled to receive a sum calculated on a *pro rata* basis as if the Investment Management Agreement had been terminated on full notice together with reimbursement of its out of pocket expenses.

The AIFM has agreed to indemnify the Board in respect of any losses incurred as a result of wilful default, fraud or bad faith of the AIFM or any failure by the AIFM to carry out its obligations under the Investment Management Agreement with such reasonable skill and care as would be expected.

The Company has agreed to indemnify the AIFM (and its delegates and their officers, directors, employees and agents) against all claims by third parties which may be made against them in connection with the provision of services under the Investment Management Agreement except to the extent that the claim is due to the negligence, wilful default, fraud or bad faith of the AIFM or a breach of any laws or of the Investment Management Agreement by the AIFM.

The Investment Management Agreement is governed by the laws of England.

- 8.2. The Depositary Agreement dated 28 January 2016 between the Company, the Depositary and the AIFM pursuant to which the Company appointed BNP Paribas Securities Services, London Branch as the Company's depositary for the purposes of the AIFM Directive. Under the terms of the Depositary Agreement, the Depositary performs, *inter alia*, safekeeping, cashflow monitoring and oversight services in accordance with the AIFM Directive. The Depositary is responsible for enquiring into the conduct of the AIFM each annual accounting period.

The Depositary is paid an annual fee calculated as 0.015 per cent. of the value of the Company's assets up to £150 million and 0.012 per cent. of the value of the Company's assets above £150 million subject to a minimum of £25,000 per annum. The Depositary is also entitled to fees for safe keeping and other services.

Under the terms of the Depositary Agreement, any party may, by giving to the other parties not less than six months' notice in writing, terminate the Depositary Agreement provided that the Depositary Agreement shall not terminate until a new depositary is appointed. The Depositary Agreement may also be terminated by any party immediately by notice in writing to the other parties where

another party becomes subject to certain prescribed events of insolvency or another party materially defaults on its obligations under the Depositary Agreement and such default is not remedied within 30 days of notice from another party. The Depositary may also terminate the Depositary Agreement where (i) it has discharged its obligations to a delegate and the agreement with that delegate has been terminated, (ii) the Depositary is concerned that the standard of protection of the financial instruments is not sufficient, despite repeated warnings and such breach is not cured with 30 days of notice or (iii) any fund dealing services agreement is terminated or notice to terminate it is served.

If the Depositary Agreement is terminated within three years of 28 January 2016 the Depositary is entitled to clawback the transition costs borne by the Depositary in respect of the Company, the legal and other costs incurred by the Depositary in preparation for the provision of services to the Company and any exit costs incurred by the Depositary in order to transition the Company to a new depositary.

In accordance with the terms of the Depositary Agreement, and subject to the provisions of the AIFM Directive, the Depositary may delegate its safekeeping functions in relation to securities and other assets of the Company. The Depositary must exercise due skill, care and diligence in the selection and appointment of a delegate to perform the safekeeping functions in respect of securities and other assets of the Company. The employment of any such delegate shall not relieve the Depositary of its responsibilities or liabilities under the Depositary Agreement.

The Depositary and its branches, subsidiaries, delegates, employees, officers and directors have the benefit of an indemnity jointly from the Company and the AIFM in relation to all claims, losses, liabilities, damages, taxes, judgments, costs, fees and expenses (including properly incurred legal fees and expenses) suffered or incurred by the Depositary in the discharge of the duties under the Depositary Agreement other than those arising from the negligence or intentional default of the Depositary or any of its branches or subsidiaries or of any delegates under the Depositary Agreement.

The Depositary Agreement is governed by the laws of England.

- 8.3. The Administration Agreement dated 26 February 1997 (as amended by side letters dated December 2011 and 28 January 2016) between the Company and the Secretary pursuant to which PraxisIFM Fund Services (UK) Limited (previously known as Cavendish Administration Limited) was appointed to provide secretarial and administrative services to the Company. The Secretary is entitled to receive a fixed fee of £40,000 per annum together with a variable fee of 0.075 per cent. of the Company's net assets up to £100 million and 0.025 per cent. of the Company's net assets above £100 million (calculated at the end of each calendar month) per annum subject to a minimum overall fee of £6,500 per month plus VAT payable monthly in arrears for the provision of secretarial services to the Company. The Secretary is entitled at any time to vary the amount or basis of its fee under the Administration Agreement on not less than 210 days' prior written notice to the Company. The Administration Agreement contains an unlimited indemnity in favour of the Secretary against claims by third parties except to the extent that the claim is due to the bad faith of the Secretary, any breach by it of the Administration Agreement or any reckless or negligent act or omission on its part. The Administration Agreement may be terminated by any party giving to the others not less than 180 days' notice in writing or otherwise in circumstances, *inter alia*, where one of the parties goes into liquidation.

The Administration Agreement is governed by the laws of England.

- 8.4. The Placing Agreement dated 5 September 2017 between the Company and the Placing Agent pursuant to which the Placing Agent has agreed to use its reasonable endeavours to procure purchasers for the New Shares to be issued pursuant to the Initial Placing and the Placing Programme.

The Placing Agreement is conditional on, among other things, Initial Admission occurring by 8.00 a.m. on 2 October 2017 (or such later date, not being later than 31 October 2017, as the Company and the Placing Agent may agree).

In the event that any of the conditions in the Placing Agreement are not met in respect of the Initial Placing or any Issue under the Placing Programme, the Placing Agent shall, among other things, not be under any obligation to complete the Initial Placing or relevant Issue under the Placing Programme (as applicable) but shall make appropriate arrangements for the return of any monies received from Placees as soon as practicable and the Company shall withdraw any applications made in respect of the relevant Issue and, following consultation with the Placing Agent, make an announcement via a Regulatory Information Service that the relevant Issue has not become unconditional.

In consideration for its services under the Placing Agreement, the Placing Agent will receive from the Company a placing commission. In addition, the Company will be obliged to reimburse the Placing Agent for all out-of-pocket expenses incurred by it in connection with the Initial Placing and the Placing Programme.

The Company and the Investment Manager have given certain customary warranties to the Placing Agent pursuant to the Placing Agreement. The Company and the Investment Manager have, further, agreed to provide customary indemnities to the Placing Agent.

## **9. Intermediaries Terms and Conditions**

The Intermediaries Terms and Conditions regulate the relationship between the Company, the Intermediaries Offer Adviser and each intermediary that is accepted by the Company to act as an Intermediary after making an application for appointment in accordance with the Intermediaries Terms and Conditions.

### *9.1. Capacity and liability*

The Intermediaries have agreed that, in connection with the Intermediaries Offers, they will be acting as agent for retail investors in the United Kingdom who wish to acquire New Shares under the Intermediaries Offers, and not as representative or agent of the Company, the Investment Manager or the Intermediaries Offer Adviser, none of whom will have any responsibility for any liability, costs or expenses incurred by any Intermediary, regardless of the process or outcome of the Intermediaries Offers.

### *9.2. Eligibility to be appointed as an Intermediary*

In order to be eligible to be considered by the Company for appointment as an Intermediary, each Intermediary must be authorised by the FCA or the PRA in the United Kingdom or authorised by a competent authority in another EEA State with the appropriate authorisations to carry on the relevant activities in the United Kingdom, and in each case have appropriate permissions, licences, consents and approvals to act as an Intermediary in the United Kingdom. Each Intermediary must also be a member of CREST or have arrangements with a clearing firm that is a member of CREST.

Each Intermediary must also have (and is solely responsible for ensuring that it has) all licences, consents and approvals necessary to enable it to act as an Intermediary in the United Kingdom and must be, and at all times remain, of good repute and in compliance with all laws, rules and regulations applicable to it (determined by the Company in its sole and absolute reasonable discretion).

### *9.3. Application for New Shares*

A minimum application amount of £1,000 per underlying applicant will apply under the Intermediaries Offer. There is no maximum limit on the monetary amount that underlying applicants may apply to invest. The Intermediaries have agreed not to make more than one application per underlying applicant. Any application made by investors through any Intermediary is subject to the terms and conditions agreed with each Intermediary.

Individuals who are aged 18 or over, companies and other bodies corporate, partnerships, trusts, associations and other unincorporated organisations are permitted to apply to subscribe for or purchase New Shares in the Intermediaries Offers. Individuals aged between 16 and 18 may apply to subscribe for New Shares in the Intermediaries Offers through an Intermediary only if such New

Shares are to be held in a Junior ISA. Only one application for New Shares may be made for the benefit of any one person in the Intermediaries Offers. Underlying applicants are responsible for ensuring that they do not make more than one application under the Intermediaries Offers (whether on their own behalf or through other means, including, but without limitation, through a trust or pension plan). Intermediaries may not make multiple applications on behalf of the same person.

