

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

This document, which comprises a prospectus relating to M&G Credit Income Investment Trust plc (the “**Company**”) prepared in accordance with the Prospectus Rules has been approved by the Financial Conduct Authority (the “**FCA**”) and has been delivered to the FCA in accordance with Rule 3.2 of the Prospectus Rules. This document has been made available to the public as required by the Prospectus Rules.

Applications will be made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares (issued and to be issued) in connection with the Initial Issue to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange’s main market. Applications will be made for all of the Shares of the Company issued pursuant to each Subsequent Placing under the Placing Programme to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange’s main market. It is expected that Initial Admission of the Ordinary Shares to be issued under the Initial Issue will become effective and that unconditional dealings will commence in the Ordinary Shares at 8.00 a.m. on 14 November 2018. It is expected that Admissions pursuant to Subsequent Placings under the Placing Programme will become effective and dealings will commence between 15 November 2018 and 25 September 2019. No application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any other stock exchange.

The Company and each of the Directors, whose names appear on page 46 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read the entire document and, in particular, the section headed “Risk Factors” on pages 20 to 36 of this document when considering an investment in the Company.

M&G CREDIT INCOME INVESTMENT TRUST PLC

(Incorporated in England and Wales with registered number 11469317 and registered as an investment company under section 833 of the Companies Act)

Initial Placing, Offer for Subscription and Intermediaries Offer for a target issue in excess of 250 million Ordinary Shares at 100 pence per Ordinary Share

Placing Programme for up to 400 million Ordinary Shares and/or C Shares

Admission to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange’s main market

Investment Manager

M&G ALTERNATIVES INVESTMENT MANAGEMENT LIMITED

Sponsor, Financial Adviser, Bookrunner and Intermediaries Offer Adviser

WINTERFLOOD SECURITIES LIMITED

Winterflood Securities Limited (“**Winterflood Securities**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively, through its division Winterflood Investment Trusts, as sponsor, financial adviser, bookrunner and Intermediaries Offer Adviser for the Company and for no one else in relation to Admission of any Shares, the Initial Issue, the Placing Programme and the other arrangements referred to in this document. Winterflood Securities will not regard any other person (whether or not a recipient of this document) as its client in relation to Admission of any Shares, the Initial Issue, the Placing Programme and the other arrangements referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to Admission of any Shares, the Initial Issue, the Placing Programme, the contents of this document or any transaction or arrangement referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Winterflood Securities by FSMA or the regulatory regime established thereunder, Winterflood Securities does not make any representation, express or implied, in relation to, nor accepts any responsibility whatsoever for, the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, Admission of any Shares, the Initial Issue or the Placing Programme. Winterflood Securities (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for statutory liability), whether arising in tort, contract or otherwise which it might otherwise have in respect of the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, Admission of any Shares, the Initial Issue or the Placing Programme.

The Offer for Subscription and the Intermediaries Offer will remain open until 1.00 p.m. on 7 November 2018 and the Initial Placing will remain open until 2.00 p.m. on 8 November 2018. Persons wishing to participate in the Offer for Subscription should complete the Application Form set out in Appendix 1 to this document and the Tax Residency Self-Certification Form set out in Appendix 2 to this document. To be valid, Application Forms and Tax Residency Self-Certification Forms must be completed and returned with the appropriate remittance by post to the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 1.00 p.m. on 7 November 2018.

Investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company, the Investment Manager or Winterflood Securities. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules and MAR, neither the delivery of this document nor any subscription for or purchase of Shares pursuant to the Initial Issue and/or the Placing Programme, under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Winterflood Securities and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and/or the Investment Manager, for which they would have received customary fees. Winterflood Securities and its affiliates may provide such services to the Company and/or the Investment Manager and any of their respective affiliates in the future.

In connection with the Initial Issue and/or Subsequent Placings, Winterflood Securities and any of its affiliates, acting as investors for its or their own accounts, may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in the Shares and other securities of the Company or related investments in connection with the Initial Issue and/or Subsequent Placings or otherwise. Accordingly, references in this document to Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by Winterflood Securities and any of its affiliates acting as an investor for its or their own account(s).

Neither Winterflood Securities nor any of its affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, Winterflood Securities may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements in connection with which Winterflood Securities may from time to time acquire, hold or dispose of shareholdings in the Company.

The contents of this document are not to be construed as legal, financial, business, investment or tax advice. Investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of, or subscription for Shares. Investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, financial, business, investment, tax, or any other related matters concerning the Company and an investment therein. None of the

Company, the Investment Manager or Winterflood Securities nor any of their respective representatives is making any representation to any offeree or purchaser of Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Notice to U.S. and other overseas investors

This document may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This document is not being sent to investors with registered addresses in the United States, Canada, Australia, the Republic of South Africa or Japan, and does not constitute an offer to sell, or the solicitation of an offer to buy, Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or Winterflood. In particular, this document is not for release, publication or distribution in or into the United States, Canada, Australia, the Republic of South Africa or Japan.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the “**U.S. Investment Company Act**”) and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this document is requested to disregard it.

In relation to each member state in the EEA that has implemented the AIFM Directive, no Shares have been or will be directly or indirectly offered to or placed with investors in that member state at the initiative of or on behalf of the Company or the Investment Manager other than in accordance with methods permitted in that member state.

Copies of this document will be available on the Company’s website (www.mandg.co.uk/creditincomeinvestmenttrust) and the National Storage Mechanism of the FCA at www.morningstar.co.uk/uk/nsm and hard copies of the document can be obtained free of charge from the Company Secretary.

Without limitation, neither the contents of the Company’s or the Investment Manager’s website (or any other website) nor the content of any website accessible from hyperlinks on the Company’s or the Investment Manager’s website (or any other website) is incorporated into, or forms part of this document. Investors should base their decision whether or not to invest in the Shares on the contents of this document alone.

Dated: 26 September 2018

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SUMMARY

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

Section A – Introduction and warnings

Element	Disclosure Requirement	Disclosure
A.1.	Warning	This summary should be read as an introduction to this document. Any decision to invest in Shares 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 Relevant Member State, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.
A.2.	Subsequent resale or final placement of securities through financial intermediaries	<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.</p> <p>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 document is given commences on 26 September 2018 and closes at 1.00 p.m. on 7 November 2018, unless closed prior to that date.</p> <p>Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company’s consent. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary.</p> <p>Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.</p>

Section B – Issuer

Element	Disclosure Requirement	Disclosure
B.1.	Legal and commercial name	M&G Credit Income Investment Trust plc
B.2.	Domicile and legal form	The Company was incorporated in England and Wales on 17 July 2018 with registered number 11469317 as a public company limited by shares under the Companies Act. The principal legislation under which the Company operates is the Companies Act.

B.5.	Group description	Not applicable. The Company is not part of a group.										
B.6.	Major shareholders	<p>The Directors intend to subscribe for the following Ordinary Shares pursuant to the Initial Issue:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">Ordinary Shares</th> </tr> </thead> <tbody> <tr> <td>David Simpson</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>Richard Boléat</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Mark Hutchinson</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>Barbara Powley</td> <td style="text-align: right;">15,000</td> </tr> </tbody> </table> <p>The Prudential Assurance Company Limited intends to subscribe for the lower of (i) 80,000,000 Ordinary Shares and (ii) 25% of the Ordinary Shares to be issued pursuant to the Initial Issue. The Directors believe that this proposed investment strongly aligns the interests of M&G with Shareholders.</p> <p>As at 25 September 2018 (the latest practicable date prior to the publication of this document) insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights.</p> <p>All Shareholders have the same voting rights in respect of the shares of the same class in the share capital of the Company.</p> <p>Pending the allotment of Ordinary Shares pursuant to the Initial Issue, the Company is controlled by Mark Hutchinson. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.</p>		Ordinary Shares	David Simpson	25,000	Richard Boléat	10,000	Mark Hutchinson	20,000	Barbara Powley	15,000
	Ordinary Shares											
David Simpson	25,000											
Richard Boléat	10,000											
Mark Hutchinson	20,000											
Barbara Powley	15,000											
B.7.	Key financial information	Not applicable. No key financial information is included in this document as the Company is yet to commence operations.										
B.8.	Key <i>pro forma</i> financial information	Not applicable. No <i>pro forma</i> financial information is included in this document.										
B.9.	Profit forecast	Not applicable. No profit forecast or estimate is included in this document.										
B.10.	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. There are no audit reports in this document.										
B.11.	Qualified working capital	Not applicable. The Company is of the opinion that, on the basis that the Minimum Net Proceeds are raised, the working capital available to it is sufficient for its present requirements, that is, for at least the next 12 months from the date of this document.										
B.34.	Investment policy	<p>Investment Objective</p> <p>The Company aims to generate a regular and attractive level of income with low asset value volatility.</p> <p>Investment Policy</p> <p>The Company seeks to achieve its investment objective by investing in a diversified portfolio of public and private debt and debt-like instruments ("Debt Instruments"). Over the longer term,</p>										

it is expected that the Company will be mainly invested in private Debt Instruments, which are those instruments not quoted on a stock exchange.

The Company operates an unconstrained investment approach and investments may include, but are not limited to:

- Asset-backed securities, backed by a pool of loans secured on, amongst other things, residential and commercial mortgages, credit card receivables, auto loans, student loans, commercial loans and corporate loans;
- Commercial mortgages;
- Direct lending to small and mid-sized companies, including lease finance and receivables financing;
- Distressed debt opportunities to companies going through a balance sheet restructuring;
- Infrastructure-related debt assets;
- Leveraged loans to private equity owned companies;
- Public Debt Instruments issued by a corporate or sovereign entity which may be liquid or illiquid;
- Private placement debt securities issued by both public and private organisations; and
- Structured credit, including bank regulatory capital trades.

The Company will invest primarily in Sterling denominated Debt Instruments. Where the Company invests in assets not denominated in Sterling it is generally expected that these assets will be hedged back to Sterling.

Investment restrictions

There are no restrictions, either maximum or minimum, on the Company's exposure to sectors, asset classes or geography. The Company, however, achieves diversification and a spread of risk by adhering to the limits and restrictions set out below.

Once fully invested, the Company's portfolio will comprise a minimum of 50 investments.

The Company may invest up to 30% of Gross Assets in below investment grade Debt Instruments, which are those instruments rated below BBB- by S&P or Fitch or Baa3 by Moody's or, in the case of unrated Debt Instruments, which have an internal M&G rating below BBB-.

The following restrictions will also apply at the individual Debt Instrument level which, for the avoidance of doubt, does not apply to investments to which the Company is exposed through collective investment vehicles:

Rating	Secured Debt Instruments (% of Gross Assets)¹	Unsecured Debt Instruments (% of Gross Assets)
AAA	5%	5% ²
AA/A	4%	3%
BBB	3%	2%
Below investment grade	2%	1%

¹ Secured Debt Instruments are secured by a first or secondary fixed and/or floating charge.

² This limit excludes investments in G7 Sovereign Instruments.

		<p>For the purposes of the above investment restrictions, the credit rating of a Debt Instrument is taken to be the rating assigned by S&P, Fitch or Moody's or, in the case of unrated Debt Instruments, an internal rating by M&G. In the case of split ratings by recognised rating agencies, the second highest rating will be used.</p> <p>It is expected that the Company will typically invest directly, but it may also invest indirectly through collective investment vehicles which are expected to be managed or advised by an M&G Entity. The Company may not invest more than 20% of Gross Assets in any one collective investment vehicle and not more than 40% of Gross Assets in collective investment vehicles in aggregate. No more than 10% of Gross Assets may be invested in other investment companies which are listed on the Official List.</p> <p>Unless otherwise stated, the above investment restrictions are to be applied at the time of investment.</p> <p><i>Borrowings</i></p> <p>The Company is expected to be managed primarily on an ungeared basis although the Company may, from time to time, be geared tactically through the use of borrowings. Borrowings would principally be used for investment purposes, but may also be used to manage the Company's working capital requirements or to fund market purchases of Shares. Gearing represented by borrowing will not exceed 30% of the Company's Net Asset Value, calculated at the time of draw down, but is typically not expected to exceed 20% of the Company's Net Asset Value.</p> <p><i>Hedging and Derivatives</i></p> <p>The Company will not employ derivatives for investment purposes. Derivatives may however be used for efficient portfolio management, including for currency hedging.</p> <p><i>Cash management</i></p> <p>The Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds ("Cash and Cash Equivalents").</p> <p>There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant Cash and Cash Equivalents position. For the avoidance of doubt, the restrictions set out above in relation to investing in collective investment vehicles do not apply to money market type funds.</p> <p><i>Changes to the investment policy</i></p> <p>Any material change to the Company's investment policy set out above will require the approval of Shareholders by way of an ordinary resolution at a general meeting and the approval of the UK Listing Authority.</p>
B.35.	Borrowing limits	<p>The Company is expected to be managed primarily on an ungeared basis although the Company may, from time to time, be geared tactically through the use of borrowings. Borrowings would principally be used for investment purposes, but may also be used to manage the Company's working capital requirements or to fund market purchases of Shares. Gearing represented by borrowing will not exceed 30% of the Company's Net Asset Value, calculated at the time of draw down, but is typically not expected to exceed 20% of the Company's Net Asset Value.</p>

B.36.	Regulatory status	As an investment trust, the Company will not be regulated as a collective investment scheme by the FCA. However, from Initial Admission, it will be subject to the Listing Rules, Prospectus Rules, the Disclosure Guidance and Transparency Rules, Market Abuse Regulation and the rules of the London Stock Exchange.
B.37.	Typical investor	The typical investors for whom an investment in the Company is appropriate are institutional investors and professionally-advised or financially sophisticated non-advised private investors who understand and 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 equal the whole amount invested) that may result from such an investment. Such investors are recommended to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before making an investment. Furthermore, an investment in the Company should constitute part of a diversified investment portfolio.
B.38.	Investment of more than 20% of gross assets in single underlying asset or collective investment undertaking	Not applicable.
B.39.	Investment of in excess of 40% of gross assets in another collective investment undertaking	Not applicable.
B.40.	Applicant's service providers	<p>Investment Manager</p> <p>The Company has appointed the Investment Manager to act as the Company's AIFM for the purposes of the AIFM Directive and accordingly the Investment Manager is responsible for providing discretionary portfolio management and risk management services to the Company.</p> <p>The Investment Manager is entitled to receive from the Company an investment management fee which is calculated and paid quarterly in arrears at an annual rate of (i) 0.5% per annum of the prevailing published Net Asset Value until the end of the Company's first accounting period, 31 December 2019; and (ii) 0.7% per annum of the prevailing published Net Asset Value thereafter.</p> <p>Where the Company invests in a collective investment vehicle that is managed or advised by an M&G Entity, the Investment Manager will reduce its investment management fee by the amount of any equivalent management fee that is charged to such collective investment vehicle or such entity will rebate its management fee such that the Investment Manager ensures the Company is not charged twice. The above arrangement will not apply to any other fees or expenses charged to the Company or any such entity in which it invests.</p>

		<p>The Investment Manager is also entitled to be paid half of any arrangement fee charged by the Company to the issuer of a Debt Instrument in which the Company invests. The balance of any arrangement fee is retained by the Company.</p> <p>The Investment Management Agreement is for an initial term of five years from the date of Initial Admission and thereafter subject to termination on not less than six months' written notice by either party. The Investment Management Agreement can be terminated at any time in the event of the insolvency of the Company or the Investment Manager or in the event that the Investment Manager ceases to be authorised and regulated by the FCA (if required to be so authorised and regulated to continue to carry out its duties under the Investment Management Agreement).</p> <p>Administrator</p> <p>State Street Bank & Trust Company has been appointed to act as the administrator of the Company. The Administrator is responsible for general fund administration services including calculation of the Net Asset Value, bookkeeping and accounts preparation.</p> <p>Depositary</p> <p>State Street Trustees Limited has been appointed as depositary to provide depositary services to the Company, which will include safekeeping of the assets of the Company. The Depositary is permitted to delegate (and authorise its delegates to sub-delegate) the safekeeping of the assets of the Company.</p> <p>The Administrator and Depositary are entitled to a combined fee (the "State Street Fee"). The State Street Fee shall be up to 0.08% of the Net Asset Value per annum. The fee is subject to a minimum rate, whereby if the Net Asset Value is less than £250 million the fee will be calculated as if the Net Asset Value were £250 million. The State Street Fee is calculated monthly and payable monthly in arrears. In addition, the Administrator and the Depositary are entitled to certain transaction charges, each of which will be at normal commercial rates and certain other fees for ad hoc services rendered from time to time. The Administrator and the Depositary are entitled to reimbursement of out-of-pocket expenses incurred by them (and by subcustodians and depositaries) on behalf of the Company in connection with the performance of the services. The Company shall also reimburse the Administrator and Depositary for the reasonable fees and customary agents' charges paid to any sub-custodian (which shall be charged at normal commercial rates). All amounts are exclusive of any VAT that may be charged thereon.</p> <p>Custodian</p> <p>The Depositary has delegated safekeeping duties as set out in the AIFM Directive and the FCA Handbook to State Street Bank & Trust Company, whom it has appointed as global sub-custodian.</p> <p>Company Secretary</p> <p>Link Company Matters Limited has been appointed as the company secretary of the Company to provide the company secretarial functions required by the Companies Act.</p> <p>Under the terms of the Company Secretarial Services Agreement, the aggregate fees payable to Link Asset Services are £60,000 per annum. In addition a fee of £30,000 is payable to Link Asset Services for services undertaken as part of the Initial Admission process.</p>
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		<p>Registrar</p> <p>Link Asset Services has been appointed as the Company's registrar. The Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of any VAT).</p> <p>Receiving Agent</p> <p>The Company has appointed Link Asset Services to provide receiving agent services in connection with the Initial Issue. The Receiving Agent shall be entitled to receive a fee from the Company of not less than £15,000 (exclusive of any VAT) in connection with these services.</p> <p>Auditor</p> <p>Deloitte LLP has been appointed auditor of the Company. The Auditor will be entitled to an annual fee from the Company, which will be agreed with the Board each year in advance of the Auditor commencing audit work.</p>
B.41.	Regulatory status of the investment manager, depository and custodian	<p>The Investment Manager is authorised and regulated by the FCA (FCA registration number 122011) as a full-scope alternative investment fund manager for the purposes of the AIFM Rules.</p> <p>The Depository is authorised and regulated by the FCA.</p> <p>The Custodian is authorised and regulated by the FCA and authorised and regulated by the Federal Reserve Board.</p>
B.42.	Calculation of Net Asset Value	<p>The unaudited Net Asset Value will be calculated in Sterling by the Administrator on a monthly basis, as described below and on the basis of information provided by the Investment Manager. The Net Asset Value per Ordinary Share (and Net Asset Value per C Share, where applicable), calculated by dividing the relevant Net Asset Value by the number of Shares in issue of the relevant class (excluding Shares held in treasury), will be published both on a cum-income and ex-income basis, via a Regulatory Information Service and made available on the Company's website as soon as practicable thereafter.</p> <p>The Net Asset Value for each class of Shares is the value of all assets of the Company attributable to that class of Shares less its share of liabilities to creditors, each determined in accordance with UK GAAP.</p> <p>Any suspension in the calculation of the Net Asset Value will be notified via a Regulatory Information Service as soon as practicable after any such suspension occurs.</p>
B.43.	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44.	No financial statements have been made up	The Company has not commenced operations and no financial statements have been made up as at the date of this document.
B.45.	Portfolio	Not applicable. The Company is newly incorporated and does not currently hold any assets as at the date of this document.
B.46.	Net Asset Value	Not applicable. The Company has not commenced operations.

Section C – Securities

Element	Disclosure Requirement	Disclosure									
C.1.	Type and class of securities	<p>The Company is targeting an issue in excess of 250 million Ordinary Shares with a nominal value of £0.01 each at an Issue Price of 100 pence per Ordinary Share pursuant to the Initial Issue. The Company also intends to issue Ordinary Shares with a nominal value of £0.01 each and/or C Shares with a nominal value of £0.10 each pursuant to the Placing Programme.</p> <p>The ISIN of the Ordinary Shares is GB00BFYYL325 and the SEDOL of the Ordinary Shares is BFYYL32. The ticker for the Ordinary Shares is MGCI.</p> <p>The ISIN of the C Shares is GB00BFYYT831 and the SEDOL of the C Shares is BFYYT83.</p>									
C.2.	Currency	The Ordinary Shares and C Shares (if applicable) will be denominated in Sterling.									
C.3.	Details of share capital	<p>The Company is targeting an issue in excess of 250 million Ordinary Shares pursuant to the Initial Issue. The maximum number of Ordinary Shares available under the Initial Issue is 400 million. The minimum size of the Initial Issue is 100 million Ordinary Shares.</p> <p>The actual number of Ordinary Shares to be issued pursuant to the Initial Issue, and therefore the Initial Gross Proceeds, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service announcement prior to Initial Admission. If the Minimum Gross Proceeds (or such lesser amount as the Company and Winterflood Securities may agree) are not raised, the Initial Issue will not proceed.</p> <p>Set out below is the issued share capital of the Company as at the date of this document:</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;"><u>Aggregate nominal value</u></th> <th style="text-align: right;"><u>Number</u></th> </tr> </thead> <tbody> <tr> <td>Management Shares of £1.00 each</td> <td style="text-align: right;">£50,000</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>Ordinary Shares</td> <td style="text-align: right;">£0.01</td> <td style="text-align: right;">1</td> </tr> </tbody> </table> <p>The Ordinary Share in issue is fully paid up. To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under section 761 of the Companies Act, on 18 September 2018, 50,000 Management Shares were allotted to Mark Hutchinson. The Management Shares are paid up as to one quarter of their nominal value and will be redeemed immediately following Initial Admission out of the proceeds of the Initial Issue.</p> <p>The Directors have authority to issue, in aggregate, up to 400 million Shares pursuant to the Placing Programme.</p>		<u>Aggregate nominal value</u>	<u>Number</u>	Management Shares of £1.00 each	£50,000	50,000	Ordinary Shares	£0.01	1
	<u>Aggregate nominal value</u>	<u>Number</u>									
Management Shares of £1.00 each	£50,000	50,000									
Ordinary Shares	£0.01	1									
C.4.	Description of the rights attaching to the securities	<p>The holders of the Ordinary Shares and C Shares shall only be entitled to receive, and to participate in, any dividends declared in relation to the relevant class of Shares that they hold.</p> <p>On a winding-up or a return of capital by the Company, if there are C Shares in issue, the net assets of the Company attributable to the C Shares shall be divided <i>pro rata</i> among the holders of the C Shares. For so long as C Shares are in issue, and without</p>									

		<p>prejudice to the Company's obligations under the Companies Act, the assets attributable to the C Shares shall, at all times, be separately identified and shall have allocated to them such proportion of the expenses or liabilities of the Company as the Directors fairly consider to be attributable to any C Shares in issue.</p> <p>The holders of Ordinary Shares shall be entitled to all of the Company's remaining net assets after taking into account any net assets attributable to the C Shares (if any) in issue.</p> <p>The Ordinary Shares and the C Shares (if any) shall carry the right to receive notice of, attend and vote at general meetings of the Company.</p> <p>The consent of either the holders of Ordinary Shares or the holders of C Shares will be required for the variation of any rights attached to the relevant class of Shares.</p>
C.5.	Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Shares, subject to compliance with applicable securities laws.
C.6.	Admission	<p>Applications will be made to the UK Listing Authority and to the London Stock Exchange for all of the Ordinary Shares issued and to be issued pursuant to the Initial Issue to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market.</p> <p>Applications will be made to the UK Listing Authority and to the London Stock Exchange for all of the Shares issued pursuant to the Placing Programme to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market.</p> <p>It is expected that Initial Admission will become effective, and that dealings in the Ordinary Shares will commence at 8.00 a.m. on 14 November 2018.</p> <p>It is expected that any further Admissions under Subsequent Placings will become effective and dealings will commence between 15 November 2018 and 25 September 2019.</p> <p>All Shares to be issued pursuant to a Subsequent Placing under the Placing Programme will be allotted conditionally upon the relevant Admission occurring.</p>
C.7.	Dividend policy	<p>The Company intends to pay two dividends in respect of the first financial period following Initial Admission. The first interim dividend is expected to be declared in July 2019 and paid in August 2019 and the second interim dividend is expected to be declared in January 2020 and paid in February 2020. Thereafter the Company intends to pay dividends on a quarterly basis with dividends typically declared in January, April, July and October and paid in February, May, August and November in each financial year.</p> <p>The Company will target an annualised dividend yield of LIBOR plus 2.5% (on the Issue Price) in respect of the Company's first financial period to 31 December 2019. The Company will target an annualised dividend yield of LIBOR plus 4% (on the opening Net Asset Value per Ordinary Share) in respect of each financial year thereafter. Where LIBOR materially changes or ceases to be provided, the Company shall determine a suitable replacement benchmark and shall notify investors accordingly. The Directors intend to apply the "streaming" regime to distributions of portfolio</p>

		<p>interest returns paid by the Company, such that these distributions are expected to be designated as payments of interest. If appropriate, in addition to, or instead of, interest distributions, the Company may also pay ordinary corporate dividends.</p> <p>Investors should note that the target dividend is a target only and not a profit forecast and there can be no assurance that such target will be met.</p> <p>In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not (except to the extent permitted by those regulations) retain more than 15% of its income (as calculated for UK tax purposes) in respect of an accounting period.</p> <p>In order to increase the distributable reserves available to facilitate the payment of future dividends, the Company has resolved that, conditional upon Initial Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the Initial Issue be cancelled and transferred to a special distributable reserve. The Company may, at the discretion of the Board, pay all or part of any future dividends out of this special distributable reserve, taking into account the Company's investment objective.</p> <p>Although there is no current expectation that they will exercise such power, the Directors will have the power to pay dividends in relation to the C Shares (if issued) in the event that the assets that are attributable to the C Shares generate material income while the C Shares are in issue.</p>
C.22	Information about the Shares	<p>In the event that any C Shares are issued under the Placing Programme, the investments which are attributable to the C Shares following Conversion will be merged with the Company's existing portfolio. The new Ordinary Shares arising on Conversion of the C Shares will, subject to the Articles, rank <i>pari passu</i> with the Ordinary Shares then in issue.</p> <p>The Ordinary Shares carry the right to receive all dividends declared by the Company or the Directors, subject to the rights of any C Shares in issue.</p> <p>On a winding-up, provided the Company has satisfied all of its liabilities and subject to the rights conferred by any C Shares in issue at that time to participate in the winding-up, the holders of Ordinary Shares will be entitled to all of the surplus assets of the Company.</p> <p>Holders of Ordinary Shares and C Shares (if any) will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share or C Share held.</p> <p>The consent of either the holders of Ordinary Shares or the holders of C Shares will be required for the variation of any rights attached to the relevant class of Shares.</p> <p>The nominal value of the Ordinary Shares is £0.01 per Ordinary Share.</p> <p>The nominal value of the C Shares is £0.10 per C Share.</p> <p>The Ordinary Shares will be in registered form, will be admitted to the premium segment of the Official List and will be traded on the London Stock Exchange's main market. The Company will use its reasonable endeavours to procure that, upon Conversion, the new</p>

		<p>Ordinary Shares thereby arising are admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market.</p> <p>There are no restrictions on the free transferability of the Ordinary Shares, subject to compliance with applicable securities laws.</p>
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Section D – Risks

Element	Disclosure Requirement	Disclosure
D.1.	Key information on the key risks that are specific to the Company or its industry	<ul style="list-style-type: none"> ● The Company has no operating results, and it will not commence operations until it has obtained funding through the Initial Issue. As the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return. ● The past performance of other investments managed or advised by the Investment Manager's investment professionals cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its investment policy. ● There can be no guarantee that the investment objective of the Company will be achieved. ● The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of investments made by the Company, changes in the Company's operating expenses, and general economic and market conditions (including a deterioration in the performance of the economies to which issuers of Debt Instruments in which the Company invests are exposed, in particular, the UK economy, changes to interest rates, credit spreads, equity risk premium, inflation and bond ratings, changes in laws or regulations, national and international political circumstances and general market pricing of similar investments). ● Changes in tax legislation or practice, whether in the United Kingdom or elsewhere, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, and affect the tax treatment for Shareholders of their investments in the Company (including rates of tax and availability of reliefs). ● Whilst the use of borrowings should enhance the total return on the Shares where the return on the Company's portfolio of investments exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's portfolio of investments is lower than the cost of borrowing. The use of borrowings by the Company may increase the volatility of the Net Asset Value per Share. ● The departure of some or all of the Investment Manager's investment professionals could prevent the Company from achieving its investment objective. The past performance of the Investment Manager's investment professionals cannot be relied upon as an indication of the future performance of the Company.

		<ul style="list-style-type: none"> ● There is no guarantee that the Net Proceeds will be deployed in a timely manner, or at all. Competition for investments may result in the Company being unable to make investments or lead to the available coupon on investments decreasing. Any delay in the initial deployment of the Net Proceeds and/or the transition of the Company's portfolio to mainly private Debt Instruments may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders. ● The Company will invest into illiquid public and private Debt Instruments. Such investments may be difficult to value or realise (if at all) and therefore the market price that is achievable for such investments might be lower than the valuation of these assets and as reflected in the Company's published Net Asset Value per Ordinary Share and/or Net Asset Value per C Share. ● Investment defaults may result in a loss of anticipated revenues. These losses may adversely affect the Company's ability to pay dividends and, if the level of defaults is sufficiently large, may result in the Company's inability to fully recover its investment. The risk of inability to fully recover investments is higher for highly leveraged Debt Instruments such as leveraged loans to private equity owned companies. ● The Company's investments may be subject to interest rate risk. When interest rates decline, the value of fixed rate obligations can be expected to rise, and conversely when interest rates rise, the value of fixed-rate obligations can be expected to decline. In general, if prevailing interest rates fall significantly below the interest rates on any Debt Investments held by the Company, such investments are more likely to be the subject of prepayments than if prevailing rates remain at or above the rates borne by such investments. ● Issuers of Debt Instruments in which the Company invests may decide to prepay or redeem all or a portion of such Debt Instruments at any time, and with respect to some of the Company's investments, without penalty. In the event of a prepayment or redemption, the Company may not receive all of the interest payments that it expected to receive, thereby impacting negatively on the Company's investment returns. To the extent that any of the Company's investments prepay, are redeemed, mature or are sold it will ordinarily seek to reinvest such proceeds. There can be no guarantee that such further investments can be made in a timely manner (or at all) and consequently the Company may hold material cash balances pending reinvestment. Further, such proceeds may be reinvested in investments with a lower yield and/or with different characteristics to those replaced. Any delays in the speed of capital deployment may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.
D.3.	Key information on the key risks that are specific to the Shares	<ul style="list-style-type: none"> ● The value of an investment in the Company, and the returns derived from it, if any, may go down as well as up and an investor may not get back the amount invested. ● The market price of the Shares may fluctuate independently of their underlying net asset value and may trade at a discount or premium to net asset value at different times.

		<ul style="list-style-type: none"> ● The Directors are under no obligation to effect repurchases of Ordinary Shares. Shareholders wishing to realise their investment in the Company will therefore be required to dispose of their Ordinary Shares through the secondary market. ● It may be difficult for Shareholders to realise their investment and there may not be a liquid market in Shares.
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Section E – Offer

Element	Disclosure Requirement	Disclosure
E.1.	Net proceeds and costs of the issue	<p><i>The Initial Issue</i></p> <p>The Company is targeting an issue in excess of 250 million Ordinary Shares pursuant to the Initial Issue. The net proceeds of the Initial Issue are dependent on the level of subscriptions received. Assuming the gross proceeds of the Initial Issue are £250 million, the net proceeds of the Initial Issue will be approximately £247 million.</p> <p>The costs and expenses of, and incidental to, the formation of the Company and the Initial Issue are not expected to exceed approximately £3 million, equivalent to 1.2% of the Gross Proceeds, assuming Initial Gross Proceeds of £250 million. The costs will be deducted from the Initial Gross Proceeds. It is expected that the starting Net Asset Value per Ordinary Share will be 98.8 pence, assuming Initial Gross Proceeds of £250 million.</p> <p><i>The Placing Programme</i></p> <p>The net proceeds of the Placing Programme are dependent, <i>inter alia</i>, on, the Directors determining to proceed with a placing under the Placing Programme, the level of subscriptions received, the price at which such Shares are issued and the costs of the Subsequent Placing.</p> <p>The costs and expenses of issuing Ordinary Shares pursuant to any Subsequent Placing will be covered by issuing such Ordinary Shares at the prevailing published Net Asset Value per Ordinary Share at the time of issue together with a premium to at least cover the costs and expenses of the relevant Subsequent Placing of Ordinary Shares (including, without limitation, any placing commissions).</p> <p>The costs and expenses of any issue of C Shares under the Placing Programme will be paid out of the gross proceeds of such issue and will be borne by holders of those C Shares only.</p>
E.2.a.	Reason for issue and use of proceeds	<p>The Initial Gross Proceeds will be utilised in accordance with the Company’s investment policy, to meet the costs and expenses of the Initial Issue and for working capital purposes.</p> <p>It is currently expected that the Net Proceeds will be deployed in accordance with the Company’s investment policy in the manner set out below.</p> <p>The Company expects the Investment Manager to deploy the Net Proceeds in readily available public lower yielding assets within a period of three months after Initial Admission (subject to market conditions). Based on current market conditions, the Investment Manager then intends to transition the Company’s portfolio of investments such that it mainly comprises private Debt Instruments in accordance with the Company’s investment policy. It is currently</p>

		<p>expected that, subject to market conditions, such transition will be completed by the end of the first accounting period of the Company, i.e. by 31 December 2019.</p> <p>The Directors intend to use the net proceeds of any Subsequent Placing under the Placing Programme to acquire investments in accordance with the Company's investment policy and for working capital purposes.</p>
E.3.	Terms and conditions of the offer	<p>Initial Issue</p> <p>The Company is targeting an issue in excess of 250 million Ordinary Shares pursuant to the Initial Issue comprising the Initial Placing, the Offer for Subscription and the Intermediaries Offer.</p> <p>The Initial Issue has not been underwritten. The maximum number of Ordinary Shares to be issued under the Initial Issue is 400 million.</p> <p>Ordinary Shares will be issued pursuant to the Initial Issue at an Issue Price of 100 pence per Ordinary Share.</p> <p>The Offer for Subscription and the Intermediaries Offer will remain open until 1.00 p.m. on 7 November 2018 and the Initial Placing will remain open until 2.00 p.m. on 8 November 2018.</p> <p>If the Initial Issue is extended, the revised timetable will be notified via a Regulatory Information Service announcement.</p> <p>The Initial Issue is conditional, <i>inter alia</i>, on:</p> <ul style="list-style-type: none"> ● Initial Admission having become effective on or before 8.00 a.m. on 14 November 2018 or such later time and/or date as the Company and Winterflood Securities may agree (being not later than 8.00 a.m. on 28 February 2019); ● the Placing and Offer Agreement becoming wholly unconditional in respect of the Initial Issue (save as to Initial Admission) and not having been terminated in accordance with its terms at any time prior to Initial Admission; and ● the Minimum Gross Proceeds (or such lesser amount as the Company and Winterflood Securities may agree) being raised. <p>Placing Programme</p> <p>Shares which may be made available under the Placing Programme will, subject to the Company's decision to proceed with an allotment and issue at any given time, be issued at the Placing Programme Price. The Placing Programme will open on 15 November 2018 and will close on 25 September 2019 (or any earlier date on which it is fully subscribed or as otherwise agreed between the Company and Winterflood Securities).</p> <p>The minimum price at which Ordinary Shares will be issued pursuant to the Placing Programme, which will be in Sterling, will be equal to the prevailing published Net Asset Value per Ordinary Share at the time of issue together with a premium to at least cover the costs and expenses of the relevant Subsequent Placing of Ordinary Shares (including, without limitation, any placing commissions).</p> <p>The issue price of any C Shares issued pursuant to the Placing Programme will be 100 pence per C Share.</p> <p>The Placing Programme is not being underwritten.</p>

		<p>Each issue of Shares pursuant to a Subsequent Placing under the Placing Programme is conditional, <i>inter alia</i>, on:</p> <ul style="list-style-type: none"> ● Admission of the relevant Shares occurring by no later than 8.00 a.m. on such date as the Company and Winterflood Securities may agree from time to time in relation to that Admission, not being later than 25 September 2019; ● a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules; ● in the case of an issue of Ordinary Shares, the Placing Programme Price being determined by the Directors; and ● the Placing and Offer Agreement being wholly unconditional as regards the relevant Subsequent Placing (save as to Admission) and not having been terminated in accordance with its terms prior to the relevant Admission.
E.4.	Material interests	The Prudential Assurance Company Limited intends to subscribe for the lower of (i) 80,000,000 Ordinary Shares and (ii) 25% of the Ordinary Shares to be issued pursuant to the Initial Issue.
E.5.	Name of person selling securities and lock-up agreements	Not applicable. No person or entity is offering to sell Ordinary Shares as part of the Initial Issue.
E.6.	Dilution	<p>No dilution will result from the Initial Issue.</p> <p>If 400 million Shares were to be issued pursuant to Subsequent Placings, and assuming the Initial Issue had been subscribed as to 250 million Ordinary Shares, there would be a dilution of approximately 61.5% in Shareholders' voting control of the Company immediately after the Initial Issue (and prior to any conversion of C Shares). The voting rights may be diluted further on conversion of any C Shares depending on the applicable conversion ratio. However, it is not anticipated that there would be any dilution in the Net Asset Value per Ordinary Share as a result of the Placing Programme.</p>
E.7.	Estimated expenses	<p>The costs and expenses of, and incidental to, the formation of the Company and the Initial Issue are not expected to exceed approximately £3 million, equivalent to 1.2% of the Initial Gross Proceeds, assuming Initial Gross Proceeds of £250 million. The costs will be deducted from the Initial Gross Proceeds. It is expected that the starting Net Asset Value per Ordinary Share will be 98.8 pence, assuming Initial Gross Proceeds of £250 million.</p> <p>All expenses incurred by any Intermediary are for its own account. 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.</p> <p>The costs and expenses of issuing Ordinary Shares pursuant to any Subsequent Placing will be covered by issuing such Ordinary Shares at the prevailing published Net Asset Value per Ordinary Share at the time of issue together with a premium to at least cover the costs and expenses of the relevant Subsequent Placing of Ordinary Shares (including, without limitation, any placing commissions).</p> <p>The costs and expenses of any issue of C Shares under the Placing Programme will be paid out of the gross proceeds of such issue and will be borne by holders of those C Shares only.</p>

RISK FACTORS

Any investment in the Company should not be regarded as short-term in nature and involves a degree of risk, including, but not limited to, the risks in relation to the Company and the Shares referred to below. If any of the risks referred to in this document were to occur this could have a material adverse effect on the Company's business, financial position, results of operations, business prospects and returns to Shareholders. If that were to occur, the trading price of the Shares and/or their respective Net Asset Values and/or the level of dividends or distributions (if any) received from the Shares could decline significantly and investors could lose all or part of their investment.

Prospective investors should note that the risks relating to the Company, its investment strategy and the Shares summarised in the section of this document headed "Summary" are the risks that the Board believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

The risks referred to below are the risks which are considered to be material but are not the only risks relating to the Company and the Shares. There may be additional material risks that the Company and the Board do not currently consider to be material or of which the Company and the Board are not currently aware.

RISKS RELATING TO THE COMPANY

The Company is a newly formed company with no separate operating history

The Company is a newly formed company incorporated in England and Wales on 17 July 2018. The Company has no operating results and it will not commence operations until it has obtained funding through the Initial Issue. As the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return.

The Company's returns will depend on many factors, including the performance of its investments, the availability and liquidity of investment opportunities within the scope of the Company's investment objective and policy, the level and volatility of interest rates, conditions in the financial markets and economy and the Company's ability to successfully operate its business and successfully pursue its investment policy. There can be no assurance that the Company's investment policy will be successful.

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 reliant upon the performance of third party service providers for its executive function. In particular, the Investment Manager, the Depositary, the Administrator, the Secretary, the Registrar and third parties (which may include the Investment Manager or another M&G Entity) providing debt administration services will be performing services which are integral to the operation of the Company or the administration of its investments.

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 or administration of its investments. The termination of the Company's relationship with any third party service provider or any delay in appointing a replacement for such service provider, could disrupt the business of the Company materially and could have a material adverse effect on the Company's performance.

Past performance cannot be relied upon as an indicator of the future performance of the Company

The past performance of other investments managed or advised by M&G or any of M&G's investment professionals cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its investment policy.

RISKS RELATING TO THE COMPANY'S INVESTMENT STRATEGY

The Company may not meet its investment objective and there is no guarantee that the Company's targeted dividend, as may be from time to time, will be met

The Company may not achieve its investment objective. Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The Company's investment objective is to generate a regular and attractive level of income with low asset value volatility. The achievement of the target dividend and low asset value volatility will depend upon, amongst other things, the Company successfully pursuing its investment policy and the performance of its portfolio of investments. There can be no assurance as to the level of income return or capital volatility over the long term. The declaration, payment and amount of any dividend by the Company will be subject to the discretion of the Directors and will depend upon, amongst other things, the Company successfully pursuing its investment policy and its earnings, financial position, cash requirements, level and rate of borrowings and availability of profit, as well as the provisions of relevant laws or generally accepted accounting principles from time to time.

Investor returns will be dependent upon the performance of the Company's portfolio of investments and the Company may experience fluctuations in its operating results

Any returns generated by the Company are reliant primarily upon the performance of the Company's investments. No assurance is given, express or implied, that Shareholders will receive back any of their original investment in the Shares.

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of investments made by the Company, changes in the Company's operating expenses, and general economic and market conditions (including a deterioration in the performance of the economies to which issuers of Debt Instruments in which the Company invests are exposed, in particular the UK economy, changes to interest rates, credit spreads, equity risk premium, inflation and bond ratings, changes in laws or regulations, national and international political circumstances and general market pricing of similar investments). Such variability may lead to volatility in the trading price of the Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period and this may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Availability of appropriate investments and transition of the Company's portfolio of investments

There is no guarantee that the Net Proceeds will be deployed in a timely manner, or at all, and the Company has not committed to make any investments.

In addition, the Company is subject to competition in sourcing and making investments. Competition for investments may result in the Company being unable to make investments or lead to the available coupon on investments decreasing, which may further limit the Company's ability to generate its targeted dividend.