By applying for New Shares in the Intermediaries Offers, the applicant agrees to acquire the relevant New Shares at the Initial Issues Price or Subsequent Issues Price (whichever is relevant to that issue). Each applicant must comply with the appropriate money laundering checks required by the relevant Intermediary. Where an application is not accepted or there are insufficient New Shares available to satisfy an application in full, allocations of New Shares may be scaled down to an aggregate value which is less than that applied for. The relevant Intermediary will be obliged to refund the applicant as required and all such refunds will be in accordance with the terms provided by the Intermediary to the applicant. The Company accepts no responsibility with respect to the obligations of the Intermediaries to refund monies in such circumstances.

Under the Intermediary Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant, among other things, that it is not located in the United States and is not acting on behalf of anyone located in the United States, is not a US Person. Under the Intermediaries Offer, the New Shares will be offered outside the United States only in offshore transactions to non-US Persons as defined in, and in reliance on, Regulation S.

Allocations of New Shares under the Intermediaries Offer will be at the absolute discretion of the Company. If there is excess demand for New Shares in the Intermediaries Offers, allocations of New Shares may be scaled down to an aggregate value which is less than that applied for.

The Intermediaries will be notified by the Receiving Agent as soon as reasonably practicable after allocations under the Intermediary Offer are decided. The relevant Intermediaries notification will be sent by email to each Intermediary separately and shall specify: (i) the aggregate number of New Shares allocated to, and to be acquired by, the relevant Intermediary (on behalf of the relevant retail investors); (ii) if applicable, the basis on which the relevant Intermediary should allocate New Shares to retail investors on whose behalf the Intermediary submitted applications; and (iii) the total amount payable by the Intermediary in respect of such New Shares. Each Intermediary will also be sent confirmation by the Receiving Agent (acting as settlement agent to the Intermediaries Offer) of the number of New Shares it has been allocated in the Intermediaries Offer.

Each Intermediary will be required by the Company to apply the basis of allocation determined by the Company to all allocations to underlying applicants who have applied through such Intermediary.

Each retail investor who applies for New Shares in the Intermediaries Offers through an Intermediary shall, by submitting an application to such Intermediary, be required to agree that it must not rely, and will not rely, on any information or representation other than as contained in this document or any supplement thereto published by the Company prior to Admission. Each Intermediary acknowledges that none of the Company, Investment Manager, Sponsor or Placing Agent will have any liability to the Intermediary or any retail investor for any such other information or representation not contained in this Prospectus or any such supplement thereto published by the Company prior to Admission.

#### 9.4. *Effect of Intermediaries Offer Application Form*

By completing and returning an Intermediaries Offer Application Form, an Intermediary will be deemed to have irrevocably agreed to invest or procure the investment in New Shares of the aggregate amount stated on the Intermediaries Offer Application Form or such lesser amounts in respect of which such application may be accepted. The Company reserves the right to reject, in whole or in part, or to scale down, any application for New Shares in the Intermediaries Offers.

#### 9.5. *Fees*

The Intermediaries Terms and Conditions provide that an Intermediary may choose whether or not to be paid a fee by the Company in connection with the Intermediaries Offers, subject to the rules of the FCA or any other applicable body. Intermediaries must not pay to any underlying

applicant any of the fees received from the Company. However, Intermediaries are permitted to offset any fee received from the Company against any amounts of fees which would be otherwise payable by an underlying applicant to that Intermediary.

#### 9.6. *Information and communications*

The Intermediaries have agreed to give certain undertakings regarding the use of information provided to them in connection with the Intermediaries Offers. The Intermediaries have given certain undertakings regarding their role and responsibilities in the Intermediaries Offers and are subject to certain restrictions on their conduct in connection with the Intermediaries Offers, including in relation to their responsibility for information, communications, websites, advertisements and their communications with clients and the press.

#### 9.7. *Representations and warranties*

The Intermediaries have given representations and warranties that are relevant for the Intermediaries Offers, and have agreed to indemnify the Company, the Investment Manager, the Placing Agent and the Sponsor against any loss or claim arising out of any breach by them of the Intermediaries Terms and Conditions or as a result of a breach of any duties or obligations under FSMA or under any rules of the FCA or any applicable laws or as a result of any breach by the Intermediary of any of its representations, warranties, undertakings or obligations contained in the Intermediaries Terms and Conditions.

#### 9.8. *Governing law*

The Intermediaries Terms and Conditions are governed by the laws of England.

### **10. Intermediaries**

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

- Alliance Trust Savings Limited;
- Equiniti Financial Services Limited;
- Redmayne-Bentley LLP; and
- The Share Centre Limited.

Any new material information relating to an Intermediary, unknown at the time of approval of this Prospectus, which may affect its ability to act as an intermediary and the details of any Intermediary that is appointed by the Company in connection with the Intermediaries Offers after the date of this Prospectus following its agreement to adhere to and be bound by the Intermediaries Terms and Conditions; and any Intermediary that ceases to participate in the Intermediaries Offers, will be made available (subject to certain restrictions) at the website [www.aurorainvestmenttrust.com](http://www.aurorainvestmenttrust.com).

### **11. Investment restrictions**

11.1. In accordance with the requirements of the UK Listing Authority, the Company:

- 11.1.1. will not invest more than 10 per cent. in aggregate of the value of the total assets of the Company at the time of investment in other investment companies or investment trusts which are listed on the Official List (except to the extent that those investment companies or investment trusts have published investment policies to invest no more than 15 per cent. of their gross assets in other investment companies or investment trusts which are listed on the Official List);
- 11.1.2. will not conduct any trading activity which is significant in the context of the Company as a whole;
- 11.1.3. will, at all times, invest and manage its assets:
  - (i) in a way which is consistent with its object of spreading investment risk; and
  - (ii) in accordance with its published investment policy.

- 11.2. As an investment trust, the Company aims to comply with section 1158 of the Tax Act, which imposes on the Company an obligation to spread investment risk.
- 11.3. In accordance with the requirements of the UK Listing Authority, the Company will not make any material change to its published investment policy without the approval of its Shareholders by ordinary resolution. Such an alteration would be announced by the Company through a Regulatory Information Service.
- 11.4. In the event of any breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Company by an announcement issued through a Regulatory Information Service approved by the UK Listing Authority.

## **12. General**

- 12.1. Where information has been sourced from third parties, the Company confirms that this information has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 12.2. There are no governmental, legal or arbitration proceedings (and, so far as the Company is aware, there are no governmental, legal or arbitration proceedings pending or threatened) which may have, or have had in the previous 12 months, significant effects on the Company's financial position or profitability.
- 12.3. Dickson Minto W.S. has given and not withdrawn its written consent to the issue of this document with inclusion therein of its name in the form and context in which it is included.

## **13. Documents available for inspection**

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW and at the registered office of the Company, Mermaid House, 2 Puddle Dock, London EC4V 3DB, until 3 September 2018:

- the Articles;
- the annual reports and accounts of the Company for the four financial periods ended 31 December 2016; and
- this document.

## **14. Availability of this document**

This document is available for inspection at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM) and, until 3 September 2018, copies are available for collection, free of charge, from the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW and the registered office of the Company.

**5 September 2017**

## PART 8

### TERMS AND CONDITIONS OF THE INITIAL PLACING AND THE PLACING PROGRAMME

#### 1. Introduction

Each Placee which confirms its agreement to the Placing Agent to subscribe for New Shares under the Initial Placing and/or the Placing Programme will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and the Placing Agent may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) sees fit and/or may require such Placee to execute a separate placing letter (for the purposes of this Part 8, a "Placing Letter"). The terms of this Part 8 will, where applicable, be deemed to be incorporated into the Placing Letter.

#### 2. Agreement to subscribe for New Shares

Conditional on: (i) Initial Admission of New Shares occurring and becoming effective by 8.00 a.m. (London time) on or prior to 2 October 2017 (or such later time and/or date, not being later than 8.00 a.m. on 31 October 2017, as the Company and the Placing Agent may agree) or any Admission under the Placing Programme occurring not later than 8.00 a.m. on such other dates as may be agreed between the Company and the Placing Agent prior to the closing of each placing under the Placing Programme, not being later than 4 September 2018 (as applicable); (ii) in the case of any Issue pursuant to the Placing Programme, to the extent required by the Prospectus Rules and FSMA, a valid supplementary prospectus being published by the Company; (iii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before the date of such Admission; and (iv) the Placing Agent confirming to the Placees their allocation of New Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those New Shares allocated to it by the Placing Agent at the Initial Issues Price under the Initial Placing or the relevant Subsequent Issues Price under the Placing Programme. 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.

Multiple applications or suspected multiple applications on behalf of a single investor are liable to be rejected.

Fractions of New Shares will not be issued.

#### 3. Payment for New Shares

3.1. Each Placee must pay the relevant price for the New Shares issued to the Placee in the manner and by the time directed by the Placing Agent. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for New Shares may, at the discretion of the Placing Agent, 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 price for the New Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and the Placing Agent elects to accept that Placee's application, the Placing Agent may sell all or any of the New Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for the Placing Agent's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will remain liable for, and undertakes to indemnify fully the Placing Agent in respect of, any shortfall below the aggregate amount owed by such Placee and any tax or other charges and expenses (together with any interest or penalties) which may arise upon the sale of such New Shares on such Placee's behalf.

#### **4. Representations and warranties**

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

- 4.1. in agreeing to subscribe for New Shares under the Initial Placing and/or 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, the Initial Placing and/or the Placing Programme. It agrees that none of the Company, the Investment Manager, the Placing Agent or the Registrar, nor any of their respective officers, agents and 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 New Shares under the Initial Placing and/or 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, the Investment Manager, the Placing Agent 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 Initial Placing and/or the Placing Programme;
- 4.3. it has carefully read and understands this document in its entirety and acknowledges that it is acquiring New Shares on the terms and subject to the conditions set out in this Part 8 and, if applicable, in any contract note or oral or email placing confirmation (for the purposes of this Part 8, a "Contract Note" or "Placing Confirmation"), the Placing Letter, if any, and the Articles as in force at the date of Admission of the relevant New Shares;
- 4.4. it has not relied on the Placing Agent or any person affiliated with the Placing Agent in connection with any investigation of the accuracy of any information contained in this document;
- 4.5. the content of this document and any supplementary prospectus published by the Company is exclusively the responsibility of the Company and its Directors and neither the Placing Agent nor any person acting on their behalf nor any of their respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document 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 Initial Placing and/or the Placing Programme based on any information, representation or statement contained in this document or otherwise;
- 4.6. it acknowledges that no person is authorised in connection with the Initial Placing and/or the relevant Issue pursuant to the Placing Programme to give any information or make any representation other than as contained in this document and any supplementary prospectus published by the Company and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Manager or the Placing Agent;
- 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. the price per New Share is fixed at the Initial Issues Price or the relevant Subsequent Issues Price as applicable and is payable to the Placing Agent on behalf of the Company in accordance with the terms of this Part 8 and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any);
- 4.9. it has the funds available to pay in full for the New Shares for which it has agreed to subscribe and that it will pay the total subscription in accordance with the terms set out in this Part 8 and, as

applicable, as set out in the Contract Note or Placing Confirmation and the Placing letter (if any) on the due time and date;

- 4.10. its commitment to acquire New Shares under the Initial Placing and/or the Placing Programme will be agreed orally or in writing (which shall include by email) with the Placing Agent as agent for the Company and that a Contract Note or Placing Confirmation will be issued by the Placing Agent as soon as possible thereafter. That oral or written confirmation will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and the Placing Agent to subscribe for the number of New Shares allocated to it at the Initial Issues Price or the relevant Subsequent Issues Price (as applicable) on the terms and conditions set out in this Part 8 and, as applicable, in the contract note or placing confirmation and the placing letter (if any) issued in connection with the commitment and in accordance with the Articles in force as at the date of Initial Admission or the relevant Admission (as applicable). Except with the consent of the Placing Agent such oral or written commitment will not be capable of variation or revocation after the time at which it is made;
- 4.11. its allocation of New Shares under the Initial Placing and/or the Placing Programme (as applicable) will be evidenced by the Contract Note or Placing Confirmation, as applicable, confirming: (i) the number of New Shares that such Placee has agreed to acquire; (ii) the aggregate amount that such Placee will be required to pay for such New Shares; and (iii) settlement instructions to pay the Placing Agent as agent for the Company. The terms of this Part 8 will be deemed to be incorporated into that Contract Note or Placing Confirmation;
- 4.12. settlement of transactions in the New Shares following the relevant Admission will take place in CREST but the Placing Agent reserves the right in its absolute discretion to require settlement in certificated form if, in its opinion, delivery or settlement is not possible or practicable within the CREST system within the timescales previously notified to the Placee (whether orally, in the Contract Note or Placing Confirmation, in the Placing Letter or otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction;
- 4.13. it accepts that none of the New Shares have been or will be registered under the laws of any of the EEA States (other than the United Kingdom), Canada, Australia, the Republic of South Africa or Japan. Accordingly, the New Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of the EEA States (other than the United Kingdom), Canada, Australia, the Republic of South Africa or Japan unless an exemption from any registration requirement is available;
- 4.14. it: (i) is entitled to subscribe for the New Shares under the laws of all relevant jurisdictions; (ii) has fully observed the laws of all relevant jurisdictions; (iii) has the requisite capacity and authority and is entitled to enter into and perform its obligations as a subscriber for New Shares and will honour such obligations; and (iv) has obtained all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
- 4.15. if it is within the United Kingdom, it is (a)(i) a qualified investor within the meaning of section 86(d) of FSMA; and (ii) a person who falls within Articles 49(2)(a) to (d), 19(1) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the New Shares may otherwise lawfully be offered under such Order or otherwise; or (b) if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the New Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- 4.16. if it is a resident in the European Economic Area (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 Directive 2003/71/EC and (b) that it is a person to whom the New Shares may lawfully be marked under the AIFM Directive or under the applicable implementing legislation of that relevant Member State;
- 4.17. in the case of any New Shares acquired by a Placee as a financial intermediary as that term is used in Article 3(2) of Directive 2010/73/EU (the "Prospectus Directive") (i) the New Shares acquired by it in the Initial Placing and/or 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 Prospectus Directive, or in circumstances in which the prior consent of the Placing Agent has been given to the offer or resale; or (ii) where New Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those New Shares to it is not treated under the Prospectus Directive as having been made to such persons;

- 4.18. if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Initial Placing and/or the Placing Programme (including, for the avoidance of doubt, any supplementary prospectus published by the Company) (for the purposes of this Part 8, each a "Placing Document") constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for New Shares pursuant to the Initial Placing and/or 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 New Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.19. it does not have a registered address in, and is not a citizen, resident or national of Canada, Japan, Australia, the Republic of South Africa or any other jurisdiction in which it is unlawful to make or accept an offer of the New Shares and it is not acting on a non-discretionary basis for any such person;
- 4.20. 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 New Shares under the Initial Placing and/or the Placing Programme and will not be any such person on the date any such agreement to subscribe under the Initial Placing or Placing Programme is accepted;
- 4.21. it has communicated or caused to be communicated and will communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the New Shares only in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person; and (ii) that no Placing Document is being issued or approved by the Placing Agent in its capacity as an authorised person under section 21 of the FSMA and the Placing Documents may not therefore be subject to the controls which would apply if the Placing Documents were made or approved as financial promotion by an authorised person;
- 4.22. it is aware of and acknowledges that it is required to comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Initial Placing and the Placing Programme in, from or otherwise involving, the United Kingdom;
- 4.23. it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, the Market Abuse Regulation and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;
- 4.24. 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 New Shares or possession of this Prospectus (and any supplementary prospectus issued by the Company), in any country or jurisdiction where action for that purpose is required;
- 4.25. it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading "United States purchase and transfer restrictions" in paragraph 5, below;
- 4.26. it acknowledges that neither the Placing Agent nor any of its affiliates, nor any person acting on its behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing and/or Placing Programme or providing any advice in relation to the Initial Placing and/or Placing Programme and participation in the Initial Placing and/or Placing Programme is on the basis that it is not and will not be a client of the Placing Agent and that the Placing Agent has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Initial Placing and/or Placing Programme nor in respect of any representations, warranties, undertaking or indemnities

otherwise required to be given by it in connection with its application under the Initial Placing and/or the Placing Programme;