If the Investment Manager is not able to source a sufficient number of suitable investments within a reasonable timeframe whether by reason of lack of demand, competition or otherwise, a greater proportion of the Company's assets will be held in cash for longer than anticipated and the Company's ability to achieve its investment objective will be adversely affected. To the extent that any of the Company's investments prepay, are redeemed, mature or are sold it will ordinarily seek to reinvest the proceeds thereof in accordance with the Company's investment policy. There can be no guarantee that such further investments can be made in a timely manner (or at all) and consequently the Company may hold material cash balances pending reinvestment. Further, such proceeds may be reinvested in investments with a lower yield and/or with different characteristics to those replaced. Any delays in the speed of capital deployment may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

The Company expects the Investment Manager to deploy the Net Proceeds in readily available public lower yielding assets within a period of three months after Initial Admission (subject to market conditions). Based on current market conditions, the Investment Manager then intends to transition the Company's portfolio of investments such that it mainly comprises private Debt Instruments in accordance with the Company's investment policy. It is currently expected that,

subject to market conditions, such transition will be completed by the end of the first accounting period of the Company, i.e. by 31 December 2019. There can be no guarantee that initial deployment of the Net Proceeds and/or the transition of the Company's portfolio of investments will be achieved in the timeframes referred to above. Any delay in initial deployment of the Net Proceeds and/or the transition of the Company's portfolio of investments may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Sufficiency of due diligence

The due diligence process that the Investment Manager will undertake in connection with the Company's investments may not reveal all facts and circumstances that may be relevant in connection with an investment.

When conducting due diligence and making an assessment regarding an investment, the Investment Manager will be required to rely on resources available to it, including in certain circumstances information provided by the target of the investment.

There can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts and circumstances that may be necessary or helpful in evaluating such investment opportunity.

Any failure by the Investment Manager to identify relevant facts and circumstances through the due diligence process may lead to unsuccessful investment decisions, which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Fraud, misrepresentation or omission risks

The value of the Company's investments may be affected by fraud, misrepresentation or omission on the part of any issuer of Debt Instruments in which the Company invests and/or by parties related to the issuer (or related collateral and security arrangements). Such fraud, misrepresentation or omission may adversely affect the value of the collateral underlying the investment in question or may adversely affect the Company's ability to enforce its contractual rights or the issuer's ability to fulfil its obligations in respect of the investment.

Cash management and credit risk of bank deposits

To the extent the Company has cash balances (including any un-invested proceeds of the Initial Issue or any Subsequent Placing), these may be held on deposit with banks or financial institutions. Returns on cash or cash-equivalents may be materially lower than those available on the Company's target investments and material cash balances may materially and adversely affect the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

To the extent the Company holds material cash balances it will be subject to the credit risk of the banks or financial institutions with which they are deposited. If any such bank or financial institution were to become insolvent, or default on its obligations, the Company would be exposed to the potential loss of the sum deposited. This may materially and adversely affect the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Geographic concentration

The Company has no limit on exposure to a single geography and the Company will invest primarily in Sterling denominated Debt Instruments. Accordingly, the Company's portfolio may have a significant exposure to the UK economy.

An economic slowdown in the UK or any other jurisdiction where the Company has significant exposure could, depending primarily on the severity and duration of any economic slowdown, result in the creditworthiness of the issuers of Debt Instruments in which the Company invests becoming impaired which could cause an increased risk of investment default and cause the Company to incur losses.

Sectoral diversification

The Company has no limit on its exposure to any sector which may lead to the Company having concentrated exposure to certain business sectors from time to time. Concentration of exposure to

any one sector may result in greater Net Asset Value volatility and may have a material adverse effect on the performance of the Company, the Company's earnings and returns to Shareholders.

Changes in laws, government policy or regulations

The Company will be subject to laws, government policy and regulations enacted by national and local governments. Any change in the law, regulation or government policy affecting the Company may have a material adverse effect on the value of its investments, its ability to carry on its business and successfully pursue its investment policy and on the Company's earnings and returns to Shareholders. In particular, the Company will be required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies. The Company must comply with the Listing Rules, Prospectus Rules, the Disclosure Guidance and Transparency Rules, MAR and the rules of the London Stock Exchange. Any failure in future to comply with any future changes to such rules and regulations may result in the Shares being suspended from trading on the London Stock Exchange.

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

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

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

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

UK exit from the European Union

A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU. A vote was given in favour of the UK leaving the EU ("Brexit") and Article 50 of the Treaty on European Union was triggered on 29 March 2017. The extent of the impact on the Company will depend in part on the nature of the arrangements that are put in place between the UK and the EU following the eventual Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. The macroeconomic effect of an eventual Brexit on the value of investments is unknown. The UK's exit from the EU could also create significant uncertainty in the UK (and potentially global) financial markets, which may materially and adversely affect the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders. It could also potentially make it more difficult for the Company to raise capital in the EU and/or increase the regulatory compliance burden on the Company. This could restrict the Company's future activities and thereby negatively affect returns. As such, it is not possible to state the impact that Brexit will have on the Company and its investments.

Investments outside the UK are exposed to local, legal, economic, political, social and other risks

Whilst the Company's investments will be primarily denominated in Sterling, it may make investments outside the UK. The laws and regulations of various jurisdictions in which the Company may invest, may impose restrictions that would not exist in the UK. Such jurisdictions may have their own legal, economic, political, social, cultural, business, industrial and labour and environmental risks and investments made in such jurisdictions may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in the UK.

In addition, governments may from time to time impose restrictions intended to prevent capital flight, which may, for example, involve punitive taxation (including high withholding taxes) on certain securities or transfers or the imposition of exchange controls, making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for the Company to distribute the amounts realised from such investments at all or may force the

Company to distribute such amounts other than in Sterling and therefore a portion of the distribution may be made in foreign securities or currency. It also may be difficult to obtain and enforce a judgment in a local court. No assurance can be given that a given political or economic climate, or particular legal or regulatory risks, will not adversely affect an investment by the Company.

Use of borrowings

The Company is expected to be managed primarily on an ungeared basis although the Company may, from time to time, be geared tactically through the use of borrowings. Borrowings would principally be used for investment purposes, but may also be used to manage the Company's working capital requirements or to fund market purchases of Shares. Whilst the use of borrowings should enhance the total return on the Shares where the return on the Company's portfolio of investments exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's portfolio of investments is lower than the cost of borrowing. The use of borrowings by the Company may increase the volatility of the Net Asset Value per Share.

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

Any amounts that are secured by the Company under a bank facility are likely to rank ahead of Shareholders' entitlements and accordingly, should the Company's investments not grow at a rate sufficient to cover the costs of establishing and operating the Company, on a liquidation of the Company, Shareholders may not recover all or any of their initial investment.

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

Currency risk

If an investor's currency of reference is not Sterling, currency fluctuations between the investor's currency of reference and Sterling may adversely affect the value of an investment in the Company.

A proportion of the Company's investments may be denominated in currencies other than Sterling. The Company will maintain its accounts and intends to pay dividends in Sterling. Accordingly, fluctuations in exchange rates between Sterling and the relevant local currencies and the costs of conversion and exchange control regulations will directly affect the value of the Company's investments and the ultimate rate of return realised by investors. Whilst the Company may seek to hedge the currency risk, there can be no assurance that any currency hedging arrangements will be sufficient to cover the relevant risk.

Hedging and derivatives risk

The Company will not employ derivatives for investment purposes. Derivatives may however be used for efficient portfolio management, including for currency hedging. Should the Company elect to enter into hedging arrangements, the use of instruments to hedge a portfolio carries certain risks, including the risk that losses on a hedge position will reduce the Company's earnings and funds available for distribution to the Shareholders and that such losses may exceed the amount invested in such hedging instruments. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. The Company may also be exposed to the risk that the counterparties with which the Company trades may cease making markets and quoting prices in such instruments, which may render the Company unable to enter into an offsetting transaction with respect to an open position.

Although the Company will select the counterparties with which it enters into hedging arrangements with due skill and care, the residual risk that the counterparty may default on its obligations remains.

The Net Asset Value may be based on estimates

Certain of the Company's investments will be in the form of Debt Instruments for which market quotations are not readily available, and third-party pricing information may not be available for certain investments held in the Company's portfolio of investments.

In calculating the Net Asset Value, the value of certain investments of the Company may be based on estimates. Such estimates may be unaudited or may not be possible to verify. In addition, estimates of the value of collateral may not be revised on a regular or timely basis or at all with the result that the values of investments may be estimated on the basis of information available at the time.

This may result in increased volatility in the Net Asset Value and the value at which such investments could be liquidated may differ from the valuations reflected in the latest published Net Asset Value.

RISKS RELATING TO THE DEBT INSTRUMENTS

General Risks

Liquidity of investments

The Company will invest into illiquid public and private Debt Instruments. Such investments may be difficult to value or realise (if at all) and therefore the market price that is achievable for such investments might be lower than the valuation of these assets and as reflected in the Company's published Net Asset Value per Ordinary Share and/or Net Asset Value per C Share.

By way of example, in respect of private placements, owing to their customised nature and private issuance, they may not be purchased or sold as easily as publicly-traded debt securities. As a result, the Company may have difficulty in disposing of certain private placements because of the limited secondary market for such securities. In addition, under adverse economic or market conditions, the secondary market for private placements could contract further independently of adverse changes relating to a particular issuer. Reduced secondary market liquidity for certain private placements may also make it more difficult for the Company to obtain accurate market quotations for the purpose of valuing the assets.

The liquidity in defaulted Debt Instruments may be further impaired and, to the extent the Company seeks to sell any defaulted Debt Instruments, it is unlikely that the proceeds from such disposal will be equal to the amount of principal and interest thereon, which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Investment defaults may result in losses

Investment defaults may result in a loss of anticipated revenues. These losses may adversely affect the Company's ability to pay dividends and, if the level of defaults is sufficiently large, may result in the Company's inability to fully recover its investment. The risk of inability to fully recover investments is higher for highly leveraged Debt Instruments such as leveraged loans to private equity owned companies.

While the Company will seek to repossess and sell or otherwise realise the value of any collateral that secures a defaulted investment, it may not be able to do so on favourable terms. In some cases, the cost of repossessing the collateral related to a defaulted investment may make trying to recover the asset impractical. Also, if an issuer of Debt Instruments in which the Company invests files for protection under bankruptcy or administration laws, then the Company may experience difficulties and delays in realising on the collateral from the defaulting party and, in addition, it may be unable to enforce important contract provisions against the insolvent party, including the security provisions related to the collateral.

The Company may suffer a loss due to, or the Company's ability to pay dividends may be adversely affected by, the high costs of: (i) enforcing an issuer's contractual obligations; (ii) recovering the collateral from the defaulting party; (iii) transporting, storing and repairing the collateral; (iv) the costs related to enforcement by the Company of its rights; and (v) finding a purchaser for the collateral.

In the event of a default, certain collateral that may secure the Company's investments may have a higher value if that collateral remains in place and the issuer continues to operate.

Interest rate risk

The Company's investments may be subject to interest rate risk. When interest rates decline, the value of fixed rate obligations can be expected to rise, and conversely when interest rates rise, the value of fixed-rate obligations can be expected to decline. In general, if prevailing interest rates fall significantly below the interest rates on any Debt Investments held by the Company, such investments are more likely to be the subject of prepayments than if prevailing rates remain at or above the rates borne by such investments.

Since the global financial crash there has been a sustained period of very low levels of central bank set interest rates. It is expected that central banks will raise their interest rates in the near future. For investments that have a fixed rate of return, any such interest rate rises may negatively impact the returns on the investments and the returns realised by the investors.

Covenant Risk

Investments made by the Company may become non-performing for a wide variety of reasons, including non-payment of principal or interest, as well as material covenant breaches by the issuer of the relevant Debt Instrument. Whilst the Investment Manager monitors the covenants and conditions attaching to the Company's investments, there can be no assurance that such covenants and conditions will be fulfilled in a timely fashion and the Company could, as a result, be exposed to loss. Any failure by the Investment Manager to monitor the covenants and conditions attaching to an investment or to appropriately enforce the Company's rights in the event of a breach of a material covenant may cause the value of the Company's investments to be impaired. This may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Prepayment and redemption risks

Issuers of Debt Instruments in which the Company invests may decide to prepay or redeem all or a portion of such Debt Instruments at any time, and with respect to some of the Company's investments, without penalty. The degree to which issuers prepay or redeem, whether as a contractual requirement or at their election, may be affected by general business conditions, market interest rates, the issuer's financial condition and competitive conditions among lenders. In the event of a prepayment or redemption, the Company may not receive all of the interest payments that it expected to receive, thereby impacting negatively on the Company's investment returns.

Volatility of investment grade assets credit ratings

Investment grade assets must have a minimum credit rating of BBB- by S&P or Fitch or Baa3 by Moody's, or, in the case of unrated Debt Instruments, a minimum internal M&G rating of BBB-.

Although investment grade assets must exhibit such minimum rating, their respective credit ratings may range widely and may vary over time. In particular, where such credit ratings are at the lower end of the range, the issuers of such assets may face uncertainties and exposure to adverse business, financial or economic conditions. This could lead to them being unable to meet their financial commitments despite being regarded as issuers of investment grade debt.

In addition, investment grade debt can be subordinated or junior in the capital structure (see the risk factor under the heading "Subordinated loan risk" below).

Below investment grade assets

The Company may invest in below investment grade assets which carry greater credit risk than investment grade assets due to the higher probability of default by the issuer. Below investment grade assets may also be less liquid than investment grade assets. Changing market conditions and interest rate levels can also have a larger impact on the values of below investment grade assets as compared to investment grade assets.

Subordinated loan risk

The Company may invest in or have exposure to Debt Instruments that are subordinated in right and rank junior to other Debt Instruments. The covenants provided in favour of holders of senior Debt Instruments are generally extensive and a breach of one or more of such covenants may result in payments to the Company, as a holder of subordinated debt or Debt Instruments, being suspended. Where such a breach or any other event leads to an event of default, holders of senior debt or Debt Instruments (or any future senior holders) will have a priority claim on cashflow generated by the issuer and/or may have the right to take control of the issuer and ultimately to

sell it. In such circumstances, the issuer may be unable to satisfy part, or all of its payment obligations in respect of the Company's interest in the relevant subordinated debt investment. There are no restrictions on the Company's ability to make subordinated loans. Concentration of the Company's portfolio of investments in subordinated loans may result in greater volatility in the value of the Company's investments and consequently the Net Asset Value and may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Unsecured Debt Instruments

The Company may invest in or have exposure to unsecured Debt Instruments in relation to which the Company will not have recourse to any security or other assets of the issuer of the Debt Instrument should the issuer default on its payment obligations. The risk of investing in unsecured Debt Instruments is ultimately dependent upon payment of the underlying debt by the issuer.

Future discontinuance of the London Interbank Offered Rate

In this paragraph headed "*Future discontinuance of the London Interbank Offered Rate*", "**LIBOR**" shall mean the Sterling London Interbank Offered Rate administered by ICE Benchmark Administration Limited (or any other person which takes over administration of that rate).

From the end of 2021, panel banks will no longer be compelled by the FCA to submit rates for the calculation of LIBOR and therefore it is not possible to predict whether, and to what extent, they will continue to provide submissions from this date and whether LIBOR will continue on its current basis. In the event that LIBOR is discontinued or otherwise unavailable, the rate of interest on Debt Instruments which reference LIBOR will need to be determined based on any applicable fall-back provisions. This may in certain circumstances be reliant upon the provision by reference banks of offered quotations for the LIBOR rate, which may not be available, or require the application of a fixed rate based on the last relevant LIBOR rate available. Additionally, where such fall-back provisions need to be amended to reflect such discontinuance and there is uncertainty on the establishment of an alternative interest rate measure, there can be no assurance that any such amendments or alternative interest rates will adequately mitigate future interest rate risk. Therefore, such changes could have an adverse effect on the applicable interest rates of Debt Instruments referencing LIBOR and their value and liquidity, and this in turn may have an adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Reliance on obligors

The Company will not, in most cases, have control over the activities of any issuer of Debt Instruments invested in by the Company or which is the payer of any receivable acquired by the Company. Managers of issuers in whose Debt Instruments the Company has invested may manage those companies in a manner not anticipated by the Investment Manager.

Investments in collective investment vehicles

The Company may invest in one or more collective investment vehicles, which it is expected will be managed or advised by an M&G Entity. In relation to any such investments, the Company will only be a passive investor and will not therefore have the same degree of control it has over its other investments. M&G may be removed, or cease to manage or advise, any such vehicle and the Company may be unable to influence the selection of a replacement manager or adviser.

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

Such vehicles will be exposed to similar underlying risks as those applying to the Company's directly held portfolio of investments, but the risk profile may be higher than the Company's directly held portfolio of investments due to the characteristics of the underlying portfolio in any relevant vehicle.

Accordingly, the Company cannot guarantee that these vehicles will be managed or advised appropriately, which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Risks relating to specific Debt Instruments

Asset-backed securities

Each asset-backed security that the Company invests in will typically be backed by a pool of assets representing the obligations of a number of different borrowers or debtors (such as mortgage or credit card borrowers for example). In some cases however, the security may be backed by a single asset, for example a mortgage relating to a specific commercial property. The value of an investment in an asset-backed security can be affected by a number of factors, including: (i) changes in the market's perception of the underlying assets backing the security; (ii) economic and political factors such as interest rates and levels of unemployment and taxation which can have an impact on the arrears, foreclosures and losses incurred with respect to the pool of assets backing the security; (iii) changes in the market's perception of the adequacy of credit support built into the security's structure to protect against losses caused by arrears and foreclosures; (iv) changes in the perceived creditworthiness of the originator of the security or any other third parties to the transaction; and (v) the speed at which mortgages or loans within the pool are repaid by the underlying borrowers (whether voluntary or due to arrears or foreclosures).

At times of rapid changes in market conditions it may be difficult to value certain asset-backed securities investments made by the Company and values may fluctuate considerably, with market prices quickly becoming out of date and not reflecting the value which would be realised on a sale of the relevant asset-backed security in such market conditions. The value of the Company's investment in any such asset-backed security will be determined on a marked to market basis and, accordingly, falls in the market price of asset-backed securities will result in a corresponding fall in the Net Asset Value of the Ordinary Shares and/or C Shares.

Investments in asset-backed securities that are not backed by mortgages present certain risks that are not presented by mortgage-backed securities. Primarily, these securities may not have the benefit of the same security interest in the related collateral. Credit card receivables, for example, are generally unsecured. Therefore, there is a possibility that recoveries on defaulted collateral may not, in some cases, be available to support payments on these securities. The risk of investing in these types of asset-backed securities is ultimately dependent upon payment of the underlying debt by the debtor(s).

Extension and prepayment risks related to asset-backed securities and structured credit

Asset-backed securities and structured credit are often subject to extension and prepayment risks, which may have a substantial impact on the timing of their cashflows. The average life of each individual security may be affected by a number of factors such as structural features (including the existence and frequency of exercise of any optional redemption, mandatory redemption or prepayment or sinking fund features), the payment or the prepayment rate of the underlying assets, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

The Company may invest in or have exposure to asset-backed securities and structured credit that are subordinated in right of payment and rank junior to other securities that are secured by or represent an ownership interest in the same pool of assets. In addition, the underlying documentation may provide for the diversion of payments of interest and/or principal to more senior classes when the delinquency or loss experience of the pool of assets underlying such asset-backed securities and structured credit breaches a covenant test. In certain circumstances, payments of interest on certain asset-backed securities and structured credit in the Company's pool of assets may be reduced, deferred or eliminated for one or more payment dates, which may adversely affect the value of the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Rising interest rates tend to extend the duration of mortgage-backed securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates the Company may exhibit increased levels of volatility should it hold mortgage-backed securities. In addition, mortgage-backed securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected.

Loans to borrowers in the financial services industry may be secured by portfolios of financial assets

The collateral for loans made to borrowers in the financial services industry may consist of portfolios of financial assets, typically other loans, receivables or other contractual cash flows. Such transactions may represent several types of risk to the Company.

Such financial assets will typically have shorter maturities than the maturity of the relevant loan by the Company. The Company is dependent on the borrower originating additional loans to maintain the value of the collateral relative to the loan. Typically, if the collateral value declines below an agreed threshold, the collateral pool will enter a run off period which will amortise the loan. There can be no assurance that the cash flow during a run off period will be sufficient to repay the loan amount.

While the Company obtains legal advice in order to structure the collateral pool so as to protect the Company's interests from other creditors, there can be no assurance that the legal structures and agreements protecting the Company's interest in the collateral pool would not be subject to litigation in the event of the borrower's insolvency.

The Company is generally dependent upon the borrower servicing and monitoring assets of the collateral pool. The Investment Manager conducts initial due diligence on the borrower and the assets in the collateral pool. In addition, a third party servicer may be engaged to monitor the borrower's compliance with the loan terms and the performance of the collateral pool over time.

Commercial mortgages

Commercial mortgages are subject to the general risks associated with any mortgage loan, in that they are in the ordinary course dependant on the successful operation of the underlying properties, including the sufficiency of the rental income from the underlying properties and, upon default by the relevant borrowers on the market value of the relevant mortgaged properties and/or the borrowers' ability to refinance such mortgaged properties.

A borrowers' ability to make payments due under a commercial mortgage will also be subject to the risks generally associated with investment in real property and may be beyond the control of the borrower. These and other factors may make it impossible for a mortgaged property to generate sufficient income to make full and timely payments on the related loan.

Such risks include the performance of the relevant underlying property market, the location and condition of the property or properties and changes in supply of, or demand for, competing properties in the area (as a result, for instance, of overbuilding) which may impact on the demand for the property or properties and the rental levels it/they can command. Further, indirect factors and risks which also influence the demand for a property, and therefore, its value, include government regulations, changes in real property taxes, changes in interest rates and availability of mortgage funds and environmental liabilities.

Adverse change in any of these factors may have a negative impact on the value of collateral that supports a commercial mortgage and/or the ability of a borrower to service its debts including any investment made by the Company. This may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earning and returns to Shareholders.

Following an event of default, enforcement of the relevant related security may not be immediate, resulting in a significant delay in the relevant security agent's recovery of amounts owed by the relevant borrower under a loan. In certain circumstances, a moratorium may apply to prevent or delay enforcement in a relevant jurisdiction. Additionally, in each relevant jurisdiction, there may be certain classes of creditors entitled to receive the proceeds of secured assets before the relevant security agent (for example unpaid salaries, enforcement costs and taxes).

The Company may lend to smaller and mid-sized companies

The Company may lend to smaller and/or mid-sized companies. Whilst loans made to smaller and/or mid-sized companies may fall within the relevant credit criteria of the Company at the time the loan is entered into, a smaller or mid-sized company may be more susceptible to market volatility and adverse changes in its trading conditions which may in turn impact its financial condition and may mean that it is unable to comply with its payment obligations under the terms of the relevant loan agreement. To the extent that a small or mid-sized company is unable to meet its obligations pursuant to a loan agreement, the value of the Company's investment in such a loan may fall and interest payments to the Company may be interrupted, which may have an adverse impact on the Company's financial performance.

Distressed debt

The Company may invest in or have exposure to the Debt Instruments of issuers who are going through a balance sheet restructuring or are in a weakened financial condition (for example, suffering poor financial metrics, requiring further capital investment or being encumbered by an

unsustainable debt burden). While the Company is subject to limitations on the maximum size of investment in any such individual Debt Instruments, there is no limitation on the Company's aggregate exposure to these Debt Instruments. The complexity of these situations and the fact that it may be difficult to obtain information relating to an issuer's true financial position means that the future of these issuers may be uncertain.

The issuer may be involved in or undergoing workouts, liquidations, spin-offs, reorganisations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there is the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution of cash or a new instrument the value of which will be less than the purchase price. Similarly, if an anticipated transaction does not in fact occur, the Company may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled issuers in which the Company may invest, there is a potential risk of loss by the Company of its entire investment related to such issuers.

Infrastructure finance

The obligors under infrastructure finance Debt Instruments will generally be entities that have been formed for, and are generally restricted to, the limited business purpose of owning and/or operating the related project. Accordingly, payment of amounts due is generally dependent solely upon successful development, construction and operation of the underlying project or the ownership and management of a key economic asset that has already been completed.

Loans that finance equipment leasing

Generally, lease equipment is owned by a special purpose entity, the lessor, established by a leasing company which then leases the equipment to the users, the lessees. The leasing company generally contributes equity to the lessor and the Company would provide a loan to the lessor to fund the acquisition of the equipment. The Company will generally be dependent on the leasing company to service the leases, provide ongoing reports to the Company, and take remedial action, if any, if a lessee does not perform as required under a lease.

A number of factors may affect an equipment leasing company's ability to operate profitably, including: (i) changes in economic conditions, including fluctuations in demand for assets, interest rates and inflation rates; (ii) the quality of the assets it acquires and leases; (iii) the continuing strength of equipment manufacturers; (iv) the timing of the equipment leasing company's investments and the equipment leasing company's ability to forecast technological advances; (v) technological and economic obsolescence of the assets it acquires; (vi) defaults by lessees or other counterparties; and (vii) increases in the equipment leasing company's ongoing expenses. If the equipment leasing company is unable to operate profitably it may not be able to service its debts including any investment made by the Company. This may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Further, when an equipment leasing company enters into a lease, it will not know what the residual value of the asset leased will be when the lease ends (on expiry, in the case of an operating lease, or prematurely in the case of a cashflow lease). Where an equipment leasing company enters into operating leases, the present value of minimum rental payments during the initial lease term will usually be structured to result in the equipment leasing company's recovery of an amount less than the fair value or purchase price of the asset. Therefore, the equipment leasing company's ability to recover the full purchase price of the asset and the equipment leasing company's expected return in connection with an operating lease depends on the potential value of the asset once the primary lease term expires. This is the "residual value". Similarly, in circumstances where a cashflow lease ends prematurely, the equipment leasing company may be reliant on the residual value in order to achieve the desired returns. The residual value will depend on numerous factors beyond the equipment leasing company's control, including whether the original lessee wants to keep the asset, the cost of a comparable new asset, whether the leased asset is obsolete or in poor condition, whether there is a secondary market for the type of used asset and, if so, the market value of such asset.

In certain circumstances, the equipment leasing company may be reliant entirely on the residual value of some of its investments to recover and/or make a profit on those investments and any failure to achieve this may adversely affect the ability of an equipment leasing company to service its debts including any investment made by the Company. In addition, if an equipment leasing

company's assumptions are inaccurate or the assets lose value more rapidly than anticipated this may also adversely affect the ability of an equipment leasing company to service its debts including any investment made by the Company. Each of the above risks may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

RISKS RELATING TO THE SHARES

General risks affecting the Shares

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

The market price of the Shares, like shares in all investment companies, may fluctuate independently of their underlying net asset values and may trade at a discount or premium to net asset value at different times, depending on factors such as supply and demand for the Shares, market conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of a Share may vary considerably from its Net Asset Value.

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

The Company will apply for the Shares to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. However, there can be no guarantee that an active secondary market in the Shares will develop or be sustained or that the Shares will trade at prices close to their underlying Net Asset Value per Ordinary Share or Net Asset Value per C Share (as the case may be). The number of Shares to be issued pursuant to the Initial Issue and the Placing Programme is not yet known and there may be a limited number of holders of Shares. Limited numbers and/or holders of Shares may mean that there is limited liquidity in such Shares which may affect: (i) a Shareholder's ability to realise some or all of their investment; (ii) the price at which a Shareholder can effect such realisation; and/or (iii) the price at which such Shares trade in the secondary market.

Whilst the Board will provide Shareholders with an opportunity to elect to realise the value of their Ordinary Shares during the fifth year following Initial Admission and every fifth year thereafter, Shareholders wishing to realise their investment in the Company will otherwise be required to dispose of their Shares through the secondary market. Accordingly, Shareholders' ability to realise their investment at Net Asset Value per Ordinary Share or Net Asset Value per C Share (as the case may be) before such realisation opportunity is dependent on the existence of a liquid market for the Shares. There can be no guarantee that a liquid market in the Ordinary Shares or C Shares will develop or that the Ordinary Shares or C Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value or at all.

Further, while the Board retains the right to effect repurchases of Ordinary Shares in the manner described under the subheading "Repurchase of Ordinary Shares" in Part 1 of this document, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors to do so.

The Company may issue additional Shares that dilute existing Shareholders

Following the Initial Issue, subject to legal and regulatory requirements, the Company may issue additional Shares pursuant to the Placing Programme. Any additional issuances by the Company, or the possibility of such issuances, may cause the market price of the existing Ordinary Shares to decline. Furthermore: (i) the relative voting percentages of existing holders of Ordinary Shares who cannot, or choose not to participate will be diluted by further issues of Ordinary Shares; and (ii) the voting rights of holders of Ordinary Shares may be diluted further on conversion of any C Shares depending on the applicable conversion ratio.

The Shares will be subject to significant transfer restrictions for investors in certain jurisdictions as well as forced transfer provisions

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

under the US Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as “plan assets” of any benefit plan investor under section 3(42) of ERISA or the U.S. Tax Code; or (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to register or qualify under the U.S. Investment Company Act, and/or U.S. Investment Advisers Act of 1940 and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934, as amended and/or any laws of any state of the U.S. or other jurisdiction that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the U.S. Securities Exchange Act 1934, as amended; or (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the U.S. Tax Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act 1956, as amended or regulations or interpretations thereunder, or (vi) would cause the Company adverse consequences under the foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010, including the Company becoming subject to any withholding tax or reporting obligation (including by reason of the failure of the Shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligations), the Directors may require the holder of such shares to dispose of such shares and, if the Shareholder does not sell such shares, may dispose of such shares on their behalf. These restrictions may make it more difficult for a U.S. Person to hold and Shareholders generally to sell the Shares and may have an adverse effect on the market value of the Shares.

Local laws or regulations may mean that the status of the Company and/or the Shares is uncertain or subject to change, which could adversely affect investors’ ability to hold Shares

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

RISKS RELATING TO THE INVESTMENT MANAGER

Reliance on the Investment Manager

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

The performance of the Company depends on the ability of the Investment Manager to provide competent, attentive and efficient services to the Company. There can be no assurance that, over time, the Investment Manager will be able to provide such services or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

The Company depends on the diligence, skill, judgement and business contacts of M&G’s investment professionals and the information and deal flow they generate and communicate to the Company during the normal course of their activities. The Company’s future success depends on the continued service of these individuals (or their replacements from time to time) who are not obligated to remain employed with M&G, and M&G’s ability to recruit and retain personnel. A failure of M&G to retain or recruit appropriately qualified personnel may have a material adverse

effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

If the Investment Management Agreement is terminated, the Directors would have to find a replacement investment manager for the Company and there can be no assurance that a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company.

The resources of the Investment Manager are not solely dedicated to activities in which the Company is engaged and the Investment Manager will allocate resources to activities in which the Company is not engaged, which might have a negative impact on the Company's ability to achieve its investment objective

The Investment Manager is not required to commit all of its resources (or ensure continuity of any of its resources or that any of its resources are solely dedicated) to the Company's affairs and allocates its resources to other business activities. Insofar as the Investment Manager devotes resources to its responsibilities in relation to other business interests, its ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Potential conflicts of interest

M&G is involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company, which M&G shall manage in accordance with its policies and procedures relating to conflicts of interest. In particular, M&G manages funds other than the Company and may provide investment management, investment advisory or other services in relation to those funds or future funds which may have similar investment policies to that of the Company.

M&G may carry on investment activities for their other accounts and for other accounts in which the Company has no interest. M&G also provides management services to other clients, including other collective investment schemes which make investments which fall within the Company's investment policy. M&G may give advice and recommend investments to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company, even though their investment policies may be the same or similar.

In relation to the allocation of investment opportunities, the Investment Manager has procedures in place to seek to ensure appropriate allocations between its clients in accordance with its allocation policy from time to time.

Access to material non-public information may restrict the ability of the Investment Manager to take action with respect to some investments

The Investment Manager has established policies and procedures reasonably designed to prevent the misuse by the Investment Manager and its personnel of material information regarding particular issuers that has not been publicly disseminated ("**material non-public information**") in accordance with applicable legal and regulatory requirements. In general, under such policies and procedures and applicable law, when the Investment Manager is in possession of material non-public information related to a publicly traded security or the issuer of such security, whether acquired unintentionally or otherwise, neither the Investment Manager nor its personnel are permitted to render investment advice as to, or otherwise trade or recommend a trade in, the securities of such issuer until such time as the information that the Investment Manager has is no longer deemed to be material non-public information.

The Investment Manager has procedures that outline the process by which it will determine whether to elect to receive material non-public information, or whether it will determine not to receive material non-public information, in any given case. This determination will be made on an issuer-by-issuer basis using objective criteria established by the Investment Manager. It should be noted that the Investment Manager's determination regarding whether or not to receive material non-public information regarding a specific issuer may have implications for the services the Investment Manager is able to provide to certain clients in certain situations, including the Company.

RISKS RELATING TO REGULATION, STRUCTURE AND TAXATION

Investment trust status

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions under sections 1158 to 1159 of the CTA 2010 and ongoing requirements under the Investment Trust (Approved Company) (Tax) Regulations 2011 for it to be approved by HMRC as an investment trust. In respect of each period for which the Company is an approved investment trust, the Company will be exempt from UK corporation tax on its chargeable gains and capital profits on loan relationships. The Company will also have access to an optional interest “streaming” regime which enables it to deduct from its taxable interest income the amount of dividend distributions to Shareholders that have been notionally designated as interest distributions. There is a risk that the Company does not receive approval of its investment trust status from HMRC or, having received such approval, the Company fails to maintain its status as an investment trust. In such circumstances, the Company would be subject to the normal rates of corporation tax on chargeable gains and capital profits arising on the transfer or disposal of investments and other assets, and on interest income which could adversely affect the Company’s financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders. In addition, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for maintaining investment trust status, will, as soon as reasonably practicable, notify Shareholders of this fact.

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

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

Investors should consult their tax advisers with respect to their own particular tax circumstances and the tax effects of an investment in the Company. Statements in this document concerning the taxation of investors or prospective investors in Shares are based upon current tax law and practice, each of which is, in principle, subject to change. The value of particular tax reliefs, if available, will depend on each individual Shareholder’s circumstances. This document does not constitute tax advice and must not therefore be treated as a substitute for independent tax advice.

The investment activity to be undertaken by the Company may expose the Company to the risk of regulation in the United Kingdom and other jurisdictions

The investment activity to be undertaken by the Company includes direct lending, which is an unregulated activity. There is a risk that some or all of such activity and the other investment activity of the Company becomes regulated in future. In particular, the European Commission and other relevant authorities have stated that they are considering whether lending by non-bank institutions (or “shadow banking”) should, in itself, be a regulated activity and the Financial Stability Board has recently announced a consultation on the subject. Whilst there are no firm proposals currently on the legislative agenda, the future regulation of shadow banking cannot be ruled out. Any future regulation may have an impact on the Company, which could be significant, in terms of compliance costs and, potentially, the restriction of its activities (in particular the Company’s ability to undertake direct lending). Any such costs or restrictions may have an adverse effect on the performance of the Company, the Net Asset Value, the Company’s earnings and returns to Shareholders.

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

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

There can be no assurance that future regulatory action will not result in additional market dislocation. It is impossible to predict the nature, timing and scope of future changes in laws and regulations applicable to the Company. Any such changes in laws and regulations may have a material adverse effect on the ability of the Company to successfully pursue its investment policy

and to realise its profit potential, and may include a requirement of increased transparency as to the identity of investors in the Company. Any such event may have a material adverse effect on the investment returns of the Company. If the Company fails to comply with these laws and regulations, the Company may have to pay penalties or private damages awards.

Due diligence and reporting obligations

The Company will be required to comply with certain due diligence and reporting requirements under the International Tax Compliance Regulations 2015, which were enacted to meet the United Kingdom's obligations under FATCA, the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development and the EU Directive on Administrative Cooperation in Tax Matters. Shareholders may be required to provide information to the Company to enable the Company to satisfy its obligations under the regulations. Failure by the Company to comply with its obligations under the regulations may result in fines being imposed on the Company and, in such event, the target returns of the Company may be adversely affected.

Alternative Investment Fund Managers Directive

The AIFM Directive imposes a regime for EEA managers of AIFs and in respect of the marketing of AIFs in the EEA. The AIFM Directive has been implemented in the UK by the AIFM Rules. The AIFM Directive requires that EEA alternative investment fund managers of AIFs are authorised and regulated.

The Board has appointed the Investment Manager as the alternative investment fund manager of the Company. The Investment Manager is authorised and regulated by the FCA. If the Investment Manager ceases to act or becomes unable to act as the Company's alternative investment fund manager, then the Company must appoint another suitably authorised person as its alternative investment fund manager or the Company must be its own alternative investment fund manager. In order for the Company to be its own alternative investment fund manager it may be required to be authorised in the United Kingdom to act as an alternative investment fund manager. The Company is not currently authorised to act as an alternative investment fund manager and does not intend to apply for such authorisation to the extent that it is not required to do so. In the event that, and for so long as, the Company does not have an external alternative investment fund manager and is not permitted to act as an alternative investment fund manager in the United Kingdom then the Company may not be able to operate or, as a minimum, the ability of the Company to operate will be adversely affected to a significant extent.

In addition, the Company is required to appoint a depositary which will be State Street Trustees Limited. In complying with the AIFM Directive, the Company is likely to have higher management and operating costs than would otherwise be the case.

The Company has not and will not register as an investment company under the U.S. Investment Company Act

The Company is not, and does not intend to become, registered as an investment company under the U.S. Investment Company Act and related rules and regulations. The U.S. Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies.

As the Company is not so registered and does not plan to register, none of these protections or restrictions is or will be applicable to the Company. In addition, to avoid being required to register as an investment company under the U.S. Investment Company Act, the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of Shares held by a person to whom the sale or transfer of Shares may cause the Company to be classified as an investment company under the U.S. Investment Company Act.

The assets of the Company could be deemed to be "plan assets" that are subject to the requirements of ERISA or Section 4975 of the U.S. Tax Code, which could restrain the Company from making certain investments, and result in excise taxes and liabilities

Under the current United States Plan Asset Regulations, if interests held by Benefit Plan Investors are deemed to be "significant" within the meaning of the Plan Asset Regulations (broadly, if Benefit Plan Investors hold 25% or greater of any class of equity interest in the Company) then the assets of the Company may be deemed to be "plan assets" within the meaning of the Plan Asset Regulations. After the Initial Issue, the Company may be unable to monitor whether Benefit Plan Investors or any other investors acquire Shares and therefore, there can be no assurance that

Benefit Plan Investors will never acquire Shares or that, if they do, the ownership of all Benefit Plan Investors will be below the 25% threshold discussed above or that the Company's assets will not otherwise constitute "plan assets" under the Plan Asset Regulations. If the Company's assets were deemed to constitute "plan assets" within the meaning of the Plan Asset Regulations, certain transactions that the Company might enter into in the ordinary course of business and operation might constitute non-exempt prohibited transactions under the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") or the U.S. Tax Code, resulting in excise taxes or other liabilities under ERISA or the U.S. Tax Code. In addition, any fiduciary of a Benefit Plan Investor or an employee benefit plan subject to Similar Law that is responsible for the benefit plan's investment in the Shares could be liable for any ERISA violations or violations of such Similar Law relating to the Company.

Risks relating to packaged retail and insurance-based investment products ("PRIIPS")

Investors should be aware that the PRIIPs Regulation requires the Investment Manager, as PRIIP manufacturer, to prepare a key information document ("**KID**") in respect of each class of share of the Company. The KID must be made available by the Investment Manager to retail investors prior to them making any investment decision and is available on the Company's website at www.mandg.co.uk/creditincomeinvestmenttrust. The content of a KID is highly prescriptive, both in terms of the calculations underlying the numbers and the narrative, with limited ability to add further context and explanations, and therefore the KID should be read in conjunction with material produced by the Company including the annual report, the quarterly factsheets and this document, all of which will be made available on the Company's website.

IMPORTANT INFORMATION

GENERAL

No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares other than those contained in this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company, the Investment Manager or Winterflood Securities. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules and MAR, neither the delivery of this document nor any subscription for or purchase of Shares pursuant to the Initial Issue and/or the Placing Programme, under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

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

This document should be read in its entirety before making any application for Shares. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction: (i) in which such offer or solicitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or solicitation. The distribution of this document and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document is received are required to inform themselves about and to observe such restrictions.

FOR THE ATTENTION OF UNITED STATES RESIDENTS

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this document is requested to disregard it.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN CANADA, JAPAN, AUSTRALIA OR THE REPUBLIC OF SOUTH AFRICA

The offer and sale of Shares has not been and will not be registered under the applicable securities laws of Canada, Japan, Australia or the Republic of South Africa. Subject to certain

exemptions, the Shares may not be offered to or sold within Canada, Japan, Australia or the Republic of South Africa or to any national, resident or citizen of such territories.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Relevant Member State which has implemented the Prospectus Directive, no Shares have been offered or will be offered pursuant to the Initial Issue or the Placing Programme to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State, or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- (a) to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- (b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive or Article 1(3) or (subject to the Relevant Member State having implemented the provision) Article 3 of the Prospectus Regulation 2017,

provided that no such offer of Shares shall result in a requirement for the publication of a document pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Shares or to whom any offer is made under the Initial Placing or the Placing Programme will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive.

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

In addition, Shares will only be offered to the extent that the Shares: (i) are permitted to be marketed into the relevant EEA jurisdiction pursuant to the AIFM Directive (if and as implemented into local law); or (ii) can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor).

NOTICE TO PROSPECTIVE INVESTORS IN GUERNSEY

Shares in the Company may only be offered or sold in or from within the Bailiwick of Guernsey either (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the “**POI Law**”); or (ii) to persons licensed under the POI Law or persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended, the Insurance Managers and Intermediaries (Bailiwick of Guernsey) Law, 2002, as amended, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc., (Bailiwick of Guernsey) Law, 2000, as amended.

NOTICE TO PROSPECTIVE INVESTORS IN JERSEY

Subject to certain exemptions (if applicable), the Company shall not raise money in Jersey by the issue anywhere of Shares, and this document relating to the Shares shall not be circulated in Jersey, without first obtaining consent from the Jersey Financial Services Commission pursuant to the Control of Borrowing (Jersey) Order 1958, as amended. No such consents have been obtained by the Company. 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.

NOTICE TO PROSPECTIVE INVESTORS IN OTHER JURISDICTIONS

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.