- 4.27. that, save in the event of fraud on the part of the Placing Agent, none of the Placing Agent, its ultimate holding companies, any direct or indirect subsidiary undertakings of such holding Company, any of its respective directors, members, partners, officers and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of the Placing Agent's role as placing agent or otherwise in connection with the Initial Placing and/or the Placing Programme and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately and irrevocably waive any claim against any such persons which the Placee or any of its clients may have in respect thereof;
- 4.28. it acknowledges that where it is subscribing for New Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account; (i) to subscribe for the New Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (iii) to receive on behalf of each such account any documentation relating to the Initial Placing and/or Placing Programme in the form provided by the Company and/or the Placing Agent. It agrees that the provision of this paragraph shall survive any resale of the New Shares by or on behalf of any such account;
- 4.29. it irrevocably appoints any director of the Company and any director of the Placing Agent 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 New Shares for which it has given a commitment under the Initial Placing and/or the Placing Programme, in the event of its own failure to do so;
- 4.30. it accepts that if the Initial Placing and/or any Issue pursuant to the Placing Programme does not proceed or the relevant conditions to the Placing Agreement are not satisfied or the New Shares for which valid applications are received and accepted are not admitted to the Official List of the FCA and to trading on the London Stock Exchange for any reason whatsoever then neither the Placing Agent, the Investment Manager 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;
- 4.31. in connection with its participation in the Initial Placing and/or Placing Programme it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing ("Money Laundering Legislation") and that its application for New Shares 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 for New Shares. In addition, it warrants that it is a person: (i) subject to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2015/849/EU of the European Parliament and of the Council of 26 October 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing) (the "Money Laundering Directive"); or (iii) 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;
- 4.32. it acknowledges that due to anti-money laundering requirements, the Placing Agent 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, the Placing Agent and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify the Placing Agent and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it in a timely manner;
- 4.33. it acknowledges and agrees that information provided by it to the Company or the Registrar will be stored both on the Registrar's and the Secretary's computer system and manually. It

acknowledges and agrees that for the purposes of the Data Protection Legislation, the Registrar, the Secretary and the Placing Agent are each required to specify the purposes for which they will hold personal data. For the purposes of this document “Data Protection Legislation” shall mean (i) prior to 25 May 2018 the UK Data Protection Act 1998 and the Data Protection Directive (95/46/EC) and (ii) on and after 25 May 2018, EU Regulation 2016/679 (“GDPR”) or any equivalent or similar legislation implemented in the United Kingdom following the United Kingdom’s withdrawal from the European Union. The Registrar, the Secretary and the Placing Agent will only use such information for the purposes set out below (collectively, the “Purposes”), being to:

- 4.33.1. process its personal data (including sensitive personal data) as required for or in connection with the holding of New Shares, including processing personal data in connection with credit and money laundering checks on it;
  - 4.33.2. communicate with it as necessary in connection with the proper running of its business affairs and generally in connection with the holding of New Shares;
  - 4.33.3. provide personal data to such third parties as are or shall be necessary in connection with its affairs and generally in connection with its holding of New Shares or as the Data Protection Act 1998 may require, including to third parties outside the United Kingdom or the European Economic Area (subject to the use of a transfer mechanism which is approved at the relevant time by the European Commission or any other regulatory body which has or acquires the right to approve methods of transfer of personal data outside the UK);
  - 4.33.4. without limitation, provide such personal data to the Company or the Investment Manager and its respective associates for processing, notwithstanding that any such party may be outside the United Kingdom or the European Economic Area (subject to the use of a transfer mechanism which is approved at the relevant time by the European Commission or any other regulatory body which has or acquires the right to approve methods of transfer of personal data outside the UK); and
  - 4.33.5. process its personal data for the purpose of their internal record-keeping and reporting obligations.
- 4.34. in providing the Placing Agent, the Registrar and the Secretary with information, it hereby represents and warrants to the Placing Agent, Registrar and the Secretary that it has obtained any necessary consents of any data subject to whose data it has provided to the Placing Agent, the Registrar and the Secretary and their respective associates holding and using their personal data for the Purposes (including, where required, the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out in paragraph 4.23 above) and will make the list of “Purposes” for which the Placing Agent, the Registrar and the Secretary will process the data (as set out in clause 4.25 of this Agreement) available to all data subjects whose personal data may be shared by it in the performance of this Agreement. For the purposes of this document, “data subject”, “data controller”, “data processor”, “personal data” and “sensitive personal data” shall have the meanings attributed to them in the Data Protection Legislation;
- 4.35. the Placee, the Placing Agent, the Company, the Secretary and the Registrar are each data controllers for the purpose of the Data Protection Legislation and the parties all agree and acknowledge that none of the Placee, the Placing Agent, the Company, the Secretary and the Registrar is or shall be a data processor for any of the others or a joint data controller with any of the others and they will each comply with their obligations under the Data Protection Legislation and the Placee will do nothing that puts the Placing Agent, the Company, the Secretary or the Registrar in breach of their respective obligations;
- 4.36. the Placing Agent 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;
- 4.37. the representations, undertakings and warranties contained in this document and, as applicable, any Contract Note or Placing Confirmation and the Placing Letter (if any) are irrevocable. It acknowledges that the Placing Agent 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 New Shares are no longer accurate, it shall promptly notify the Placing Agent and the Company;

- 4.38. where it or any person acting on behalf of it is dealing with the Placing Agent, any money held in an account with the Placing Agent 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 the Placing Agent to segregate such money, as that money will be held by the Placing Agent under a banking relationship and not as trustee;
- 4.39. any of its clients, whether or not identified to the Placing Agent, will remain its sole responsibility and will not become clients of the Placing Agent for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.40. it accepts that the allocation of New Shares shall be determined by the Placing Agent in their absolute discretion but in consultation with the Company and that the Placing Agent may scale back any commitments for this purpose on such basis as it may determine such scaling back to be carried out in accordance with the policy stated in Part 3 of this document; and
- 4.41. time shall be of the essence as regards its obligations to settle payment for the New Shares and to comply with its other obligations under the Initial Placing and/or the Placing Programme.

## **5. United States purchase and transfer restrictions**

By participating in the Initial Placing and/or the Placing Programme, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for New Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Manager, the Registrar and the Placing Agent that:

- 5.1. it is not a US Person and it is acquiring the New Shares in an offshore transaction meeting the requirements of Regulation S and it is not acquiring the New Shares for the account or benefit of a US Person;
- 5.2. it acknowledges that the New Shares have not been and will not be registered under the US 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, US Persons absent registration or an exemption from registration under the US Securities Act;
- 5.3. it acknowledges that the Company has not registered and will not register as an investment company under the 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 Investment Company Act;
- 5.4. 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 New Shares or any beneficial interest therein constitutes or will constitute the assets of (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; or (ii) a "plan" as defined in Section 4975 of the Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Tax Code; or
- 5.5. 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 Tax Code. In addition, if a Placee is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Tax Code, its purchase, holding, and disposition of the New Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- 5.6. if any New 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:

"AURORA INVESTMENT TRUST PLC (THE "COMPANY") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US 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 US SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.”;

- 5.7. if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of its New Shares, it will do so only in compliance with an exemption from the registration requirements of the US Securities Act and under circumstances which will not require the Company to register under the Investment Company Act. 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;
- 5.8. it is purchasing the New 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 New Shares in any manner that would violate the US Securities Act, the Investment Company Act or any other applicable securities laws;
- 5.9. it acknowledges that the Company reserves the right to make inquiries of any holder of the New Shares or interests therein at any time as to such person's status under US 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 US securities laws to transfer such New Shares or interests in accordance with the Articles;
- 5.10. it acknowledges and understands that the Company is required to comply with FATCA and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA;
- 5.11. it is entitled to acquire the New 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 New Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Manager, the Placing Agent or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Initial Placing and/or the Placing Programme or its acceptance of participation in the Initial Placing and/or the Placing Programme;
- 5.12. it has received, carefully read and understands this document and any supplementary prospectus published by the Company, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the New Shares to within the United States or to any US Persons, nor will it do any of the foregoing; and
- 5.13. if it is acquiring any New 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.

The Company, the Investment Manager, the Placing Agent 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.

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.

## **6. Supply and disclosure of information**

If the Placing Agent, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for New Shares under the Initial Placing and/or the Placing Programme, such Placee must promptly disclose it to them and ensure that such information is complete and accurate in all respects.

## **7. Miscellaneous**

The rights and remedies of the Company, the Investment Manager, the Placing Agent 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.

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 Initial Placing and/or 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.

Each Placee agrees to be bound by the Articles once the New Shares, which the Placee has agreed to subscribe for pursuant to the Initial Placing and/or the Placing Programme, have been acquired by the Placee. The contract to subscribe for New Shares under the Initial Placing and/or the Placing Programme and the appointments and authorities mentioned in this document 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 Manager, the Placing Agent 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.

In the case of a joint agreement to subscribe for New Shares under the Initial Placing and/or 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.

The Placing Agent and the Company expressly reserve the right to modify the Initial Placing and/or the Placing Programme (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Initial Placing and/or 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 Part 7 of this document.

## PART 9

### TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

#### Introduction

These Terms and Conditions of Application apply to any application made under the Offer for Subscription. If you apply for Ordinary Shares in the Offer for Subscription, you will by completion of the Application Form be thereby agreeing, warranting, confirming and acknowledging with the Company, the Investment Manager and the Receiving Agent (together, the “Company and its agents”) as follows.

#### Offer to acquire Ordinary Shares

1. Applications must be made on the Application Form attached at the end of the Prospectus or as otherwise published by the Company. All applications in the Offer for Subscription must be for Ordinary Shares with a minimum aggregate subscription price of £1,000 and, if your application is for Ordinary Shares with an aggregate subscription price of more than £1,000, it must be for a sum which is a multiple of £1,000. Investors may not make more than one application for Ordinary Shares under the Offer for Subscription.
2. By completing and delivering an Application Form, you, as the Applicant, or, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:
  - 2.1. offer to subscribe for Ordinary Shares at the Initial Issues Price on the terms, and subject to the conditions, set out in the Prospectus, including these Terms and Conditions of Application, the guidance notes accompanying your Application Form, and the Company’s memorandum of association and the Articles, and agree to be bound by and adhere to the Company’s memorandum of association and the Articles as if you were directly a party to the same;
  - 2.2. agree that, in consideration of the Company agreeing that it will not, prior to the date of Admission, offer any Ordinary Shares to any person other than by means of the procedures referred to in the Prospectus, your application may not be revoked until after 2 October 2017 (or such later date as the Company and its agents may agree). You agree that this paragraph constitutes an irrevocable collateral contract between you and the Company and its agents, which will become binding when your Application Form is posted or delivered by hand to the Receiving Agent, provided that you shall be entitled to revoke your application in the two working days following any publication by the Company of a supplementary prospectus relating to the Offer for Subscription in accordance with section 87Q(4) of the Financial Services and Markets Act 2000;
  - 2.3. undertake to pay (by cheque or bankers’ draft or such other method of payment as may be agreed with the Company) the fixed sum specified on your Application Form or such lesser amount (payable in full on application) in respect of which your application is accepted and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Ordinary Shares applied for or to enjoy or receive any rights or distributions in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Company and its agents against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) terminate the agreement to allocate Ordinary Shares to you, without liability to you, and may allocate them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund to you at your risk of any proceeds or remittance which accompanied your Application Form and which is received by the Receiving Agent in cleared funds, without interest);

- 2.4. agree that any share certificate to which you may become entitled and moneys returnable may be retained, without interest, by the Receiving Agent:
- 2.4.1. pending clearance of your remittance;
  - 2.4.2. pending investigation of any suspected breach of the warranties contained in paragraph 2.8 and/or paragraph 10 below or any other suspected breach of these Terms and Conditions of Application; or
  - 2.4.3. pending any verification of identity (to the satisfaction of the Company and its agents, including as may concern the manner in which its identification documents are to be certified) which is, or which the Company and its agents consider may be, required for the purposes of compliance with the prevailing anti-money laundering, anti-terrorism and contributing to the financing of criminal activities legislation, regulations and procedures in force from time to time in the United Kingdom (the "CDD Rules");
- 2.5. agree that any error in the register of members of the Company arising as a result of your remittance not being honoured on first presentation or as a result of any other error in connection with your application for Ordinary Shares, or as a result of termination of any agreement to allocate Ordinary Shares pursuant to paragraphs 2.3 or 2.7 of these Terms and Conditions of Application may be rectified and, in addition and without prejudice to the foregoing, you hereby irrevocably authorise the Company, or any person appointed by it for this purpose, to execute on your behalf any instrument of transfer which may be necessary to effect any re-allocation or sale of Ordinary Shares to any other person arising as a result of the foregoing. The right to rectify the register of members of the Company, and/or the power to re-allocate or sell Ordinary Shares contained in this paragraph, are in addition to any other rights, powers and remedies which would otherwise be available to the Company in the event of a breach by you of these Terms and Conditions of Application;
- 2.6. agree, on the request of the Company or any of its agents, to disclose promptly in writing to any of them such information as the Company or its agents may request in connection with your application and you agree that information relating to applications will be retained by the Receiving Agent in connection with the Offer and may be disclosed as contemplated by the CDD Rules;
- 2.7. agree that if evidence of identity satisfactory to the Company and its agents is not provided to the Company or its agents within a reasonable time (in the opinion of the Company) following a request therefor, any agreement with you to allocate Ordinary Shares may be terminated and, in such case, the Ordinary Shares which would otherwise have been allocated to you may be re-allocated and your application monies will be returned to the bank or other account on which the cheque or other remittance accompanying the application was drawn without interest;
- 2.8. warrant and confirm that:
- 2.8.1. you are not a person engaged in money laundering;
  - 2.8.2. none of the monies or assets transferred or to be transferred to (or for the account of) the Company and its agents for the purposes of the subscription are or will be the proceeds of criminal activities; and
  - 2.8.3. you are not a prohibited individual or entity or resident in a prohibited country or territory listed on the United States Department of Treasury's Office of Foreign Assets Control ("OFAC") website and that you are not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes;
- 2.9. undertake to ensure that, in the case of your Application Form being signed by someone other than the Applicant, the original of the relevant power of attorney or other authority (or a complete copy certified by a solicitor or a bank) is enclosed with your Application Form;

- 2.10. undertake to pay interest at the rate prescribed in paragraph 6 below if the remittance accompanying your Application Form is not honoured on first presentation;
  - 2.11. authorise the Receiving Agent on behalf of the Company to send definitive certificates in respect of the number of Ordinary Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post to your address as set out in your Application Form;
  - 2.12. confirm that you have read and complied with paragraphs 22 and 23; and
  - 2.13. agree that your Application Form is addressed to the Company and its agents.
3. Any application may be rejected in whole or in part at the sole discretion of the Company.

#### **Acceptance of your offer**

4. You agree that acceptance of your application, if it is validly received (or treated as valid), processed (and not rejected) and provided that it is not rejected subsequently as a result of a failure by you to comply with these Terms and Conditions of Application, shall be constituted at the election of the Company, after consultation with the Sponsor, either:
  - 4.1. by notifying the London Stock Exchange of the basis of allocation (in which case the acceptance will be on that basis); or
  - 4.2. by notifying acceptance to the Receiving Agent.
5. The Company and its agents reserve the right to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. The Company and its agents reserve the right to waive in whole or in part any of the provisions of these Terms and Conditions of Application, either generally or in respect of one or more applications. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed in some other manner satisfactory to the Company and its agents to apply in accordance with these Terms and Conditions of Application.
6. The right is reserved to present all cheques for payment on receipt by the Receiving Agent and to retain documents of title and surplus application monies pending clearance of successful Applicants' cheques. The Company may require you to pay interest or its other resulting costs (or both) if the cheque accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Company to be the interest on the amount of the cheque from the date on which the basis of allocation under the Offer for Subscription is publicly announced, until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company plus 2 per cent. per annum.

#### **Conditions**

7. The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon the admission of the Ordinary Shares, issued and to be issued, to the Official List of the UK Listing Authority and to trading on the Main Market and such Admissions becoming effective by 8.00 a.m. on 2 October 2017 (or such later date, not being later than 31 October 2017, as the Company and the Placing Agent may agree). The Company expressly reserves the right to determine, at any time prior to Admission, not to proceed with the Offer for Subscription.
8. You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other rights you may have.

#### **Return of application monies**

9. If any application is not accepted, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the

balance of the amount paid on application will be returned without interest in Sterling by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, save where such amount is less than £3.00. In the meantime, application monies will be retained by the Receiving Agent in a separate non-interest account.

## **Warranties**

10. By completion of an Application Form, you:

- 10.1. warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or a bank;
- 10.2. acknowledge that, if you are not resident in the United Kingdom, no action has been taken to permit a public offer in your jurisdiction and that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, warrant that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or its agents 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 Offer for Subscription or your application;
- 10.3. confirm that in making an application you are not relying on any information or representations in relation to the Company and the Ordinary Shares other than that contained in the Prospectus (as may be supplemented by a supplementary prospectus) on the basis of which alone your application is made, and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representations;
- 10.4. acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in the Prospectus (as may be supplemented by a supplementary prospectus) and, if given or made, any information or representation must not be relied upon as having been authorised by the Company or any of its agents;
- 10.5. warrant that you are either a company or other body corporate duly incorporated and validly existing with authority to sign the Application Form and to apply for Ordinary Shares or an individual who is not under the age of 18 on the date of your application;
- 10.6. agree that all documents and monies sent by post to you, by or on behalf of the Company or any of its agents will be sent at your own risk and, in the case of documents and returned monies to be sent to you, will be sent to you at your address as set out in your Application Form;
- 10.7. confirm that you have reviewed the restrictions contained in the section entitled "Overseas Investors" in paragraphs 22 and 23 and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions of such section;
- 10.8. warrant that you are not in the United States and are not a US Person, or subscribing for the Ordinary Shares for the account or benefit of a US Person or any person in the United States, and are not a Canadian person, or an individual, corporation or other entity resident in Japan or Australia; and
- 10.9. warrant that the details relating to you as set out in your Application Form are correct.