INTERMEDIARIES

Under the Intermediaries Offer, the Shares are being offered to Intermediaries who will facilitate the participation of their retail investor clients (and any member of the public who wishes to become a client of that Intermediary) located in the United Kingdom and the Channel Islands. The Company consents to the use of this document in connection with any subsequent resale or final placement of securities by the Intermediaries in the United Kingdom and the Channel Islands on the following terms: (i) in respect of the Intermediaries who have been appointed prior to the date of this document, as listed in paragraph 13 of Part 8 of this document; and (ii) in respect of the Intermediaries who are appointed after the date of this document, a list of which appears on the Company's website, from the date on which they are appointed to participate in connection with any subsequent resale or final placement of securities and, in each case, until the closing of the period for the subsequent resale or final placement of securities by the Intermediaries at 1.00 p.m. on 7 November 2018, unless closed prior to that date.

The offer period within which any subsequent resale or final placement of securities by the Intermediaries can be made and for which consent to use this document is given commences on 26 September 2018 and closes on 7 November 2018, unless closed prior to that date (any such prior closure to be announced via a Regulatory Information Service).

Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary. Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.

The Company consents to the use of this document and accepts responsibility for the information contained in this document with respect to subsequent resale or final placement of securities by any financial intermediary given consent to use this document.

Any new information with respect to Intermediaries unknown at the time of approval of this document will be available on the Company's website at www.mandg.co.uk/creditincomeinvestmenttrust.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**Directive 2014/65/EU**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing Directive 2014/65/EU; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Ordinary Shares to be issued pursuant to the Initial Issue and any Shares which may be issued pursuant to any Subsequent Placing are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Directive 2014/65/EU; and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only

with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Initial Issue and any Subsequent Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Winterflood Securities will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Directive 2014/65/EU; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

DATA PROTECTION

The information that a prospective investor in the Company provides in documents in relation to a subscription for Ordinary Shares and/or C Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) in compliance with: (a) the relevant data protection legislation and regulatory requirements of the United Kingdom (the "**Data Protection Legislation**"); and (b) the Company's privacy notice, a copy of which is available for consultation on the Company's website at www.mandg.co.uk/creditincomeinvestmenttrust ("**Privacy Notice**") (and if applicable any other third party delegate's privacy notice).

Without limitation to the foregoing, each prospective investor acknowledges that it has been informed that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) in accordance with and for the purposes set out in the the Company's Privacy Notice which include:

- 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; and
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere or any third party functionary or agent appointed by the Company.

Where necessary to fulfil the purposes set out above and in the Company's Privacy Notice, the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) will:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to operate and administer the Company; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors provided that suitable safeguards are in place for the protection of such personal data, details of which shall be set out in the Privacy Notice or otherwise notified from time to time.

The foregoing processing of personal data is required in order to perform the contract with the prospective investor, to comply with the legal and regulatory obligations of the Company or otherwise is necessary for the legitimate interests of the Company.

If the Company (or any third party, functionary or agent appointed by the Company, which may include, without limitation, the Registrar) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data, it will ensure that adequate safeguards are in place for the protection of such personal data, details of which shall be set out in the Privacy Notice or otherwise notified from time to time.

Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions. Individuals have certain rights in relation to their personal data; such rights and the manner in which they can be exercised are set out in the Company's Privacy Notice.

PRESENTATION OF FINANCIAL INFORMATION

The Company is newly formed and as at the date of this document has not commenced operations and has no assets or liabilities which will be material in the context of the Initial Issue and, therefore, no financial statements have been prepared as at the date of this document. All future financial information for the Company will be prepared under UK GAAP.

Certain financial and statistical information contained in this document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

PRESENTATION OF MARKET AND OTHER DATA

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

CURRENCY PRESENTATION

Unless otherwise indicated, all references in this document to "£", "pence" or "GBP" are to the lawful currency of the UK, all references in this document to "Euro" or "€" are to the lawful currency of the EU and all references in this document to "US\$" or "USD" are to the lawful currency of the United States.

REFERENCE TO CREDIT RATINGS (REGULATION (EC) NO 1060/2008

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

DEFINITIONS

A list of defined terms used in this document is set out at pages 125 to 131.

GOVERNING LAW

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

FORWARD LOOKING STATEMENTS

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

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the Prospectus Rules), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change

in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules and MAR.

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

EXPECTED TIMETABLE

Expected Initial Issue Timetable

Publication of this document and Initial Placing, Offer for Subscription and Intermediaries Offer open	26 September 2018
Latest time and date for applications under the Offer for Subscription	1.00 p.m. on 7 November 2018
Latest time and date for completed applications from the Intermediaries in respect of the Intermediaries Offer	1.00 p.m. on 7 November 2018
Latest time and date for receipt of commitments under the Initial Placing	2.00 p.m. on 8 November 2018
Announcement of the results of the Initial Issue	8.00 a.m. on 9 November 2018
Initial Admission and dealings in the Ordinary Shares issued pursuant to the Initial Issue commence	8.00 a.m. on 14 November 2018
Crediting of CREST stock accounts in respect of the Ordinary Shares issued pursuant to the Initial Issue	14 November 2018
Where applicable, definitive share certificates despatched in respect of the Ordinary Shares*	week commencing 19 November 2018 (or as soon as possible thereafter)

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

Expected Placing Programme Timetable

Placing Programme opens	15 November 2018
Announcement of the results of each Subsequent Placing	as soon as practicable after the closing of each Subsequent Placing pursuant to the Placing Programme
Admission and crediting of CREST stock accounts in respect of each Subsequent Placing	as soon as practicable after the closing of each Subsequent Placing pursuant to the Placing Programme
Share certificates despatched in respect of Shares issued pursuant to each Subsequent Placing (if applicable)	approximately one week after the Admission of Shares pursuant to a Subsequent Placing
Placing Programme closes and last date for Shares to be issued pursuant to the Placing Programme	25 September 2019

The dates and times specified are subject to change subject to agreement between the Company and Winterflood Securities. All references to times in this document are to London time unless otherwise stated. Any changes to the expected timetable will be notified by the Company via a Regulatory Information Service.

INITIAL ISSUE AND PLACING PROGRAMME STATISTICS

Initial Issue Statistics

Issue Price	100 pence
Initial Gross Proceeds*	£250 million
Estimated Net Proceeds*	£247 million
Estimated Net Asset Value per Ordinary Share at Initial Admission*	98.8 pence

* Assuming Initial Gross Proceeds of £250 million. The Company is targeting Initial Gross Proceeds in excess of £250 million subject to a maximum of £400 million. The Minimum Gross Proceeds are £100 million. The number of Ordinary Shares to be issued pursuant to the Initial Issue, and therefore the Initial Gross Proceeds and the Net Proceeds, is not known as at the date of this document but will be notified by the Company via a Regulatory Information Service prior to Initial Admission. If the Initial Issue does not proceed (because the Minimum Gross Proceeds (or such lesser amount as the Company and Winterflood Securities agree) are not raised or otherwise), subscription monies received will be returned without interest at the risk of the applicant to the applicant from whom the money was received, within 14 calendar days.

Placing Programme Statistics

Maximum size of the Placing Programme	400 million Shares in aggregate
Minimum Placing Programme Price	in respect of the Ordinary Shares, Net Asset Value per Ordinary Share plus a premium intended to at least cover the costs and expenses of the relevant Subsequent Placing (including, without limitation, any placing commissions) or 100 pence per C Share for any issue of C Shares

DEALING CODES

The dealing codes for the Ordinary Shares will be as follows:

ISIN	GB00BFYYL325
SEDOL	BFYYL32
Ticker	MGCI

The dealing codes for the C Shares will be as follows:

ISIN	GB00BFYYT831
SEDOL	BFYYT83
LEI	549300E9W63X1E5A3N24

DIRECTORS, MANAGEMENT AND ADVISERS

Directors (all non-executive)	David Simpson (<i>Chairman</i>) Richard Boléat Mark Hutchinson Barbara Powley all of the registered office below:
Registered Office	Beaufort House 51 New North Road Exeter EX4 4EP
AIFM and Investment Manager	M&G Alternatives Investment Management Limited Laurence Pountney Hill London EC4R 0HH
Administrator	State Street Bank and Trust Company 20 Churchill Place London E14 5HJ
Company Secretary	Link Company Matters Limited Beaufort House 51 New North Road Exeter EX4 4EP
Sponsor, Financial Adviser, Bookrunner and Intermediaries Offer Adviser	Winterflood Securities Limited The Atrium Cannon Bridge House 25 Dowgate Hill London EC4R 2GA
Solicitors to the Company	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Solicitors to the Sponsor, Financial Adviser, Bookrunner and Intermediaries Offer Adviser	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
Reporting Accountants and Auditor	Deloitte LLP Saltire Court 20 Castle Street Edinburgh EH1 2DB
Registrar	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

Receiving Agent

Link Asset Services
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Depository

State Street Trustees Limited
20 Churchill Place
London
E14 5HJ

Custodian

State Street Bank and Trust Company
20 Churchill Place
London
E14 5HJ

PART 1

INFORMATION ON THE COMPANY

1. INTRODUCTION

M&G Credit Income Investment Trust plc was incorporated on 17 July 2018 as a public company limited by shares. The Company intends to carry on business as an investment trust within the meaning of section 1158 of the CTA 2010. The Company's investment objective is to aim to generate a regular and attractive level of income with low asset value volatility.

The Company is targeting an issue in excess of 250 million Ordinary Shares pursuant to the Initial Issue comprising the Initial Placing, the Offer for Subscription and the Intermediaries Offer to invest in accordance with the Company's investment objective and policy.

The Company has an independent board of non-executive directors and has engaged M&G Alternatives Investment Management Limited as the Company's alternative investment fund manager to provide portfolio and risk management services to the Company. The Investment Manager is ultimately owned by Prudential, the UK's largest insurer by market capitalisation, and is part of M&G.

M&G is one of the longest established asset managers in Europe, managing c.£286 billion as at 30 June 2018. It has particular expertise in fixed income with c.£188 billion under management as at 30 June 2018 split c.£151 billion in public and c.£37 billion in private credit. Further information on M&G is set out in Part 2 of this document.

The Prudential Assurance Company Limited intends to subscribe for the lower of (i) 80,000,000 Ordinary Shares and (ii) 25% of the Ordinary Shares to be issued pursuant to the Initial Issue. The Directors believe that this proposed investment strongly aligns the interests of M&G with Shareholders.

Applications will be made to the UK Listing Authority and to the London Stock Exchange for all of the Ordinary Shares (issued and to be issued pursuant to the Initial Issue) to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. It is expected that Initial Admission will become effective, and that dealings in the Ordinary Shares issued pursuant to the Initial Issue will commence, at 8.00 a.m. on 14 November 2018.

2. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

Investment Objective

The Company aims to generate a regular and attractive level of income with low asset value volatility.

Investment Policy

The Company seeks to achieve its investment objective by investing in a diversified portfolio of public and private debt and debt-like instruments ("**Debt Instruments**"). Over the longer term, it is expected that the Company will be mainly invested in private Debt Instruments, which are those instruments not quoted on a stock exchange.

The Company operates an unconstrained investment approach and investments may include, but are not limited to:

- Asset-backed securities, backed by a pool of loans secured on, amongst other things, residential and commercial mortgages, credit card receivables, auto loans, student loans, commercial loans and corporate loans;
- Commercial mortgages;
- Direct lending to small and mid-sized companies, including lease finance and receivables financing;
- Distressed debt opportunities to companies going through a balance sheet restructuring;
- Infrastructure-related debt assets;
- Leveraged loans to private equity owned companies;
- Public Debt Instruments issued by a corporate or sovereign entity which may be liquid or illiquid;

- Private placement debt securities issued by both public and private organisations; and
- Structured credit, including bank regulatory capital trades.

The Company will invest primarily in Sterling denominated Debt Instruments. Where the Company invests in assets not denominated in Sterling it is generally expected that these assets will be hedged back to Sterling.

Investment restrictions

There are no restrictions, either maximum or minimum, on the Company's exposure to sectors, asset classes or geography. The Company, however, achieves diversification and a spread of risk by adhering to the limits and restrictions set out below.

Once fully invested, the Company's portfolio will comprise a minimum of 50 investments.

The Company may invest up to 30% of Gross Assets in below investment grade Debt Instruments, which are those instruments rated below BBB- by S&P or Fitch or Baa3 by Moody's or, in the case of unrated Debt Instruments, which have an internal M&G rating of below BBB-.

The following restrictions will also apply at the individual Debt Instrument level which, for the avoidance of doubt, does not apply to investments to which the Company is exposed through collective investment vehicles:

Rating	Secured Debt Instruments (% of Gross Assets)¹	Unsecured Debt Instruments (% of Gross Assets)
AAA	5%	5% ²
AA/A	4%	3%
BBB	3%	2%
Below investment grade	2%	1%

¹ Secured Debt Instruments are secured by a first or secondary fixed and/or floating charge.

² This limit excludes investments in G7 Sovereign Instruments.

For the purposes of the above investment restrictions, the credit rating of a Debt Instrument is taken to be the rating assigned by S&P, Fitch or Moody's or, in the case of unrated Debt Instruments, an internal rating by M&G. In the case of split ratings by recognised rating agencies, the second highest rating will be used.

It is expected that the Company will typically invest directly, but it may also invest indirectly through collective investment vehicles which are expected to be managed or advised by an M&G Entity. The Company may not invest more than 20% of Gross Assets in any one collective investment vehicle and not more than 40% of Gross Assets in collective investment vehicles in aggregate. No more than 10% of Gross Assets may be invested in other investment companies which are listed on the Official List.

Unless otherwise stated, the above investment restrictions are to be applied at the time of investment.

Borrowings

The Company is expected to be managed primarily on an ungeared basis although the Company may, from time to time, be geared tactically through the use of borrowings. Borrowings would principally be used for investment purposes, but may also be used to manage the Company's working capital requirements or to fund market purchases of Shares. Gearing represented by borrowing will not exceed 30% of the Company's Net Asset Value, calculated at the time of draw down, but is typically not expected to exceed 20% of the Company's Net Asset Value.

Hedging and Derivatives

The Company will not employ derivatives for investment purposes. Derivatives may however be used for efficient portfolio management, including for currency hedging.

Cash management

The Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds ("**Cash and Cash Equivalents**").

There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant Cash and

Cash Equivalents position. For the avoidance of doubt, the restrictions set out above in relation to investing in collective investment vehicles do not apply to money market type funds.

Changes to the investment policy

Any material change to the Company's investment policy set out above will require the approval of Shareholders by way of an ordinary resolution at a general meeting and the approval of the UK Listing Authority.

3. DIVIDEND POLICY AND TARGET RETURNS

The Company intends to pay two dividends in respect of the first financial period following Initial Admission. The first interim dividend is expected to be declared in July 2019 and paid in August 2019 and the second interim dividend is expected to be declared in January 2020 and paid in February 2020. Thereafter the Company intends to pay dividends on a quarterly basis with dividends typically declared in January, April, July and October and paid in February, May, August and November in each financial year.

The Company will target an annualised dividend yield of LIBOR plus 2.5% (on the Issue Price) in respect of the Company's first financial period to 31 December 2019. The Company will target an annualised dividend yield of LIBOR plus 4% (on the opening Net Asset Value per Ordinary Share) in respect of each financial year thereafter. Where LIBOR materially changes or ceases to be provided, the Company shall determine a suitable replacement benchmark and shall notify investors accordingly. The Directors intend to apply the "streaming" regime to distributions of portfolio interest returns paid by the Company, such that these distributions are expected to be designated as payments of interest. If appropriate, in addition to, or instead of, interest distributions, the Company may also pay ordinary corporate dividends.

Investors should note that the target dividend is a target only and not a profit forecast and there can be no assurance that such target will be met.

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

In order to increase the distributable reserves available to facilitate the payment of future dividends, the Company has resolved that, conditional upon Initial Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the Initial Issue be cancelled and transferred to a special distributable reserve. The Company may, at the discretion of the Board, pay all or part of any future dividends out of this special distributable reserve, taking into account the Company's investment objective.

Although there is no current expectation that they will exercise such power, the Directors will have the power to pay dividends in relation to the C Shares (if issued) in the event that the assets that are attributable to the C Shares generate material income while the C Shares are in issue.

4. USE OF PROCEEDS

The Initial Gross Proceeds will be utilised in accordance with the Company's investment policy, to meet the costs and expenses of the Initial Issue and for working capital purposes.

It is currently expected that the Net Proceeds will be deployed in accordance with the Company's investment policy in the manner set out below.

The Company expects the Investment Manager to deploy the Net Proceeds in readily available public lower yielding assets within a period of three months after Initial Admission (subject to market conditions). Based on current market conditions, the Investment Manager then intends to transition the Company's portfolio of investments such that it mainly comprises private Debt Instruments in accordance with the Company's investment policy. It is currently expected that, subject to market conditions, such transition will be completed by the end of the first accounting period of the Company, i.e. by 31 December 2019. Once transitioned, the Company will seek to provide Shareholders with a diversified exposure to a range of underlying private Debt Instruments, many of which may not otherwise be accessible to Shareholders, in particular to individual investors.

The exact composition of the fully invested portfolio post-transition and the identity of specific investments will depend on market conditions and the continued availability of investments which satisfy the Company's investment policy. The Investment Manager will invest in a mixture of both

floating rate and fixed rate Debt Instruments, and may at times be more heavily weighted towards one than the other depending on market conditions, and will manage the interest rate exposure through the use of derivatives.

5. NET ASSET VALUE

Publication of Net Asset Value per Share

The unaudited Net Asset Value will be calculated in Sterling by the Administrator on a monthly basis, as described below and on the basis of information provided by the Investment Manager. The Net Asset Value per Ordinary Share (and Net Asset Value per C Share, where applicable), calculated by dividing the relevant Net Asset Value by the number of Shares in issue of the relevant class (excluding Shares held in treasury), will be published on both a cum-income and ex-income basis, via a Regulatory Information Service and made available on the Company's website as soon as practicable thereafter.

Valuation Methodologies

The Net Asset Value for each class of Shares is the value of all assets of the Company attributable to that class of Shares less its share of liabilities to creditors, each determined in accordance with UK GAAP.

Assets listed or traded on a stock exchange or over-the-counter market that are freely transferable and for which market quotations are readily available will be valued at the closing bid price on the principal exchange or market for such investment, without deduction for the estimated future selling costs.

Units or shares in open-ended or limited liquidity collective investment vehicles will be valued at the latest available net asset value per unit, share or class thereof as at the close of trading; units or shares in closed-ended collective investment vehicles will, if listed or traded on a stock exchange and freely transferable, be valued at the closing bid price on the principal exchange or market for such investment, without deduction for the estimated future selling costs.

Derivative instruments will be valued at fair value based on observable market inputs.

Investments other than those specified above will be valued at their probable realisation value determined by the Investment Manager in accordance with its valuation policy. Each valuation will reference one or more of a variety of factors as appropriate including the original purchase price, the last traded price, proprietary valuations models, the issuer's financial strength and stability, the issuer's operating performance, the ranking and value of any security held, and/or the contracted cash flows of the investment.

If deemed appropriate by the Company or the Investment Manager, the Company may engage third party valuation professionals to provide valuations of investments. Such third party professionals may be related to the Investment Manager.

Any value expressed otherwise than in Sterling (the functional and reporting currency of the Company) (whether of an investment or cash) will be converted into Sterling at the rate (whether official or otherwise) which the Directors deem appropriate in the circumstances.

If in any case a particular value is not ascertainable as provided above or if the Directors consider that some other method of valuation better reflects the fair value of the relevant investment, then in such case the method of valuation of the relevant investment will be such as the Directors consider reasonable in the circumstances.

Suspension of the calculation of the Net Asset Value

The Directors may temporarily suspend the calculation of the Net Asset Value and the publication of Net Asset Value per Share during a period when, in the opinion of the Directors:

- there are political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, and disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company's business is not reasonably practicable without this being materially detrimental to the interests of Shareholders or if, in the opinion of the Board, the Net Asset Value cannot be fairly calculated;
- there is a breakdown of the means of communication normally employed in determining the calculation of the Net Asset Value; or

- it is not reasonably practicable to determine the Net Asset Value on an accurate and timely basis.

Any suspension in the calculation of the Net Asset Value will be notified via a Regulatory Information Service as soon as practicable after any such suspension occurs.

6. REPORTS, ACCOUNTS AND MEETINGS

The audited accounts of the Company will be prepared in Sterling under UK GAAP. The Company's annual report and accounts will be prepared up to 31 December each year, with the first accounting period of the Company ending on 31 December 2019. It is expected that copies of the report and accounts will be published by the end of April each year and copies sent to Shareholders. The Company will also publish an unaudited half-yearly report covering the six months to 30 June each year, which is expected to be published within the following three months. The first financial report and accounts that Shareholders will receive will be the half-yearly report for the period ending on 30 June 2019 (covering the period from incorporation of the Company).

The financial report and accounts and unaudited half-yearly report once published will be available for inspection from the Company Secretary at the Company's registered office and on the Company's website (www.mandg.co.uk/creditincomeinvestmenttrust).

The Company will hold its first annual general meeting before 30 June 2020 and will hold an annual general meeting each year thereafter. Other general meetings may be convened from time to time by the Directors by sending notices to Shareholders.

7. SHARE CAPITAL MANAGEMENT

As set out below, the Board has put in place appropriate strategies to seek to limit, as far as practicable, the extent to which the market price of the Ordinary Shares diverges from the Net Asset Value per Ordinary Share.

Premium Management

Once the proceeds of the Initial Issue have been fully invested, the Company intends to implement the Placing Programme. The Directors have authority to issue, in aggregate, up to 400 million Shares pursuant to the Placing Programme. Shareholders' pre-emption rights over this unissued share capital have been disapplied so that the Directors will not be obliged to offer any new Shares under the Placing Programme to Shareholders *pro rata* to their existing holdings; this ensures that the Company retains full flexibility, following Initial Admission, in issuing new Shares to investors. The minimum price at which Ordinary Shares may be issued pursuant to this authority is the prevailing published Net Asset Value per Ordinary Share at the time of issue plus a premium intended to at least cover the costs and expenses of the relevant Subsequent Placing (including, without limitation, any placing commissions). C Shares (if any) issued pursuant to this authority will be issued at 100 pence per C Share.

Further details of the Placing Programme are set out in Part 6 of this document.

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

Discount Management

The Directors have introduced discount control measures with two elements:

- periodic liquidity opportunities; and
- use of the Company's share buy-back authority where appropriate.

Liquidity opportunities

Before the Company's fifth annual general meeting in 2024, the Board will formulate and submit to Shareholders proposals (which may constitute a tender offer or other method of distribution) to provide Shareholders an opportunity to realise the value of their Ordinary Shares at Net Asset Value per Ordinary Share less costs. In all circumstances, the Board will seek to balance the interests of both continuing Shareholders and those electing to realise their investment with a view to minimising any reduction in the overall size of the Company.

Repurchase of Ordinary Shares

The Directors will consider repurchasing Ordinary Shares in the market if they believe it to be in Shareholders' interests and as a means of correcting any imbalance between the supply of and demand for the Ordinary Shares.

A special resolution has been passed granting the Directors authority to repurchase up to 14.99% of the Company's issued Ordinary Share capital immediately following Initial Admission during the period expiring on the conclusion of the earlier of the Company's first annual general meeting and 30 June 2020. Renewal of this buy-back authority will be sought at each annual general meeting of the Company or more frequently if required. Ordinary Shares purchased by the Company may be held in treasury or cancelled.

The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of (i) 5% above the average of the mid-market values of the Ordinary Share for the five Business Days before the purchase is made, or (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Regulatory Technical Standards adopted by the European Commission pursuant to Article 5(6) of MAR. In addition, the Company will only make such repurchases through the market at prices (after allowing for costs) below the relevant prevailing published Net Asset Value per Ordinary Share under the guidelines established from time to time by the Board.

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

The Company does not have (and does not intend to seek) any authority to buy back C Shares. Accordingly, the Directors will not be able to operate any discount management policy through the use of C Share buy-backs.

Treasury Shares

Any Ordinary Shares repurchased pursuant to the general buy-back authority or, if applicable, any periodic return of capital referred to above may be held in treasury. The Companies Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. These shares may be subsequently cancelled or sold for cash. This would give the Company the ability to reissue Ordinary Shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

No Ordinary Shares will be sold from treasury at a price less than the Net Asset Value per Ordinary Share at the time of sale unless they are first offered *pro rata* to existing Shareholders.

8. C SHARES

If there is sufficient demand from potential investors at any time following Initial Admission, the Company may seek to raise further funds through the issue of C Shares pursuant to the Placing Programme. No C Shares will be issued pursuant to the Initial Issue. The issue of C Shares is designed to overcome the potential disadvantages for both existing and new investors, which could arise out of a conventional fixed price issue of further Shares for cash. In particular:

- the C Shares will convert into Ordinary Shares just over 12 months after the date of their issue or such earlier time that the Directors deem that the return profiles of the underlying assets of the portfolios of C Shares and Ordinary Shares are sufficiently aligned;
- the assets representing the net proceeds of a C Share issue would be accounted for and managed as a distinct pool of assets until their conversion date. By accounting for the net proceeds of a C Share issue separately, holders of Ordinary Shares will not participate in a portfolio containing a substantial amount of un-invested cash before the conversion date;
- the basis on which the C Shares would convert into Ordinary Shares is such that the number of Ordinary Shares to which holders of C Shares would become entitled will reflect the relative net asset values per share of the assets attributable to the C Shares and the Ordinary Shares. As a result, the Net Asset Value per Ordinary Share can be expected to be unchanged by the issue and conversion of any C Shares; and

- the Net Asset Value per Ordinary Share would not be diluted by the expenses of the C Share issue, which would be borne by the C Share pool.

The Articles contain the C Share rights, full details of which are set out in paragraph 4 of Part 8 of this document.

The Directors have the authority to issue C Shares as set out in paragraph 7 above.

9. THE TAKEOVER CODE

The Takeover Code applies to the Company.

Given the existence of the proposed periodic opportunities for return of capital and buyback powers described in the paragraphs above, there are certain considerations that Shareholders should be aware of with regard to the Takeover Code.

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

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

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

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

10. THE INITIAL ISSUE AND THE PLACING PROGRAMME

The Initial Issue

The target size of the Initial Issue is in excess of £250 million (before expenses). The minimum size of the Initial Issue is £100 million (before expenses).

The total number of Ordinary Shares to be issued pursuant to the Initial Issue, and therefore the Initial Gross Proceeds, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service announcement prior to Initial Admission.

Winterflood Securities has agreed to use its reasonable endeavours to procure Places pursuant to the Initial Placing for Ordinary Shares at the Issue Price on the terms and subject to the conditions set out in the Placing and Offer Agreement and this document.

The Company has agreed to make an offer of Ordinary Shares pursuant to the Offer for Subscription at the Issue Price, subject to the terms and conditions of the Offer for Subscription set out in this document. These terms and conditions should be read carefully before an application is made. Investors should consult their independent financial adviser if they are in any doubt about the contents of this document or the acquisition of Ordinary Shares.

Investors may also subscribe for Ordinary Shares pursuant to the Intermediaries Offer, as described at paragraph 2 of Part 5 of this document.

Further details about the Initial Issue are set out in Part 5 of this document.

The Placing Programme

The Company has authority to issue up to 400 million Ordinary Shares and/or C Shares in aggregate pursuant to the Placing Programme.

Any Ordinary Shares issued pursuant to the Placing Programme will be issued at a price calculated by reference to the prevailing published Net Asset Value per Ordinary Share at the time of issue together with a premium intended to at least cover the costs and expenses of the relevant Subsequent Placing (including, without limitation, any placing commissions). Any C Shares issued pursuant to the Placing Programme will be issued at a fixed price of 100 pence per C Share.

Ordinary Shares and/or C Shares issued under the Placing Programme may be issued under this document provided that it is updated by a supplementary prospectus (if required) under section 87G of FSMA.

Further details about the Placing Programme are set out in Part 6 of this document.

11. TAXATION

Potential investors are referred to Part 7 of this document for details of the taxation of the Company and Shareholders in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers immediately.

12. DISCLOSURE OBLIGATIONS

The provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules (as amended from time to time) (“**DTR 5**”) of the Financial Conduct Authority Handbook apply to the Company on the basis that the Company is a “UK issuer”, as such term is defined in DTR 5.

As such, a person is required to notify the Company of the percentage of voting rights it holds as a holder of Shares or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within DTR 5 if, as a result of an acquisition or disposal of Shares (or financial instruments), the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of a UK issuer 3% and each 1% threshold thereafter up to 100%.

13. RISK FACTORS

The Company’s performance is dependent on many factors and potential investors should read the whole of this document and in particular the section entitled “Risk Factors” on pages 20 to 36 of this document.

14. DISTRIBUTION TO RETAIL INVESTORS AND MiFID II

The Company intends to conduct its affairs so that its Shares can be recommended by financial advisers to retail investors in accordance with the FCA’s rules in relation to non-mainstream pooled investment products. The Company’s Shares are expected to be excluded from the FCA’s restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

The Company intends to conduct its affairs so that its Shares can be recommended by financial advisers to retail investors in accordance with the rules on the distribution of financial instruments under The Markets in Financial Instruments Directive II (“**MiFID II**”). The Directors consider that the requirements of Article 57 of the MiFID II delegated regulation of 25 April 2016 will be met in relation to the Company’s Shares and that, accordingly, the Shares should be considered “non-complex” for the purposes of MiFID II.

PART 2

M&G

1 M&G

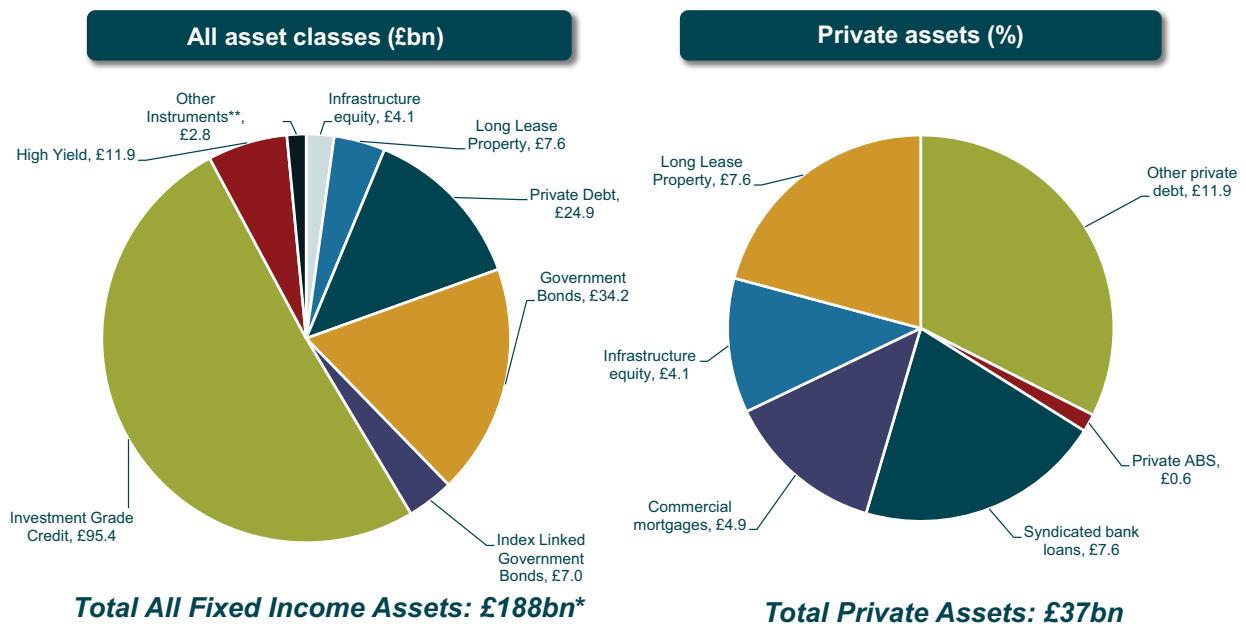
Introduction

M&G is one of the longest established asset managers in Europe, managing c.£286 billion as at 30 June 2018. It has particular expertise in fixed income with c.£188 billion under management as at 30 June 2018 split c.£151 billion in public and c.£37 billion in private credit.

M&G's commitment to fixed income is long-standing. It began managing public credit portfolios in the 1970s and private assets since 1997, developing a deep understanding of the skills, expertise and strategies necessary to run successful fixed income portfolios. Since M&G was acquired by Prudential in 1999 it has strengthened its emphasis on fixed income, specifically building in-house credit research capabilities. It is indicative of M&G's commitment to credit investing that approximately two-thirds of its assets under management are in fixed income.

M&G is the largest private credit investor in Europe and second largest in the world. Its scale provides a competitive advantage in respect of access and asset sourcing enabling it to identify value from the widest possible opportunity set and to make investments that capture risks where they are most rewarded. Its disciplined focus on value ensures a selective approach and multiple teams of credit specialists offer depth of experience with a particular strength in origination of unusual or complex assets across the full credit universe. M&G has continued to drive the development of the private debt markets in Europe, whether in the leveraged loan, private placement or direct lending market through consistent investment and pioneering products and has an established track record of structuring long-term multi-asset credit solutions to meet client needs and take advantage of market opportunities.

A break-down of the fixed income assets under M&G's management by asset class (in aggregate and by reference to private assets alone) is set out below.



Source: M&G, 30 June 2018.

* The constituents of methodology of the fixed income assets breakdown may differ slightly to the overall fixed income assets under management set out above due to differing methodology and the inclusion of the separation of Infrastructure Equity and Long Lease Property.

** Includes derivatives, non-cumulative preference shares and convertible bonds.

The fixed income team

The Company will be managed by M&G's fixed income team which employs around 275 full-time investment professionals, including over 75 portfolio managers and over 110 analysts, covering a range of briefs, including public corporate bond and gilt mandates, Prudential's life and annuity funds, a variety of specialist private debt mandates and specialist asset-backed securities funds. A structure chart of the team as at the last practicable date before the date of this document is set out below. The origination and structuring teams, organised as market specialists, draw on the expertise of M&G's team of over 30 public credit analysts with an average of around 13 years' experience.



Source: M&G, 30 June 2018.

Key personnel

The experienced team that will manage the Company's portfolio of investments will include:

Jeremy Richards, Lead Fund Manager

Jeremy joined Prudential Portfolio Managers in 1983 as a member of the actuarial department. He joined the fixed income team in 1985, and has been responsible since 1993 for managing the fixed income team in respect of Prudential's Life and Annuity funds.

Prior to this, Jeremy worked on bond research, going on to manage the UK and European fixed income portfolios for insurance and pensions clients. He was also a specialist in index-linked gilts and fixed income derivatives.

Jeremy graduated from the University of Manchester with a degree in Economics and is a Fellow of the Institute of Actuaries.

Adam English, Fund Manager

Adam joined M&G in 1999 and is a fixed income fund manager. His focus is on the analysis and investment of high yield debt and he manages public high yield debt for Prudential Life Fund.

Before joining M&G, Adam worked for the United Bank of Kuwait where he worked within the credit and high yield departments, with representation on the bank's credit committee.

Prior to this, he worked for Price Waterhouse, gaining membership of the Associate of Chartered Accountants.

Adam graduated from Christ Church College, Oxford University with a degree in Physics and is a CFA charterholder.

William Nicoll, Co-Head of Alternative Credit

William joined M&G in 2004 and is Co-head of Alternative Credit. He is responsible for the development of various products, including credit solutions for institutional investors, social housing and other aspects of non-bank lending.

Prior to joining M&G, William was Head of European Credit at Henderson Global Investors and before this had worked at Cazenove & Co in corporate bond research and fund management.

William graduated from Trinity College, Cambridge University with a degree in Natural Sciences. He is a CFA charterholder and a Chartered Fellow of the Chartered Institute for Securities and Investment.

Track record

M&G manages three funds which have investment strategies which, although not directly comparable with that of the Company, share common characteristics being: (i) Prudential Life with Profits (“**Prudential Life Fund**”); (ii) M&G Alpha Opportunities Fund (“**AOF**”); and (iii) M&G Illiquid Credit Opportunities Fund (“**ICOF**”).

Prudential Life Fund was launched in 1865 and as at 30 June 2018 had an aggregate asset value of c.£20 billion in fixed income investments. Prudential Life Fund invests in a range of public and private assets on behalf of The Prudential Assurance Company Limited.

AOF was launched in April 2007 and as at 30 June 2018 had an aggregate asset value of c.EUR 8.5 billion. AOF aims to take advantage of highly diversified opportunities in liquid public and private credit markets, including but not limited to, investment grade and below investment grade corporate bonds, leveraged loans and asset backed securities.

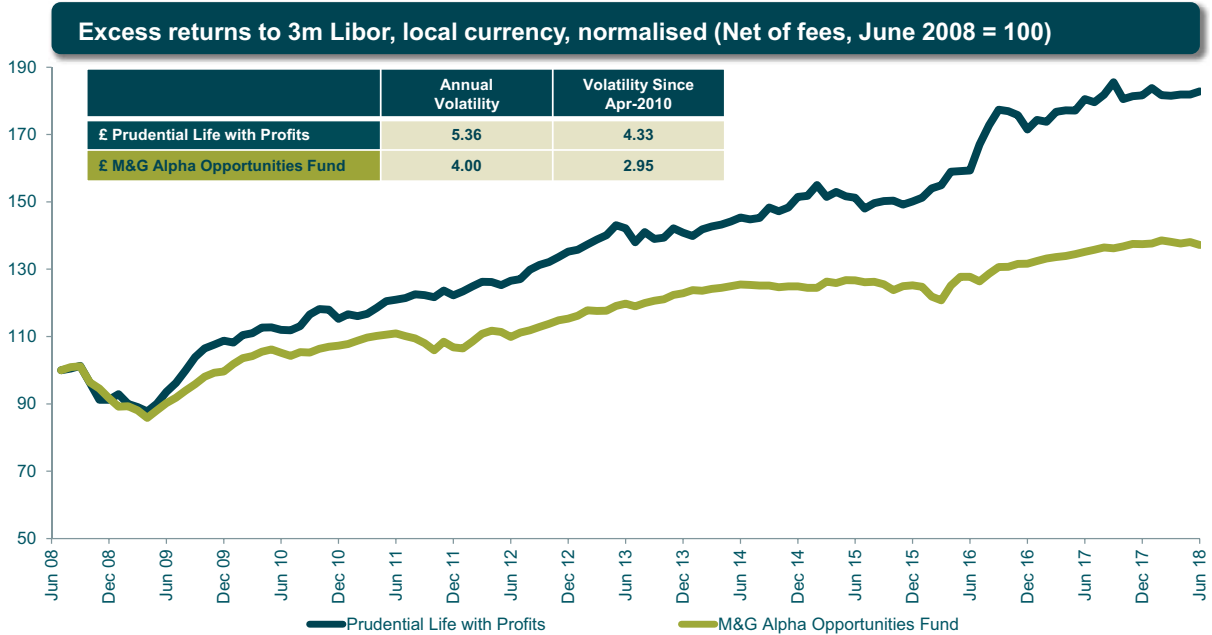
ICOF was launched in May 2014 and as at 30 June 2018 had an aggregate asset value of c.£955 million. ICOF invests in a range of private and illiquid assets, such as direct lending, distressed debt and mezzanine asset back securities.

The fund returns and excess returns over LIBOR on invested capital for Prudential Life Fund, AOF and ICOF respectively are set out below.

Net Fund return (%)	1 Year	2 Years	3 years	4 years	5 years	10 Years	Since Inception*		
Prudential Life with Profits**	1.95	4.62	7.22	6.02	5.83	6.98	7.51		
M&G Alpha Opportunities Fund	1.16	4.16	2.98	2.50	3.09	3.88	3.53		
M&G Illiquid Credit Opportunities Fund	4.39	8.11	5.82	5.56	-	-	5.46		
3 month Libor	0.47	0.43	0.48	0.50	0.51	0.91	Life	AOF	ICOF
							3.77	1.48	0.50
Excess return (%)	1 Year	2 Years	3 years	4 years	5 years	10 Years	Since Inception		
Prudential Life with Profits	1.48	4.19	6.74	5.52	5.33	6.08	3.74		
M&G Alpha Opportunities Fund	0.69	3.73	2.50	2.00	2.59	2.98	2.05		
M&G Illiquid Credit Opportunities Fund	3.92	7.68	5.34	5.06	-	-	4.95		

Source: Investment Manager track record, 30 June 2018 (unaudited). Excess returns to 3-month Libor excluding the impact of duration. *J. Richards has managed Prudential Life with Profits since July 1993. M&G Alpha Opportunities Fund launched in April 2007 and M&G Illiquid Credit Opportunities Fund launched in May 2014. **This performance reflects the fixed income portion of Prudential Life with Profits only. All figures shown are net of fees and in the case of Prudential Life with Profits, performance is shown net of the highest annual average M&G fee rate for the period shown.

The chart below shows the performance of Prudential Life Fund and AOF over the last 10 years to 30 June 2018, demonstrating strong performance with low volatility.



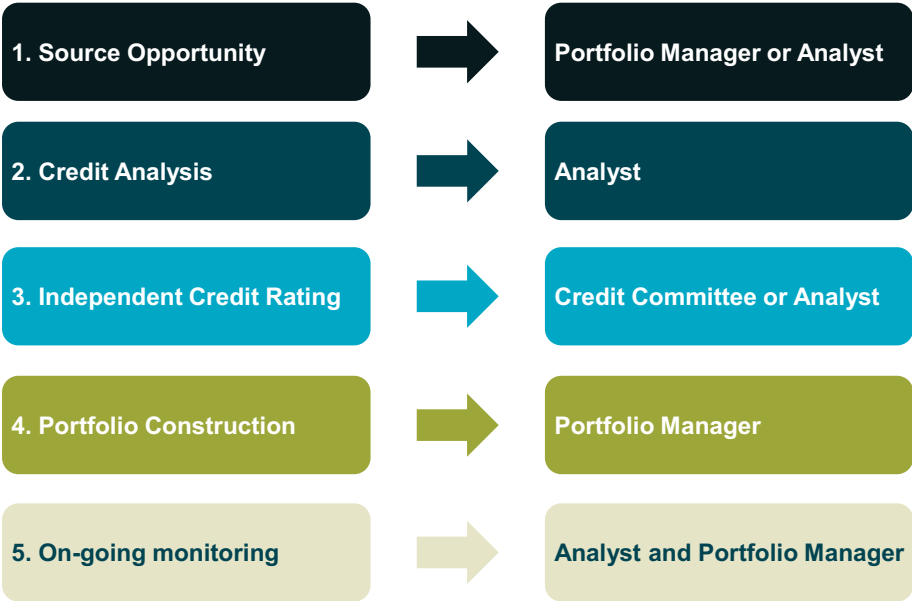
Source: M&G, 30 June 2018. Excess returns to 3m Libor excluding the impact of duration.

The Company’s portfolio of investments and the historic portfolios of the funds set out above on which this track record information is based may be materially different. It should be noted that the past performance of Prudential Life Fund, AOF and ICOF should not be treated as an indication of the future performance of the Company.

2 THE INVESTMENT PROCESS

The Investment Manager takes a collegiate approach to fund management whereby investment opportunities are routinely discussed between portfolio managers and analysts across different asset classes. The Investment Manager’s investment process is designed to produce a consistent investment approach, allowing portfolio managers to demonstrate skill and expertise within a disciplined, research-driven and risk-controlled framework. The portfolio managers judge the relative risk and return between sectors using their understanding of the contracted coupon income for the assets under consideration along with the detailed analyst report that is produced in relation to each investment opportunity. Portfolio managers are responsible for investment performance and for ensuring that the investment process is followed for the funds under their responsibility.

An overview of the Investment Manager’s investment process is illustrated in the diagram below:



Sourcing Investment Opportunities

Investment opportunities will be sourced for the most part through the fixed income team’s extensive network of contacts, including sponsors, borrowers, lenders, third party brokers and other intermediaries. In particular, the Investment Manager’s scale and history of investing in private Debt Instruments has allowed it to build extensive resources to source and manage private or complex assets and enable it to identify value from the widest possible opportunity set and to capture risks where they are most rewarded. The purchasing power that the Investment Manager and the funds it manages can bring means the Investment Manager is frequently given exclusive access to investments or shown deals before other market participants.

In addition to investment opportunities introduced by the team’s network of contacts the Investment Manager has structured deals with private debt platforms providing it with exclusivity or priority on assets. These deals facilitate institutional market access to a wider range of asset classes.

Credit Analysis

The Investment Manager believes that its extensive research resources are a significant competitive advantage when appraising credit opportunities across both public and private markets. The fixed income team employs a fundamentally driven, bottom-up and value-based investment approach but also believes that it is of vital importance that credit is not viewed in isolation from wider macro dynamics in the global and relevant local economy.

The Investment Manager believes that specialisation is important in research. Its public credit analysts are divided into three specialist teams – corporate, financial/sovereigns and asset-backed securities – covering investment grade and below investment grade Debt Instruments delivering an integrated sector-based approach to public debt research. Its private credit analysts are also organised in a number of specialist teams, focusing on leveraged finance, direct lending, private placements, real estate debt, infrastructure debt, long lease property and alternative credit. The private credit teams draw upon the expertise of the Investment Manager’s public credit analysts for sector expertise. This expertise allows the Investment Manager’s analysts to provide an in-depth knowledge of both the respective industry and the individual credit assets in their sector.

If an opportunity appears attractive for the Company, a full and detailed analysis will proceed. The credit analysts’ sole role will be to analyse the individual issuers of Debt Instruments within their dedicated specialisms, provide specific internal credit ratings to those Debt Instruments and support those views with fundamental credit recommendations to the portfolio managers. The credit analysts will not have any specific fund management or dealing responsibility.

External third party rating agencies offer issuer and specific Debt Instrument credit opinions. However, the Investment Manager has long believed that having internal credit views and opinions

support more informed investment decisions. This is particularly important when investing in private credit opportunities where no public rating or research is available.

Fundamental qualitative and quantitative assessment of both business and financial risk, supported by appropriate financial modelling, alongside a review of corporate structure and issuance document will form the basis of the credit review. These assessments by their nature will always be subjective rather than formulaic (despite a degree of ratio analysis within the financials review) and is why the Investment Manager's research team is built around individuals with specific industry expertise and significant historical credit analysis experience. When analysing a private debt opportunity, the Investment Manager believes that proximity to the borrower/issuer is important given the potential need for greater primary due diligence and ongoing monitoring. Therefore, the Investment Manager's focus will principally be on companies based in western European economies.

Setting an Internal Credit Rating

Each asset acquired by the Company will be assigned an internal credit rating, whether an external rating exists or not, which will be monitored on a six to 12 month basis (or more frequently as required) as appropriate for the type of asset. The culmination of the rating process, following a full analysis of the credit risks, is to categorise the Debt Instrument within the Investment Manager's fixed income credit rating structure (M&G AAA to D, including + or – where applicable). The rating process also provides an indication of the outlook for the credit rating (Positive/Stable/Negative) where appropriate.

For public assets the credit rating will be assigned by the relevant credit analyst. For private assets a credit committee will assign the credit rating. The credit committee is composed of senior members of the fixed income team. The Investment Manager believes this ensures robust challenge from experienced market professionals and appropriately detailed probing of key credit issues ahead of a final rating decision. For example, the Head of Corporate Credit Analysis may chair the credit committee for a social housing bond, with directors from Private Placements and Asset-Backed Securities Credit voting.

Portfolio Construction and Ongoing Monitoring

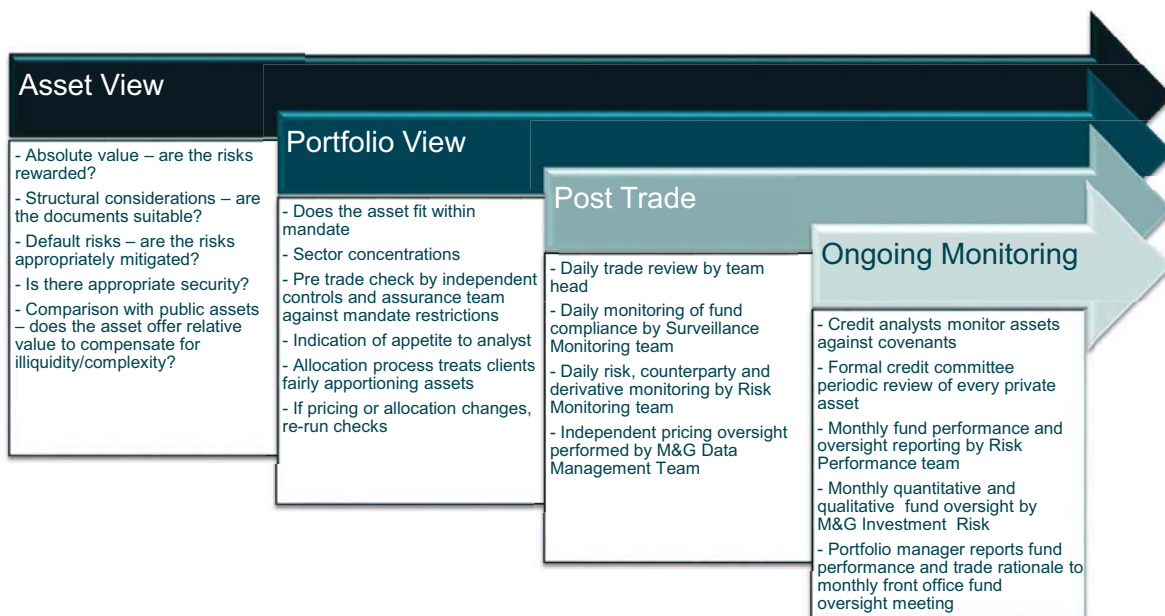
The Investment Manager believes that the key to investing in credit is not to be a forced buyer of assets at the wrong point in the market. By maintaining flexibility in a portfolio's investment allocations rather than having a top-down sector allocation, a portfolio manager can take advantage of markets as they develop and avoid assets in sectors that no longer provide attractive value. All of M&G's and its client funds' portfolios that can invest in public and private credit are built from the bottom up, with each asset being selected on its fundamental and relative value rather than the portfolio being constructed through top-down allocations or expectations. The Investment Manager will adopt the same approach with regard to the Company.

In respect of private credit, M&G seeks value across credit asset classes, earning investors a premium through the liquidity and complexity of the underlying assets. These assets typically have more limited liquidity and availability than public credit and, as such, creating a portfolio of private credit typically takes longer than for other assets. It is expected that the private credit part of the Company's portfolio of investments will typically comprise a variety of asset classes which will have different risk and return profiles and a range of liquidity and complexity characteristics.

The decision to invest in an individual asset lies solely with the portfolio management team. The outcome of the credit process is a rating, which allows the portfolio managers to rank the risk. The majority of the assets to be acquired by the Company are expected to be held to maturity and will generate returns from their contractual coupons. As a result, the portfolio managers can judge the relative risk and reward clearly. The portfolio managers will evaluate all risks associated with the Company's portfolio of investments they believe are material to making an investment decision and will assess how those risks are mitigated.

The Company may invest indirectly through collective investment vehicles where to do so facilitates cost efficient access to diversified pools of credit opportunities that may otherwise be difficult to access if investing directly.

The diagram below summarises the process behind portfolio construction, pre-trade and post-trade checks, together with the ongoing monitoring of the assets and portfolio.



The Investment Manager will monitor the progress of the Company's investments. All investments made will include a variety of financial covenants which will be monitored by the relevant credit analyst. The credit analyst will track the financial performance and covenants for material underperformance against the Investment Manager's original expectations. In addition to the covenant compliance submissions, the Investment Manager will also receive other information on a regular basis, such as audited final and interim financial statements as well as, in certain circumstances, management accounts and forecasts. Performance trends, including covenant headroom, will be monitored by the Investment Manager to ensure it begins conversations with management of issuers at an early stage in an effort to mitigate potential problems before they fully materialise.

For public debt assets, the Investment Manager believes a critical part of successful management will be the ongoing monitoring of changes in fundamental or relative value. The Investment Manager will follow a reactive approach to holdings and will look to sell assets where credit analysts identify any increase in the risk of default/impairment. Equally, where the relative valuation of an asset becomes over-extended, the Investment Manager will look for more attractively priced alternative assets to acquire in order to crystallise the opportunistic gain.

With regard to private assets, typically, the credit analysts responsible for a deal at inception will remain involved in the credit investment through its life. The portfolio managers have regular dialogue with the credit analysts to go through performance and any other issues associated with the investment. Any assets that are underperforming are escalated via M&G's standard credit oversight processes, which involve senior management.

For investments in collective investment vehicles, the portfolio manager will receive either monthly or quarterly investment reports from the relevant vehicle administrator. These will be reviewed by the portfolio manager who can approach the administrator or the relevant manager with any queries or performance issues.

Additionally the Investment Manager has 19 dedicated restructuring specialists. The team works closely with the credit analysts and acts as a safety net to ensure that in the event of any debt impairment, be it technical or structural, the Investment Manager has extensive resource to analyse both the legal and financial aspects and ensure that the Company's investments are protected.

Fund oversight is carried out by M&G's Risk and Surveillance Monitoring teams, as well as senior management in the fixed income team. Daily monitoring includes a review of fund trades, a covenant compliance review and risk and credit counterparty monitoring. Monthly monitoring includes a quantitative and qualitative oversight by the Investment Risk team, a fund performance review and a fund oversight meeting comprising senior management from fixed income.

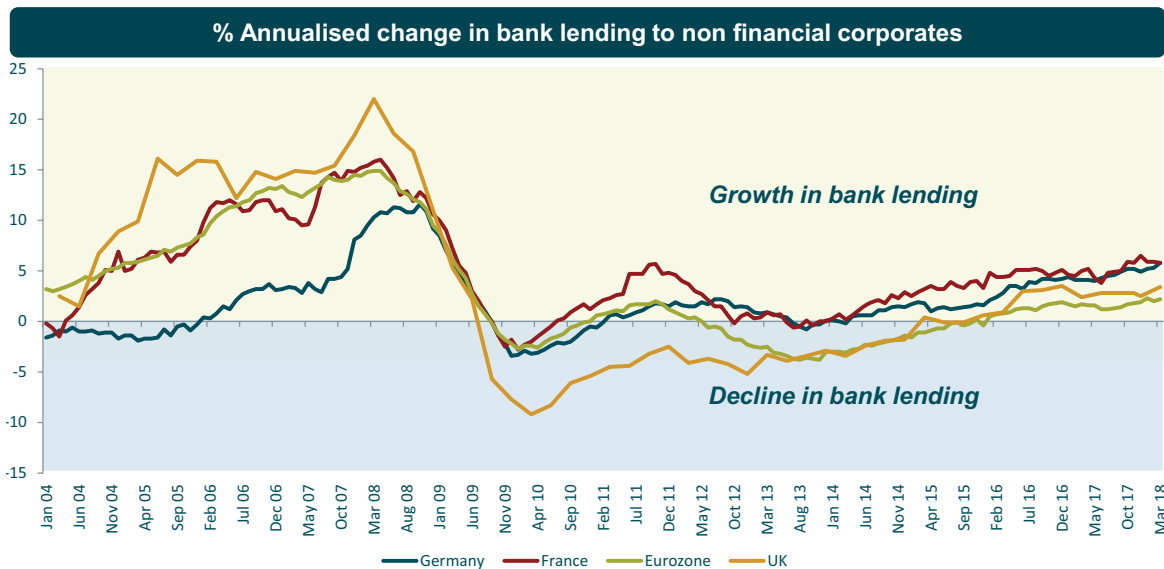
PART 3

THE INVESTMENT OPPORTUNITY AND ASSET CLASS OVERVIEW

1 THE INVESTMENT OPPORTUNITY

In the current and persistent low yield environment, there are opportunities for investors to look beyond traditional fixed income markets. Illiquid Debt Instruments issued by a diverse range of companies, whether public or private, have become popular alternative investments that generate stable and attractive returns and predictable yields for investors, often with an expectation of underlying capital protection. The values of many illiquid Debt Instruments are derived almost entirely from their cashflows, rather than any perceived future capital appreciation. Illiquid credit investing is, in the Investment Manager's opinion, a simple trade-off: that which is lost in liquidity is gained in higher risk-adjusted returns, together with structural protections that can be far superior to those offered by liquid, in particular publicly-traded, Debt Instruments.

Regulatory developments, particularly those in respect of regulatory capital requirements impacting banks, have significantly reduced the ability of traditional lenders to hold illiquid assets. This has led to the need and the opportunity for new, unhindered, investors to provide capital to these markets. Consequently, the Investment Manager believes investors such as the Company are well-positioned to fill this funding gap.



Sources: Bank of England and European Central Bank as at 31/03/2018. Non-seasonally adjusted data.

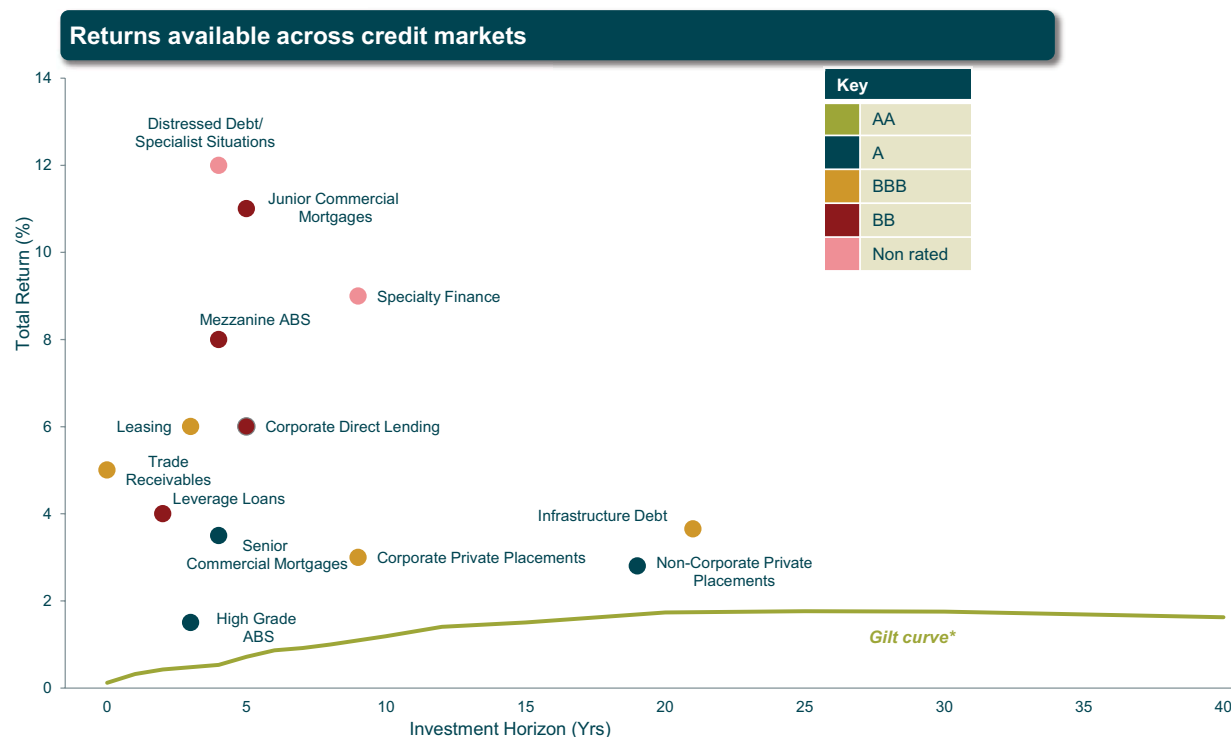
Unlike open-ended investment companies such as UCITS funds, which have a limited ability to invest in private and/or illiquid Debt Instruments because of the requirement to provide investors with regular liquidity, the Company is able to take a longer term view and to embrace the virtues of private and/or illiquid public Debt Instruments. The Company will benefit from the closed-ended structure enabling it to invest opportunistically in times of market dislocation when other market participants may be selling and ensuring it should not have to be a forced seller.

The Investment Manager, and in particular Jeremy Richards, has been managing a portfolio of public, private, liquid and illiquid Debt Instruments for 25 years for Prudential Life Fund. Through investment in the Company, this expertise will be available to retail investors for the first time, enabling investors to gain unique access to the Investment Manager's value investment approach across markets and cycles over the longer term.

The Company will seek opportunities across the credit spectrum and will be unconstrained in its approach, save to the extent limited by the Company's investment policy. In practice, this means the Company will be able to transition the Company's portfolio of investments over time, leveraging off the Investment Manager's deep knowledge and understanding of the public and private credit universe, in order to position the Company to take advantage of an evolving credit landscape.

Returns on illiquid Debt Instruments are primarily driven by coupon income and the Investment Manager expects that a diversified portfolio of such assets should have lower volatility than, and be uncorrelated to, equity. Illiquid Debt Instruments pay a yield premium versus liquid Debt

Instruments and typically exhibit low interest rate sensitivity. By way of illustration, the graph below shows the potential returns available from various markets in which the Company might invest:



Source: M&G illustrative, Bloomberg UK Sovereign curve. Graph indicates total return of asset classes. *Gilt curve is shown for reference only. (Gilt Curve I22 GBP UL).

Within the various asset classes in which the Company will invest, the Investment Manager will seek to enhance the potential returns to Shareholders through focus on what it believes are the three main drivers of investment performance.

- **Fundamental credit research analysis** – often, where there is a lack of understanding of a Debt Instrument or an issuer or its industry the instrument can trade at a higher yield to comparables. The Investment Manager believes it can leverage off its market-leading relationships and expert analysis of credit fundamentals to gain a better understanding of such instruments to take advantage of any illiquidity premium or market mispricing in a measured and sensible way.
- **Flexibility** – credit markets tend to be conservative by nature and new asset classes often offer excess premia before wider market adoption. The Investment Manager has a long-standing track record of being at the forefront of many developing asset classes, for example it was one of the first European investors in Private Placements in 1997, it was the first institutional investor in leveraged loans in 1999 and, more recently in 2016, it structured one of the first inflation linked private rental sector backed debt packages. These excess premia have also been witnessed in recent years in several new types of private debt, for example, the funding of solar power, and aircraft and agricultural leasing. The Investment Manager has the ability to analyse and participate early in these emerging credit markets owing to its depth of resource and market reputation.
- **Timing** – the Investment Manager has a reputation as a patient and long-term investor which can assess the relative value across the credit universe, avoiding market herd mentality and, by analysing the fundamentals of the asset or its issuer, can take advantage of market irrationality to achieve positive long-term outcomes for investors.

Many of the Debt Instruments that the Company will provide Shareholders with exposure to may not otherwise be accessible to Shareholders, in particular to individual investors. This could be for a number of reasons including those Debt Instruments being (i) available only to investors with significant financial resources; (ii) negotiated privately between corporate entities; or (iii) complex or higher risk in nature, making them unsuitable for retail investors. While certain of the Debt Instruments that the Company will invest in may, therefore, carry a higher level of risk individually, the Company's investment policy and approach, together with the expertise and experience that the

Investment Manager brings to bear in each asset class, should enable asset specific risk to be minimised.

Consequently, the Company believes the Investment Manager is strongly placed to deliver on these opportunities and the Company will provide Shareholders with a diversified, lower risk exposure to a range of underlying investments, as detailed more fully below.

2 ASSET CLASS OVERVIEW

The Company will seek a diversified exposure to public, private, liquid and illiquid Debt Instruments, with a focus, over the longer term, on private Debt Instruments. A detailed description of certain of the asset classes and types of Debt Instruments that the Company may invest into from time to time is set out below, although this list is not exhaustive. To the extent that any of these asset classes give rise to material risk factors, these risks are set out in the section headed "Risk Factors" on pages 20 to 36 of this document.

Asset-backed securities

Asset-backed securities are backed by a pool of loans secured on residential and commercial mortgages, credit card receivables, auto loans, student loans, commercial loans and corporate loans.

Asset-backed securities are typically investments that entitle the holders to receive payments that depend primarily on the cash flow from a specific pool of assets that subsequently, by their terms, convert into cash within a finite time period. Asset-backed securities are backed by pools of debt receivables which are often secured against physical collateral, for example residential property in the case of residential mortgage-backed securities.

Asset-backed securities generally are created by the transfer of assets and/or collateral to a special purpose entity, which may be a trust, limited liability company, corporation or other entity, which becomes the issuer. The sponsor or originator usually establishes the special purpose entity as an orphan entity. The special purpose entity may issue securities in the form of debt secured by the underlying assets or securities in the form of ownership interests in the underlying assets. With certain types of asset-backed securities, primarily securitisations, a servicer, often the originator, is responsible for collecting the cash flow generated by the underlying assets and distributing such cash flow to security holders in accordance with the terms of the issued securities. In certain transactions a party unrelated to the originator will perform these functions.

Asset-backed securities offer an attractive premium over public corporate bonds due to their complexity and provide a return that is attractive within a diversified portfolio. Senior/upper mezzanine tranches in certain core asset-backed security sectors exhibit strong relative market liquidity in relation to illiquid private debt assets. These assets will allow the Investment Manager to adjust the Company's portfolio of investments composition as and when required.

Commercial mortgages

Commercial mortgages are loans secured over commercial property. Real estate debt can deliver stable contractual cashflows and, while borrowers have the right to repay the loans at any time, loans often benefit from prepayment penalties in the event the borrower decides to repay the loan early.

Commercial mortgages also benefit from strong investor protections. The terms of any particular loan are usually extensively negotiated between borrower and lender with covenants set at levels specific to each lender and asset, which should provide for both full interest payment and recovery of the loan principal in the event that the lender has to enforce and sell the property. Senior commercial mortgages normally have a first legal charge against the property which ensures that the loan ranks ahead of any other lender. In the event of default the level of recovery is dependent on the value of the ring-fenced, physical property. This is different to corporate bond investments where recovery for bondholders is generally more dependent on the management of a business as a going-concern. As senior commercial mortgages have a typical loan to value (LTV) of 50-70%, they are significantly over-collateralised by the underlying real estate. In the event of a default this typically results in higher recoveries with minimal losses compared to an average loss on a defaulted corporate bond of around 40%.

Direct lending (includes lease finance and receivables)

Direct lending to smaller and mid-sized companies (“SMEs”) presents an opportunity for non-bank lenders and has developed in size and scope as banks have changed how they service these borrowers after the introduction since the financial crisis of more onerous banking regulations. Providing alternative sources of capital for mid-sized UK companies, the focus is on, among other areas, senior loans across cash flow lending, asset backed lending (including leasing and receivable financings) and wholesale funding to other lending businesses. Deals can be sourced directly, through private equity sponsors or by working alongside UK banks. These assets typically do not have public ratings.

In addition to stable, floating rate returns, investors in direct lending can also benefit from diversification, seniority with loans typically senior ranking, and structural protection through covenant and security provided.

The direct lending markets have broadened in recent years and there are interesting opportunities beyond traditional SME financing.

Lease finance

The Investment Manager believes there are companies that lease hard assets, such as trucks or industrial equipment, that are unable to find financing at attractive levels to fund their businesses. The Investment Manager believes that lending to these companies means that it is possible to achieve higher returns than lending directly to the end company (which is often a large investment grade company) and also be secured on hard assets.

Trade receivables transactions

In a similar way to lease finance, banks have stepped back from financing global trade and supply chains. The Investment Manager believes the transactions and structures that provide opportunities to finance trade receivables have continued to develop over recent years. In these transactions suppliers of goods or services sell their invoices or receivables at a discount to the finance provider. In return, the suppliers get faster access to the money they are owed, which improves their working capital position. The credit risk to the finance provider lies with the purchaser of the goods or services receivables, which typically will be a company with a stronger credit profile than the original supplier. The Investment Manager believes that the complex structure of some of these transactions means that they are often attractively priced. However, the combination of asset-backed securities and corporate credit research techniques that are required to understand these types of investments fully means that, in the Investment Manager’s belief, many market participants do not consider them.

Distressed debt

Distressed debt comprises Debt Instruments issued by companies that the Investment Manager believes have viable business models, but that have deteriorating credit profiles, and are normally priced well below par.

In most distressed debt investments, the main drivers of returns are capital appreciation on the nominal amount (‘reversion to par’) or equity upside (‘loan to own’). ‘Special situation’ investments will benefit from interest income (both cash and non-cash), which will be negotiated at the inception of each loan, and upside participation (‘sweetener’).

There is often the potential to negotiate better economic terms for ‘special situations’ investments because they tend to attract only a limited number of competitors due to the complexity and relatively small size of the opportunities.

Infrastructure-related debt assets

Infrastructure is a defensive asset class. The assets financed are usually of an essential nature such as transport, utilities, energy generation and social infrastructure such as the provision of low-income housing, schools and hospitals. These industries typically operate in regulated or concession-based environments, with high barriers to entry and exit creating monopolistic conditions. Infrastructure assets typically generate revenues with low correlation to business cycles, providing investors with stable cashflows and the benefit of diversification within a portfolio. With debt often secured against long term physical assets infrastructure debt exhibits favourable recovery rates compared to corporate credit. Infrastructure debt finance is often provided to private

finance initiative and public private partnership borrowers and to large infrastructure and utility companies.

Leveraged loans

The leveraged loans market typically provides financing to private equity owned companies and has developed into a large pan-European market and is relatively liquid compared to many other private debt asset classes. Leveraged loans are Debt Instruments issued by companies, typically to finance acquisitions, mergers or leveraged buy-outs by private equity sponsors. The leverage refers to the capital structure of the issuing company, which incorporates a significant amount of debt. Consequently, in instances where a public rating exists from a credit rating agency, it is typically below investment grade. Leveraged loans are senior loans, secured by specific collateral, and have a priority position in the capital structure of the issuing company.

Public bonds

A public bond is a Debt Instrument generally issued by a corporate or sovereign entity and is traded on a recognised bond exchange. The bonds are issued for a defined period of time at a fixed interest rate or indexed to the performance of the prices of securities, currencies or other financial statistics. These bonds can have an investment grade or below investment grade credit rating. Liquid bonds are bonds which are commonly traded on the secondary market between investors whilst illiquid bonds are bonds which are not generally traded between secondary buyers as they are typically held to maturity by investors.

Private placements

A 'private placement' is a private alternative to issuing a publicly offered security as a means for raising capital. In a private placement the offering of Debt Instruments is made between a business (or issuer) and a select number of accredited investors / lenders.

Public and private organisations issue in the private placement market for a variety of reasons, and some of the main advantages are access to flexible and long-term funding, additional financing capacity beyond existing sources of finance (such as banks and private equity, etc.) or, in the case of privately held businesses, to maintain confidentiality. As the issuer is only dealing with accredited investors, they can avoid certain costs associated with a public offering and this also allows for more flexibility regarding the structure and terms of the placement.

Structured credit (includes regulatory capital trades and specialty finance)

Regulations covering the banking sector have changed significantly in recent years, causing banks to re-evaluate the assets held on their balance sheets, in light of them generally becoming more sensitive to the amount of capital required when holding portfolios of loans or other debt. The impact of this has been for banks to divest themselves of assets, such as pools of consumer loans (i.e. structured credit).

Regulatory Capital Trades

Regulatory capital trades are where banks seek to transfer risk from their balance sheets to external investors, such as the Company. These deals have the dual effect of reducing the amount of risk assets (such as consumer loans) held by the banks and reducing the amount of capital that they are required to hold.

Specialty Finance

Specialty finance is an emerging asset class which the Investment Manager expects to grow in Europe over the coming years as bank deleveraging continues apace. These assets are granular portfolios of consumer and commercial finance loans such as residential and commercial mortgage loans, credit card receivables, auto loans, student loans, commercial loans and corporate loans.

PART 4

DIRECTORS, MANAGEMENT AND ADMINISTRATION

1. DIRECTORS

The Directors are responsible for the determination of the Company's investment policy and strategy and have overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the Investment Manager. All of the Directors are non-executive and are independent of the Investment Manager and the other service providers (with the exception of Mark Hutchinson who is the Chair of Private Assets at M&G). A majority of the Board will at all times be independent of the Investment Manager.

The Directors will meet at least four times a year, *inter alia*, to review and assess the Company's investment policy and strategy, the risk profile of the Company, the Company's investment performance, the performance of the Company's service providers, including the Investment Manager and Administrator, and generally to supervise the conduct of its affairs.

The Directors are as follows:

David Simpson (aged 61) (Chairman)

David Simpson is a qualified solicitor and was a partner at KPMG for 15 years until 2013, culminating as global head of M&A. Before that he spent 15 years in investment banking, latterly at Barclays de Zoete Wedd Ltd. He is chairman of Ecofin Global Utilities and Infrastructure Trust plc, a non-executive director of the British Geological Survey, a trustee of Cardiff University and a non-executive director of ITC Limited, a major listed Indian company. David graduated from Cambridge University with a degree in Economics and Law.

Richard Boléat (aged 55) (Non-executive Director)

Richard Boléat is a Fellow of the Institute of Chartered Accountants in England & Wales, having trained with Coopers & Lybrand in Jersey and the United Kingdom. After qualifying in 1986, he subsequently worked in the Middle East, Africa and the UK for a number of commercial and financial services groups before returning to Jersey in 1991. He was formerly a Principal of Channel House Financial Services Group from 1996 until its acquisition by Capita Group plc ("**Capita**") in September 2005. Richard led Capita's financial services client practice in Jersey until September 2007, when he left to establish Governance Partners, L.P., an independent corporate governance practice. He currently acts as Chairman of CVC Credit Partners European Opportunities Limited, Phaunos Timber Fund Limited and Funding Circle SME Income Fund Limited, all of which are listed on the London Stock Exchange. He is regulated in his personal capacity by the Jersey Financial Services Commission and is a member of AIMA.

Mark Hutchinson (aged 60) (Non-executive Director)

Mark joined M&G in 1997 as Head of the Private Finance Group and has overseen the start of a number of activities including Private Placements, Leveraged Finance, Project & Infrastructure Finance and Structured Credit. In addition, he started the initiative for purchasing properties with long leases for Prudential's annuity funds in 2000. He continues to be involved in the development and growth of private assets within M&G.

Mark began his career in banking in 1980 with Midland Bank, going on to join Citibank and then in 1995, Bank of America, as a relationship manager for UK and global corporates.

Mark graduated from Cambridge University with a degree in Economics.

Barbara Powley (aged 56) (Non-executive Director)

Barbara Powley is a chartered accountant with over 30 years' experience in the investment trust industry. Prior to her retirement in March 2018 she was a director in BlackRock's closed end funds team from 2005 with responsibility for the oversight and administration of BlackRock's stable of investment trusts. From 1996 to 2005 she had a similar role at Fidelity. Barbara graduated from the University of York with a degree in Mathematics and Economics. She brings to the board her extensive knowledge of the investment trust sector and its regulatory requirements.

2. THE INVESTMENT MANAGER

2.1 Introduction

The Company has engaged M&G Alternatives Investment Management Limited as the Company's alternative investment fund manager to provide portfolio and risk management services to the Company.

The Investment Manager was incorporated in the United Kingdom on 30 September 1986 as a private company limited shares and is wholly owned by M&G Limited which is itself ultimately owned by Prudential, the UK's largest insurer by market capitalisation. The Investment Manager is authorised and regulated by the FCA and is registered under number 122011. Prudential is a publicly held company whose shares are listed on the stock exchange of London (PRU.L), Hong Kong (2378.HK), Singapore (K6S.SG) and New York (PUK.N). Prudential is not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.

2.2 The Investment Management Agreement

The Company has appointed the Investment Manager to act as the Company's AIFM for the purposes of the AIFM Directive and accordingly the Investment Manager is responsible for providing discretionary portfolio management and risk management services to the Company.

The Company and the Investment Manager have entered into the Investment Management Agreement, a summary of which is set out at paragraph 6.2 of Part 8 of this document.

The Investment Manager is entitled to receive from the Company an investment management fee which is calculated and paid quarterly in arrears at an annual rate of (i) 0.5% per annum of the prevailing published Net Asset Value until the end of the Company's first accounting period, 31 December 2019; and (ii) 0.7% per annum of the prevailing published Net Asset Value thereafter.

Where the Company invests in a collective investment vehicle that is managed or advised by an M&G Entity, the Investment Manager will reduce its investment management fee by the amount of any equivalent management fee that is charged to such collective investment vehicle or such entity will rebate its management fee such that the Investment Manager ensures the Company is not charged twice. The above arrangement will not apply to any other fees or expenses charged to the Company or any such entity in which it invests.

The Investment Manager is also entitled to be paid half of any arrangement fee charged by the Company to the issuer of a Debt Instrument in which the Company invests. The balance of any arrangement fee is retained by the Company.

The Investment Management Agreement is for an initial term of five years from the date of Initial Admission and thereafter subject to termination on not less than six months' written notice by either party. The Investment Management Agreement can be terminated at any time in the event of the insolvency of the Company or the Investment Manager or in the event that the Investment Manager ceases to be authorised and regulated by the FCA (if required to be so authorised and regulated to continue to carry out its duties under the Investment Management Agreement).

3. OTHER ARRANGEMENTS

3.1 Administrator

The Administrator is responsible for general fund administration services including calculation of the Net Asset Value, bookkeeping and accounts preparation.

Details of the Administration Agreement are set out in paragraph 6.3 of Part 8 of this document.

3.2 Depositary

State Street Trustees Limited has been appointed as depositary to provide depositary services to the Company, which will include safekeeping of the assets of the Company. The Depositary is permitted to delegate (and authorise its delegates to sub-delegate) the safekeeping of the assets of the Company.

Details of the Depositary Agreement are set out in paragraph 6.4 of Part 8 of this document.

The Administrator and Depositary are entitled to a combined fee (the "**State Street Fee**"). The State Street Fee shall be up to 0.08% of the Net Asset Value per annum. The fee is subject to a

minimum rate, whereby if the Net Asset Value is less than £250 million the fee will be calculated as if the Net Asset Value were £250 million. The State Street Fee is calculated monthly and payable monthly in arrears. In addition, the Administrator and the Depositary are entitled to certain transaction charges, each of which will be at normal commercial rates and certain other fees for ad hoc services rendered from time to time. The Administrator and the Depositary are entitled to reimbursement of out-of-pocket expenses incurred by them (and by subcustodians and depositories) on behalf of the Company in connection with the performance of the services. The Company shall also reimburse the Administrator and Depositary for the reasonable fees and customary agents' charges paid to any sub-custodian (which shall be charged at normal commercial rates). All amounts are exclusive of any VAT that may be charged thereon.

3.3 Custodian

The Depositary has delegated safekeeping duties as set out in the AIFM Directive and the FCA Handbook to State Street Bank & Trust Company, whom it has appointed as global sub-custodian.

3.4 Company Secretary

The Company Secretary provides the company secretarial functions required by the Companies Act.

Under the terms of the Company Secretarial Services Agreement, the aggregate fees payable to Link Asset Services are £60,000 per annum. In addition a fee of £30,000 is payable to Link Asset Services for services undertaken as part of the Initial Admission process.

Details of the Company Secretarial Services Agreement are set out in paragraph 6.5 of Part 8 of this document.

3.5 Registrar

The Company utilises the services of Link Asset Services as registrar in relation to the transfer and settlement of Shares. Under the terms of the Registrar Agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of VAT). In addition, the Registrar is entitled to certain other fees for ad hoc services rendered from time to time.

Details of the Registrar Agreement are set out in paragraph 6.6 of Part 8 of this document.

3.6 Auditor

Deloitte LLP provides audit services to the Company. The annual report and accounts will be prepared according to the accounting standards laid out under UK GAAP. The fees charged by the Auditor depend on the services provided and on the time spent by the Auditor on the affairs of the Company; there is therefore no maximum amount payable under the Auditor's engagement letter.

4. FEES AND EXPENSES

4.1 Formation and initial expenses

The formation and initial expenses of the Company are those that arise from, or are incidental to, the establishment of the Company, the Initial Issue and Initial Admission. These expenses include the fees and commissions payable under the Placing and Offer Agreement, Receiving Agent's fees, listing and admission fees, printing, legal and accounting fees and any other applicable expenses which will be met by the Company and paid on or around Initial Admission out of the Initial Gross Proceeds.

The costs and expenses of, and incidental to, the formation of the Company and the Initial Issue are not expected to exceed approximately £3 million, equivalent to 1.2% of the Initial Gross Proceeds, assuming Initial Gross Proceeds of £250 million. The costs will be deducted from the Initial Gross Proceeds. It is expected that the starting Net Asset Value per Ordinary Share will be 98.8 pence, assuming Initial Gross Proceeds of £250 million.

4.2 Placing Programme expenses

The costs and expenses of the Company relating to the Placing Programme are those that arise from, or are incidental to, the issue of Shares pursuant to Subsequent Placings. These include the fees payable in relation to each subsequent Admission, including listing and admission fees, as

well as fees and commissions due under the Placing and Offer Agreement and any other applicable expenses in relation to the Placing Programme.

The costs and expenses of issuing Ordinary Shares pursuant to any Subsequent Placing will be covered by issuing such Ordinary Shares at the prevailing published Net Asset Value per Ordinary Share at the time of issue together with a premium to at least cover the costs and expenses of the relevant Subsequent Placing of Ordinary Shares (including, without limitation, any placing commissions).

The costs and expenses of any issue of C Shares under the Placing Programme will be paid out of the gross proceeds of such issue and will be borne by holders of those C Shares only.

4.3 Ongoing annual expenses

The Company will also incur ongoing annual expenses which will include fees paid to the Investment Manager and other service providers as described above in addition to other expenses, but excluding all costs associated with making and realising investments. These fees and expenses are currently expected to amount to c.0.8% of Net Asset Value in respect of the Company's first financial period to 31 December 2019 and c.1.1% of Net Asset Value per annum thereafter assuming a Net Asset Value on Initial Admission of £247 million. The lower fees and expenses in the Company's first financial period reflect the lower investment management fee during that period.

5. CONFLICTS OF INTEREST

As a global investment management organisation providing asset management and other services, the Investment Manager engages in, and will continue to engage in activities, which may, on occasion conflict with the interests of the Company. In providing services to its clients and the Company, the Investment Manager, any other M&G Affiliate, or their respective directors, officers and employees (together the "**M&G Interested Parties**") may face conflicts of interest with respect to activities recommended to or performed for such clients, on the one hand, and the Company, or the entities in which the Company invests, on the other hand. In addition, these client relationships may present conflicts of interest in determining whether or not to offer certain investment opportunities to the Company.

In particular, the Investment Manager may also act as investment adviser, investment manager and/or in another capacity on behalf of investment funds, investment vehicles or segregated or managed accounts that invest, or may invest, in Debt Instruments ("**Other M&G Clients**"). Other M&G Clients may include proprietary capital accounts of M&G Affiliates and clients with similar investment objectives and policies to or otherwise in competition with the Company and the Company's investments. The Investment Manager may engage in, advise or possess an interest in other business ventures with persons competing with the Company's investments or with the Company for investment opportunities in Debt Instruments. The Investment Manager or another M&G Entity may also act as agent in respect of the Company's investments for which it may charge a fee.

The Investment Manager has regard to its obligations under the Investment Management Agreement and the Investment Manager will otherwise act in a manner that it considers fair, reasonable and equitable having regard to its obligations to Other M&G Clients, when potential conflicts of interest arise.

In relation to the allocation of investment opportunities, the Investment Manager has procedures in place to seek to ensure appropriate allocations between the Company and Other M&G Clients in accordance with its allocation policy from time to time. Those procedures generally involve a recording of the investment requirements of Other M&G Clients which are available to all investment teams within the Investment Manager, the registration of each investment opportunity introduced to the Investment Manager and the allocation of each opportunity, subject to appropriate monitoring by the Investment Manager's control functions. Investment teams within the Investment Manager meet to review investment opportunities and to express their interest in available opportunities in accordance with the recorded investment requirements. To ensure that all clients are treated fairly, unless specifically agreed and documented between the investment teams, final allocations to each M&G Interested Party should be on a *pro rata* basis to the original bids.

Further, the Investment Manager may advise on the sale of assets from or to the Company's portfolio of investments by Other M&G Clients. The Investment Manager shall in such cases

ensure that such transactions are effected on terms that are at least as favourable to the Company than if the conflict or potential conflict had not existed and all such transactions are effected on normal commercial terms and negotiated at arm's length.

6. CORPORATE GOVERNANCE

The Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements. The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Guide. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to listed investment companies. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to Shareholders. As a recently incorporated company, the Company does not yet comply with the UK Corporate Governance Code or the principles of good governance contained in the AIC Code. However, the Company intends to join the AIC as soon as practicable following Initial Admission, and arrangements have been put in place so that, with effect from Initial Admission, the Company will comply with the AIC Code and the relevant provisions of the UK Corporate Governance Code in accordance with the AIC Code.

The UK Corporate Governance Code includes provisions relating to:

- the appointment of a senior independent director;
- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

It is acknowledged in the UK Corporate Governance Code that some of its provisions may not be relevant to externally managed investment companies (such as the Company). For the reasons set out in the AIC Guide, the Board does not consider that the above provisions are relevant to the Company. The Company will therefore not comply with these provisions.