## **Allocations**

11. The basis of allocation will be determined at the sole discretion of the Company. The right is reserved notwithstanding such basis to reject in whole or in part and/or scale down any application.

## **Miscellaneous**

12. To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer for Subscription.
13. The rights and remedies of the Company and its agents under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to them, and the exercise or partial exercise of one will not prevent the exercise of others.
14. You agree that Dickson Minto W.S. is acting for the Company in connection with the Offer for Subscription and for no-one else and Dickson Minto W.S. will not treat you as its client by virtue of such application being accepted or owe you any duties concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or otherwise in relation to the Offer for Subscription.
15. You authorise the Receiving Agent or any person authorised by it or the Company, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed for by you in your name and authorise any representatives of the Receiving Agent to execute and/or complete any document required therefor.
16. You agree that it is a condition of application that any information supplied by an Applicant or on his behalf or derived from the processing thereof may be used by the Receiving Agent or the Company and/or disclosed to the Company, its agents or advisers in connection with and for the purposes of the Offer for Subscription and, for the purposes of the UK Data Protection Act 1998 (or any statutory modification or substitutions), you provide your consent to the use and disclosure of this information.
17. You agree that a failure to receive, process or accept your application for Ordinary Shares does not give rise to any right of action by any person against the Company, the Sponsor, the Receiving Agent or any other person. You agree that the non-receipt by any person of the Prospectus or any other related document shall not invalidate the Offer for Subscription in whole or in part or give rise to any right of action by any person against the Company, the Sponsor, the Receiving Agent or any other person.
18. You agree that all applications, acceptances of applications and contracts resulting there from under the Offer shall be governed by and construed in accordance with English law and that, for the benefit of the Company, the Sponsor and the Receiving Agent, you submit to the non-exclusive jurisdiction of the English courts and agree that nothing shall limit the right of the Company, the Sponsor, the Receiving Agent or their agents or advisers to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances and contracts in any other manner permitted by law or in any court of competent jurisdiction.
19. Completed Application Forms, together with payment, must be returned so as to be received by post to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham, Kent BR3 4TU or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham, Kent BR3 4TU no later than 3.00 p.m. on 28 September 2017. An Application Form which is sent by post or delivered by hand (as described above) will be treated as having been received only when it is received by the Receiving Agent.

## **Money Laundering**

20. You agree that, in order to ensure compliance with the CDD Rules, the Receiving Agent may at its absolute discretion require, and you will provide, evidence which is satisfactory to it to establish your identity or that of any person on whose behalf you are acting and/or your status. Without prejudice to the generality of the foregoing such evidence may be required if you either:

- 20.1. tender payment by way of cheque or bankers' draft drawn on an account in the name of another person or persons (in which case verification of your identity may be required); or
- 20.2. appear to the Receiving Agent to be acting on behalf of some other person (in which case verification of identify of any persons on whose behalf you appear to be acting may be required).
21. Failure to provide the necessary evidence of identity (in a manner satisfactory to the Company and its agents, including in respect of the manner of its certification) may result in application(s) being rejected or delays in the authorisation of documents.
22. Without prejudice to the generality of paragraph 20 above, verification of the identity of Applicants may be required if the total subscription price of the Ordinary Shares applied for, whether in one or more applications, exceeds £12,000. If in such circumstances, you use a building society cheque, bankers' draft or money order, you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, bankers' draft or money order and adds its stamp. If in such circumstances, you use a cheque drawn by a third party, you may be requested to provide a copy of your passport or driving licence certified by a solicitor or a recent original bank or building society statement or utility bill in your name and showing your current address (which originals will be returned by post at the Applicant's risk).
23. For the avoidance of doubt, the Placing Agent shall incur no liability or obligations to any party whatsoever in connection with the Offer for Subscription.

#### **Overseas Investors**

24. If you receive a copy of the Prospectus or an Application Form in any territory other than the United Kingdom or in certain circumstances the Channel Islands you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the United Kingdom and wishing to make an application for Ordinary Shares under the Offer for Subscription, to satisfy yourself that you have fully observed the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. The Company reserves the right, in its absolute discretion, to reject any application received from outside the United Kingdom.
25. Without limiting the above, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within Canada, Japan, Australia or the Republic of South Africa or in the United States or to, or for the account or benefit of, a US Person except in reliance on, or in a transaction not subject to, the registration requirements under the US Securities Act or other relevant legislation. If you subscribe for Ordinary Shares in the Offer for Subscription you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company and its agents that you are not a US Person and are not in the United States. No application will be accepted if it bears an address in the United States or otherwise where there is cause to believe you are a US Person or located in the United States.

#### **Definitions used in these Terms and Conditions of Application**

26. In these Terms and Conditions of Application and the Application Form the following terms have the meanings set out below:

"Application Form" means the application form for use in connection with the Offer for Subscription attached at the end of the Prospectus or any application form for use in connection with the Offer for Subscription otherwise published by or on behalf of the Company; and

"Prospectus" means the document comprising a prospectus of the Company dated 5 September 2017.

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

## NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Applications should be returned so as to be received by the Receiving Agent by no later than 3.00 p.m. on 28 September 2017. All Applicants should read notes 1-5. Note 6 should be read by Joint Applicants.

### 1. Application

Fill in (in figures) the aggregate subscription price for which your application is made. Your application must be for a minimum subscription price of £1,000 or, if more than £1,000, in multiples of £1,000 only.

### 2. Personal Details

Fill in (in block capitals) the full name, address and daytime telephone number of the Applicant. If this application is being made jointly with other persons, please read note 6 before completing Box 2 of the Application Form.

### 3. Signature

The Applicant named in Box 2 must date and sign Box 3.

The Application form may be signed by another person on your behalf if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated.

### 4. Payment details

*Payments by cheque or bankers' draft*

**Attach a cheque or bankers' draft for the exact amount shown in Box 1 of the Application form to your completed Application form. Your cheque or bankers' draft must be made payable to "Capita Registrars Limited re: Aurora Investment Trust – Offer for Subscription A/C" and crossed "a/c Payee".**

Your payment must relate solely to this application. No receipt will be issued.

Payments must be made by cheque or bankers' draft in pounds sterling drawn on a branch in the United Kingdom, the Channel Islands or the Isle of Man of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds, should be made payable to "Capita Registrars Limited re: Aurora Investment Trust – Offer for Subscription A/C". Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or bankers' draft to such effect.

The account name should be the same as that shown on the application.

*Payments by electronic transfer*

If you wish to pay by bank transfer, payments must be made by BACS, CHAPS or Faster Payment, in Sterling, to the Capita Registrars account detailed in Box 4 of the Application Form. You should instruct the bank to transfer funds so that they are received by the Receiving Agent by the time the Application is processed. Any delay in providing monies may affect acceptance of the Application.

Details of the bank account from which you are making such transfer must also be entered in Box 4, which must be a UK personal bank account in your name where you have sole or joint title to the funds in that account. You should also provide a reference as part of the **bank transfer, using your initials and contact telephone number**.

### **Please Note (regarding Bank Transfers)**

You should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment). The Terms and Conditions of Application require that Applicants provide cleared funds in support of each Application, so you should ensure that all transfers will have taken place (and funds settled) to coincide with the delivery of your Application Form. It is recommended that such transfers are actioned within 48 hours of posting your Application.

If the Receiving Agent is unable to match your Application with a bank payment, there is a risk that your Application could be delayed or will not be treated as a valid Application and may be rejected by the Receiving Agent. There is no facility to allow for payment to be deferred until nearer the date of allotment.

### **Source of Funds verification**

**For bank transfers of £12,000 or more** (or if your application is one of a series of linked applications, the value of which exceeds £12,000), you must provide one of the documents listed below together with your application. This applies to all applications, whether made directly or through a financial intermediary:

- An original or certified copy of a bank statement (certified by a solicitor or bank) in the name of the applicant showing the payment to Capita's account. If that document is not readily available, the Receiving Agent will accept a PDF copy of a bank statement showing the payment to the Receiving Agent's account but the Receiving Agent may carry out additional checks in such instances if deemed necessary; **OR**
- An authorised written instruction from your bank on headed paper to confirm details of the accounts from which funds have been drawn. Those details must include the name(s) of the account holder, sort code and account number.