The Company's Audit Committee consists of David Simpson and Barbara Powley and is chaired by Richard Boléat. The Audit Committee will meet at least twice a year. In particular, the Board considers that the Audit Committee as a whole has competence relevant to the sector and the Board is satisfied that at least one member of the Audit Committee has recent and relevant financial experience. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Audit Committee. The Audit Committee will examine the effectiveness of the Company's control systems. It will review the half-yearly and annual reports and also receive information from the Investment Manager. It will also review the scope, results, cost effectiveness, independence and objectivity of the external auditor.

In accordance with the AIC Code, the Company has established a Management Engagement Committee which is chaired by David Simpson and consists of Richard Boléat and Barbara Powley. The Management Engagement Committee will meet at least once a year or more often if required. Its principal duties will be to consider the terms of appointment of the Investment Manager and other service providers and it will annually review those appointments and the terms of engagement.

The Company's Remuneration Committee consists of David Simpson and Richard Boléat and is chaired by Barbara Powley. The Remuneration Committee will meet at least once a year or more often if required. The Remuneration Committee's main functions include: (i) agreeing the policy for the remuneration of the Directors and reviewing any proposed changes to the policy; (ii) reviewing and considering ad hoc payment to the Directors in relation to duties undertaken over and above normal business; and (iii) appointing independent professional remuneration advice.

The Company's Nomination Committee consists of Richard Boléat and Barbara Powley and is chaired by David Simpson. The Nomination Committee will meet at least once a year or more often if required. Its principal duties will be to advise the Board on succession planning bearing in mind the balance of skills, knowledge and experience existing on the Board and will make recommendations to the Board in this regard. The Nomination Committee advises the Board on its balance of relevant skills, experience, gender, race, ages and length of service of the Directors

serving on the Board. All appointments to the Board will be made in a formal and transparent matter.

7. DIRECTORS' SHARE DEALINGS

The Directors will comply with the share dealing code adopted by the Company in accordance with MAR in relation to their dealings in Shares. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

PART 5

THE INITIAL ISSUE

1. INTRODUCTION

The Company is targeting an issue in excess of 250 million Ordinary Shares pursuant to the Initial Issue comprising the Initial Placing, the Offer for Subscription and the Intermediaries Offer. The Initial Issue has not been underwritten. The maximum number of Ordinary Shares to be issued under the Initial Issue is 400 million. The minimum size of the Initial Issue is 100 million Ordinary Shares.

The total number of Ordinary Shares to be issued pursuant to the Initial Issue, and therefore the Initial Gross Proceeds, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service announcement and the Company's website prior to Initial Admission.

The Net Proceeds, after deduction of expenses, are expected to be £247 million on the assumption that the Initial Gross Proceeds are £250 million.

Applications will be made for the Ordinary Shares to be issued pursuant to the Initial Issue to be admitted to listing on the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. It is expected that Initial Admission will become effective and dealings in the Ordinary Shares will commence at 8.00 a.m. on 14 November 2018.

2. THE INITIAL ISSUE

Overview

Ordinary Shares will be issued pursuant to the Initial Issue at an Issue Price of 100 pence per Ordinary Share.

The Initial Issue is conditional, *inter alia*, on: (i) Initial Admission having become effective on or before 8.00 a.m. on 14 November 2018 or such later time and/or date as the Company and Winterflood Securities may agree (being not later than 8.00 a.m. on 28 February 2019); (ii) the Placing and Offer Agreement becoming wholly unconditional in respect of the Initial Issue (save as to Initial Admission) and not having been terminated in accordance with its terms at any time prior to Initial Admission; and (iii) the Minimum Gross Proceeds (or such lesser amount as the Company and Winterflood Securities may agree) being raised.

The Prudential Assurance Company Limited intends to subscribe for the lower of (i) 80,000,000 Ordinary Shares and (ii) 25% of the Ordinary Shares to be issued pursuant to the Initial Issue. The Directors believe that this proposed investment strongly aligns the interests of M&G with Shareholders.

If the Initial Issue does not proceed (due to the Minimum Gross Proceeds (or such lesser amount as the Company and Winterflood Securities may agree) not being raised or otherwise), any monies received under the Initial Issue will be returned without interest at the risk of the applicant to the applicant from whom the money was received, within 14 calendar days.

If the Minimum Gross Proceeds are not raised, the Initial Issue may only proceed where a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure) has been prepared in relation to the Company and approved by the UKLA.

Initial Placing

Winterflood Securities has agreed to use its reasonable endeavours to procure subscribers pursuant to the Initial Placing on the terms and subject to the conditions set out in the Placing and Offer Agreement.

The Ordinary Shares are being made available under the Initial Placing at the Issue Price. The terms and conditions that shall apply to any subscription for Ordinary Shares under the Initial Placing are set out in Part 11 of this document. The latest time and date for receipt of commitments under the Initial Placing is 2.00 p.m. on 8 November 2018 (or such later date, not being later than 28 February 2019, as the Company and Winterflood Securities may agree).

If the Initial Placing is extended, the revised timetable will be notified via a Regulatory Information Service announcement.

Each Placee agrees to be bound by the Articles once the Ordinary Shares that the Placee has agreed to subscribe for pursuant to the Initial Placing have been acquired by the Placee. The contract to subscribe for the Ordinary Shares under the Initial Placing and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales.

Commitments under the Initial Placing, once made, may not be withdrawn without the consent of the Directors.

Offer for Subscription

The Company is making an offer of Ordinary Shares pursuant to the Offer for Subscription at the Issue Price, subject to the terms and conditions of the Offer for Subscription as set out in Part 12 of this document. These terms and conditions and the Application Form set out at Appendix 1 to this document should be read carefully before an application is made. Investors should consult their independent financial adviser if they are in any doubt about the contents of this document or the acquisition of Ordinary Shares.

The Offer for Subscription is being made in the UK only.

Applications under the Offer for Subscription must be for Ordinary Shares with a minimum subscription amount of £1,000. Multiple applications will not be accepted. Commitments under the Offer for Subscription once made, may not be withdrawn without the consent of the Directors.

Application Forms accompanied by a cheque or banker's draft in Sterling made payable to "Link Market Services Limited re: M&G Credit Income Investment Trust plc OFS Acceptance a/c" for the appropriate sum should be returned to the Receiving Agent by no later than 1.00 p.m. on 7 November 2018.

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by no later than 1.00 p.m. on 7 November 2018. Applicants should send payment to the bank account as detailed on the Application Form. Applicants must ensure that they remit sufficient funds to cover any charges incurred by their bank.

The payment instruction relating to the electronic transfer must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example: MJ Smith 01234 567890. The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying Application Form.

Applicants choosing to settle via CREST, that is DVP, will need to match their instructions to the Receiving Agent's Participant Account RA06, Member Account 29728MAG by no later than 1.00 p.m. on 14 November 2018, allowing for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price per Ordinary Share, following the CREST matching criteria set out in the Application Form.

All investors, in addition to completing and returning the Application Form to Link Asset Services, will also need to complete and return a Tax Residency Self Certification Form. The "individual tax residency self-certification – sole holding" form can be found at Appendix 2 of this document, further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Link Asset Services on 0371 664 0321. Calls are charged at the 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. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot give any financial, legal or tax advice.

It is a condition of any application under the Offer for Subscription that a completed version of the relevant form is provided with the Application Form before any application under the Offer for Subscription can be accepted. Application Forms that are returned without the completed Tax Residency Self-Certification Form will be referred to the Company after the Offer for Subscription closes at 1.00 p.m. on 7 November 2018. It will then be the Company's decision if these Application Forms can be accepted under the Offer for Subscription.

If the Offer for Subscription is extended, the revised timetable will be notified via a Regulatory Information Service announcement.

Intermediaries Offer

Investors may also subscribe for Ordinary Shares at the Issue Price pursuant to the Intermediaries Offer. Only Intermediaries' retail investor clients in the United Kingdom and the Channel Islands are eligible to participate in the Intermediaries Offer. Investors may apply to any one of the Intermediaries to be accepted as their client.

All expenses incurred by any Intermediary are for its own account. 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.

No Ordinary Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside of the United Kingdom and the Channel Islands. A minimum application of 1,000 Ordinary Shares per underlying applicant will apply. Allocations to Intermediaries will be determined solely by Winterflood Securities (following consultation with the Company and the Investment Manager).

An application for Ordinary Shares in the Intermediaries Offer means that the underlying applicant agrees to acquire the Ordinary Shares applied for at the Issue Price. Each underlying applicant must comply with the appropriate anti-money laundering checks required by the relevant Intermediary and all other laws and regulations applicable to their agreement to subscribe for Ordinary Shares. Where an application is not accepted or there are insufficient Ordinary Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the underlying applicant as required and all such refunds shall be made without interest at the risk of the applicant to the applicant from whom the money was received. The Company, the Investment Manager and Winterflood Securities accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will on appointment agree, to certain terms and conditions in relation to the Intermediaries Offer (the "**Intermediaries Terms and Conditions**"), which regulate, *inter alia*, the conduct of the Intermediaries Offer on market standard terms and provide for the payment of a commission and/or fee (to the extent permissible by the rules of the FCA) to Intermediaries if such Intermediary elects to receive a commission and/or fee. Pursuant to the Intermediaries Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant that they are not a person located in the United States, Australia, Canada, Japan or the Republic of South Africa and are not acting on behalf of anyone located in the United States Australia, Canada, Japan or the Republic of South Africa or for any U.S. Person.

In addition, the Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the United Kingdom and the Channel Islands, subject to the terms of the Intermediaries Terms and Conditions. Any such materials, information or advice are solely the responsibility of the relevant Intermediary and will not be reviewed or approved by any of the Company, the Investment Manager or Winterflood Securities. Any liability relating to such documents shall be for the relevant Intermediaries only.

3. SCALING BACK AND ALLOCATION

The results of the Initial Issue will be announced by the Company via a Regulatory Information Service.

In the event that commitments under the Initial Placing and valid applications under the Offer for Subscription and the Intermediaries Offer exceed the maximum number of Ordinary Shares available under the Initial Issue (being 400 million Ordinary Shares), applications under the Placing, Offer for Subscription and Intermediaries Offer will be scaled back at Winterflood Securities' discretion (in consultation with the Company and the Investment Manager).

The Company reserves the right to decline in whole or in part any application for Ordinary Shares pursuant to the Initial Issue.

Monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant to the applicant from whom the money was received, within 14 calendar days following the close of the Initial Issue.

4. REASONS FOR THE INITIAL ISSUE AND USE OF PROCEEDS

The Initial Gross Proceeds will be utilised in accordance with the Company's investment policy, to meet the costs and expenses of the Initial Issue and for working capital purposes. It is currently expected that the Net Proceeds will be deployed in accordance with the Company's investment policy in the manner set out below.

The Company expects the Investment Manager to deploy the Net Proceeds in readily available public lower yielding assets within a period of three months after Initial Admission (subject to market conditions). Based on current market conditions, the Investment Manager then intends to transition the Company's portfolio of investments such that it mainly comprises private Debt Instruments in accordance with the Company's investment policy. It is currently expected that, subject to market conditions, such transition will be completed by the end of the first accounting period of the Company, i.e. by 31 December 2019.

5. COSTS OF THE INITIAL ISSUE

The formation and initial expenses of the Company are those that arise from, or are incidental to, the establishment of the Company, the Initial Issue and Initial Admission.

The costs and expenses of, and incidental to, the formation of the Company and the Initial Issue are not expected to exceed approximately £3 million, equivalent to 1.2% of the Initial Gross Proceeds, assuming Initial Gross Proceeds of £250 million. The costs will be deducted from the Initial Gross Proceeds. It is expected that the starting Net Asset Value per Ordinary Share will be 98.8 pence, assuming Initial Gross Proceeds of £250 million.

6. WITHDRAWAL

In the event that the Company is required to publish a supplementary prospectus prior to Initial Admission, applicants who have applied for Ordinary Shares under the Initial Issue shall have at least two clear Business Days following the publication of the relevant supplementary prospectus within which to withdraw their offer to acquire Ordinary Shares in the Initial Issue in its entirety. The right to withdraw an application to acquire Ordinary Shares in the Initial Issue in these circumstances will be available to all investors in the Initial Issue. If the application is not withdrawn within the stipulated period, any offer to apply for Ordinary Shares in the Initial Issue will remain valid and binding.

Investors under the Offer for Subscription wishing to exercise statutory withdrawal rights after the publication of a supplementary prospectus prior to Initial Admission must do so by lodging written notice of withdrawal by hand (during normal business hours only) at Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, or by emailing withdraw@linkgroup.co.uk so as to be received no later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received after expiry of such period will not constitute a valid withdrawal.

Intermediaries wishing to exercise withdrawal rights on behalf of their underlying clients on behalf of whom they have submitted applications for Ordinary Shares, after the publication of a supplementary prospectus prior to the close of the Intermediaries Offer must do so in accordance with the Intermediaries Terms and Conditions so as to be received no later than two Business Days after the date on which the supplementary prospectus is published. If the applications for Ordinary Shares are not withdrawn by the Intermediaries during such time, the offer to apply for Ordinary Shares as set out in the application will remain valid and binding.

7. THE PLACING AND OFFER AGREEMENT

The Placing and Offer Agreement contains provisions entitling Winterflood Securities to terminate the Initial Issue (and the arrangements associated with it) at any time prior to Initial Admission in certain circumstances. If this right is exercised, the Initial Issue and these arrangements will lapse and any monies received in respect of the Initial Issue will be returned to each applicant without interest at the risk of the applicant to the applicant from whom the money was received.

The Placing and Offer Agreement provides for Winterflood Securities to be paid commissions by the Company in respect of the Ordinary Shares to be allotted pursuant to the Initial Issue. Any Ordinary Shares subscribed for by Winterflood Securities may be retained or dealt in by it for its own benefit.

Further details of the terms of the Placing and Offer Agreement are set out in paragraph 6.1 of Part 8 of this document.

8. GENERAL

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

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

9. INITIAL ADMISSION, CLEARING AND SETTLEMENT

Applications will be made for the Ordinary Shares issued pursuant to the Initial Issue to be admitted to listing on the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. It is expected that Initial Admission will become effective, and that dealings in the Ordinary Shares will commence, at 8.00 a.m. on 14 November 2018.

An investor applying for Ordinary Shares in the Initial Issue may receive Ordinary Shares in certificated or uncertificated form. The Ordinary Shares are in registered form. No temporary documents of title will be issued. Dealings in Ordinary Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. It is expected that CREST accounts will be credited on 14 November 2018 in respect of Ordinary Shares issued in uncertificated form and definitive share certificates in respect of Ordinary Shares held in certificated form will be despatched by post after the week commencing 19 November 2018, at the Shareholder's own risk.

The ISIN of the Ordinary Shares is GB00BFYYL325 and the SEDOL is BFYYL32.

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

10. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Initial Admission. Accordingly, settlement of transactions in the Ordinary Shares following Initial Admission may take place within the CREST system if any Shareholder so wishes.

11. ISA, SSAS AND SIPP

The Ordinary Shares will, on Initial Admission, be "qualifying investments" for the stocks and shares component of an ISA (subject to applicable subscription limits) provided that they have been acquired by purchase in the market (which, for these purposes, will include any Ordinary Shares acquired directly under the Offer for Subscription or Intermediaries Offer but not any Ordinary Shares acquired directly under the Initial Placing).

Save where Ordinary Shares are being acquired using available funds in an existing ISA, an investment in Ordinary Shares by means of an ISA is subject to the usual annual subscription limits applicable to new investments into an ISA. The Ordinary Shares will be permissible assets for SIPPs and SSAS.

The Board will use its reasonable endeavours to manage the affairs of the Company so as to enable this status to be maintained.

12. OVERSEAS PERSONS

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

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

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

Persons (including, without limitation, nominees and trustees) receiving this document may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the U.S. Investment Company Act and the offer, issue and sale of the Ordinary Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Ordinary Shares are being offered and sold outside the United States to non-U.S. Persons in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

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

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

United States transfer restrictions

Each of Winterflood Securities and the Company has acknowledged and warranted in the Placing and Offer Agreement that it will not offer or sell or procure the offer or sale of the Ordinary Shares except in compliance with Regulation S. The Ordinary Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, investors may not reoffer, resell, pledge or otherwise transfer or deliver, directly or indirectly, any Ordinary Shares within the United States, or to, or for the account or benefit of, any U.S. Person.

13. PROFILE OF A TYPICAL INVESTOR

The typical investors for whom an investment in the Company is appropriate are institutional investors and professionally-advised or financially sophisticated non-advised private investors who understand and 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 equal the whole amount invested) that may result from such an investment. Such investors are recommended to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before making an investment. Furthermore, an investment in the Company should constitute part of a diversified investment portfolio.

PART 6

THE PLACING PROGRAMME

1. INTRODUCTION

The Company has authority to issue up to 400 million Shares on a non-pre-emptive basis pursuant to the Placing Programme. Ordinary Shares and/or C Shares may be issued pursuant to the Placing Programme.

The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares over a period of time. The Placing Programme is intended to satisfy market demand for Shares and to raise further money after the Initial Issue to increase the size of the Company and invest in accordance with the Company's investment policy.

2. THE PLACING PROGRAMME

The Placing Programme will open on 15 November 2018 and will close on 25 September 2019 (or any earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors). The terms and conditions that apply to the purchase of Shares under the Placing Programme are set out in Part 11 of this document.

The Company will have the flexibility to issue Shares on a non-pre-emptive basis where there appears to be reasonable demand for Shares in the market, for example if the Ordinary Shares trade at a premium to the Net Asset Value per Ordinary Share. It is expected that the Board will issue C Shares, rather than Ordinary Shares, in circumstances where there is substantial investor demand such that an issue of Ordinary Shares would have the potential to exert "cash drag" on the performance of the existing Ordinary Shares. The assets representing the net proceeds of an issue of C Shares would be accounted for as a separate pool, and the C Shares would bear a proportionate share of the Company's costs and expenses.

C Shares will convert into Ordinary Shares just over 12 months after the date of their issue or such earlier time that the Directors deem that the return profiles of the underlying assets of the portfolios of C Shares and Ordinary Shares are sufficiently aligned based on the respective Net Asset Value per Ordinary Share and the Net Asset Value per C Share.

The rights attaching to C Shares, including the rights as to Conversion, are described in paragraph 4.21 of Part 8 of this document.

The issues of Shares under the Placing Programme is at the discretion of the Directors. Issues may take place at any time prior to the final closing date of 25 September 2019 (or any earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors). An announcement of each Subsequent Placing under the Placing Programme will be released via a Regulatory Information Service, including details of the type of Share (Ordinary Share or C Share) and number of Shares to be issued and the Placing Programme Price for the issue.

There is no minimum subscription. The Placing Programme is not being underwritten and, as at the date of this document, the actual number of Shares to be issued under the Placing Programme is not known. The maximum number of Shares available under the Placing Programme should not be taken as an indication of the number of Shares finally to be issued.

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

The net proceeds of any Subsequent Placing under the Placing Programme are dependent, *inter alia*, on, the level of subscriptions received, the price at which such Shares are issued and the costs of the Subsequent Placing.

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

In the event that any C Shares are issued under the Placing Programme, the investments which are attributable to the C Shares following Conversion will be merged with the Company's existing portfolio just over 12 months after the date of their issue or such earlier time that the Directors deem that the return profiles of the underlying assets of the portfolios of C Shares and Ordinary

Shares are sufficiently aligned. The new Ordinary Shares arising on Conversion of the C Shares will, subject to the Articles, rank *pari passu* with the Ordinary Shares then in issue.

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

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

Conditions

Each issue of Shares pursuant to a Subsequent Placing under the Placing Programme is conditional, *inter alia*, on:

- Admission of the relevant Shares occurring by no later than 8.00 a.m. on such date as the Company and Winterflood Securities may agree from time to time in relation to that Admission, not being later than 25 September 2019;
- a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules;
- in connection with an issue of Ordinary Shares, the Placing Programme Price being determined by the Directors as described below; and
- the Placing and Offer Agreement being wholly unconditional as regards the relevant Subsequent Placing (save as to Admission) and not having been terminated in accordance with its terms prior to the relevant Admission.

3. THE PLACING PROGRAMME PRICE

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

In accordance with Chapter 15 of the Listing Rules, the Company may not issue Ordinary Shares on a non-pre-emptive basis at a price below the prevailing published Net Asset Value per Ordinary Share without Shareholder approval.

The issue price of any C Shares issued pursuant to the Placing Programme will be 100 pence per C Share.

The Placing Programme Price will be announced via a Regulatory Information Service as soon as practicable in conjunction with each Subsequent Placing.

4. BENEFITS OF THE PLACING PROGRAMME

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

- give the Company the ability to issue Shares, so as to better manage the premium at which the Ordinary Shares may trade relative to the Net Asset Value per Ordinary Share;
- enhance the Net Asset Value per Ordinary Share of existing Ordinary Shares through new issuance of Ordinary Shares at a premium to the prevailing published Net Asset Value per Ordinary Share;
- grow the Company, thereby spreading operating costs over a larger capital base which should reduce the ongoing charges ratio;
- the Company will be able to raise additional capital promptly, allowing it to take advantage of future investment opportunities as and when they arise, further diversifying the Company's portfolio of investments; and
- improve liquidity in the market for the Ordinary Shares.

5. COSTS OF THE PLACING PROGRAMME

The costs and expenses of the Company relating to the Placing Programme are those that arise from, or are incidental to, the issue of Shares pursuant to Subsequent Placings. These include the fees payable in relation to each subsequent Admission, including listing and admission fees, as well as fees and commissions due under the Placing and Offer Agreement and any other applicable expenses in relation to the Placing Programme.

The costs and expenses of issuing Ordinary Shares pursuant to any Subsequent Placing will be covered by issuing such Ordinary Shares at the prevailing published Net Asset Value per Ordinary Share at the time of issue together with a premium to at least cover the costs and expenses of the relevant Subsequent Placing of Ordinary Shares (including, without limitation, any placing commissions).

The costs and expenses of any issue of C Shares under the Placing Programme will be paid out of the gross proceeds of such issue and will be borne by holders of those C Shares only.

6. SCALING BACK

In the event of oversubscription of a Subsequent Placing, applications under the relevant Subsequent Placing will be scaled back at the absolute discretion of Winterflood Securities (in consultation with the Company and the Investment Manager).

7. WITHDRAWAL

In the event that the Company is required to publish a supplementary prospectus prior to any subsequent Admission, applicants who have applied for Shares under any Subsequent Placing shall have at least two clear Business Days following the publication of the relevant supplementary prospectus within which to withdraw their offer to acquire Shares in the relevant Subsequent Placing in its entirety. The right to withdraw an application to acquire Shares in the relevant Subsequent Placing in these circumstances will be available to all investors in the relevant Subsequent Placing. If the application is not withdrawn within the stipulated period, any offer to apply for Shares in the relevant Placing will remain valid and binding.

8. THE PLACING AND OFFER AGREEMENT

Under the Placing and Offer Agreement, Winterflood Securities has undertaken, as agent for the Company, to use its reasonable endeavours to procure subscribers under the Placing Programme for Shares at the Placing Programme Price. Details of the Placing and Offer Agreement are set out in paragraph 6.1 of Part 8 of this document.

The Placing and Offer Agreement provides for Winterflood Securities to be paid commissions by the Company in respect of the Shares to be issued pursuant to the Placing Programme. Any Shares subscribed for by Winterflood Securities may be retained or dealt in by it for its own benefit. Winterflood Securities is also entitled under the Placing and Offer Agreement to retain agents and may pay commission in respect of the Placing Programme to any or all of those agents out of its own resources.

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

9. VOTING DILUTION

If 400 million Shares were to be issued pursuant to Subsequent Placings, and assuming the Initial Issue had been subscribed as to 250 million Ordinary Shares, there would be a dilution of approximately 61.5% in Shareholders' voting control of the Company immediately after the Initial Issue (and prior to any conversion of C Shares). The voting rights may be diluted further on conversion of any C Shares depending on the applicable conversion ratio. However, it is not anticipated that there would be any dilution in the Net Asset Value per Ordinary Share as a result of the Placing Programme.

10. USE OF PROCEEDS

The Directors intend to use the net proceeds of any Subsequent Placing under the Placing Programme to acquire investments in accordance with the Company's investment objective and investment policy and for working capital purposes.

11. GENERAL

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

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

12. ADMISSION AND SETTLEMENT

The Placing Programme may have a number of closing dates in order to provide the Company with the ability to issue Shares over the duration of the Placing Programme. Shares may be issued under the Placing Programme from 15 November 2018 until 25 September 2019.

Applications will be made to the UK Listing Authority and the London Stock Exchange for all of the Shares issued pursuant to the Placing Programme to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. It is expected that any Admissions pursuant to Subsequent Placings will become effective and dealings will commence between 15 November 2018 and 25 September 2019. All Shares issued pursuant to the Placing Programme will be allotted conditionally on such Admission occurring.

Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of Shares to be issued in uncertificated form pursuant to a Subsequent Placing, these will be transferred to successful applicants through the CREST system. Dealing in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. Whilst it is expected that all Shares allotted pursuant to the Placing Programme will be issued in uncertificated form, if any Shares are issued in certificated form it is expected that share certificates will be despatched approximately one week following Admission of the Shares, at the Shareholder's own risk.

The ISIN number of the Ordinary Shares is GB00BFYYL325 and the SEDOL code is BFYYL32.

The ISIN number of the C Shares is GB00BFYYT831 and the SEDOL code is BFYYT83.

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

13. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Shares under the CREST system. The Company shall apply for the Shares offered under the Placing Programme to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Shares following an Admission may take place within the CREST system if any holder of such Shares so wishes.

14. OVERSEAS PERSONS

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

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

No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to him/her under the Placing Programme, unless in the relevant

territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements.

Persons (including, without limitation, nominees and trustees) receiving this document may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the U.S. Investment Company Act and the offer, issue and sale of the Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Shares are only being offered and sold outside the United States to non-U.S. Persons in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

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

15. PROFILE OF A TYPICAL INVESTOR

The typical investors for whom an investment in the Company is appropriate are institutional investors and professionally-advised or financially sophisticated non-advised private investors who understand and 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 equal the whole amount invested) that may result from such an investment. Such investors are recommended to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before making an investment. Furthermore, an investment in the Company should constitute part of a diversified investment portfolio.

PART 7

TAXATION

Prospective investors should consult their professional advisers concerning the possible tax consequences of their subscribing for, purchasing, holding or selling Shares. The following summary of the principal United Kingdom tax consequences applicable to the Company and its Shareholders is based upon interpretations of existing laws in effect on the date of this document and no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with the interpretations or that changes in such laws will not occur. The tax and other matters described in this document are not intended as legal or tax advice. Each prospective investor must consult its own advisers with regard to the tax consequences of an investment in Shares. None of the Company, Directors or Winterflood Securities, the Investment Manager or any of their respective affiliates or agents accepts any responsibility for providing tax advice to any prospective investor.

Introduction

The information below, which relates only to United Kingdom taxation, summarises the advice received by the Board insofar as applicable to the Company and to persons who are resident in the United Kingdom for taxation purposes and who hold Shares as an investment. It is based on current United Kingdom tax law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

If you are in any doubt as to your tax position or you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate professional adviser without delay.

The Company

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies and continues to satisfy the conditions necessary for it to be approved by HMRC as an investment trust under sections 1158 to 1159 of the CTA 2010. However, neither the Directors nor the Investment Manager can guarantee that this approval will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a close company. The Directors intend that the Company should not be a close company immediately following Initial Admission. In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust the Company will be exempt from UK taxation on its capital gains and capital profits from creditor loan relationships. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way.

An investment trust approved under sections 1158 to 1159 of the CTA 2010, or one that intends to seek such approval, is able to elect to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period (referred to here as the "streaming" regime). Under regulations made pursuant to the Finance Act 2009, the Company may, if it so chooses, designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends in respect of the accounting period, to the extent that it has "qualifying interest income" for the accounting period. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its taxable interest income in calculating its taxable profit for the relevant accounting period.

The Company should in practice be exempt from UK corporation tax on any dividend income received, provided that such dividends (whether from UK or non-UK companies) fall within one of the "exempt classes" in Part 9A of the CTA 2009.

Shareholders

Taxation of dividends

(a) *Individual Shareholders*

The Directors intend to apply the interest “streaming” regime to the majority of dividends paid by the Company going forward.

(i) Non-interest distributions

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

Each individual who is resident in the UK for tax purposes is entitled to an annual tax free dividend allowance of £2,000 (for the tax year 2018/19). Dividends within the allowance will still count as taxable income when determining how much of the basic rate band or higher rate band has been used.

Subject to the availability of any personal allowance and taking account of any other dividends received during the tax year, dividends received in excess of this threshold will be taxed, for the 2018/19 tax year at 7.5% to the extent that the amount falls below the threshold for the higher rate of UK income tax, 32.5% to the extent that the amount falls above the threshold for the higher rate of UK income tax but below the threshold for the additional rate of UK income tax and 38.1% to the extent that the amount falls above the threshold for the additional rate of UK income tax. In determining the applicable tax rate, dividend income is treated as the top slice of an individual’s income.

No withholding tax will be applied to “non-interest distributions” made by the Company.

(ii) Interest distributions

Where the Directors elect to apply the “streaming” regime to any dividends paid by the Company, were the Company to designate any dividends paid as an “interest distribution”, a UK resident Shareholder in receipt of such a dividend would be treated as though they had received a payment of interest. For the 2018/2019 tax years, such a Shareholder would be subject to UK income tax at a rate of 20%, to the extent that the amount falls below the threshold for the higher rate of UK income tax, 40% to the extent that the amount falls above the threshold for the higher rate of UK income tax but below the threshold for the additional rate of UK income tax and 45% to the extent that the amount falls above the threshold for the additional rate of UK income tax. No withholding tax will be applied to “interest distributions” made by the Company.

Each UK resident individual who is a basic rate taxpayer is entitled to a Personal Saving Allowance which exempts the first £1,000 of savings income (including distributions deemed to be “interest distributions” from an Investment Trust Company). The exempt amount is reduced to £500 for higher rate taxpayers and additional rate taxpayers do not receive an allowance.

(b) *Other Shareholders*

UK resident corporate Shareholders may be subject to corporation tax on dividends paid by the Company unless they fall within one of the exempt classes in Part 9A of CTA 2009. Where, however, the Directors elect for the “streaming” rules to apply, and such corporate Shareholders receive dividends designated by the Company as “interest distributions”, they would be subject to corporation tax in the same way as a creditor in a loan relationship.

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

Taxation of capital gains

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to capital gains tax in respect of any gain arising on a disposal or deemed disposal of their Shares. Each such individual has an annual exemption, such that capital gains tax is chargeable only on

gains arising from all sources during the tax year in excess of this figure. The annual exemption is £11,700 for the 2018/19 tax year.

UK capital gains tax may be payable at a rate of 10% (for 2018/2019) to the extent that an individual is subject to income tax at the basic rate and any chargeable gain does not exceed the unused part of their basic rate income tax band. Where an individual is subject to income tax at the basic rate but any chargeable gain exceeds the unused part of their basic rate income tax band, the rate of capital gains tax on the excess is 20% (for 2018/2019). The rate of capital gains tax for such individuals who are higher or additional rate taxpayers is 20%.

A Shareholder who is not a UK resident will not generally be subject to UK tax on any gain accruing to them as a result of a disposal or deemed disposal of their Shares unless (i) the Shareholder carries on a trade, profession or vocation in the UK through a branch, agency, or permanent establishment and, holds their Ordinary Shares for the purposes of the trade, profession or vocation or (ii) the Shareholder falls within certain anti-avoidance rules applying to temporary non-residents.

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax on chargeable gains arising on a disposal of their Shares.

Conversion of C Shares

The conversion of C Shares into new Ordinary Shares at the Conversion Date should be treated as a reorganisation of share capital and accordingly should not constitute a disposal of the C Shares for the purposes of UK corporation tax or capital gains tax on chargeable gains. The Ordinary Shares arising on Conversion should be treated as acquired at the same time as, and with the same base cost as, the C Shares.

Stamp Duty and Stamp Duty Reserve Tax

The initial issue and allotment by the Company of Shares into CREST should not give rise to stamp duty or SDRT.

Transfers on sale of Shares will generally be subject to UK stamp duty at the rate of 0.5% of the consideration given for the transfer. The purchaser normally pays the stamp duty.

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

Paperless transfers of Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5% of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

ISA, SSAS and SIPP

Shares acquired by a UK resident individual Shareholder in the Offer for Subscription, the Intermediaries Offer or on the secondary market (but not the Initial Placing or any Subsequent Placing) should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2018-2019).

Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Junior ISAs are available to children under the age of 18 who are resident in the UK subject to the annual allowance of £4,260 for the 2018-2019 tax year. Sums received by a Shareholder on a disposal of Shares would not count towards the Shareholder’s annual limit, but a disposal of Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

The Shares should be eligible for inclusion in a SIPP or a SSAS, subject to the discretion of the trustees of the SIPP or the SSAS, as the case may be.

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

Information reporting

The UK has entered into international agreements with a number of jurisdictions which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, an Inter-governmental Agreement with the U.S. in relation to FATCA and the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development and the EU Directive on Administrative Cooperation in Tax Matters as implemented in the UK. In connection with such agreements and arrangements the Company may, among other things, be required to collect and report to HMRC certain personal information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to the authorities in other jurisdictions.

PART 8

GENERAL INFORMATION

1. THE COMPANY

- 1.1 The Company was incorporated with the name M&G Credit Income Investment Trust plc in England and Wales on 17 July 2018 with registered number 11469317 as a public company limited by shares under the Companies Act.
- 1.2 The registered office and principal place of business of the Company is Beaufort House, 51 New North Road, Exeter EX4 4EP with telephone number +44 (0) 1392 477500.
- 1.3 The principal legislation under which the Company operates is the Companies Act. As an investment trust, the Company will not be regulated as a collective investment scheme by the FCA. However, from Initial Admission, the Company and the Shareholders will be subject to the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules, MAR and the rules of the London Stock Exchange.
- 1.4 The principal activity of the Company is to invest in a diversified portfolio of public and private Debt Instruments, with a view to achieving the Company's investment objective.
- 1.5 Save for entry into each of the material contracts summarised in paragraph 6 of this Part 8, the Company has not commenced operations since incorporation and, as at the date of this document, no financial statements have been made up and no dividends have been declared by the Company.
- 1.6 The Company's accounting period will end on 31 December of each year. The first accounting period will end on 31 December 2019. The annual report and accounts will be prepared in Sterling according to accounting standards laid out under UK GAAP.
- 1.7 On 19 September 2018, the Company was granted a certificate under section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- 1.8 The Company is domiciled in England and Wales, does not have any employees and does not own any premises and, as at the date of this document, has no subsidiaries.
- 1.9 The Company has given notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to section 833 of the Companies Act.
- 1.10 The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of sections 1158 and 1159 (and regulations made thereunder) of the CTA 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the conditions and requirements that must be met for approval by HMRC as an investment trust, and which must continue to be met for each accounting period in respect of which the Company is approved as an investment trust, are that:
 - all, or substantially all, of the business of the Company is investing its funds in shares, land or other assets with the aim of spreading investment risk and giving members the benefit of the results of the management of its funds;
 - the Company is not a close company at any time during the accounting period;
 - the Company's ordinary share capital is admitted to trading on a regulated market throughout the accounting period;
 - the Company must not retain in respect of the accounting period an amount greater than the higher of: (a) 15% of its income for the period; and (b) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts mentioned in (a) and (b) above, it may retain an amount equal to the amount of such losses; and
 - the Company notifies HMRC if it revises its published investment policy.

2. SHARE CAPITAL

2.1 On incorporation, the issued share capital of the Company was £0.01 represented by one Ordinary Share, which was subscribed for by Mark Hutchinson.

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

	<i>Aggregate nominal value (£)</i>	<i>Number</i>
Ordinary Share	0.01	1
Management Shares of £1.00 each	50,000	50,000

The Ordinary Share in issue is fully paid up. To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under section 761 of the Companies Act, on 18 September 2018, 50,000 Management Shares were allotted to Mark Hutchinson. The Management Shares are paid up as to one quarter of their nominal value and will be redeemed immediately following Initial Admission out of the proceeds of the Initial Issue.

2.3 Set out below is the issued share capital of the Company as it will be immediately following the Initial Issue (assuming 250 million Ordinary Shares are allotted):

	<i>Aggregate Nominal value (£)</i>	<i>Number</i>
Ordinary Shares	2,500,000	250,000,000

All Ordinary Shares will be fully paid.

2.4 By ordinary and special resolutions passed on 18 September 2018:

2.4.1 the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot up to 400 million Ordinary Shares pursuant to the Initial Issue, such authority to expire at the end of the period of 18 months from the date of the passing of the resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted in pursuance of such an offer or agreement as if such authority had not expired;

2.4.2 the Directors were generally empowered (pursuant to sections 570 and 573 of the Companies Act) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in paragraph 2.4.1 above as if section 561 of the Companies Act did not apply to any such allotment or sale, such power to expire at the end of the period of 18 months from the date of the passing of the resolution (unless previously revoked, varied or renewed by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or agreement as if such power had not expired;

2.4.3 in addition to the authority set out at paragraph 2.4.1 above, the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot up to 400 million Ordinary Shares and/or C Shares pursuant to the Placing Programme in aggregate, such authority to expire at the end of the period of 18 months from the date of the passing of the resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Shares to be allotted in pursuance of such an offer or agreement as if such authority had not expired;

2.4.4 the Directors were generally empowered (pursuant to sections 570 and 573 of the Companies Act) to allot Shares and sell Shares from treasury for cash pursuant to the authority referred to in paragraph 2.4.3 above as if section 561 of the Companies Act

- did not apply to any such allotment or sale, such power to expire at the end of the period of 18 months from the date of the passing of the resolution (unless previously revoked, varied or renewed by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power make an offer or enter into an agreement which would or might require Shares to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or agreement as if such power had not expired;
- 2.4.5 in addition to the authorities set out at paragraphs 2.4.1 and 2.4.3 above, the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot up to 400 million Ordinary Shares and/or C Shares in aggregate, such authority to expire at the end of the period of five years from the date of passing of the resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Shares to be allotted in pursuance of such offer or agreement as if such authority had not expired;
- 2.4.6 the Directors were generally empowered (pursuant to sections 570 and 573 of the Companies Act) to allot Shares and to sell Shares from treasury for cash pursuant to the authority referred to in paragraph 2.4.5 above as if section 561 of the Companies Act did not apply to any such allotment or sale, such power to expire at the end of the period of five years from the date of passing of the resolution, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require the Shares to be allotted or sold from treasury after the expiry of such power and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or agreement as if such power had not expired;
- 2.4.7 the Company was authorised in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of Ordinary Shares provided that the maximum number of Ordinary Shares authorised to be purchased is 14.99% of the Ordinary Shares in issue immediately following Initial Admission. The minimum price which may be paid for an Ordinary Share is £0.01. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of (i) 5% above the average of the mid-market values of the Ordinary Share for the five Business Days before the purchase is made, or (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Regulatory Technical Standards adopted by the European Commission pursuant to Article 5(6) of MAR. Such authority will expire on the earlier of the conclusion of the first annual general meeting of the Company and 30 June 2020, save that the Company may contract to purchase Ordinary Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase Ordinary Shares in pursuance of such contract;
- 2.4.8 the Company resolved that, conditional upon Initial Admission and subject to the confirmation and approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the Initial Issue be cancelled, and the amount of the share premium account so cancelled be credited to a reserve;
- 2.4.9 the Directors were authorised to declare and pay all dividends of the Company as interim dividends and for the last dividend referable to a financial year not to be categorised as a final dividend that is subject to shareholder approval; and
- 2.4.10 the Company was authorised to call a general meeting of the Company other than an annual general meeting on not less than 14 clear days' notice.
- 2.5 The provisions of section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to sections 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities save to the extent disapplied as mentioned in paragraphs 2.4.2, 2.4.4 and 2.4.6 above.

- 2.6 In accordance with the authorities referred to in paragraphs 2.4.1 and 2.4.3 above, it is expected that the Shares to be issued pursuant to the Initial Issue and the Placing Programme will be allotted (conditionally upon the relevant Admission) pursuant to a resolution of the Board to be passed shortly before the relevant Admission in accordance with the Companies Act.
- 2.7 Save as disclosed in this paragraph 2, no share or loan capital of the Company has since the date of incorporation of the Company been issued or been agreed to be issued, fully or partly paid, either for cash or for a consideration other than cash, and, other than pursuant to the Initial Issue and the Placing Programme, no such issue is now proposed.
- 2.8 As at the date of this document, the Company has not granted any options over its share or loan capital which remain outstanding and has not agreed, conditionally or unconditionally to grant any such options and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 2.9 All of the Shares will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.
- 2.10 Applicants who have signed and returned Application Forms in respect of the Offer for Subscription may not withdraw their applications for Ordinary Shares subject to their statutory rights of withdrawal in the event of the publication of a supplementary prospectus.

3. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

- 3.1 The Directors intend to subscribe for Ordinary Shares pursuant to the Initial Issue in the amounts set out below:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>% of issued ordinary share capital*</i>
David Simpson	25,000	0.010
Richard Boléat	10,000	0.004
Mark Hutchinson	20,000	0.008
Barbara Powley	15,000	0.006

* Assuming that the Initial Issue is subscribed as to 250 million Ordinary Shares

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

- 3.2 The Prudential Assurance Company Limited intends to subscribe for the lower of (i) 80,000,000 Ordinary Shares and (ii) 25% of the Ordinary Shares to be issued pursuant to the Initial Issue. The Directors believe that this proposed investment strongly aligns the interests of M&G with Shareholders.
- 3.3 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. Directors are required to retire and seek re-election by the Shareholders at the first annual general meeting of the Company and thereafter the Directors are subject to retirement by rotation in accordance with the Articles. The Directors intend to retire and seek re-election annually. There is no notice period specified in the letters of appointment or Articles for removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.
- 3.4 Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Save for the Chairman, the initial fees will be £30,000 for each Director per annum. The Chairman's initial fee will be £40,000 per annum.

The Chairperson of the Audit Committee will receive an additional £5,000 per annum. Mark Hutchinson has agreed to waive his fee. The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties.

- 3.5 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.
- 3.6 Mark Hutchinson is the Chair of Private Assets at the Investment Manager and may therefore face a conflict of interest in the event that the Investment Manager has a conflict with the Company. In the event of any conflict between his position as Chair of Private Assets of the Investment Manager, Mr Hutchinson will comply with the provisions in the Articles concerning the declaration of directors' interests and authorisation of conflicts of interests and any other limits or conditions imposed by the Board. Save as set out in this paragraph, none of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or that has been effected by the Company since its incorporation.
- 3.7 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.
- 3.8 Over the five years preceding the date of this document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

Name	Current	Previous
David Simpson	British Geological Survey Cardiff University Ecofin Global Utilities and Infrastructure Trust plc ITC Limited University College Cardiff Consultants Limited	Annuity Infrastructure Company Limited Disruptive Capital Finance LLP D4jsimpson Limited Ecofin Water & Power Opportunities Plc (in Members Voluntary Liquidation) EW&PO Finance plc (dissolved following Members Voluntary Liquidation) My Route LLP Remuneration Committee, Magdalene College, Cambridge The Coroners' Courts Support Service
Richard Boléat	Airbnb International Holdings Limited Airbnb International Unlimited Airbnb 1 Unlimited Airbnb 2 Unlimited AKO Capital LLP Autonomy Capital (Jersey) Limited Autonomy Capital Research Two Limited Autonomy Jersey Service Company Limited Bennelong Asia Pacific Multi Strategy Equity Fund Limited Bennelong Asia Pacific Multi Strategy Equity Master Fund Limited Bennelong Dragon Trading Fund Limited Bennelong Dragon Trading Master Fund Limited Brook Bay General Partner Limited Brook Bay General Partner II Limited Buriti 1 Sarl Butterfield Bank (Jersey) Limited Bybrook Capital Management Limited CVC Credit Partners European Opportunities Limited Emac Illyrian Duba Stonska GP Limited Funding Circle SME Income Fund Limited GP2 Limited Gorey Investments Limited Habrok General Partner Limited Habrok Master Limited Habrok India Fund Limited Habrok India GP Limited ILF Carryco Limited ILFE Limited ILF 1 Limited ILF 2 Limited	AI Airports International Limited Asian Leaders Fund Bennelong Agricultural Investments Limited Bennelong General Partner Limited Bennelong Global Special Opportunities Fund Limited Bennelong Global Special Opportunities Master Fund Limited Bennelong Tempest Fund Limited Bennelong Tempest Master Fund Limited Cazenove Capital Management Jersey Limited CDPC Holdings Limited Cooperatie Duba Stonska u.a. Cooperatie EMAC Illyrian Land Fund III u.a. Cooperatie EMAC Illyrian Land Fund u.a. Cooperatie EMAC Illyrian Land Fund X u.a. Cooperatie EMAC Illyrian Land Fund XIV u.a. Cooperatie EMAC Illyrian Land Fund XV u.a. Cooperatie Eurserland ua Cosford Global Opportunities Fund Cosford Global Opportunities GP Limited Cosford Global Opportunities Master Fund Druggability Technologies IP Holdco (Jersey) Limited EMAC Illyrian Land Fund 2 EXUS GP Limited EMAC Illyrian Land Fund 2 USTP GP Limited GP Secretaries Limited Habrok Fund Limited Habrok General Partner Limited Habrok SPV Limited Ignition Romanian Land Fund No1 Limited Jetstone General Partner Limited K2A Hospitality Limited

Name	Current	Previous
	K2 Property Limited	K2A Private Equity Limited
	Kao Corporate Limited	K2A Residential Limited
	Landsdowne Road Investments	K2A Retail Limited
	Matariki Forests	K2B Commercial Limited
	Matariki Forestry Group	K2B Retail Limited
	Matariki Forests Trading Limited	K2C Hospitality Limited
	Mortality Fund 1	K2C Residential Limited
	Noemi Limited	K2C Retail Limited
	Phaunos Timber Fund Limited	K2E Residential Limited
	Primestone Capital Management (GP) Limited	K2F Residential Limited
	Profounders Capital II General Partner Limited	K2G Residential Limited
	Securis 1 Fund	Lerisson Nominees Limited
	Securis 1 Master Fund	PI Power International Limited
	Securis General Partner Limited	Rathbone Investment Management
	Securis Investment Partners Limited	International Strategies PCC
	Securis 2 Fund SPC	Securis Investments Switzerland sarl
	Securis MF1 Fund	Standsure Fund PCC
	Securis Non-Life Fund	The LEMA Jersey Fund Limited
	Securis Non-Life Master Fund	THS General Partner Limited
	Securis Life Fund	TPR 1 Limited
	Securis Life Master Fund	Tradinvest Fund Limited
	Securis Life Fund II	
	Securis Life Master Fund II	
	Securis Opportunities Fund	
	Securis Opportunities Master Fund	
	Securis Re I Limited	
	Securis Re II Limited	
	Securis Re III Limited	
	Securis Re IV Limited	
	Securis Re V Limited	
	Securis Re VI Limited	
	Securis Re VII Limited	
	Securis Re VIII Limited	
	Securis Re IX Limited	
	Securis Re LCM Limited	
	Securis LCM Fund	
	Securis LCM Holdings Limited	
	Securis (Bermuda) Holdings Limited	
	Securis ILS Fund ICAV	
	Securis ILS Management Limited	
	Securis Private Life Fund	
	Securis Special Opportunities Fund	
	Securis Special Opportunities Master Fund	
	Securis SP3/SP7 – SPV	
	Securis Event Fund	
	Securis Event Master Fund	
	Sole Shipping SO Coinvest 1 GP Limited	
	Sole Shipping SO Advisor Limited	
	Sole Shipping SO GP II Limited	
	Tannay Jersey Limited	
	Taxim Capital Advisors Limited	
	Taxim Capital Partners I GP Limited	
	Tri-Pillar Infrastructure Fund Limited	
	Valiance Farmland GP Sarl	
	Valiance Farmland Luxembourg Sarl	
	Valiance Life Sciences Growth Investments GP Sarl	
	Viva Partners Sarl	
	Waimarie Forests Pty Ltd	
	Yatra Capital Limited	
	Zynga Game International Limited	
Mark Hutchinson	Jetty Finance Limited Lion Credit Opportunity Fund M&G Specialty Finance (Luxembourg) No 1 SARL M&G UKCF II GP Limited Prudential Credit Opportunities 1 SARL Prudential Credit Opportunities 2 SARL Prudential Loan Investments 1 SARL Prudential/M&G UKCF GP Limited	—

Name	Current	Previous
	Rocksure Group Limited	
Barbara Powley	—	—

3.9 Save as disclosed at paragraph 3.8 of this Part 8, the Directors in the five years before the date of this document:

3.9.1 do not have any convictions in relation to fraudulent offences;

3.9.2 have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and

3.9.3 do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

3.10 As at 25 September 2018 (the latest practicable date prior to the publication of this document) insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights.

3.11 All Shareholders have the same voting rights in respect of shares of the same class in the share capital of the Company.

3.12 Pending the allotment of Ordinary Shares pursuant to the Initial Issue, the Company is controlled by Mark Hutchinson, as described in paragraph 2 of this Part 8. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

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

3.14 Save for the entry into of the Directors' appointment letters and the Investment Management Agreement, the Company has not entered into any related party transaction at any time during the period from incorporation to 25 September 2018 (the latest practicable date prior to the publication of this document).

3.15 Save as disclosed in paragraph 3.6 above, as at the date of this document, none of the Directors has any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.

3.16 The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

4. THE ARTICLES

The Articles contain provisions, *inter alia*, to the following effect:

4.1 *Objects/Purposes*

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

4.2 *Voting rights*

4.2.1 Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and any suspension or abrogation of voting rights pursuant to the Articles, at a general meeting of the Company every shareholder who is present in person shall, on a show of hands, have one vote, every proxy who has been appointed by a shareholder entitled to vote on the resolution shall, on a show of hands, have one vote and every shareholder present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

- 4.2.2 Unless the Board otherwise determines, no shareholder is entitled to vote at a general meeting or at a separate meeting of shareholders of any class of shares, either in person or by proxy, or to exercise any other right or privilege as a shareholder in respect of any share held by him, unless all calls presently payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by such shareholder to the Company have been paid.
- 4.2.3 Notwithstanding any other provision of the Articles, where required by the Listing Rules, a vote must be decided by a resolution of the holders of the Company's shares that have been admitted to premium listing. In addition, where the Listing Rules require that a particular resolution must in addition be approved by the independent shareholders (as such term is defined in the Listing Rules), only independent shareholders who hold the Company's shares that have been admitted to premium listing can vote on such separate resolution.

4.3 *Dividends*

- 4.3.1 Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to shareholders according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- 4.3.2 Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- 4.3.3 All dividends, interest or other sums payable and unclaimed for a period of 12 months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- 4.3.4 The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- 4.3.5 The Board may also, with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.
- 4.3.6 Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld if such shares represent at least 0.25% in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 calendar days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.

4.4 *Distribution of assets on a winding-up*

- 4.4.1 If the Company is wound up, with the sanction of a special resolution and any other sanction required by law and subject to the Companies Act, the liquidator may divide among the Shareholders in specie the whole or any part of the assets of the Company and for that purpose may value any assets and determine how the division shall be

carried out as between the Shareholders or different classes of Shareholders. With the like sanction, the liquidator may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Shareholders as he may with the like sanction determine, but no Shareholder shall be compelled to accept any shares or other securities upon which there is a liability.

4.5 *Transfer of shares*

4.5.1 Subject to any applicable restrictions in the Articles, each shareholder may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument must be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the transferee's name is entered in the register of shareholders.

4.5.2 The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:

4.5.2.1 it is in respect of a share which is fully paid up;

4.5.2.2 it is in respect of only one class of shares;

4.5.2.3 it is in favour of a single transferee or not more than four joint transferees;

4.5.2.4 it is duly stamped (if so required); and

4.5.2.5 it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied (except in the case of (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading.

The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the regulations and the relevant electronic system provided that such refusal does not prevent dealings in shares from taking place on an open and proper basis.

4.5.3 Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 calendar days and the shares in respect of which such notice has been served represent at least 0.25% in nominal value of their class, unless the shareholder is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a *bona fide* sale to an unconnected party.

4.5.4 If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the

Company or, in the case of an uncertificated share, the date on which appropriate instructions was received by or on behalf of the Company in accordance with the regulations of the relevant electronic system.

- 4.5.5 No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- 4.5.6 If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as “plan assets” of any benefit plan investor under section 3(42) of ERISA or the U.S. Tax Code; or (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to register or qualify under the U.S. Investment Company Act, and/or U.S. Investment Advisers Act of 1940 and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934, as amended and/or any laws of any state of the U.S. or other jurisdiction that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the U.S. Securities Exchange Act 1934, as amended; or (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the U.S. Tax Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act 1956, as amended or regulations or interpretations thereunder, or (vi) would cause the Company adverse consequences under the foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 or any similar legislation in any territory or jurisdiction (including the International Tax Compliance Regulation 2015), including the Company becoming subject to any withholding tax or reporting obligation or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the Shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligations) then any shares which the Directors decide are shares which are so held or beneficially owned (“**Prohibited Shares**”) must be dealt with in accordance with paragraph 4.5.7 below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.
- 4.5.7 The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 calendar days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 calendar days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company’s costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).
- 4.5.8 Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as “plan assets” of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a U.S. Person.

4.6 *Variation of rights*

- 4.6.1 Subject to the provisions of the Companies Act, if at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant 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 the class.
- 4.6.2 The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

4.7 *Alteration of share capital*

The Company may by ordinary resolution:

- 4.7.1 consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
- 4.7.2 subject to the provisions of the Companies Act, sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares;
- 4.7.3 determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; and
- 4.7.4 redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

4.8 *General meetings*

- 4.8.1 The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- 4.8.2 A general meeting shall be convened by such notice as may be required by law from time-to-time.
- 4.8.3 The notice of any general meeting shall include such statements as are required by the Companies Act and shall in any event specify:
- 4.8.3.1 whether the meeting is convened as an annual general meeting or any other general meeting;
- 4.8.3.2 the place, the day, and the time of the meeting;
- 4.8.3.3 the general nature of the business to be transacted at the meeting;
- 4.8.3.4 if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and
- 4.8.3.5 with reasonable prominence, that a shareholder entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the shareholder) more proxies to attend and to speak and vote instead of the shareholder and that a proxy need not also be a shareholder.
- 4.8.4 The notice must be given to the shareholders (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any general meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of notice by, any person entitled to receive the same, shall not invalidate the proceedings at the meeting.

- 4.8.5 The right of a shareholder to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Act or the Articles to be made available at the meeting.
- 4.8.6 A Director shall, notwithstanding that he is not a shareholder, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
- 4.8.7 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a shareholder so entitled or a proxy for a shareholder so entitled or a duly authorised representative of a corporation which is a shareholder so entitled, shall be a quorum. If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole shareholder so entitled or a proxy for such sole shareholder so entitled or a duly authorised representative of a corporation which is such sole shareholder so entitled, shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 calendar days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- 4.8.8 A resolution put to a vote of the meeting shall be decided on a show of hands unless a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded by:
- 4.8.8.1 the Chairman;
 - 4.8.8.2 at least five shareholders having the right to vote on the resolution;
 - 4.8.8.3 a shareholder or shareholders representing not less than 5% of the total voting rights of all the shareholders having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or
 - 4.8.8.4 shareholder or shareholders holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).

4.9 *Borrowing powers*

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

4.10 *Issue of shares*

Subject to the provisions of the Companies Act and to any rights for the time being attached to any shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine, and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.

4.11 *Powers of the Board*

The business of the Company shall be managed by the Directors who, subject to the provisions of the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

4.12 *Directors' fees*

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time-to-time determine (not exceeding in aggregate £300,000 per annum or such other sum as the Company in general meeting shall from time-to-time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day to day.

The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

4.13 *Directors' interests*

4.13.1 The Board may authorise any matter proposed to it in accordance with the Articles which would otherwise involve a breach by a Director of his duty to avoid conflicts of interest under the Companies Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company or the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it (excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.

4.13.2 Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director and in respect of which he has a duty of confidentiality to another person and will not be in breach of the general duties he owes to the Company under the Companies Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.

4.13.3 Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Act, a Director, notwithstanding his office:

4.13.3.1 may be a party to or otherwise be interested in any transaction arrangement or proposal with the Company or in which the Company is otherwise interested;

4.13.3.2 may hold any other office or place of profit at the Company (except that of auditor of the Company or any of its subsidiaries) and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;

- 4.13.3.3 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has powers of appointment; and
- 4.13.3.4 shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction, arrangement or proposal or from any interest in any body corporate. No such transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty not to accept benefits from third parties.
- 4.13.4 A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.
- 4.13.5 The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.

4.14 *Restrictions on Directors voting*

- 4.14.1 A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he has an interest which is to his knowledge a material interest and, if he purports to do so, his vote will not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:
- 4.14.1.1 any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
- 4.14.1.2 the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
- 4.14.1.3 the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- 4.14.1.4 the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
- 4.14.1.5 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- 4.14.1.6 any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Companies Act) in 1% or more of the issued equity share capital of any class of such body corporate nor to his knowledge holds 1% or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure Guidance and Transparency Rules) in such body corporate;
- 4.14.1.7 any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

- 4.14.1.8 any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;
- 4.14.1.9 any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or
- 4.14.1.10 any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.
- 4.14.2 A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.
- 4.15 *Number of Directors*
- Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors shall be not less than two and the number is not subject to a maximum.
- 4.16 *Directors' appointment and retirement*
- 4.16.1 Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director shall hold office only until the next annual general meeting.
- 4.16.2 At each annual general meeting of the Company, 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 rotation. If there are fewer than three Directors, one Director shall retire from office.
- 4.16.3 Any newly appointed Director shall retire at the first annual general meeting of the Company following his appointment and shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting.
- 4.16.4 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.
- 4.16.5 Any Director shall also retire if he has been with the Company for a continuous period of nine years or more at the date of the meeting.
- 4.17 *Notice requiring disclosure of interest in shares*
- 4.17.1 The Company may, by notice in writing, require a person whom the Company knows to be, or has reasonable cause to believe is, interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required by the Directors. Such information may include, without limitation, particulars of the person's identity, particulars of the person's own past or present interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him, where the interest is a present interest and any other interest, in any shares, which subsisted during that three year period at any time when his own interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.
- 4.17.2 If any shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 calendar days after service of the notice), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "**default shares**") the shareholder shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25% in nominal value of the class of shares concerned (excluding treasury shares), the direction notice may additionally direct that dividends on such shares will

be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

4.18 *Untraced shareholders*

Subject to the Articles, the Company may sell any shares registered in the name of a shareholder remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the shareholder, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

4.19 *Indemnity of officers*

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he might otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in section 235(6) Companies Act). In addition, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

4.20 *Management Shares*

The Management Shares can be redeemed at any time (subject to the provisions of the Companies Act) by the Company and carry the right to receive a fixed annual dividend equal to 0.01% of the nominal amount of each of the Management Shares payable on demand. For so long as there are shares of any other class in issue, the holders of the Management Shares will not have any right to receive notice of or vote at any general meeting of the Company. If there are no shares of any other class in issue, the holders of the Management Shares will have the right to receive notice of, and to vote at, general meetings of the Company. In such circumstances, each holder of a Management Share who is present in person (or, being a corporation, by representative) or by proxy at a general meeting will have on a show of hands one vote and on a poll every such holder who is present in person or by proxy (or being a corporation, by representative) will have one vote in respect of each Management Share held by him.

4.21 *C Shares and Deferred Shares*

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

4.21.1 The following definitions apply for the purposes of this paragraph 4.21 only:

“**Calculation Date**” means, in relation to any tranche of C Shares, the earliest of the:

- (i) close of business on the date falling twelve calendar months after the allotment of that tranche of C Shares or if such a date is not a Business Day the next following Business Day or such earlier date as the Directors determine that the return profiles of the underlying assets of the portfolios attributable to the relevant tranche of C Shares and the Ordinary Shares are sufficiently aligned; or
- (ii) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of Conversion of that tranche of C Shares; or
- (iii) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are in contemplation in relation to any tranche of C Shares;

“**Conversion**” means conversion of any tranche of C Shares into Ordinary Shares and Deferred Shares in accordance with paragraph 4.21.8 below;

“Conversion Date” means, in relation to any tranche of C Shares, the close of business on such Business Day as may be selected by the Directors falling not more than 40 Business Days after the Calculation Date of such tranche of C Shares;

“Conversion Ratio” is the ratio of the Net Asset Value per C Share of the relevant tranche to the Net Asset Value per Ordinary Share, which is calculated as:

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

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

$$B = \frac{F-G}{H}$$

where:

“C” is the aggregate of:

- (i) the value of the investments of the Company attributable to the C Shares of the relevant tranche which are listed, quoted, dealt in or traded on a stock exchange (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) calculated by reference to the bid price at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the relevant Calculation Date on the principal stock exchange or market where the relevant investment is listed, quoted, dealt in or traded, as derived from the relevant exchange’s or market’s recognised method of publication of prices for such investments where such published prices are available;
- (ii) the value of all other investments of the Company attributable to the C Shares of the relevant tranche (other than investments included in (i) above) calculated by reference to the Directors’ belief as to an appropriate current value for those investments on the relevant Calculation Date calculated in accordance with the valuation policy adopted by the Company from time to time after taking into account any other price publication services reasonably available to the Directors; and
- (iii) the amount which, in the Directors’ opinion, fairly reflects, on the relevant Calculation Date, the value of the current assets of the Company attributable to the C Shares of the relevant tranche (excluding the investments valued under (i) and (ii) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature calculated in accordance with the valuation policy adopted by the Company from time to time);

“D” is the amount (to the extent not otherwise deducted from the assets attributable to the C Shares of the relevant tranche) which, in the Directors’ opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares of the relevant tranche on the relevant Calculation Date (including the amount of any declared but unpaid dividends in respect of such C Shares);

“E” is the number of C Shares of the relevant tranche in issue on the relevant Calculation Date;

“F” is the aggregate of:

- (i) the value of all the investments of the Company attributable to the Ordinary Shares which are listed, quoted, dealt in or traded on a stock exchange (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) calculated by reference to the bid price at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the relevant Calculation Date on the principal stock exchange or market where the relevant

investment is listed, quoted, dealt in or traded as derived from the relevant exchange's or market's recognised method of publication of prices for such investments where such published prices are available; and

- (ii) the value of all other investments of the Company attributable to the Ordinary Shares (other than investments included in (i) above) calculated by reference to the Directors' belief as to an appropriate current value for those investments on the relevant Calculation Date calculated in accordance with the valuation policy adopted by the Company from time to time after taking into account any other price publication services reasonably available to the Directors; and
- (iii) the amount which, in the Directors' opinion, fairly reflects, on the relevant Calculation Date, the value of the current assets of the Company attributable to the Ordinary Shares (excluding the investments valued under (i) and (ii) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature, calculated in accordance with the valuation policy adopted by the Company from time to time);

“**G**” is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the Ordinary Shares on the relevant Calculation Date (including the amount of any declared but unpaid dividends in respect of such Ordinary Shares); and

“**H**” is the number of Ordinary Shares in issue on the relevant Calculation Date (excluding any Ordinary Shares held in treasury), provided that the Directors shall make such adjustments to the value or amount of A and B as the Directors believe to be appropriate having regard among other things, to the assets of the Company immediately prior to the date on which the Company first receives the net proceeds of an issue of C Shares of the relevant tranche and/or to the reasons for the issue of the C Shares of the relevant tranche;

“**Deferred Shares**” means deferred shares of one penny each in the capital of the Company arising on Conversion;

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

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

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

4.21.2 The holders of the Ordinary Shares, the Management Shares, any tranche of C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights to be paid dividends:

4.21.2.1 the Deferred Shares (to the extent that any are in issue and extant) shall entitle the holders thereof to a cumulative annual dividend at a fixed rate of 1% of the nominal amount thereof, the first such dividend (adjusted *pro rata* temporis) (the “**Deferred Dividend**”) being payable on the date six months after the Conversion Date on which such Deferred Shares were created in accordance with paragraph 4.21.8 (the “**Relevant Conversion Date**”) and thereafter on each anniversary of such date payable to the holders thereof on the register of shareholders on that date as holders of Deferred Shares but shall confer no other right, save as provided herein, on the holders thereof to share in the profits of the Company. The Deferred Dividend shall

not accrue or become payable in any way until the date six months after the Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of shareholders of the Company as holders of Deferred Shares on that date. It should be noted that given the proposed redemption of the Deferred Shares as described below, it is not expected that any dividends will accrue or be paid on such shares;

- 4.21.2.2 the holders of any tranche of C Shares shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of the assets attributable to the C Shares of that tranche and from profits available for distribution which is attributable to the C Shares of that tranche;
 - 4.21.2.3 a holder of Management Shares shall be entitled (in priority to any payment of dividend on any other class of share) to a fixed cumulative preferential dividend 0.01% per annum on the nominal amount of the Management Shares held by him, such dividend to accrue annually and to be payable in respect of each accounting reference period of the Company within 21 calendar days of the end of such period;
 - 4.21.2.4 the Existing Shares shall confer the right to dividends declared in accordance with the Articles;
 - 4.21.2.5 the Ordinary Shares into which any tranche of C Shares shall convert shall rank *pari passu* with the Existing Shares for dividends and other distributions made or declared by reference to a record date falling after the relevant Calculation Date; and
 - 4.21.2.6 no dividend or other distribution shall be made or paid by the Company on any of its shares (other than any Deferred Shares for the time being in issue) between any Calculation Date and the relevant Conversion Date (both dates inclusive) and no such dividend shall be declared with a record date falling between any Calculation Date and the relevant Conversion Date (both dates inclusive).
- 4.21.3 The holders of the Ordinary Shares, the Management Shares any tranche of C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights as to capital:
- 4.21.3.1 the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase or redemption by the Company of any of its shares) at a time when one or more tranches of C Shares are for the time being in issue and prior to the Conversion Date be applied amongst the holders of the Existing Shares *pro rata* according to the nominal capital paid up on their holdings of Existing Shares, after having deducted therefrom:
 - 4.21.3.1.1 first, an amount equivalent to (C-D) for each tranche of C Shares in issue using the methods of calculation of C and D given in the definition of Conversion Ratio, which amount(s) shall be applied amongst the C shareholders of the relevant tranche(s) *pro rata* according to the nominal capital paid up on their holdings of C Shares of the relevant tranche;
 - 4.21.3.1.2 secondly, if there are Deferred Shares in issue, in paying to the holders of Deferred Shares one penny in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders; and
 - 4.21.3.1.3 thirdly, in paying to the holders of the Management Shares in respect of each such share the amount paid up or treated as paid up thereon,
- for the purposes of this paragraph 4.21.3.1 the Calculation Date shall be such date as the liquidator may determine; and

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

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

4.21.3.2.2 secondly, in paying to the holders of the Management Shares in respect of each such share the amount paid up or treated as paid up thereon; and

4.21.3.2.3 thirdly, the surplus shall be divided amongst the Shareholders *pro rata* according to the nominal capital paid up on their holdings of Ordinary Shares.

4.21.4 As regards voting:

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

4.21.4.2 the Deferred Shares and, save as provided in paragraph 4.20 of this Part 8, the Management Shares shall not carry any right to receive notice of nor to attend or vote at any general meeting of the Company.

4.21.5 The following shall apply to the Deferred Shares:

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

4.21.5.2 immediately upon Conversion of any tranche of C Shares, the Company shall redeem all of the Deferred Shares which arise as a result of Conversion of that tranche for an aggregate consideration of one penny for all of the Deferred Shares so redeemed and the notice referred to in paragraph 4.21.8.2 below shall be deemed to constitute notice to each C shareholder of the relevant tranche (and any person or persons having rights to acquire or acquiring C Shares of the relevant tranche on or after the Calculation Date) that the Deferred Shares shall be so redeemed; and

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

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

4.21.6.1 no alteration shall be made to the Articles;

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

4.21.6.3 no resolution of the Company shall be passed to wind up the Company.

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

- 4.21.6.4 the issue of further Ordinary Shares ranking *pari passu* in all respects with the Existing Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Existing Shares by the issue of such further Ordinary Shares); or
 - 4.21.6.5 the sale of any shares held as treasury shares (as such term is defined in section 724 of the Companies Act) in accordance with sections 727 and 731 of the Companies Act or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).
- 4.21.7 For so long as any tranche of C Shares are for the time being in issue, until Conversion of such tranche of C Shares and without prejudice to its obligations under applicable laws the Company shall:
- 4.21.7.1 procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares of that tranche can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of that tranche;
 - 4.21.7.2 allocate to the assets attributable to the C Shares of that tranche such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the net proceeds of an issue of C Shares and the Calculation Date relating to such tranche of C Shares (both dates inclusive) as the Directors fairly consider to be attributable to that tranche of C Shares; and
 - 4.21.7.3 give appropriate instructions to the Investment Manager to manage the Company's assets so that such undertakings can be complied with by the Company.
- 4.21.8 In relation to any tranche of C Shares, the C Shares for the time being in issue of that tranche shall be sub-divided and converted into Ordinary Shares and Deferred Shares on the relevant Conversion Date in accordance with the following provisions of this paragraph 4.21.8:
- 4.21.8.1 the Directors shall procure that within 20 Business Days of the relevant Calculation Date:
 - 4.21.8.1.1 the Conversion Ratio as at the relevant Calculation Date and the numbers of Ordinary Shares and Deferred Shares to which each C shareholder of that tranche shall be entitled on Conversion of that tranche shall be calculated; and
 - 4.21.8.1.2 the Auditors shall confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of H in paragraph 4.21.1 above.
 - 4.21.8.2 the Directors shall procure that, as soon as practicable following such confirmation and in any event within 30 Business Days of the relevant Calculation Date, a notice is sent to each C shareholder of the relevant tranche advising such shareholder of the Conversion Date, the Conversion Ratio and the numbers of Ordinary Shares and Deferred Shares to which such C shareholder of the relevant tranche will be entitled on Conversion.

- 4.21.8.3 on conversion each C Share of the relevant tranche shall automatically subdivide into 10 conversion shares of one penny each and such conversion shares of 1p each shall automatically convert into such number of Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:
- 4.21.8.3.1 the aggregate number of Ordinary Shares into which the same number of conversion shares of one penny each are converted equals the number of C Shares of the relevant tranche in issue on the relevant Calculation Date multiplied by the relevant Conversion Ratio (rounded down to the nearest whole new Ordinary Share); and
- 4.21.8.3.2 each conversion share of one penny which does not so convert into an Ordinary Share shall convert into one Deferred Share.
- 4.21.8.4 the Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C shareholders of the relevant tranche *pro rata* according to their respective former holdings of C Shares of the relevant tranche (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any Ordinary Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).
- 4.21.8.5 forthwith upon Conversion, the share certificates relating to the C Shares of the relevant tranche shall be cancelled and the Company shall issue to each former C shareholder of the relevant tranche new certificates in respect of the Ordinary Shares which have arisen upon Conversion to which he or she is entitled. Share certificates in respect of the Deferred Shares will not be issued.
- 4.21.8.6 the Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders.

5. CITY CODE ON TAKEOVERS AND MERGERS

5.1 *Mandatory bid*

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

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

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

5.2 *Compulsory acquisition*

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

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

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

6. MATERIAL CONTRACTS OF THE COMPANY

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

6.1 *Placing and Offer Agreement*

The Placing and Offer Agreement dated 26 September 2018 between the Company, the Directors, the Investment Manager and Winterflood Securities, pursuant to which, subject to certain conditions, Winterflood Securities has agreed to use reasonable endeavours to procure subscribers for Ordinary Shares pursuant to the Initial Placing at the Issue Price and to use reasonable endeavours to procure subscribers under the Placing Programme for Shares at the Placing Programme Price. The Company has appointed Winterflood Securities as sponsor, financial adviser, bookrunner and Intermediaries Offer Adviser to the Company in connection with the Initial Issue and the Placing Programme.

The Placing and Offer Agreement provides for Winterflood Securities to be paid commissions by the Company in respect of the Ordinary Shares to be allotted pursuant to the Initial Issue and Ordinary Shares and/or C Shares to be allotted pursuant to the Placing Programme. Any Ordinary Shares or C Shares subscribed for by Winterflood Securities may be retained or dealt in by it for its own benefit.

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

The Placing and Offer Agreement may be terminated by Winterflood Securities in certain customary circumstances.

The obligation of the Company to issue the Ordinary Shares and the obligation of Winterflood Securities to use its reasonable endeavours to procure subscribers for Ordinary Shares pursuant to the Initial Placing is conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Initial Admission having become effective on or before 8.00 a.m. on 14 November 2018 (or such later time and/or date as the Company and Winterflood Securities may agree (not being later than 8.00 a.m. on 28 February 2019)); (ii) the Placing and Offer Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms at any time prior to Initial Admission; and (iii) the Minimum Gross Proceeds being raised (or such lesser amount as the Company and Winterflood Securities may agree).

Each issue of Shares pursuant to a Subsequent Placing under the Placing Programme is conditional, *inter alia*, on (i) Admission of the relevant Shares occurring by no later than 8.00 a.m. on such date as the Company and Winterflood Securities may agree from time to time in relation to that Admission, not being later than 25 September 2019; (ii) a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules; (iii) in respect of an issue of Ordinary Shares, the Placing Programme Price being determined by the Directors as described in Part 5 of this document; and (iv) the

Placing and Offer Agreement being wholly unconditional as regards the relevant Subsequent Placing (save as to Admission) and not having been terminated in accordance with its terms prior to the relevant Admission.

The Company, the Directors and the Investment Manager have given warranties to Winterflood Securities concerning, *inter alia*, the accuracy of the information contained in this document. The Company and the Investment Manager have also given indemnities to Winterflood Securities. The warranties and indemnities are standard for an agreement of this nature.

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

6.2 Investment Management Agreement

The Investment Management Agreement dated 26 September 2018 between the Company and the Investment Manager, pursuant to which the Investment Manager is appointed to act as the Company's manager for the purposes of the AIFM Directive, and accordingly the Investment Manager is responsible for providing discretionary portfolio management and risk management services to the Company, subject to the overall control and supervisions of the Directors.

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to receive from the Company an investment management fee which is calculated and paid quarterly in arrears at an annual rate of (i) 0.5% per annum of the prevailing published Net Asset Value until the end of the Company's first accounting period, 31 December 2019; and (ii) 0.7% per annum of the prevailing published Net Asset Value thereafter.

Where the Company invests in a collective investment vehicle that is managed or advised by an M&G Entity, the Investment Manager will reduce its investment management fee by the amount of any equivalent management fee that is charged to such collective investment vehicle or such entity will rebate its management fee such that the Investment Manager ensures the Company is not charged twice. The above arrangement will not apply to any other fees or expenses charged to the Company or any such entity in which it invests.

The Investment Manager is also entitled to be paid half of any arrangement fee charged by the Company to the issuer of a Debt Instrument in which the Company invests. The balance of any arrangement fee is retained by the Company.

The Investment Management Agreement is for an initial term of five years from the date of Initial Admission and thereafter subject to termination on not less than six months' written notice by either party. The Investment Management Agreement can be terminated at any time in the event of the insolvency of the Company or the Investment Manager or in the event that the Investment Manager ceases to be authorised and regulated by the FCA (if required to be so authorised and regulated to continue to carry out its duties under the Investment Management Agreement).

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

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

6.3 Administration Agreement

The Administration Agreement between the Company and the Administrator dated 26 September 2018, pursuant to which the Administrator has agreed to act as administrator to the Company.

Under the terms of the Administration Agreement, the Administrator shall provide the day-to-day administration of the Company and is also responsible for the Company's general administrative functions, such as the calculation and publication of the Net Asset Value and maintenance of the Company's accounting and statutory records.

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

The Administration Agreement is terminable, *inter alia*, upon not less than six months' written notice. The Administration Agreement is also terminable immediately upon the occurrence of certain standard events including the insolvency of the Company or the Administrator or a party committing a material breach of the Administration Agreement (where such breach has not been remedied within 30 calendar days of written notice being given).

Details of the fees payable to the Administrator are set out in paragraph 3.2 of Part 4 of this document.

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

6.4 **Depositary Agreement**

The Depositary Agreement dated 26 September 2018 entered into between the Depositary, the Investment Manager and the Company, pursuant to which, the Depositary is appointed as the Company's depositary.

In accordance with the terms of the Depositary Agreement, and subject to the provisions of the AIFM Directive, the Depositary may delegate its safe-keeping functions in relation to financial instruments and other assets of the Company. In respect of the assets of the Company, the Depositary has delegated safekeeping of the assets of the Company to State Street Bank and Trust Company. The liability of the Depositary shall in principle not be affected by any delegation of its custody function and the Depositary shall be liable to the Company or its investors for the loss of financial instruments held in custody by the Depositary or a third party to whom the custody of securities has been delegated as determined in accordance with the AIFM Directive, and in particular Article 100 of the Commission Delegated Regulation No. 231/2013 of 19 December 2012. The Depositary may discharge its responsibility in case of a loss of a security: (i) in the event that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; (ii) where it has contractually discharged its liability in compliance with article 21(13) of the AIFM Directive; or (iii) in compliance with the conditions set out under article 21(14) of the AIFM Directive where the laws of a third country require that certain financial instruments be held by a local entity and there are no local entities that satisfy the delegation requirements of article 21(11) of the AIFM Directive. Otherwise than in respect of a loss of a financial instrument held in custody, the Depositary shall only be liable for damages suffered by the Company as a direct result of the Depositary's negligent or intentional failure to properly fulfil its obligations in relation to the services under the agreement. Indirect and/or consequential damages are excluded.

The Depositary Agreement shall continue for an initial period of six months and thereafter is terminable by any of the parties giving to the others not less than 90 days' written notice. The Depositary Agreement may be terminated with immediate effect by any of the parties on the occurrence of certain events, including: (i) if another party has committed a material breach of the terms of the Depositary Agreement; or (ii) in the case of insolvency of a party.

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

Details of the fees payable to the Depositary are set out in paragraph 3.2 of Part 4 of this document.

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

6.5 **Company Secretarial Agreement**

The Company Secretarial Agreement dated 26 September 2018 between the Company and Link Asset Services pursuant to which the Company Secretary has agreed to provide the company secretarial functions required by the Companies Act.

Under the terms of the Company Secretarial Agreement, the aggregate fees payable to Link Asset Services are £60,000 plus VAT per annum. In addition a fee of £30,000 is payable to Link Asset Services for services undertaken as part of the Initial Admission process. Link Asset Services will also be entitled to reimbursement of all reasonable out of pocket expenses incurred by it in connection with the agreement.

The Company Secretarial Agreement is for an initial period of 12 months and thereafter shall automatically renew for successive periods of 12 months unless or until terminated by either party (a) at the end of the initial period, provided written notice is given to the other party at least six months prior to the end of the initial period or (b) at the end of any successive 12 month period, provided written notice is given to the other party at least six months prior to the end of such successive 12 month period. In addition, either party may terminate the Company Secretarial Agreement:

- (a) by service of three months' written notice should the parties not reach an agreement regarding any increase of the fees payable under the Company Secretarial Agreement; or
- (b) upon service of written notice if the other party commits a material breach of its obligations under the Company Secretarial Agreement (including any payment default) which that party has failed to remedy within 45 calendar days of receipt of a written notice to do so from the first party; or
- (c) upon service of written notice if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings.

The Company has given certain market standard indemnities in favour of Link Asset Services and its affiliates and their directors, officers, employees and agents in respect of its potential losses in carrying on its responsibilities under the Company Secretarial Agreement. Link Asset Services liabilities under the Company Secretarial Agreement are subject to a cap.

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

6.6 **Registrar's Agreement**

The Registrar's Agreement dated 26 September 2018 between the Company and the Registrar pursuant to which the Registrar has agreed to act as registrar to the Company.

Under the agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of any VAT). In addition, the Registrar is entitled to certain other fees for ad hoc services rendered from time to time. The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.

The Registrar Agreement is for an initial period of one year from the date of Initial Admission and thereafter shall automatically renew for successive periods of 12 months unless or until terminated by either party (a) at the end of the initial period, provided written notice is given to the other party at least 6 months prior to the end of the initial period or (b) at the end of any successive 12 month period, provided written notice is given to the other party at least 6 months prior to the end of such successive 12 month period. In addition, either party may terminate the Registrar Agreement:

- (a) by service of three months' written notice should the parties not reach an agreement regarding any increase of the fees payable under the Registrar Agreement; or
- (b) upon service of written notice if the other party commits a material breach of its obligations under the Registrar Agreement (including any payment default) which that party has failed to remedy within 45 calendar days of receipt of a written notice to do so from the first party; or
- (c) upon service of written notice if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings.

The Company has given certain market standard indemnities in favour of the Registrar and its affiliates and their directors, officers, employees and agents in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liabilities under the Registrar Agreement are subject to a cap.

The Registrar's Agreement is governed by the laws of England and Wales.

6.7 Receiving Agent Agreement

The Receiving Agent Agreement dated 26 September 2018 between the Company and the Receiving Agent pursuant to which the Receiving Agent has agreed to act as receiving agent in connection with the Initial Issue. Under the terms of the agreement, the Receiving Agent is entitled to a fee from the Company of £22,000 (exclusive of VAT) in connection with these services. The Receiving Agent will also be entitled to reimbursement of all out-of-pocket expenses reasonably incurred by it in connection with its duties.

The Company has given certain market standard indemnities in favour of the Receiving Agent and its affiliates and their directors, officers, employees and agents in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the Receiving Agent Agreement. The Receiving Agent's liabilities under the Receiving Agent are subject to a cap.

The agreement is governed by the laws of England and Wales.

7. LITIGATION

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

8. WORKING CAPITAL

The Company is of the opinion that, on the basis the Minimum Net Proceeds are raised, the working capital available to the Company is sufficient for its present requirements that is for at least the next 12 months from the date of this document.

If the Minimum Net Proceeds are not raised, the Initial Issue may only proceed where a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure) has been prepared in relation to the Company and approved by the UKLA. In the event that the Company does not wish to prepare and publish a supplementary prospectus incorporating a working capital statement based on a revised minimum net proceeds figure the Initial Issue will not proceed, the arrangements in respect of the Initial Issue will lapse and any monies received in respect of the Initial Issue will be returned to applicants and placees without interest at applicants'/investors' risk.

9. NO SIGNIFICANT CHANGE

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

10. CAPITALISATION AND INDEBTEDNESS

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

11. GENERAL

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

11.2 No application is being made for the Shares to be dealt with in or on any stock exchange or investment exchange other than to the London Stock Exchange's main market.

- 11.3 Winterflood Securities has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 11.4 The Investment Manager was incorporated in England and Wales as a private limited company on 30 September 1986 under the Companies Act 1985 (registration number 02059989). The Investment Manager is authorised and regulated by the FCA (FCA registration number 1220011). The registered office of the Investment Manager is Laurence, Pountney Hill, London EC4R 0HH (tel. +44 (0) 800 390 390). The Investment Manager has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear. The Investment Manager accepts responsibility for Part 2 (M&G), Part 3 (The Investment Opportunity and asset class overview), paragraph 2.1 and paragraph 2.2 of Part 4 in relation to the information that relates to the Investment Manager (The Investment Manager), paragraph 5 of Part 4 (Conflicts of Interest) and paragraph 11.4 of Part 8 (General) of this document (together the “**Investment Manager Sections**”) for the purposes of Prospectus Rule 5.5.3(f). To the best of the knowledge and belief of the Investment Manager (who has taken all reasonable care to ensure that such is the case), the Investment Manager Sections are in accordance with the facts and do not omit anything likely to affect the import of such Investment Manager Sections.
- 11.5 State Street Trustees Limited, whose registered office is located at 20 Churchill Place, London E14 5HJ, acts as the Company’s depositary and will safeguard all of the assets of the Company. The Depositary is a private limited company, registered in England and Wales with number 02982384 and was incorporated on 24 October 1994. The Depositary’s telephone number is +44 (0)20 3395 7000. The Depositary maintains its registered office and place of central administration in the United Kingdom. The Depositary is authorised and regulated by the Financial Conduct Authority. The principal business of the Depositary is acting as depositary of collective investment schemes.
- 11.6 State Street Bank & Trust Company, whose registered office is located at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, acts as the Company’s global sub-custodian and has been delegated safekeeping duties by the Depositary. The Custodian is authorised and regulated by the Financial Conduct Authority.
- 11.7 The auditors of the Company are Deloitte LLP of Saltire Court, 20 Castle Street, Edinburgh EH1 2DB and have been the only auditors of the Company since its incorporation. Deloitte LLP is registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales.
- 11.8 The effect of the Initial Issue will be to increase the net assets of the Company. On the assumption that the Initial Issue is subscribed as to 250 million Ordinary Shares, the fundraising is expected to increase the net assets of the Company by approximately £247 million.

12. DOCUMENTS AVAILABLE FOR INSPECTION

- 12.1 Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any Business Day from the date of this document until 25 September 2019:
- 12.1.1 the Memorandum and Articles of the Company; and
- 12.1.2 this document.