Copies should be certified as true copies by a solicitor or bank. Original documents will be returned by post at your risk.

The Receiving Agent reserves the right to request further information at its discretion.

### *CREST*

The Company will apply for the Shares issued pursuant to the Issues in uncertificated form to be enabled for CREST transfer and settlement with effect from Admission (the "Settlement Date"). Accordingly, settlement of transactions in the Shares will normally take place within the CREST system.

The Application Form contains details of the information which the Receiving Agent, will require from you in order to settle your commitment within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for the Receiving Agent to match to your CREST account, the Receiving Agent will deliver your Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your Shares in certificated form should the Company, having consulted with the Receiving Agent, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by the Receiving Agent in connection with CREST.

The person named for registration purposes in your Application Form (which term shall include the holder of the relevant CREST account) must be: (a) the person procured by you to subscribe for or acquire the relevant Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither the Receiving Agent nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. The Receiving Agent, on behalf of the Company, will match a DVP instruction input to the CREST system by you. The input by you or your settlement agent/custodian when matched by the Receiving Agent will then allow the delivery of your Shares to your CREST account against payment of the Initial Issue Price through the CREST system upon the Settlement Date.

By returning the Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of Shares to

be made as soon as practicable after 8.00 a.m. on 2 October 2017 against payment of the Initial Issues Price. Failure by you to do so will result in you being charged interest at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in sterling plus 2 per cent. per annum.

To ensure that you fulfil this requirement it is essential that you or your settlement agent/custodian follow the CREST matching criteria set out below:

Trade date: 28 September 2017  
Settlement date: 2 October 2017  
Company: Aurora Investment Trust plc  
Security description: Ordinary Shares of 25 pence each  
SEDOL: 0063326  
ISIN: GB0000633262

Should you wish to settle DVP, you will need to input your instructions to the Receiving Agent's Participant account RA06 by no later than 1.00 p.m. on 29 September 2017.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

In the event of late CREST settlement, the Company, after having consulted with the Receiving Agent, reserves the right to deliver Shares outside CREST in certificated form provided payment has been made in terms satisfactory to the Company and all other conditions in relation to the Offer for Subscription have been satisfied.

#### *General*

Applications with a value of £12,000 or greater, which are to be settled by way of a third party payment, e.g. bankers' draft, building society cheque or a cheque drawn by someone other than the applicant, will be subject to the United Kingdom's verification of identity requirements which are contained in the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. In order to ensure compliance with the Money Laundering Regulations the Company (or any of its agents) may require at its absolute discretion such evidence in respect of any application which is satisfactory to it to establish your identity or that of any person on whose behalf you are acting and/or your status.

Where an electronic transfer is being made over the £12,000 threshold by CHAPS the investor should also supply their bank statement to show where the sources of funds have been sent from. If the investment is £50,000 or more in sterling, the investor must also provide a certified copy of their passport and a recent bank statement. No receipt in respect of electronic payments or acknowledgement of Applications will be issued.

For UK applicants, this may involve verification of names and addresses (only) through a reputable agency. For non-UK applicants, verification of identity may be sought from your bankers or from another reputable institution or professional adviser in the applicant's country of residence.

If satisfactory evidence of identity has not been obtained within a reasonable time, and in any event (unless the Offer for Subscription is extended) by 3.00 p.m. on 28 September 2017, your application may not be accepted.

Certificates, cheques and other correspondence will be sent to the address in Box 2, at the risk of the applicant.

#### **5. Shares in Uncertificated Form (CREST)**

If you wish your New Shares to be issued in uncertificated form you should complete the Application Form as above and must also complete Box 5. If you do not complete Box 5, you will receive your New Ordinary Shares in certificated form.

## 6. Joint Applicants

If you make a joint application, you will not be able to transfer your New Shares into an ISA. If you are interested in transferring your New Shares into an ISA, you should apply in your name only.

If you do wish to apply jointly, you may do so with up to three other persons. Boxes 2 and 3 of the Application Form must be completed by one applicant. All other persons who wish to join in the application must complete and sign Box 6.

Another person may sign on behalf of any joint applicant if that other person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection.

Certificates, cheques and other correspondence will be sent to the address in Box 2.

## 7. Verification of Identity

**Box 7 of the Application Form applies if the aggregate value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds £12,000 or the Company (or any of its agents), at its absolute discretion deems it necessary to apply in order to ensure compliance with the CDD Rules. If Box 7 applies to your application, you must ensure that Boxes 7.1, 7.2 or 7.3 (as appropriate) is completed.**

### 7.1. Professional Advisor or Intermediary

You should complete Box 7.1 of the Application Form if you are a stockbroker, bank manager, solicitor, accountant or other independent financial advisor authorised under the Financial Services and Markets Act 2000 or, if outside the United Kingdom, another appropriately authorised independent financial advisor acting on behalf of a client.

### 7.2. Reliable Introducer

If you are not a professional advisor or intermediary and the value of your application(s) exceed(s) £12,000 or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules, you will be required to provide the verification of identity documents listed in Box 7.3 of the Application Form unless you can have the declaration set out in Box 7.2 of the Application Form given and signed by a firm acceptable to the Receiving Agent and the Company. Box 7.2 of the Application Form details those firms acceptable to the Receiving Agent and the Company for signing the declaration. In order to ensure their Application Forms are processed timely and efficiently, all applicants who are not professional advisors or intermediaries and to whose applications Box 7 of the Application Form applies are strongly advised to have the declaration set out in Box 7.2 of the Application Form completed and signed by a suitable firm where possible.

### 7.3. Applicant Identity Information

**Box 7.3 of the Application Form need only be completed where the aggregate value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds £12,000 or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules and neither Boxes 7.1 nor 7.2 of the Application Form can be completed.**

Notwithstanding that the declaration set out in Box 7.2 of the Application Form has been completed and signed, the Receiving Agent and the Company reserve the right to request of you the identity documents listed in Box 7.3 of the Application Form and/or to seek verification of identity of each holder and pay or (if necessary) from you or their bankers or from another reputable institution, agency or professional advisor in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time, your application might be rejected or revoked.

Where certified copies of documents are requested in Box 7.3 of the Application Form, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

## **8. CRS Form**

If you are a new investor in the Company, you will receive a Tax Residency Self Certification Form (CRS Form) with your share certificate in relation to your holdings of New Shares. The CRS Form should be completed and returned to Capita as soon as possible

## **9. Instructions for Delivery of Completed Application Forms**

**Completed Application Forms should be returned, by post to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham, Kent BR3 4TU or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham, Kent BR3 4TU so as to be received by no later than 3.00 p.m. on 28 September 2017, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.**

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## APPLICATION FORM

Please send the completed form by post to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham, Kent BR3 4TU or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham, Kent BR3 4TU so as to be received no later than 3.00 p.m. on 28 September 2017.

**Important – Before completing this form, you should read the accompanying notes.**

ALL APPLICANTS MUST COMPLETE BOXES 1 TO 3 (SEE NOTES 1-6 OF THE NOTES ON HOW TO COMPLETE THIS APPLICATION FORM).

If you have a query concerning completion of this Application Form please call Capita Asset Services on 0371 664 0321. Calls are charged at standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

To: **Aurora Investment Trust plc**

### Box 1. Application

I/We offer to subscribe for:

£  of New Shares (minimum £1,000 and thereafter in multiples of £1,000) fully paid on the terms, and subject to the conditions set out in the Prospectus dated 5 September 2017 (including the Terms and Conditions of Application contained therein), the guidance notes accompanying this Application Form, and the memorandum of association and the Articles respectively.

### Box 2. Personal Details (PLEASE USE BLOCK CAPITALS)

Mr, Mrs, Miss or Title:	Forenames (in full):
Surname/Company Name:	
Address (in full):	
Postcode:	Daytime telephone no.:
Date of Birth:	

### Box 3. Signature

I/We hereby confirm that I/we have read the Prospectus and make this application on and subject to the Terms and Conditions of Application set out in the Prospectus.

Execution by an individual:

Signature:	Dated: 2017
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Execution by a company:

Executed by (name of company):	Date:
Name of Director:	Signature:
Name of Director/Secretary:	Signature:
If you are affixing a company seal, please mark this box with a cross: <input type="checkbox"/>	Affix Company Seal here:



**Box 4. Settlement***(a) Cheque/Bankers' Draft Details*

Attach your cheque or bankers' draft for the exact amount shown in Box 1 made payable to "Capita Registrars Limited re: Aurora Investment Trust – Offer for Subscription A/C" and crossed "a/c Payee".

*Electronic Bank Transfer*

I confirm that I will make an electronic transfer to the Receiving Agent to the following account:

Bank Name	The Royal Bank of Scotland plc
Sort Code	15-10-00
Account Number	32577590
Account Name	Capita Registrars Limited re Aurora Investment Trust – Offer for Subscription CHAPS A/C
SWIFT No	RBOSGB2L
IBAN	GB65RBOS15100032577590

Please enter below the sort code of the bank and branch you will be instructing to make such payment for value by 3.00 p.m. on 28 September 2017 together with the name and number of the account to be debited with such payment and the branch contact details.

Sort Code:	Account name:
Account number:	Contact name at branch and telephone number:

*CREST*

If you so choose to settle your commitment within CREST, that is DVP, you or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of Shares to be made against payment of the Offer Price per Share, following the CREST matching criteria set out below:

Trade date:	28 September 2017
Settlement date:	2 October 2017
Company:	Aurora Investment Trust plc
Security description:	Ordinary Shares of 25 pence each
SEDOL:	0063326
ISIN:	GB0000633262

Should you wish to settle DVP, you will need to input your instructions to the Receiving Agent's Participant account RA06 by no later than 1.00 p.m. on 29 September 2017.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

**Box 5. Shares in Uncertificated Form (CREST)**

Complete this section only if you require your Ordinary Shares to be credited to your CREST account.

CREST Participant ID: (no more than five characters)	<input type="text"/>	CREST Member Account ID: (no more than eight characters)	<input type="text"/>											
CREST Participant's Name:														

**Box 6. Joint Applicants (PLEASE USE BLOCK CAPITALS)**

BOX 6 MUST ONLY BE COMPLETED BY JOINT APPLICANTS (SEE NOTE 6)

Mr, Mrs, Miss or Title	Forenames (in full)	Surname/Company Name	Signature

**Box 7. Verification of Identity**

***(If the value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds £12,000 or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules, you must ensure that Boxes 7.1, 7.2 or 7.3 (as appropriate) is completed).***

**Box 7.1 Professional Advisers and Intermediaries**

*(This Box 7.1 should be completed if an application for Ordinary Shares is being made on behalf of a client by a stockbroker, bank manager, solicitor, accountant or other independent financial advisor authorised under the Financial Services and Markets Act 2000 or, if outside the United Kingdom, another appropriately authorised independent financial advisor).*

<i>(Name of professional adviser or intermediary, in full)</i>	
<i>(Address, in full)</i>	
	<i>(Post code)</i>
<i>(Contact name)</i>	<i>(Telephone number)</i>

Declaration by the professional advisor or intermediary

To: Aurora Investment Trust plc, Capita Asset Services and Dickson Minto W.S.

We are a financial advisor authorised under the Financial Services and Markets Act 2000 applying for Ordinary Shares on behalf of one or more clients ("relevant clients"). As such, we hereby undertake to:

1. complete anti-money laundering verification of all relevant clients and to inform you of any unsatisfactory conclusion in respect of any such client;
2. to keep records to verify the name, identity, place of birth, residential address, occupation and signature of each relevant client; and
3. to supply copies of any such records to you as you may require.

We are governed in the conduct of our investment business and in respect of conducting anti-money laundering verification by the following regulatory or professional body (and our reference or other official number allocated to us by that body is included in the box below).

<i>(Full name and country of operation of regulatory or professional body)</i>	
<i>(Reference or other official number)</i>	



If you require further information about our procedures or any of our relevant clients, please contact the person named as the contact in the first box in this Box 7.1.

(Date)	2017	(Official stamp, if any)
(Signature)		
(Full name)		
(Title/position having authority to bind the firm)		

**Box 7.2 Reliable Introducer**

*(If you are not a professional advisor or intermediary to whom Box 7.1 applies, completion and signing of declaration in this Box 7.2 by a suitable person or institution may avoid presentation being requested of the identity documents detailed in Box 7.3 of this form.)*

*(The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the “firm”) which is itself subject in its own country to operation of “know your customer” and anti-money laundering regulations no less stringent than those which prevail in Jersey or the United Kingdom. Acceptable countries include Austria, Belgium, Denmark, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Isle of Man, Italy, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland and the United Kingdom.)*

Declaration by the firm

To: Aurora Investment Trust plc, Capita Asset Services and Dickson Minto W.S.

With reference to the applicant(s) detailed in Box(es) 2 and, in the case of joint applicants, 6 above, all persons signing Boxes 3 and 6 above and the payor identified in Box 4 above if not also an applicant holder (collectively the “relevant persons”), we hereby declare that:

1. we operate in one of the above mentioned countries and our firm is subject to anti-money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in the United Kingdom;
2. we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
3. each of the relevant persons is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
4. we confirm the accuracy of the names and residential/business address(es) of the applicant(s) named in Box(es) 2 and, in the case of joint applicants, 6 above and, if details of a CREST account are included in Box 5 above, that the owner thereof is the applicant named in Box 2 above;
5. having regard to all local anti-money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares to which this application relates; and
6. where the payor and applicant(s) are different persons we are satisfied as to the relationship between them and the reason for the payor being different to the applicant(s).

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

(Date)	2017	(Official stamp, if any)
(Signature)		
(Full name)		
(Title/position having authority to bind the firm)		

have authority to bind the firm, the details of which are set out below:

(Name of firm, in full)	
(Address, in full)	
	(Post code)
(Contact name)	(Telephone number)

(Full name of firm's regulatory authority)	
(Website address or telephone number of regulatory authority)	(Firm's registered, licence or other official number)



### Box 7.3 Applicant Identity information

(Only complete this Box 7.3 if your application has a value greater than £12,000 and neither of Boxes 7.1 and 7.2 can be completed) or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules.

In accordance with internationally recognised standards for the prevention of money laundering, the relevant documents and information listed below must be provided (please note that the Receiving Agent and the Company reserve the right to ask for additional documents and information).

	Tick here for documents provided				
	Applicant				Payor
	1	2	3	4	
<b>A. For each Applicant who is an individual enclose:</b>					
(i) a certified clear photocopy of one of the following identification documents which bears both a photograph and the signature of the person: (a) current passport; (b) Government or Armed Forces identity card; or (c) driving licence; <b>and</b>					
(ii) certified copies of at least two of the following documents which purport to confirm that the address(es) given in Box 2 and, in the case of joint applicants, Box 6 is the applicant's residential address: (a) a recent gas, electricity, water or telephone (not mobile) bill; (b) a recent bank statement; (c) a council tax bill; or (d) similar bill issued by a recognised authority; <b>and</b>					
(iii) if none of the above documents show their date and place of birth, enclose a note of such information; <b>and</b>					
(iv) details of the name and address of their personal bankers from which the Receiving Agent or the Company may request a reference, if necessary.					
<b>B. For each holder being a company (a "holder company") enclose:</b>					
(i) a certified copy of the certificate of incorporation of the holder company; <b>and</b>					
(ii) the name and address of the holder company's principal bankers from which the Receiving Agent or the Company may request a reference, if necessary; <b>and</b>					
(iii) a statement as to the nature of the holder company's business, signed by a director; <b>and</b>					
(iv) a list of the names and residential addresses of each director of the holder company; <b>and</b>					
(v) for each director provide documents and information similar to that mentioned in A above; <b>and</b>					
(vi) a copy of the authorised signatory list for the holder company; <b>and</b>					
(vii) a list of the names and residential/registered addresses of each ultimate beneficial owner interested in more than 3% of the issued share capital of the holder company and, where a person is named, also enclose the documents and information referred to in C below and, if another company is named (a "beneficiary company"), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.					
<b>C. For each individual named in B(vii) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(i) to (iv)</b>					
<b>D. For each beneficiary company named in B(vii) as a beneficial owner of a holder company enclose:</b>					
(i) a certificated copy of the certificate of incorporation of that beneficiary company; <b>and</b>					
(ii) a statement as to the nature of that beneficiary company's business signed by a director; <b>and</b>					
(iii) the name and address of the beneficiary company's principal bankers from which the Receiving Agent or the Company may request a reference, if necessary; <b>and</b>					
(iv) enclose a list of the names and residential/registered address of each beneficial owner owning more than 3% of the issued share capital of that beneficiary company.					
<b>E If the payor is not an applicant and is not a bank providing its own cheque or bankers' draft on the reverse of which is shown details of the account being debited with such payment (see note 4 on how to complete this form) enclose:</b>					
(i) if the payor is a person, for that person the documents mentioned in A(i) to (iv); <b>or</b>					
(ii) if the payor is a company, for that person the documents mentioned in B(i) to (vii); <b>and</b>					
(iii) an explanation of the relationship between the payor and the applicant(s).					