13. INTERMEDIARIES

The Intermediaries authorised as at the date of this document to use this document are:

AJ Bell Securities
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Alliance Trust Savings Limited
PO Box 164
8 West Marketgait
Dundee
DD1 9YP

Equiniti Financial Services Ltd
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Hargreaves Lansdown Asset Management
1 College Square South
Anchor Road
Bristol
BS1 5HL

Interactive Investor Services Limited
Exchange Court
Duncombe Street
Leeds
LS1 4AX

Walker Crips Stockbrokers Limited
Old Change House
128 Queen Victoria Street
London
EC4V 4BJ

Dated: 26 September 2018

PART 9

AIFM DIRECTIVE ARTICLE 23 DISCLOSURES

This Part 9 sets out important information about the AIFM Directive and its application to the Investment Manager and the Company. The AIFM Directive is a European Directive which regulates the management and marketing of an AIF by an AIFM within the EEA.

For the purposes of the AIFM Directive, the Investment Manager is an EEA AIFM of the Company, which is an EU AIF. This Part 9 seeks to provide information in respect of the Company. Under the AIFM Directive, for each AIF marketed in the EU, the AIFM must make available to prospective investors in the AIF certain prescribed information before the investors invest in the AIF, as well as any material changes thereto. These are the disclosure requirements set out in Article 23 of the AIFM Directive.

This Part 9 must be read together with the other parts of this document and has been included in this document to comply with the Article 23 disclosure requirements in respect of the Company.

This part cross-refers to, and must all times read in conjunction with, the other parts of this document.

DISCLOSURE REQUIREMENT	DISCLOSURE OR LOCATION OF RELEVANT DISCLOSURE
1 Description of the Company	
(a) Investment strategy and objectives of the Company	Information on the investment strategy and objectives of the Company are outlined in paragraph 2 of Part 1 of this document.
(b) and (c) Information on whether the Company is a feeder or a fund of funds	Not applicable: The Company is not a feeder fund nor a fund of funds.
(d) Types of assets in which the Company may invest	The types of assets in which the Company may invest are outlined in paragraph 2 of Part 1 under the heading "Investment Policy".
(e) The investment techniques that the Company, or the Investment Manager on behalf of the Company, may employ and all associated risks	The investment techniques to be used by the Company are described in Part 2 of this document. The section entitled "Risk Factors" (pages 20 to 36 inclusive) of this document provides an overview of the risks involved in investing in the Company.
(f) Investment Restrictions	The investment restrictions applicable to the Company are set out in paragraph 2 of Part 1 of this document under the heading "Investment Restrictions".
(g) to (j) Use of leverage	The circumstances in which the Company may use leverage and the restrictions on the use of leverage are described in paragraph 2 of Part 1 under the heading "Borrowings". The Company may make use of a limited amount of hedging as described in paragraph 2 of Part 1 of this document under the heading "Hedging and Derivatives". The Company's borrowings will not exceed 30%. Of the Company's Net Asset Value, calculated at the time of draw down. Certain risks associated with the Company's use of leverage are described in the "Risk Factors" section of this document under the headings "Use of Borrowings" and "Hedging and Derivatives risks".

	<p>Pursuant to its regulatory obligations, the Investment Manager is required to express the level which the Company’s ‘leverage’ will not exceed. For the purposes of this disclosure leverage is any method by which a fund’s exposure is increased. A fund’s exposure may be increased by using derivatives, by reinvesting cash borrowings, through positions within repurchase or reverse repurchase agreements, through securities lending or securities borrowing arrangements, or by any other means (such increase referred to herein as the “Incremental Exposure”). The AIFM Directive prescribes two methods of measuring and expressing leverage, the “gross methodology” and the “commitment methodology” (as opposed to gearing) and requires disclosure of the maximum amount of ‘leverage’ the Company might be subject to. The definition of leverage is wider than that of gearing and includes exposures that are not considered to be gearing. The commitment methodology takes account of the hedging and netting arrangements employed by a fund at any given time (purchased and sold derivative positions will be netted where both relate to the same underlying asset). This calculation of exposure includes all Incremental Exposure as well as a fund’s own physical holdings; and cash. By contrast, the gross methodology does not take account of the netting or hedging arrangements employed by a company. This calculation of exposure includes all Incremental Exposure as well as the Company’s own physical holdings. Cash is excluded.</p> <p>Without prejudice to the foregoing, the Company has set a maximum leverage limit of 150x on a “commitment basis” and 300x on a “gross” basis.</p>
<p>2 Changes to Investment Objective and Approach</p>	<p>No material change will be made to the investment policy and investment restrictions without the approval of Shareholders by ordinary resolution and the approval of the UK Listing Authority. Any change to the investment policy or investment restrictions which does not amount to a material change to the investment policy may be made by the Company without the approval of Shareholders.</p>
<p>3 Main legal implications of investment in the Company</p>	<p>Investors will acquire shares in the Company, which is a closed-ended investment company limited by shares and established in England and Wales.</p> <p>While investors acquire an interest in the Company on subscribing for or purchasing Shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the shares held by them.</p> <p>Shareholders’ rights in respect of their investment in the Company are governed by the Articles and the Companies Act. Under English law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of association; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims; and derivative actions. In the event that a Shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult its own legal advisers.</p>

	<p><i>Jurisdiction and applicable law</i></p> <p>As noted above, Shareholders' rights are governed principally by the Articles and the Companies Act. By subscribing for Shares, investors agree to be bound by the Articles which are governed by, and construed in accordance with, the laws of England and Wales.</p> <p><i>Recognition and enforcement of foreign judgments</i></p> <p>Regulation (EC) 593/2008 ("Rome I") must be applied in all member states of the European Union (other than Denmark). Accordingly, where a matter comes before the courts of a relevant member state, the choice of a governing law in any given agreement is subject to the provisions of Rome I. Under Rome I, the member state's court may apply any rule of that member state's own law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that member state. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement.</p> <p>Shareholders should note that there are a number of legal instruments providing for the recognition and enforcement of foreign judgments in England. Depending on the nature and jurisdiction of the original judgment, Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims, the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters done at Lugano on 30 October 2007, the Administration of Justice Act 1920 and the Foreign Judgment (Reciprocal Enforcement) Act 1933 may apply. There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments listed above, although such judgments might be enforceable at common law.</p>
<p>4 Service Providers</p>	
<p>(a) The Investment Manager's duties</p>	<p>Pursuant to the Investment Management Agreement, the Company has appointed the Investment Manager, M&G Alternatives Investment Management Limited, to act as the Company's AIFM for the purposes of the AIFM Directive and accordingly the Investment Manager is responsible for providing discretionary portfolio management and risk management services to the Company.</p> <p>Further details of the Investment Management Agreement are set out in Part 8 of this document.</p>
<p>(b) Depository duties</p>	<p>The Depository, State Street Trustees Limited, has been appointed as depository to provide depository services to the Company, which will include safekeeping of the assets of the Company. The Depository is permitted to delegate (and authorise its delegates to sub-delegate) the safekeeping of the assets of the Company.</p>

<p>(c) Auditors and other service providers' duties</p>	<p><i>Administrator</i> Under the terms of the Administration Agreement, the Administrator, State Street Bank and Trust Company, shall provide the day-to-day administration of the Company and is also responsible for the Company's general administrative functions, such as the calculation and publication of the Net Asset Value and maintenance of the Company's accounting and statutory records.</p> <p><i>Company Secretary</i> The Company Secretary, Link Company Matters Limited, has been appointed as the company secretary of the Company to provide the company secretarial functions required by the Companies Act.</p> <p><i>Auditor</i> The Auditor, Deloitte LLP, provides audit services to the Company. The auditor's principal responsibilities are to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. The annual report and accounts will be prepared according to accounting standards laid out under UK GAAP.</p> <p><i>Registrar</i> The Registrar, Link Asset Services, has been appointed as registrar in relation to the transfer and settlement of Shares.</p>
<p>(d) Investors' rights</p>	<p>The Company is reliant on the performance of third party service providers, including the Investment Manager, the Administrator, the Company Secretary, the Depositary, the Auditors and the Registrar.</p> <p>Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.</p> <p>In the event that a Shareholder considers that it may have a claim against a third party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.</p> <p>The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of the Financial Services and Markets Act 2000 (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of the Financial Services and Markets Act 2000, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.</p> <p>Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolutions Complaints" rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints to the Financial Ombudsman Service ("FOS") (further details of which are available at www.fscs.org.uk). Additionally, Shareholders may be eligible for compensation under the Financial Services</p>

	<p>Compensation Scheme (“FSCS”) if they have claims against an FCA authorised service provider which is in default. There are limits on the amount of compensation.</p> <p>Further information about the FSCS is at www.fscs.org.uk. To determine eligibility in relation to either the FOS or the FSCS, Shareholders should consult the respective websites above and speak to their legal advisers.</p>
5 Professional liability risks	<p>The Investment Manager has effective internal operational risk management policies and procedures in order to appropriately identify, measure, manage and monitor operational risks, including professional liability risks, to which it is or could reasonably be exposed. These policies and procedures are subject to regular review and the operational risk management activities are performed independently as part of the risk management policy.</p> <p>The management of operational risk, through the risk and control self-assessment process, is aimed at identifying risks in existing processes and improving existing controls to reduce their likelihood of failure and the impact of losses. All risks and events are facilitated via the internal risk management system, which provides a platform to facilitate the convergence of governance, risk and compliance.</p> <p>The Investment Manager is required to cover professional liability risks, such as the risk of loss of documents evidencing title of assets to the Company, and complies with such requirement by maintaining an amount of its own funds in accordance with the AIFM Directive.</p>
6 Delegated Management Functions	<p>The Investment Manager has not delegated any of its functions.</p> <p>The Company has appointed the Administrator and the Company Secretary to perform certain administrative functions covering accounting, administration and company secretarial services.</p> <p>The Depositary has delegated safekeeping duties as set out in the AIFM Directive and the FCA Handbook to the Custodian, State Street Bank and Trust Company, with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as global sub-custodian.</p>
7 Valuation Procedure	<p>A description of the Company’s valuation procedures is outlined in paragraph 5 of Part 1 of this document.</p>
8 Liquidity Risk Management	<p>The Company is a closed-end listed investment company and, as such, Shareholders in the Company have no right to redeem their Shares.</p> <p>Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations (primarily, debt) of the Company as they fall due.</p> <p>In managing the Company’s assets therefore the Investment Manager seeks to ensure that the Company holds at all times sufficient assets to enable it to discharge its payment obligations.</p>

<p>9 Charges and Expenses</p>	<p>The costs and expenses of, and incidental to, the formation of the Company and the Initial Issue are not expected to exceed approximately £3 million, equivalent to 1.2% of the Initial Gross Proceeds, assuming Initial Gross Proceeds of £250 million. The costs will be deducted from the Initial Gross Proceeds. It is expected that the starting Net Asset Value per Ordinary Share will be 98.8 pence, assuming Initial Gross Proceeds of £250 million.</p> <p>All expenses incurred by any Intermediary are for its own account. 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.</p> <p>The costs and expenses of issuing Ordinary Shares pursuant to any Subsequent Placing will be covered by issuing such Ordinary Shares at the prevailing published Net Asset Value per Ordinary Share at the time of issue together with a premium to at least cover the costs and expenses of the relevant Subsequent Placing of Ordinary Shares (including, without limitation, any placing commissions).</p> <p>The costs and expenses of any issue of C Shares under the Placing Programme will be paid out of the gross proceeds of such issue and will be borne by holders of those C Shares only.</p> <p>The fees and expenses payable to the Investment Manager are described in paragraph 2.2 of Part 4 of this document.</p> <p>Ongoing fees, charges and expenses following Initial Admission are outlined in paragraph 4.3 of Part 4 of this document.</p>
<p>10 Fair Treatment</p>	<p>The Directors of the Company have certain statutory duties with which they must comply. These include a duty upon each Director to act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its Shareholders as a whole. As a company listed on the UKLA's Official List, the Company is required under the Premium Listing Principles to treat all Shareholders of a given class equally.</p> <p>The Investment Manager maintains a conflicts of interest policy to avoid and manage any conflicts of interest that may arise between the Investment Manager (and its affiliates) and the Company.</p> <p>The Shares of the same class rank <i>pari passu</i> with each other.</p>
<p>11 Preferential Rights</p>	<p>No investor has a right to obtain preferential treatment in relation to their investment in the Company. However, the Investment Manager may enter into arrangements with certain investors to rebate part of the management fee attributable to those investors' Ordinary Shares or C Shares, in each case without the prior approval of, or disclosure of the detail of those terms to, Shareholders. The types of investors who may benefit are investors making significant or strategic investments in the Ordinary Shares or C Shares.</p>
<p>12 Issue and Sale of Shares</p>	<p>The terms and conditions under which investors can subscribe for Ordinary Shares under the Initial Placing and Shares under Subsequent Placings are set out in Part 11 of this document.</p>

	<p>The terms and conditions and application form to subscribe for Ordinary Shares under the Offer for Subscription are set out in Part 12 and the Appendix of this document.</p> <p>Intermediaries are required to provide the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary.</p>
<p>13 Latest Net Asset Value of the Company or the latest market price of the shares of the Company, in accordance with Article 19 of the AIFM Directive</p>	<p>The Company has not yet published a Net Asset Value in accordance with Article 19 of the AIFM Directive.</p> <p>When published, Net Asset Value announcements can be found on both the Company's website: www.mandg.co.uk/creditincomeinvestmenttrust and the London Stock Exchange's website: www.londonstockexchange.com.</p>
<p>14 Latest annual report, in line with Article 22 of the AIFM Directive;</p>	<p>The Company has not yet published an annual report in line with Article 22 of the AIFM Directive.</p> <p>When published, annual reports can be found on the Company's website: www.mandg.co.uk/creditincomeinvestmenttrust.</p>
<p>15 Where available, the historical performance of the Company;</p>	<p>The Company has not yet published any annual or interim financial statements.</p> <p>When published, annual and interim financial statements can be found on the Company's website: www.mandg.co.uk/creditincomeinvestmenttrust.</p>
<p>16 Prime Brokerage</p>	<p>The Company does not intend to use prime brokers.</p>
<p>17 A description of how and when the information required under paragraphs 4 and 5 of Article 23 of the AIFM Directive will be disclosed</p>	<p>In order to meet the requirements of paragraphs 4 and 5 of Article 23 of the AIFM Directive, the Company intends to disclose annually in the Company's annual report (or in such manner as the Investment Manager and the Board consider appropriate):</p> <ol style="list-style-type: none"> (1) the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature if applicable; (2) any new arrangements for managing the liquidity of the Company; and (3) the current risk profile of the Company and the risk management systems employed by the Investment Manager to manage those risks. <p>Information will also be provided to investors regarding any changes to:</p> <ol style="list-style-type: none"> (1) the maximum level of leverage that the Investment Manager may employ on behalf of the Company; (2) any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and (3) the total amount of leverage employed by the Company.

PART 10

DEFINITIONS

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

Administration Agreement	the administration agreement between the Company and the Administrator, a summary of which is set out in paragraph 6.3 of Part 8 of this document
Administrator	State Street Bank and Trust Company
Admission	admission of any Shares pursuant to the Initial Issue or any Subsequent Placing (as the context may require): (i) to the premium segment of the Official List; and (ii) to trading on the premium segment of the London Stock Exchange's main market, becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
AIC	the Association of Investment Companies
AIC Code	the AIC Code of Corporate Governance published by the AIC from time to time
AIC Guide	the Guide to Investment Companies published by the AIC from time to time
AIF	an alternative investment fund
AIFM	an alternative investment fund manager within the meaning of the AIFM Directive
AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, as amended from time to time
AIFM Regulations	the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom (SI 2013/1773), as amended from time to time
AIFM Rules	the AIFM Directive and all applicable rules and regulations implementing the AIFM Directive in the UK, including, without limitation, the AIFM Regulations and all relevant provisions of the FCA Handbook
Application Form	the application form attached to this document for use in connection with the Offer for Subscription
Articles	the articles of association of the Company
Audit Committee	the audit committee of the Board
Auditor	Deloitte LLP
Benefit Plan Investor	(i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of section 4975 of the U.S. Tax Code (including an individual retirement account), (ii) an entity whose underlying assets include "plan assets" by reason of a Plan's investment in the entity, or (iii) any "benefit plan investor" as otherwise defined in section 3(42) of ERISA or regulations promulgated by the U.S. Department of Labor
Board	the board of Directors of the Company or any duly constituted committee thereof
Business Day	any day which is not a Saturday or Sunday or a bank holiday in the City of London

C Shares	C Shares of £0.10 each in the capital of the Company
Calculation Date	has the meaning given in paragraph 4.21 of Part 8 of this document
Capital gains tax or CGT	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
certificated or in certificated form	not in uncertificated form
City Code	the City Code on Takeovers and Mergers, as amended from time to time
Companies Act	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
Company	M&G Credit Income Investment Trust plc
Company Secretarial Agreement	the company secretarial agreement between the Company and Link Asset Services, a summary of which is set out in paragraph 6.5 of Part 8 of this document
Company Secretary	Link Company Matters Limited
Conversion	the conversion of C Shares into Ordinary Shares and Deferred Shares in accordance with the Articles and as described in paragraph 4.21 of Part 8 of this document
Conversion Date	has the meaning given in paragraph 4.21 of Part 8 of this document
Conversion Ratio	has the meaning given in paragraph 4.21 of Part 8 of this document
CRA Regulations	Regulations (EC) No. 1060/2008 on credit rating agencies, as amended from time to time
CREST	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
CTA 2009	Corporation Tax Act 2009 and any statutory modification or re-enactment thereof for the time being in force
CTA 2010	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
Custodian	State Street Bank and Trust Company
Debt Instruments	debt or debt-like instruments
Depository	State Street Trustees Limited
Depository Agreement	the agreement between the Company, the Investment Manager and the Depository, a summary of which is set out in paragraph 6.4 of Part 8 of this document
Directors	the directors from time to time of the Company and “ Director ” is to be construed accordingly
Disclosure Guidance and Transparency Rules	the disclosure guidance published by the Financial Conduct Authority and the transparency rules made by the Financial Conduct Authority under section 73A of FSMA, as amended from time to time
DVP	delivery versus payment
EEA	European Economic Area
ERISA	U.S. Employee Retirement Income Security Act of 1974, as amended
ESMA	the European Securities and Markets Authority
Euro or €	the lawful currency of the EU
Euroclear	Euroclear UK & Ireland Limited, being the operator of CREST

European Union or EU	the European Union first established by the treaty made at Maastricht on 7 February 1992
FATCA	the U.S. Foreign Account Tax Compliance Act of 2010, as amended from time to time
FCA	the Financial Conduct Authority or any successor authority
FCA Handbook	the FCA handbook of rules and guidance as amended from time to time
Federal Reserve Board	the board of governors of the Federal Reserve System
Fitch	Fitch Ratings Limited and any successor or successors thereto
FSMA	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
G7 Sovereign Instruments	a term used to refer to sovereign debt instruments issued by a nation in the Group of Seven (G7). The G7 nations are Canada, France, Germany, Italy, Japan, the United Kingdom and the United States
Gross Assets	the aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time-to-time
HMRC	Her Majesty's Revenue and Customs
Initial Admission	admission of the Ordinary Shares issued pursuant to the Initial Issue to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market
Initial Gross Proceeds	the gross proceeds of the Initial Issue
Initial Issue	the issue of Ordinary Shares pursuant to the Initial Placing, the Offer for Subscription and the Intermediaries Offer
Initial Placing	the conditional placing of Ordinary Shares by Winterflood Securities at the Issue Price as described in this document
Intermediaries	the entities listed in paragraph 13 of Part 8 of this document, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this document and " Intermediary " shall mean any one of them
Intermediaries Booklet	the booklet entitled "M&G Credit Income Investment Trust plc: Intermediaries Offer – Information for Intermediaries" and containing, among other things, the Intermediaries Terms and Conditions
Intermediaries Offer	the offer of Ordinary Shares by the Intermediaries to retail investors
Intermediaries Terms and Conditions	the terms and conditions agreed between Winterflood, the Company, the Investment Manager and the Intermediaries in relation to the Intermediaries Offer and contained in the Intermediaries Booklet
Investment Management Agreement	the investment management agreement between the Company and the Investment Manager, a summary of which is set out in paragraph 6.2 of Part 8 of this document
Investment Manager	M&G Alternatives Investment Management Limited
ISA	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)
ISIN	International Securities Identification Number
Issue Price	100 pence per Ordinary Share

Key Information Document	the key information document relating to the Ordinary Shares or the C Shares as the case may be produced pursuant to the PRIIPs Regulation, as amended and updated from time to time
LIBOR	the Sterling 3 month London Interbank Offered Rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate)
Link Asset Services	a trading name of Link Market Services Limited
Listing Rules	the listing rules made by the FCA under section 73A of FSMA, as amended from time to time
London Stock Exchange	London Stock Exchange plc
M&G	those business units within Prudential and its affiliates which render asset management services under the brand “M&G”, or any successor to that brand
M&G Affiliate	an entity which is a subsidiary or an affiliate of Prudential and which forms part of M&G, provided that any Shareholder or other person (i) which (or any beneficial owner of which) is a client of M&G, (ii) which is an investment vehicle through which any client of M&G indirectly invests in the Company and that vehicle is managed or advised by M&G, or (iii) a retirement or pension fund sponsored or associated with Prudential, will not in any case be an M&G Affiliate
M&G Entity	the Investment Manager or any affiliate of the Investment Manager
Management Engagement Committee	the management engagement committee of the Board
Management Shares	redeemable shares of £1.00 each in the capital of the Company
Market Abuse Regulation or MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended from time to time
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“ MiFID ”) and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (“ MiFIR ”, and together with MiFID, “ MiFID II ”), as amended from time to time
Minimum Gross Proceeds	the minimum gross proceeds of the Initial Issue, being £100 million
Minimum Net Proceeds	the Minimum Gross Proceeds less the costs and expenses of the Initial Issue
Money Laundering Directive	the Council Directive on prevention of the use of the financial system for the purposes of money laundering or terrorist financing (EU/2015/849) as amended by the Money Laundering Directive (EU) 2018/843 of the European Parliament and of the Council of the Europe Union of 9 July 2018 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing
Money Laundering Regulations	the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended from time to time
Moody’s	Moody’s Investors Service Limited and any successor or successors thereto

Net Asset Value	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time
Net Asset Value per C Share	at any time the Net Asset Value attributable to any tranche of C Shares divided by the number of C Shares of the relevant tranche in issue (other than C Shares of the relevant tranche held in treasury) at the date of calculation
Net Asset Value per Ordinary Share	at any time the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury) at the date of calculation
Net Proceeds	the proceeds of the Initial Issue, after deduction of costs and expenses
Nomination Committee	the nomination committee of the Board
Offer for Subscription	the offer for subscription of Ordinary Shares at the Issue Price on the terms set out in this document
Official List	the official list maintained by the UKLA pursuant to Part VI of FSMA
Ordinary Shares	ordinary shares of one penny each in the capital of the Company and “ Ordinary Share ” shall be construed accordingly
Overseas Persons	a potential investor who is not resident in, or who is not a citizen of, the UK
Placee	any person who agrees to subscribe for Shares pursuant to the Initial Placing and/or any Subsequent Placing
Placing and Offer Agreement	the conditional placing, offer and placing programme agreement between the Company, the Directors, the Investment Manager and Winterflood Securities, a summary of which is set out in paragraph 6.1 of Part 8 of this document
Placing Programme	the proposed programme of placing of Shares incorporating any Subsequent Placings as described in this document
Placing Programme Price	the price at which Shares will be issued to Placees pursuant to a Subsequent Placing under the Placing Programme, as set out in Part 6 of this document
Plan Asset Regulations	the U.S. Department of Labor Regulations, 29 C.F.R. 2510.3-101, as and to the extent modified by section 3(42) of ERISA
PRIPs Regulation	Regulation EU No.1286/2014 on key information documents for packaged retail and insurance-based investment products, as amended from time to time
Prospectus Directive	Directive 2003/71/EC (and the amendments thereto and related regulation, including Directive 2010/73/EU, to the extent implemented in a Relevant Member State
Prospectus Regulation 2017	Regulation (EU) No. 2017/1129
Prospectus Rules	the prospectus rules made by the FCA under section 73A of FSMA, as amended from time to time
Prudential	Prudential PLC
Receiving Agent	Link Asset Services, a trading name of Link Market Services Limited
Receiving Agent Agreement	the receiving agent agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 6.7 of Part 8 of this document
Register	the register of Shareholders of the Company
Registrar	Link Asset Services, a trading name of Link Market Services Limited

Registrar Agreement	the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 6.6 of Part 8 of this document
Regulation S	Regulation S promulgated under the U.S. Securities Act, as amended from time to time
Regulatory Information Service	a service authorised by the UKLA to release regulatory announcements to the London Stock Exchange
Relevant Member State	a member state of the EEA which has implemented the Prospectus Directive
S&P	Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. and any successor or successors thereto
SEDOL	the Stock Exchange Daily Official List
Shareholder	a holder of Shares
Shares	Ordinary Shares and/or C Shares (as the context may require)
Similar Law	any U.S. federal, state, local or foreign law that is similar to section 406 of ERISA or section 4975 of the U.S. Tax Code
SIPP	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK
SSAS	a small self-administered scheme as defined in Regulation 2 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 of the UK
Sterling or GBP or £ or pence	the lawful currency of the United Kingdom
Subsequent Placing	any placing of Shares pursuant to the Placing Programme described in this document
Target Market Assessment	has the meaning defined on page 39 of this document
Terms and Conditions of Application	the terms and conditions to which subscriptions under the Offer for Subscription are subject as set out in Part 12 of this document
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended from time to time
U.S. Person	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended from time to time
U.S. Tax Code	the US Internal Revenue Code of 1986, as amended from time to time
UCITS	undertakings for collective investments in transferable securities
UK Corporate Governance Code	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
UK GAAP	Generally Accepted Accounting Practice in the UK
UKLA or UK Listing Authority	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
uncertificated or in uncertificated form	a Share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States of America, United States or U.S.	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

USD or U.S.\$

the lawful currency of the United States of America

VAT

value added tax

Winterflood Securities

Winterflood Securities Limited

PART 11

TERMS AND CONDITIONS OF INITIAL PLACING AND PLACING PROGRAMME

1. INTRODUCTION

- 1.1 Each Placee which confirms its agreement (whether orally or in writing) to Winterflood Securities to subscribe for Shares under either the Initial Placing or any Subsequent Placing will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 Winterflood Securities may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and may require any such Placee to execute a separate placing letter.

2. AGREEMENT TO SUBSCRIBE FOR SHARES

- 2.1 Conditional on, amongst other things: (i) in respect of the Initial Placing only, Initial Admission occurring and becoming effective by 8.00 a.m. on or prior to 14 November 2018 (or such later time and/or date, not being later than 28 February 2019, as specified by Winterflood Securities); (ii) in respect of a Subsequent Placing only, Admission of the Shares issued pursuant to the relevant Subsequent Placing occurring and becoming effective by 8.00 a.m. on or prior to the date agreed by the Company and Winterflood Securities in respect of that Subsequent Placing, not being later than 25 September 2019; (iii) in the case of the Initial Placing, the Minimum Gross Proceeds (or such lesser amount as the Company and Winterflood Securities may agree) being raised; (iv) the Placing and Offer Agreement becoming otherwise unconditional in all respects in respect of the Initial Placing or the relevant Subsequent Placing, as applicable and, not having been terminated on or before the date of the Initial Placing or the relevant Subsequent Placing; and (v) Winterflood Securities confirming to the Placees their allocation of Shares, a Placee agrees to become a Shareholder of the Company and agrees to subscribe for those Shares allocated to it by Winterflood Securities at the Issue Price or applicable Placing Programme Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.
- 2.2 Applications under the Initial Placing and any Subsequent Placing must be for a minimum subscription amount of £1,000.
- 2.3 Any commitment to acquire Shares under the Initial Placing and/or any Subsequent Placing agreed orally with Winterflood Securities, as agent for the Company, will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and Winterflood Securities, to subscribe for the number of Shares allocated to it on the terms and subject to the conditions set out in this Part 11 and in a contract note (the “**Contract Note**”) and in accordance with the Articles. Except with the consent of Winterflood Securities, such oral commitment will not be capable of variation or revocation after the time at which it is made.
- 2.4 Each Placee’s allocation of Shares under the Initial Placing and/or any Subsequent Placing will be evidenced by a Contract Note confirming: (i) the number of Shares that such Placee has agreed to acquire; (ii) the aggregate amount that such Placee will be required to pay for such Shares; and (iii) settlement instructions to pay Winterflood Securities, as agent for the Company. The provisions as set out in this Part 11 will be deemed to be incorporated into that Contract Note.
- 2.5 If the Minimum Gross Proceeds (or such lesser amount as the Company and Winterflood Securities may agree) are not raised, the Initial Placing will lapse and all proceeds will be returned to Placees without interest and at the Placee’s risk.

3. PAYMENT FOR SHARES

- 3.1 Each Placee undertakes to pay the Issue Price or Placing Programme Price (as applicable) for the Shares issued to the Placee in the manner and by the time directed by Winterflood Securities. In the event of any failure by any Placee to pay as so directed and/or by the time required by Winterflood Securities, the relevant Placee’s application for Shares may, at the discretion of Winterflood Securities, either be accepted or rejected and, in the former case, paragraph 3.2 below shall apply.

- 3.2 Each Placee is deemed to agree that if it does not comply with its obligation to pay the relevant Issue Price or Placing Programme Price for the Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and Winterflood Securities elects to accept that Placee's application, Winterflood Securities may sell all or any of the Shares allocated to the Placee on such Placee's behalf and retain from the proceeds an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Shares on such Placee's behalf.
- 3.3 Settlement of transactions in the Shares following Initial Admission will take place in CREST but Winterflood Securities 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 otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

4. REPRESENTATIONS AND WARRANTIES

By agreeing to subscribe for Shares under either the Initial Placing or a Subsequent Placing, each Placee which enters into a commitment to subscribe for Shares will (for itself and for any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to undertake, represent and warrant to each of the Company, Winterflood Securities, the Investment Manager and the Registrar that:

- 4.1 in agreeing to subscribe for Shares under the Initial Placing or a Subsequent Placing, 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 Shares, the Initial Placing or any Subsequent Placing, including without limitation, the Key Information Document(s). It agrees that none of the Company, Winterflood Securities, the Investment Manager or the Registrar, nor any of their respective officers, agents, employees or affiliates, 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 Shares under the Initial Placing or a Subsequent Placing, 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, Winterflood Securities, the Investment Manager or the Registrar or any of their respective officers, agents, employees or affiliates 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 any Subsequent Placing;
- 4.3 it has carefully read and understands this document in its entirety and acknowledges that it is acquiring Shares on the terms and subject to the conditions set out in this Part 11 and in the Contract Note and the Articles as in force at the date of Initial Admission or the Subsequent Placing (as applicable);
- 4.4 the price payable per Share is payable to Winterflood Securities on behalf of the Company in accordance with the terms of these terms and conditions and in the Contract Note;
- 4.5 it has the funds available to pay for in full the Shares for which it has agreed to subscribe and it will pay the total subscription amount in accordance with the terms set out in these terms and conditions and as set out in the Contract Note on the due time and date;
- 4.6 it has not relied on Winterflood Securities or any person affiliated with Winterflood Securities in connection with any investigation of the accuracy of any information contained in this document;
- 4.7 it acknowledges that the content of this document is exclusively the responsibility of the Company, the Directors and the Investment Manager and neither Winterflood Securities nor any person acting on its behalf nor any of its 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 or any Subsequent Placing based on any information, representation or statement contained in this document or otherwise;

- 4.8 it acknowledges that no person is authorised in connection with the Initial Placing or any Subsequent Placing to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by Winterflood Securities, the Company or the Investment Manager;
- 4.9 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 (depository receipts and clearance services) of the Finance Act 1986;
- 4.10 it accepts that none of the Shares have been or will be registered under the securities laws, or with any securities regulatory authority of, the United States, any member state of the EEA other than the United Kingdom, Australia, Canada, the Republic of South Africa or Japan (each a "**Restricted Jurisdiction**"). Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Restricted Jurisdiction unless an exemption from any registration requirement is available;
- 4.11 if it is within the United Kingdom, it is (a) a person who falls within (i) Articles 49(2)(A) to (D) or (ii) Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "**Order**") or is a person to whom the Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Shares may be lawfully offered under that other jurisdiction's laws and regulations and (b) a qualified investor (as such term is defined in section 86(7) of FSMA);
- 4.12 if it is a resident in the EEA (other than the United Kingdom), it is (a) a qualified investor within the meaning of the law in the Relevant Member State implementing Article 2(1)(i), (ii) or (iii) of the Prospectus Directive and (b) if the Relevant Member State has implemented the AIFMD, that it is a person to whom the Shares may lawfully be marketed to under the applicable implementing legislation (if any) of the Relevant Member State;
- 4.13 in the case of any Shares acquired by an investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, (i) the Shares acquired by it in the Initial Placing and/or Subsequent Placings 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 Winterflood Securities has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- 4.14 if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Initial Placing or any Subsequent Placing (for the purposes of this Part 11, 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 Shares pursuant to the Initial Placing or any Subsequent Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.15 it does not have a registered address in, and is not a citizen, resident or national of a Restricted Jurisdiction or any jurisdiction in which it is unlawful to make or accept an offer of the Shares and it is not acting on a non-discretionary basis for any such person;
- 4.16 if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Shares under the Initial Placing or relevant Subsequent Placing;

- 4.17 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no Placing Document is being issued by Winterflood Securities in its capacity as an authorised person under section 21 of FSMA and such documents may not therefore be subject to the controls which would apply if they were made or approved a financial promotion by an authorised person;
- 4.18 it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving, the United Kingdom;
- 4.19 it is aware of the provisions of the Criminal Justice Act 1993 regarding insider dealing and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with any obligations imposed by such statutes;
- 4.20 unless it is otherwise expressly agreed with the Company and Winterflood Securities in the terms of any particular placing, it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other Placing Document to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 4.21 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;
- 4.22 no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Shares or possession of the Prospectus (and any supplementary prospectus issued by the Company), in any country or jurisdiction where action for that purpose is required;
- 4.23 it acknowledges that neither Winterflood Securities nor any of its respective affiliates nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing or any Subsequent Placing or providing any advice in relation to the Initial Placing or any Subsequent Placing and participation in the Initial Placing or any relevant Subsequent Placing is on the basis that it is not and will not be a client of Winterflood Securities and that Winterflood Securities does not have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Initial Placing or any Subsequent Placing (as applicable);
- 4.24 that, save in the event of fraud on the part of Winterflood Securities, none of Winterflood Securities, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees, shall be responsible or liable to a Placee or any of its clients for any matter arising out of Winterflood Securities' role as sponsor, financial adviser and bookrunner or otherwise in connection with the Initial Placing or any Subsequent Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- 4.25 it acknowledges that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the 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 or relevant Subsequent Placing (as applicable) in the form provided by the Company and/or Winterflood Securities. It agrees that the provision of this paragraph shall survive any resale of the Shares by or on behalf of any such account;
- 4.26 it irrevocably appoints any Director and any director of Winterflood Securities 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 Shares for which it has given a commitment under the Initial Placing or any Subsequent Placing (as applicable), in the event of its own failure to do so;

- 4.27 it accepts that if the Initial Placing or relevant Subsequent Placing does not proceed or the relevant conditions to the Placing and Offer Agreement are not satisfied as regards the relevant placing or the Shares for which valid applications are received and accepted are not admitted to trading on the London Stock Exchange's main market for any reason whatsoever, then none of Winterflood Securities or the Company or the Investment Manager, 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;
- 4.28 in connection with its participation in the Initial Placing or relevant Subsequent Placing (as applicable) it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations; or (ii) subject to the Money Laundering Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); 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;
- 4.29 it acknowledges that due to anti-money laundering requirements, Winterflood Securities, the Administrator, the Registrar and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Winterflood Securities and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify Winterflood Securities and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;
- 4.30 that it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- 4.31 if it is acting as a "distributor" (for the purposes of MiFID II Product Governance Requirements):
- 4.31.1 it acknowledges that the Target Market Assessment undertaken by the Investment Manager and Winterflood Securities does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares and each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels;
- 4.31.2 notwithstanding any Target Market Assessment undertaken by the Investment Manager and Winterflood Securities, it confirms that, other than where it is a providing an execution-only service to investors, it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Shares and that it has considered the compatibility of the risk/reward profile of such Shares with the end target market; and
- 4.31.3 it acknowledges that the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom;
- 4.32 Winterflood Securities and the Company are entitled to exercise any of their rights under the Placing and Offer Agreement or any other right in their absolute discretion without any liability whatsoever to it;

- 4.33 the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Winterflood Securities 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 Shares are no longer accurate, it shall promptly notify Winterflood Securities and the Company;
- 4.34 where it or any person acting on behalf of it is dealing with Winterflood Securities, any money held in an account with Winterflood Securities 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 Winterflood Securities to segregate such money, as that money will be held by Winterflood Securities under a banking relationship and not as trustee;
- 4.35 any of its clients, whether or not identified to Winterflood Securities, will remain its sole responsibility and will not become clients of Winterflood Securities for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.36 it accepts that the allocation of Shares shall be determined by Winterflood Securities, in its absolute discretion (following consultation with the Company and the Investment Manager) and that it may scale down any Initial Placing or Subsequent Placing commitments for this purpose on such basis as it may determine;
- 4.37 time shall be of the essence as regards its obligations to settle payment for the Shares and to comply with its other obligations under the Initial Placing or relevant Subsequent Placing (as applicable);
- 4.38 it authorises Winterflood Securities to deduct from the total amount subscribed under the Initial Placing or relevant Subsequent Placing (as applicable) the aggregation commission (if any) payable on the number of Shares allocated under the Initial Placing or relevant Subsequent Placing;
- 4.39 in the event that a supplementary prospectus is required to be produced pursuant to section 87G FSMA and in the event that it chooses to exercise any right of withdrawal pursuant to section 87(Q)(4) FSMA, such Placee will immediately re-subscribe for the Shares previously comprising its placing commitment;
- 4.40 the commitment to subscribe for Shares on the terms set out in these terms and conditions will continue notwithstanding any amendment that may in the future be made to the terms of the Initial Placing or to any Subsequent Placing and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of the Initial Placing and/or any Subsequent Placing; and
- 4.41 it is capable of being categorised as a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook.

5. UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS

Unless it is otherwise expressly agreed with the Company and Winterflood Securities in the terms of any particular placing, by participating in the Initial Placing and/or a Subsequent Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, Winterflood Securities, the Investment Manager and the Registrar that:

- 5.1 it is not a U.S. Person, is not located within the United States, is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S and is not acquiring the Shares for the account or benefit of a U.S. Person;
- 5.2 it acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or an exemption from registration under the U.S. Securities Act;

- 5.3 it acknowledges that the Company has not registered under the U.S. Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;
- 5.4 unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Part 4 of subtitle B of fiduciary responsibility or prohibited transaction Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account, that is subject to Section 4975 of the U.S. Tax Code; or (iii) an entity whose underlying assets include the assets of any such “employee benefit plan” or “plans” by reason of ERISA or the Plan Assets Regulation, or otherwise (including certain insurance company general accounts) for the purposes of Section 4.6 of ERISA or Section 4975 of the U.S. Tax Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or Section 4975 of the U.S. Tax Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- 5.5 that if any 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:
- “M&G CREDIT INCOME INVESTMENT TRUST PLC (THE “**COMPANY**”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS. FURTHER, NO PURCHASE, SALE OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE UNLESS SUCH PURCHASE, SALE OR TRANSFER WILL NOT RESULT IN THE ASSETS OF THE COMPANY CONSTITUTING “PLAN ASSETS” WITHIN THE MEANING OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) OR THE PLAN ASSETS REGULATION;”
- 5.6 if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which: (a) will not require the Company to register under the U.S. Investment Company Act; and (b) will not result in the assets of the Company constituting “plan assets” within the meaning of ERISA or the Plan Assets Regulation;
- 5.7 it is purchasing the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;
- 5.8 it acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person’s status under the U.S. federal securities laws and to require any such person that has not satisfied the Company that the holding of Shares by such person will not violate or require registration under the U.S. securities laws to transfer such Shares or interests in accordance with the Articles;

- 5.9 it is entitled to acquire the 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 Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, Winterflood Securities, the Investment Manager or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with its acceptance of participation in the Initial Placing and/or any relevant Subsequent Placing (as applicable);
- 5.10 it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Shares to or within the United States or to any U.S. Persons, nor will it do any of the foregoing; and
- 5.11 if it is acquiring any Shares as a fiduciary or agent for one or more accounts, it 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, Winterflood Securities, the Investment Manager 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 investor are no longer accurate or have not been complied with, the investor must immediately notify the Company.

6. SUPPLY OF INFORMATION

If Winterflood Securities, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Shares under the Initial Placing and/or any Subsequent Placing, such Placee must promptly disclose it to them.

7. MONEY LAUNDERING

Each Placee acknowledges and agrees that:

- 7.1 in connection with its participation in the Initial Placing or Subsequent Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering ("**Money Laundering Legislation**") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations in force in the United Kingdom; or (ii) subject to 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;
- 7.2 due to anti-money laundering requirements, Winterflood Securities and the Company and/or their agents 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, Winterflood Securities, the Company and/or their agents may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Winterflood Securities, the Company and/or their agents 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 or has not been provided on a timely basis.

8. DATA PROTECTION

- 8.1 Each Placee acknowledges that it has been informed that, pursuant to the General Data Protection Regulation 2016/679 (the "**DP Legislation**") the Company and/or the Registrar will following Initial Admission, hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data will be retained on record for a period exceeding seven years after it is no longer used (subject to any limitations on retention

periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company's privacy notice (the "**Purposes**") which is available for consultation on the Company's website at www.mandg.co.uk/creditincomeinvestmenttrust (the "**Privacy Notice**") which include to:

- 8.1.1 process its personal data to the extent and in such manner as is necessary for the performance of its obligations under its respective service contracts, including as required by or in connection with the Placee's holding of Ordinary Shares and/or C Shares, including processing personal data in connection with credit and anti-money laundering checks on it;
 - 8.1.2 communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares and/or C Shares;
 - 8.1.3 comply with the legal and regulatory obligations of the Company and/or the Registrar; and
 - 8.1.4 process its personal data for the Registrar's internal administration.
- 8.2 Where necessary to fulfil the Purposes, the Company will disclose personal data to:
- 8.2.1 third parties located either within, or outside of the EEA, if necessary for the Registrar to perform its functions, or when it is within its legitimate interests, and in particular in connection with the holding of Ordinary Shares and/or C Shares; or
 - 8.2.2 its affiliates, the Registrar or the Investment Manager and their respective associates, some of which may be located outside the EEA.
- 8.3 Any sharing of personal data between parties will be carried out in compliance with the DP Legislation and as set out in the Company's Privacy Notice.
- 8.4 By becoming registered as a holder of Ordinary Shares and/or C Shares a person becomes a data subject (as defined under DP Legislation). In providing the Registrar with information, the Placee hereby represents and warrants to the Company, the Registrar and the Administrator that: (i) it complies in all material aspects with its data controller obligations under DP Legislation, and in particular, it has notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company's Privacy Notice; and (ii) where consent is legally competent and/or required under DP Legislation the Placee has obtained the consent of any data subject to the Company and Registrar and their respective affiliates and group companies, holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes).
- 8.5 Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is a natural person he or she has read and understood the terms of the Company's Privacy Notice.
- 8.6 Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is not a natural person it represents and warrants that:
- 8.6.1 it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the Placee may act or whose personal data will be disclosed to the Company as a result of the Placee agreeing to subscribe for Ordinary Shares and/or C Shares; and
 - 8.6.2 the Placee has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.
- 8.7 Where the Placee acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Placing:
- 8.7.1 comply with all applicable data protection legislation;
 - 8.7.2 take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;

8.7.3 if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and

8.7.4 it shall immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the Placee to comply with the provisions set out above.

9. MISCELLANEOUS

9.1 The rights and remedies of the Company, Winterflood Securities, the Investment Manager 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.

9.2 On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. 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 any Subsequent Placings will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

9.3 Each Placee agrees to be bound by the Articles once the Shares, which the Placee has agreed to subscribe for pursuant to the Initial Placing and/or the relevant Subsequent Placing, have been acquired by the Placee. The contract to subscribe for Shares under the Initial Placing or relevant Subsequent Placing (as applicable) 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 Winterflood Securities, the Company 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.

9.4 In the case of a joint agreement to subscribe for Shares under the Initial Placing or a Subsequent Placing, 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.

9.5 Winterflood Securities and the Company expressly reserve the right to modify the Initial Placing and/or any Subsequent Placing (including, without limitation, their timetable and settlement) at any time before allocations are determined. The Initial Placing and each Subsequent Placing is subject to the satisfaction of the conditions contained in the Placing and Offer Agreement and the Placing and Offer Agreement not having been terminated. Further details of the terms of the Placing and Offer Agreement are contained in paragraph 6.1 of Part 8 of this document.

PART 12

TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

1. INTRODUCTION

Ordinary Shares are available under the Offer for Subscription at a price of 100 pence per Ordinary Share.

Applications must be made on the Application Form attached at the end of this document or otherwise published by the Company.

In addition to completing and returning the Application Form to Link Asset Services, you will also need to complete and return a Tax Residency Self Certification Form. The “individual tax residency self-certification – sole holding” form can be found at Appendix 2 of this document, further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

It is a condition of any Application under the Offer for Subscription that a completed version of the relevant form is provided with the Application Form before any application under the Offer for Subscription can be accepted. Offer for Subscription Application Forms that are returned without the completed Tax Residency Self-Certification Form will be referred to the Company after the Offer for Subscription closes at 1.00 p.m. on 7 November 2018. It will then be the Company’s decision if these Application Forms can be accepted under the Offer for Subscription.

2. EFFECT OF APPLICATION

Applications under the Offer for Subscription must be for Ordinary Shares with a minimum subscription amount of £1,000. Multiple applications will be accepted.

3. OFFER TO ACQUIRE ORDINARY SHARES

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

- 3.1 offer to subscribe for such number of Ordinary Shares at 100 pence per Ordinary Share as may be purchased by the subscription amount specified in Box 1B on your Application Form (being a minimum of 1,000 Ordinary Shares); or such smaller number for which such application is accepted, on the terms, and subject to the conditions, set out in this document, including these Terms and Conditions of Application and the Articles;
- 3.2 agree that, in consideration of the Company agreeing that it will not, prior to the date of Initial Admission, offer for subscription any Ordinary Shares to any person other than by means of the procedures referred to in this document, your application may not be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplementary prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by, the Receiving Agent of your Application Form;
- 3.3 undertake to pay the subscription amount specified in Box 1B on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Ordinary Shares applied for in certificated form or be entitled to commence dealing in Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights 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 Receiving Agent, the Company and Winterflood Securities against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the

failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Ordinary Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque drawn on a branch of a UK clearing bank to the bank account name from which they were received at your risk or direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);

- 3.4 agree, that where on your Application Form a request is made for Ordinary Shares to be deposited into a CREST account (a "**CREST Account**"), (i) the Receiving Agent may in its absolute discretion amend the Application Form so that such Ordinary Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds) and (ii) the Receiving Agent, the Company or Winterflood Securities may authorise your financial adviser or whoever he or she may direct to send a document of title for, or credit your CREST Account in respect of, the number of Ordinary Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;
- 3.5 agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 3.4 above to issue Ordinary Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 3.4 above (and any monies returnable to you) may be retained by the Receiving Agent:
- pending clearance of your remittance;
 - pending investigation of any suspected breach of the warranties contained in paragraphs 7.2, 7.6, 7.13, 7.14 or 7.15 below or any other suspected breach of these Terms and Conditions of Application; or
 - pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the Money Laundering Regulations and any other regulations applicable thereto,
- and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- 3.6 agree, on the request of the Receiving Agent to disclose promptly in writing to them such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- 3.7 agree that if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request therefor, the Receiving Agent or the Company may terminate the agreement with you to allot Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account name from which they were first received, at your risk and without interest of any proceeds of the payment accompanying the application at your risk or direct to the bank account of the bank or building society on which the relevant cheque or banker's draft was drawn;
- 3.8 agree that you are not applying on behalf of a person engaged in money laundering;
- 3.9 undertake to ensure that, in the case of an application signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- 3.10 undertake to pay interest at the rate described in paragraph 4 below if the remittance accompanying your Application Form is not honoured on first presentation;

- 3.11 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Ordinary Shares for which your application is accepted or if you have completed section 2B on your Application Form, but subject to paragraph 3.4 above, to deliver the number of Ordinary Shares for which your application is accepted into CREST, and/or to return any monies returnable without payment of interest (at the applicant's risk) either as a cheque by first class post to the address completed in Section 4 on the Application Form or to the agent whose name is completed in Section 6 on your Application Form or return funds direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn;
- 3.12 confirm that you have read and complied with paragraph 9 below;
- 3.13 agree that all subscription cheques and payments will be processed through a bank account (the "**Acceptance Account**") in the name of "**Link Market Services Limited re: M&G Credit Income Investment Trust plc – OFS Acceptance a/c**" opened by the Receiving Agent;
- 3.14 agree that your Application Form is addressed to the Company and the Receiving Agent;
- 3.15 agree that your application must be for a whole number of Ordinary Shares and the number of Ordinary Shares issued to you will be rounded down to the nearest whole number;
- 3.16 acknowledge that the offer to the public of Ordinary Shares is being made only in the United Kingdom and represent that you are a United Kingdom resident (unless you are able to provide such evidence as the Company may, in its absolute discretion, require that you are entitled to apply for Ordinary Shares); and
- 3.17 agree that any application may be rejected in whole or in part at the sole discretion of the Company.

4. ACCEPTANCE OF YOUR OFFER

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

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

The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payments.

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

Except as provided below, payments may be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual Applicant where they have sole

or joint title to the funds, should be made payable to “**Link Market Services Limited re: M&G Credit Income Investment Trust plc – OFS Acceptance 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/endorsing the cheque or banker’s draft to that effect or have provided a supporting letter confirming the source of funds. The account name should be the same as that shown on the Application Form.

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by no later than 1.00 p.m. on 7 November 2018. Applicants should send payment to the bank account as detailed on the Application Form. Applicants must ensure that they remit sufficient funds to cover any charges incurred by their bank.

The payment instruction relating to the electronic transfer must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example: MJ Smith 01234 567890. The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying Application Form.

Applicants choosing to settle via CREST, that is DVP, will need to match their instructions to Link Asset Service’s Participant Account RA06, Member Account 29728MAG by no later than 1.00 p.m. on 14 November 2018, allowing for the delivery and acceptance of the Ordinary Shares to be made against payment of the Issue Price per Ordinary Share, following the CREST matching criteria set out in the Application Form.

5. CONDITIONS

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

- (a) Initial Admission occurring by 8.00 a.m. (London time) on 14 November 2018 or such later time or date as the Company and Winterflood Securities may agree (being not later than 8.00 a.m. on 28 February 2019);
- (b) the Placing and Offer Agreement becoming otherwise unconditional (save as to Initial Admission) and not being terminated in accordance with its terms at any time before Initial Admission; and
- (c) the Minimum Gross Proceeds (or such lesser amount as the Company and Winterflood Securities may agree) being raised.

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

6. RETURN OF APPLICATION MONIES

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest (at the applicants’ risk) either by first class post as a cheque to the address set out on the Application Form or returned direct to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

7. WARRANTIES

By completing an Application Form, you:

- 7.1 undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;

- 7.2 warrant, if the laws of any territory or jurisdiction outside the UK are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, the Investment Manager, Winterflood Securities or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer for Subscription in respect of your application;
- 7.3 confirm that (save for advice received from your financial adviser (if any)) in making an application you are not relying on any information or representations in relation to the Company other than those contained in this document (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such other information or representation;
- 7.4 agree that, having had the opportunity to read this document and the Key Information Document relating to the Ordinary Shares each in its entirety, you shall be deemed to have had notice of all information and representations contained in this document and the Key Information Document relating to the Ordinary Shares;
- 7.5 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 this document and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Manager, Winterflood Securities or the Receiving Agent;
- 7.6 warrant that you are not under the age of 18 on the date of your application;
- 7.7 agree that all documents and monies sent by post to, by, from or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first named holder) as set out in your Application Form;
- 7.8 confirm that you have reviewed the restrictions contained in paragraph 9 below and warrant that you (and any person on whose behalf you apply) comply with the provisions therein;
- 7.9 agree that, in respect of those Ordinary Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the Register;
- 7.10 agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 7.11 irrevocably authorise the Company, Winterflood Securities or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or Winterflood Securities and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;
- 7.12 agree to provide the Company with any information which it, Winterflood Securities or the Receiving Agent may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time-to-time) including, without limitation, satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations;
- 7.13 warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the

Company, the Investment Manager, Winterflood Securities or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application;

- 7.14 represent and warrant to the Company that; (i) you are not a U.S. Person, are not located within the United States and are not acquiring the Ordinary Shares for the account or benefit of a U.S. Person; (ii) you are acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S; (iii) you understand and acknowledge that the Ordinary Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. Persons; and (iv) you understand and acknowledge that the Company has not registered and will not register as an investment company under the U.S. Investment Company Act;
- 7.15 represent and warrant to the Company that if in the future you decide to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares, you will do so only (i) in an offshore transaction complying with the provisions of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person, by pre-arrangement or otherwise, or (ii) to the Company or a subsidiary thereof. You understand and acknowledge that any sale, transfer, assignment, pledge or other disposal made other than in compliance with the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- 7.16 agree that Winterflood Securities and the Receiving Agent are acting for the Company in connection with the Offer for Subscription and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or be responsible to you for the protections afforded to their customers;
- 7.17 warrant that you are not subscribing for the Ordinary Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the Ordinary Shares;
- 7.18 warrant that the information contained in the Application Form is true and accurate; and
- 7.19 agree that if you request that Ordinary Shares are issued to you on a date other than Initial Admission and such Ordinary Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Ordinary Shares on a different date.

8. MONEY LAUNDERING

You agree that, in order to ensure compliance with the Money Laundering Regulations, the Proceeds of Crime Act 2002 and any other applicable regulations, the Receiving Agent may at its absolute discretion require verification of identity of you (the “**holder(s)**”) as the applicant lodging an Application Form and further may request from you and you will assist in providing identification of:

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

Any delay or failure to provide the necessary evidence of identity may result in your application being rejected or delays in crediting CREST accounts or the despatch of documents.

Without prejudice to the generality of this paragraph 8, verification of the identity of holders and payors will be required if the value of the Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (or the Sterling equivalent). If you use a building society cheque or banker’s draft you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker’s draft and adds its stamp.

If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and the payor an original or a copy of that person's passport or driving licence certified by a solicitor and an original or certified copy of the following no more than three months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressees' risk) together with a signed declaration as to the relationship between the payor and you the holder.

For the purpose of the Money Laundering Regulations a person making an application for Ordinary Shares will not be considered as forming a business relationship with the Company or the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent. Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company and the Receiving agent from the applicant that the Money Laundering Regulations will not be breached by the application of such remittance.

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

If the amount being subscribed exceeds €15,000 (or the Sterling equivalent) you should endeavour to have the declaration contained in Section 6 of the Application Form signed by an appropriate firm as described in that Section. If you cannot have that declaration signed and the amount being subscribed exceeds €15,000 (or the Sterling equivalent) then you must provide with the Application Form the identity documentation detailed in Section 6 of the Application Form for each underlying beneficial owner. If the Application Form is lodged with payment by a regulated financial services firm (being a person or institution) (the "Firm") which is located in Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, the Republic of South Africa, Spain, Sweden, Switzerland, the UK and the United States, the Firm should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Company (or any of its agents). If the Firm is not such an organisation, it should contact Link Asset Services. To confirm the acceptability of any written assurance referred to above, or in any other case, the Applicant should call Link Asset Services on 0371 664 0321. Calls are charged at the 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. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot give any financial, legal or tax advice.

9. NON-UNITED KINGDOM INVESTORS

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

None of the Ordinary Shares have been or will be registered under the laws of any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia, the Republic of South Africa or under the U.S. Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, any member state of the EEA (other

than the United Kingdom), Canada, Japan, Australia or the Republic of South Africa. If you subscribe for Ordinary Shares you will, unless the Company and the Receiving Agent agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a U.S. Person or a resident of any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of any member state of the EEA (other than the United Kingdom), the U.S. or Canada (or any political subdivision of either) or Japan or Australia or the Republic of South Africa and that you are not subscribing for such Ordinary Shares for the account of any U.S. Person or resident of any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in or into any member state of the EEA (other than the United Kingdom), the United States, Canada, Japan, Australia or the Republic of South Africa or to any U.S. Person or person resident in Canada, any member state of the EEA (other than the United Kingdom), Japan, Australia or the Republic of South Africa. No application will be accepted if it shows the applicant, payor or a holder having an address other than in the United Kingdom.

10. DATA PROTECTION

10.1 Each applicant acknowledges that it has been informed that, pursuant to the General Data Protection Regulation 2016/679 (the “**DP Legislation**”) the Company and/or the Registrar will following Initial Admission, hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data will be retained on record for a period exceeding seven years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company’s privacy notice (the “**Purposes**”) which is available for consultation on the Company’s website at www.mandg.co.uk/creditincomeinvestmenttrust (the “**Privacy Notice**”) which include to:

10.1.1 process its personal data to the extent and in such manner as is necessary for the performance of its obligations under its respective service contracts, including as required by or in connection with the applicant’s holding of Ordinary Shares, including processing personal data in connection with credit and anti-money laundering checks on it;

10.1.2 communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;

10.1.3 comply with the legal and regulatory obligations of the Company and/or the Registrar; and

10.1.4 process its personal data for the Registrar’s internal administration.

10.2 Where necessary to fulfil the Purposes, the Company will disclose personal data to:

10.2.1 third parties located either within, or outside of the EEA, if necessary for the Registrar to perform its functions, or when it is within its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or

10.2.2 its affiliates, the Registrar or the Investment Manager and their respective associates, some of which may be located outside the EEA.

10.3 Any sharing of personal data between parties will be carried out in compliance with the DP Legislation and as set out in the Company’s Privacy Notice.

10.4 By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined under DP Legislation). In providing the Registrar with information, the applicant hereby represents and warrants to the Company, the Registrar and the Administrator that: (i) it complies in all material aspects with its data controller obligations under DP Legislation, and in particular, it has notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company’s Privacy Notice; and (ii) where consent is legally competent and/or required under DP Legislation the applicant has obtained the consent of any data subject to the Company and

Registrar and their respective affiliates and group companies, holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes).

- 10.5 Each applicant acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the applicant is a natural person he or she has read and understood the terms of the Company's Privacy Notice.
- 10.6 Each applicant acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the applicant is not a natural person it represents and warrants that:
 - 10.6.1 it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the applicant may act or whose personal data will be disclosed to the Company as a result of the applicant agreeing to subscribe for Ordinary Shares; and
 - 10.6.2 the applicant has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.
- 10.7 Where the applicant acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Offer for Subscription:
 - 10.7.1 comply with all applicable data protection legislation;
 - 10.7.2 take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
 - 10.7.3 if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
 - 10.7.4 it shall immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the applicant to comply with the provisions set out above.

11. Miscellaneous

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

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

The Company reserves the right to extend the closing time and/or date of the Offer for Subscription from 1.00 p.m. on 7 November 2018. In that event, the new closing time and/or date will be notified to applicants.

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

You agree that Winterflood Securities and the Receiving Agent are acting for the Company in connection with the Issue and for no-one else, and that neither Winterflood Securities nor the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or otherwise in relation to the Initial Issue or for providing the protections afforded to their customers.

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

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Applications should be returned to the Receiving Agent, Link Asset Services so as to be received no later than 1.00 p.m. (London time) on 7 November 2018.

In addition to completing and returning the Application Form to Link Asset Services, you will also need to complete and return a Tax Residency Self Certification Form. The “individual tax residency self-certification – sole holding” form can be found at Appendix 2 of this document, further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

It is a condition of any Application under the Offer for Subscription that a completed version of the relevant form is provided with the Application Form before any application under the Offer for Subscription can be accepted. Offer for Subscription Application Forms that are returned without the completed Tax Residency Self-Certification Form will be referred to the Company after the Offer for Subscription closes at 1.00 p.m. on 7 November 2018. It will then be the Company’s decision if these Application Forms can be accepted under the Offer for Subscription.

All defined terms referred to in the application form are, unless the context suggests otherwise, as defined in the Prospectus.

SHAREHOLDER HELPLINE: If you have a query concerning completion of this Application Form please call Link Asset Services on 0371 664 0321. Calls are charged at the 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. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

1 APPLICATION

Fill in (in figures) in Box 1A the number of Ordinary Shares being subscribed for and in Box 1B the monetary amount. The monetary amount being subscribed must be a minimum of 1,000 Ordinary Shares multiplied by 100 pence and thereafter in multiples of 100 Ordinary Shares multiplied by 100 pence. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from any scaling back should this be required.

2 PAYMENT METHOD

Mark in the relevant box to confirm your payment method, i.e. cheque/banker’s draft, bank transfer or settlement via CREST.

3A. HOLDER DETAILS

Fill in (in block capitals) the full name and address of each holder. Applications may only be made by persons aged 18 or over. In the case of joint holders, the address given for the first named may bear a designation reference and the address given for the first named will be entered as the registered address for the holding on the share register and used for all future correspondence. A maximum of four joint holders is permitted. All holders named must sign the Application Form at section 4.

3B. CREST

If you wish your Ordinary Shares to be deposited into a CREST Account in the name of the holders given in section 3A, enter in section 3B the details of a CREST Account. The CREST Account must be in the same name(s) as the details of the Holder(s) of Ordinary Shares provided in Box(es) 3A and 4. If you are not a CREST Participant or CREST Sponsored Member, you should leave Section 3B blank and you will automatically receive a share certificate for your Ordinary Shares. Where it is requested that Ordinary Shares be deposited into a CREST account

please note that payment for such Ordinary Shares must be made prior to the day such Ordinary Shares might be allotted and issued. It is not possible for an applicant to request that Ordinary Shares be deposited in their CREST account on an against payment basis. Any Application Form received containing such a request will be rejected.

4. SIGNATURE

All holders named in section 3A must sign section 4 and insert the date. The Application Form may be signed by another person on behalf of each holder 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 (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

5. SETTLEMENT

(a) Cheques/Bankers' draft

All payments by cheque or banker's draft must accompany your application and be for the exact amount inserted in Box 1B of the Application Form. Your cheque or banker's draft must be made payable to "**Link Market Services Limited re: M&G Credit Income Investment Trust plc OFC Acceptance a/c**" in respect of an Application and crossed "**a/c Payee Only**". Applications accompanied by a post-dated cheque will not be accepted.

Cheques or banker's draft must be drawn on a branch in the United Kingdom 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 banker's drafts to be cleared through the facilities provided for members of any of these companies and must bear the appropriate sort code in the top right hand corner.

Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted on the back of the cheque the full name of the building society or bank account holder and have added the building society or bank branch stamp. The name of the building society or bank account holder must be the same as the name of the current shareholder or prospective investor. Please do not send cash. Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity.

(b) Bank Transfer

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 1.00 p.m. on 7 November 2018 directly into the bank account detailed below. The payment instruction must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example, MJ SMITH 01234 567 8910

Bank Name: Lloyds Bank plc

Sort Code: 30-80-12

Account Number: 17653460

Account Name: Link Market Services Limited re: M&G Credit Income Investment Trust plc – OFS CHAPS a/c

Swift No: LOYDGB2L

IBAN: GB45LOYD30801217653460

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying application form.

Where an electronic transfer is being made Link Asset Services will request a recent bank statement showing the payment being made to confirm source of funds. If a CHAPS payment is over the equivalent of €15,000, Link Asset Services will also require a certified copy of your passport and a utility bill.

(c) CREST settlement

The Company will apply for the Ordinary Shares issued pursuant to the Offer for Subscription in uncertificated form to be enabled for CREST transfer and settlement with effect from Initial Admission (the “**Relevant Settlement Date**”). Accordingly, settlement of transactions in the Ordinary Shares will normally take place within the CREST system.

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

The right is reserved to issue your Ordinary Shares in certificated form should the Company, having consulted with Link Asset Services, 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 Link Asset Services in connection with CREST.

The person named for registration purposes in your Application Form must be: (a) the person procured by you to subscribe for or acquire the Ordinary Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither Link Asset Services 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. You will need to input the delivery versus payment (“**DVP**”) instructions into the CREST system in accordance with your application. The input returned by Link Asset Services of a matching or acceptance instruction to our CREST input will then allow the delivery of your Ordinary Shares to your CREST account against payment of the Issue Price through the CREST system upon the Relevant Settlement Date.

By returning your 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 Ordinary Shares to be made prior to 1.00 p.m. on 14 November 2018 against payment of the Issue Price. Failure by you to do so will result in you being charged interest at the rate of 4% above the then published bank base rate of a clearing bank selected by Link Asset Services.

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

Trade date: 12 November 2018

Settlement date: 14 November 2018

Company: M&G Credit Income Investment Trust plc

Security description: ordinary shares of one penny each

SEDOL: BFYYL32

ISIN: GB00BFYYL325

Applicants wishing to settle DVP will still need to complete and submit a valid Application Form to be received by no later than 1.00 p.m. on 7 November 2018 (being the closing date). You should tick the relevant box in section 2 of the Application Form.

Applicants will also need to ensure that their settlement instructions are input to Link Asset Services’ Participant Account (RA06) by no later than 1.00 p.m. on 14 November 2018 (being the date of admission to trading of the Ordinary Shares).

Applicants can confirm their final allotment of Ordinary Shares by contacting the helpline on 0371 664 0321. Calls are charged at the 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. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Initial Issue nor give any financial, legal or tax advice.

Note: Link Asset Services will not take any action until a valid DEL message has been alleged to the Participant Account by the applicant/custodian.

No acknowledgement of receipt or input will be provided.

Applicants should also ensure that their agent/custodian has a sufficient “debit cap” within the CREST system to facilitate settlement in addition to their usual daily trading and settlement requirements.

In the event of late/non-settlement, the Company reserves the right to deliver Ordinary Shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the Company and all other conditions of the Initial Issue have been satisfied.

If you require a share certificate you should not use this facility.

6. RELIABLE INTRODUCER DECLARATION

Applications with a value greater than €15,000 (approximately £13,000) will be subject to verification of identity requirements. This will involve you providing the verification of identity documents listed below UNLESS you can have the declaration provided at section 6 of the Application Form given and signed by a firm acceptable to the Company (or any of its agents). In order to ensure your Application is processed in a timely and efficient manner all applicants are strongly advised to have the declaration provided in section 6 of the Application Form completed and signed by a suitable firm.

If the declaration in section 6 cannot be completed and the value of the application is greater than €15,000 (approximately £13,000) the documents listed below must be provided with the completed Application Form, as appropriate, in accordance with internationally recognised standards for the prevention of money laundering. Notwithstanding that the declaration in section 6 has been completed and signed, the Company (or any of its agents) reserves the right to request of you the identity documents listed below and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application may be rejected or revoked. Where certified copies of documents are requested below, 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.

(a) *For each holder being an individual enclose:*

- (i) a certified clear photocopy of one of the following identification documents which bears both a photograph and the signature of the person: current passport, government or Armed Forces identity card, or driving licence; and
- (ii) certified copies of at least two of the following documents which purport to confirm that the address given in section 3A is that person’s residential address: a recent gas, electricity, water or telephone (not mobile) bill, a recent bank statement, a council rates bill or similar document issued by a recognised authority; and
- (iii) if none of the above documents show the applicant’s date and place of birth, enclose a note of such information; and
- (iv) details of the name and address of the applicant’s personal bankers from which the Company (or any of its agents) may request a reference, if necessary.

(b) *For each holder being a company (a “holder company”) enclose:*

- (i) a certified copy of the certificate of incorporation of the holder company; and
- (ii) the name and address of the holder company’s principal bankers from which the Company (or any of its agents) may request a reference, if necessary; and
- (iii) a statement as to the nature of the holder company’s business, signed by a director; and
- (iv) a list of the names and residential addresses of each director of the holder company; and
- (v) for each director provide documents and information similar to that mentioned in 6(a) above; and
- (vi) a copy of the authorised signatory list for the holder company; and

- (vii) a list of the names and residential/registered address 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 complete 6(c) below and, if and other company is named (hereinafter a “**beneficiary company**”), also complete 6(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.
- (c) For each person named in 6(b) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in 6(a)(i) to 6(a)(iv).
- (d) For each beneficiary company named in 6(b) as a beneficial owner of a holder company enclose:
 - (i) a certified copy of the certificate of incorporation of that beneficiary company; and
 - (ii) statement as to the nature of that beneficiary company’s business signed by a director; and
 - (iii) the name and address of that beneficiary company’s principal bankers from which the Company (or any of its agents) may request a reference, if necessary; and
 - (iv) enclose a list of the names and residential/registered address of each beneficial owner owning more than 5% of the issued share capital of that beneficiary company.

The Company (or any of its agents) reserves the right to ask for additional documents and information.

7. CONTACT DETAILS

To ensure the efficient and timely processing of your Application Form, please provide daytime contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 4 on behalf of the first named holder. If no details are provided here but a regulated person is identified in section 6, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in section 6 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS – Completed Application Forms should be returned, by post to the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal business hours), to the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 1.00 p.m. (London time) on 7 November 2018, 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 four calendar days for delivery. Application Forms received after this date may be returned.

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APPENDIX 1 – APPLICATION FORM

Please send this completed form by post or by hand (during normal business hours) to Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 1.00 p.m. (London time) on 7 November 2018.

Box 1A: minimum subscription of 1,000 Ordinary Shares and multiples of 100 thereafter	
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The Directors may, with the prior approval of Winterflood Securities, alter such date and thereby shorten or lengthen the offer period. In the event that the offer period is altered, the Company will notify investors of such change.

Box 1B: Amount payable (being the number in box 1A multiplied by the Issue Price being 100 pence per Ordinary Share)	
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Important: Before completing this form, you should read the prospectus dated 26 September 2018 (the “Prospectus”) and the Terms and Conditions of the Offer for Subscription set out in this document and accompanying notes to this form.

To: M&G Credit Income Investment Trust plc and the Receiving Agent

1. APPLICATION

I/We the person(s) detailed in section 3A below offer to subscribe the amount shown in Box 1B for Ordinary Shares subject to the Terms and Conditions of the Offer for Subscription set out in the Prospectus dated 26 September 2018 and subject to the memorandum and articles of association of the Company in force from time-to-time.

2 PAYMENT METHOD:

Cheque

CHAPS

CREST Settlement – DVP

(Tick appropriate box)

3A. DETAILS OF HOLDER(S) IN WHOSE NAME(S) ORDINARY SHARES WILL BE ISSUED (BLOCK CAPITALS)

1:	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:

Address (in full):

	Postcode:
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Designation (if any):

Date of birth:

E-mail contact address:



2:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
House number and Postcode:		
Date of birth:		

3:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
House number and Postcode:		
Date of birth:		

4:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
House number and Postcode:		
Date of birth:		

3B. CREST ACCOUNT DETAILS INTO WHICH ORDINARY SHARES ARE TO BE DEPOSITED (IF APPLICABLE)

Only complete this section if Ordinary Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in Section 3A.

(BLOCK CAPITALS)

CREST Participant ID:

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CREST Designation:

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4. SIGNATURE(S): ALL HOLDERS MUST SIGN

By completing the signature/execution boxes below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part 12 of the Prospectus (Terms and Conditions of Application under the Offer for Subscription) and to have given the warranties, representations and undertakings set out therein.

Signature by an individual (or joint individual applicants)

First Applicant Signature:	Date
Second Applicant Signature:	Date
Third Applicant Signature:	Date
Fourth Applicant Signature:	Date

Execution by a Company

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

5. SETTLEMENT DETAILS

(a) Cheques/Banker's drafts

If you are subscribing for Ordinary Shares and paying by cheque or banker's draft pin or staple to this form your cheque or banker's draft for the exact amount shown in Box 1B made payable to "Link Market Services Limited re: M&G Credit Income Investment Trust plc OFS Acceptance a/c". Cheques and banker's drafts must be drawn on an account at a branch of a bank or building society in the United Kingdom and must bear the appropriate sort code in the top right hand corner.



(b) *Bank transfer*

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 1.00 p.m. on 7 November 2018 directly into the bank account detailed below. The payment instruction must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example, MJ SMITH 01234 567 8910.

Bank Name: Lloyds Bank plc

Sort Code: 30-80-12

Account Number: 17653460

Account Name: Link Market Services Limited re: M&G Credit Income Investment Trust plc – OFS CHAPS a/c

Swift No: LOYDGB2L

IBAN: GB45LOYD30801217653460

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying application form.

Complete the section below only if you are making payment by electronic transfer

Name of Bank:

Branch:

Sort Code:

Account Name:

Account Number:

Reference – your initial & name & telephone number:

Telephone Number:

(Where an electronic transfer is being made Link Asset Services will request a recent bank statement showing the payment being made to confirm source of funds. If a CHAPS payment is over the equivalent of €15,000, Link Asset Services will also require a certified copy of your passport and a utility bill).

(c) *CREST Settlement*

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

Trade Date:	12 November 2018
Settlement Date:	14 November 2018
Trade system of origin:	Leave blank
SDRT status:	No SDRT, Result of Corporate Action
Company:	M&G Credit Income Investment Trust plc
Security Description:	ordinary shares of one penny each
SEDOL:	BFYYL32
ISIN code:	GB00BFYYL325
TIDM:	MGCI

Should you wish to settle DVP, you will still need to complete and submit a valid application form to be received by 1.00 p.m. on 7 November 2018 and will need to input your instructions to Link Asset Service's Participant Account (RA06) by no later than 1.00 p.m. on 14 November 2018.

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.

Applicants wishing to settle DVP will still need to complete and submit a valid Application Form to be received by no later than 1.00 p.m. on 7 November 2018. You should tick the relevant box in section 2.

Note: Link Asset Services will not take any action until a valid DEL message has been alleged to the Participant Account by the applicant.

No acknowledgement of receipt or input will be provided.

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

6. RELIABLE INTRODUCER DECLARATION

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 6 of the notes on how to complete this Application Form.

The declaration below may only be signed by a person or institution (being a regulated financial services firm) (the “**firm**”) which is itself subject in its own country to operation of “customer due diligence” and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom. Acceptable countries include Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Portugal, Slovenia, Spain, Sweden and the UK.



DECLARATION:

To the Company and the Receiving Agent

With reference to the holder(s) detailed in section 3A, all persons signing at section 4 and the payor if not also a holder (collectively the “**subjects**”) WE HEREBY DECLARE:

- 1 we operate in one of the above mentioned countries and our firm is subject to 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 subjects 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 holder(s) given at Section 3A and if a CREST Account is cited at Section 3B that the owner thereof is named in Section 3A;
- 5 having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares mentioned; and
- 6 where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

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

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

Signed:	Name:	Position:
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Name of regulatory authority:	Firm's licence number:
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Website address or telephone number of regulatory authority:
STAMP of firm giving full name and business address:

Please tick this box if you wish Link Asset Services to place reliance on the AML checks undertaken by your firm in respect of your client. By doing so you confirm the following:

- Your firm has undertaken its own identification and verification checks to identify the subscriber to the standard required by the Money Laundering Regulations with the guidance for the UK Capital Financial Sector issued by the Joint Money Laundering Steering Group (“**JMLSG**”);
- Your firm has robust policies, procedures, systems, controls and retention policies in place to identify and prevent money laundering/ terrorist financing;
- Evidence provided by your client will be retained by your firm for a period of five years from the date of this application and will be disclosed to Link Asset Services immediately upon written request.

Additionally, in line with guidance provided by the JMLSG, Link Asset Services is required to satisfy itself as to which documentary evidence was provided by your client to enable your ID&V checks to be performed, e.g. UK passport, driving licence, bank statement etc. Please detail these in the box below.

Please also detail the risk categorisation and level of due diligence applied to your client

- Low Risk/Simplified Due Diligence applied
- Medium Risk/Standard Due Diligence applied
- High Risk/Enhanced Due Diligence applied

7. CONTACT DETAILS

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in Section 4 on behalf of the first named holder. If no details are provided here but a regulated person is identified in Section 6, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in Section 6 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:	E-mail address:
Contact address:	
	Postcode:
Telephone No:	Fax No:



**APPENDIX 2 – INDIVIDUAL HOLDER TAX RESIDENCY SELF CERTIFICATION
FORM – SOLE HOLDING**

Company that shares are held in: *	M&G Credit Income Investment Trust plc
Investor code *	[Company Code]/[IVC]
Name: *	[First Name(s)] [Last name]
Registered Address: * <i>If your address has changed, then you will need to notify us separately. See the questions and answers.</i>	[Address1], [Address2], [Address3], [Address4], [Address5], [Post Code if UK or Country for Rest of World]
Tax Residence Address <i>Only if different to your registered address above</i>	
Date of Birth * <i>(DD/MM/YYYY)</i>	
Country/Countries of Residence for Tax Purposes	
Country of residence for tax purposes	Tax Identification Number <i>In the UK this would be your NI number</i>
1 *	1 *
2	2
3	3
4	4
US Citizen <input type="checkbox"/> Please mark the box ONLY if you are a US Citizen (see definition below)	

Declarations and Signature

I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information.

I undertake to advise the Company within 30 calendar days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 calendar days of such change in circumstances.

I certify that I am the shareholder (or I am authorised to sign for the shareholder**). If this relates to a joint holding, I also acknowledge that as a joint holder I may be reported to the relevant tax authority if all the other holders do not provide a Tax Residency Self-Certification.

I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.

Signature: *	
Print Name: *	
Date: *	
Daytime telephone number / email address***	

* *Mandatory field*

** *If signing under a power of attorney, please also attach a certified copy of the power of attorney.*

*** *We will only contact you if there is a question around the completion of the self- certification form.*

“US Citizen”

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.



INTRODUCTION

The law requires that Financial Institutions collect, retain and report certain information about their account holders, including the account holders tax residency.

Please complete the form above and provide any additional information requested.

If your declared country/countries of residence for tax purposes is not the same as that of the Financial Institution and is either the US or is on the OECD list of countries which have agreed to exchange information (www.oecd.org/tax/transparency/AEOI-commitments.pdf), the Financial Institution will be obliged to share this information with its local tax authority who may then share it with other relevant local tax authorities.

Failure to validly complete and return this form will result in you being reported onwards to the relevant local tax authority. Additionally, if this form has been issued in conjunction with an application for a new holding, then your application may be adversely impacted.

Definitions of terms used in this form can be found below.

If your registered address (or name) has changed, then you must advise us separately. Any details you enter in the "Tax Residence Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Company with a new, updated, self-certification form within 30 calendar days of such change in circumstances.

JOINT HOLDERS (IF RELEVANT)

All joint holders are treated as separate holders for these tax purposes and every joint holder is required to give an Individual Tax Residency Self-Certification. If any one or more is reportable, the value of the whole shareholding will be reported for all joint shareholder(s).

If we do not receive the self-certification from each joint shareholder, then the whole holding will be treated as undocumented and all holders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.

DEFINITIONS

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("The Common Reporting Standard") www.oecd.org/tax/automatic-exchange/common-reporting-standard/ contains definitions for the terms used within it. However, the following definitions are for general guidance only to help you in completing this form.

"Account Holder"

The Account Holder is either the person(s) whose name(s) appears on the share register of a Financial Institution. Or where Link Asset Services holds the shares on your behalf, the person whose name appears on the register of entitlement that Link Asset Services maintains.

"Country/Countries of residence for tax purposes"

You are required to list the country or countries in which you are resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a **tax identification number (TIN)**. Special circumstances (such as studying abroad, working overseas, or extended travel) may cause you to be resident elsewhere or resident in more than one country at the same time (dual residency). The country/countries in which you might be obliged to submit a tax return are likely to be your country/countries of tax residence. If you are a US citizen or hold a US passport or green card, you will also be considered tax resident in the US even if you live outside the US.

"Tax Identification Number or TIN"

The number used to identify the shareholder in the country of residence for tax purposes.

Different countries (or jurisdictions) have different terminology for this and could include such as a National Insurance number, social security number or resident registration number. Some

jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents.

“US Citizen”

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.

If you have any questions about these definitions or require further details about how to complete this form then please contact your tax adviser.

NOTHING IN THIS DOCUMENT CAN BE CONSIDERED TO BE TAX ADVICE.

QUESTIONS & ANSWERS

Why are you writing to me and asking for a “Tax Residency Self Certification”?

The governments of more than 90 countries around the world have agreed to exchange tax related information. These governments have passed similar sets of laws to enable the Automatic Exchange of Information (“AEOI”). The full list of countries involved can be seen at: www.oecd.org/tax/transparency/AEOI-commitments.pdf

Additionally, the United States has over 100 similar agreements with many countries referred to as the ‘Foreign Account Tax Compliance Act’.

The legislation can vary slightly from jurisdiction to jurisdiction, but at a high level, it requires Financial Institutions to:

- Identify existing Holders that may be resident (for tax purposes) in other participating jurisdictions. Then contact any such Holders and request that they complete a “Tax Residency Self Certification” form.
- Obtain a “Tax Residency Self Certification” form for all new Holders.
- Identify holders who move from one jurisdiction to another and request that they complete a “Tax Residency Self Certification” form.
- Identify Holders who have payments sent to a different jurisdiction.
- Submit a return to the Financial Institution’s “local” tax authority on an annual basis. As an example for a company incorporated in the UK, then the local tax authority would be HM Revenue & Customs (HMRC).
- Follow up on any non responders at least annually for at least three years.

The “local” tax authority will pass information onto the tax authority in the relevant jurisdiction. As an example the tax authority in the US is the Inland Revenue Service (“IRS”), so HMRC will exchange information with IRS.

Where can I find out more information about the legislation?

The legislation is quite complex and you may wish to speak to your tax adviser.

The web site of your local tax authority will contain more information e.g. HMRC for the UK; the IRS for the US; Jersey Income Tax Department for Jersey, etc.

Additionally, the web site of The Organisation for Economic Co-operation and Development (OECD) gives further information.

What happens if I do not complete the form?

In the annual report that the Financial Institution sends to their local tax authority you will be shown as ‘Undocumented’.

The local tax authority will collate the responses from all of its financial institutions and pass that information onto the relevant local tax authority for the jurisdictions identified.

Link Asset Services is not able to comment on what action the tax authority for the jurisdiction will take.



What if I am a Tax Resident in 2 or more countries?

The self-certification form allows for up to 4 tax residencies to be recorded.

I do not pay tax or I do not know which country I am tax resident in

Please refer to your local tax authority or tax adviser.

I do not have a tax identification number

Please refer to your local tax authority or tax adviser.

Note that different countries call their tax identification numbers using alternative terminology. As an example in the UK it would be a National Insurance number.

I have already completed a W8 or W9 form. Do I still need to complete a “Tax Residency Self Certification”?

Yes. The US legislation governing W8/W9 forms overlaps with US FATCA legislation.

What is classed as my Tax Residence Address?

Please refer to your local tax authority or tax adviser.

In addition, you may wish to consider: Where you are a citizen with a passport; Your residential home address in a country and unrestricted right of entry back into that country once you depart.

Joint Holders

When there are multiple holders on an account, then every joint holder must complete a Tax Residency Self Certification and every joint holder will receive a letter in their own right. The letter will be sent to the registered address recorded for the holding.

Joint holders are treated as separate holders for these tax purposes. If any one of the joint holders is reportable, the value of the whole shareholding will be reported for all of the joint shareholder(s).

If we do not receive a validly completed self-certification for each joint shareholder, the whole shareholding will be treated as “undocumented” and all shareholders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

Can I use the Self Certification Form to advise of a Change of Name?

No. You must advise Link Asset Services separately.

For more information, see www.linkassetservices.com

Can I use the Self Certification Form to advise of the death of a holder, or registration of a power of Attorney?

No. You must advise Link Asset Services separately. For more information, see www.linkassetservices.com

How do I contact Link Asset Services, to advise of a change of address or any other changes to my account?

Share Holder Portal: www.linkassetservices.com

Telephone: +44 (0) 371 664 0300
Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

Address: The Registry
34 Beckenham Road
Beckenham, Kent, BR3 4TU

I would like future dividends paid into a different bank account

Contact Link Asset Services. For more information, see www.linkassetservices.com

I have given a different address for tax purposes, will the registered address of my share holding be altered?

No. The details on the Self Certification form are for tax purposes only. If you want to alter any of the registered details relating to your investment then you need to inform Link Asset Services. For more information, see www.linkassetservices.com

I have recently sold all of the shares, do I still need to complete a Self-Certification form?

Yes. Your account will be reportable in the current year, but will be cease to be reportable in subsequent years.



