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# Building Alternative Asset Platforms for Investors

Prospectus  
Initial public offering and placing programme



## Cabot Square Alternatives Plc

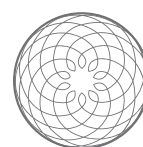
Investment in infrastructure and property



Sponsor



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Kepler

Intermediaries offer adviser



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This document comprises a prospectus (the “Prospectus”) relating to Cabot Square Alternatives plc (the “Company”), prepared in accordance with the prospectus regulation rules of the Financial Conduct Authority (the “FCA”) made pursuant to section 73A of FSMA (the “Prospectus Regulation Rules”). This Prospectus has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 (the “Prospectus Regulation”) and has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company and of the quality of Shares that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares. Capitalised terms contained in this Prospectus shall have the meanings ascribed to them in Part X (Definitions) of this Prospectus, save where the context indicates otherwise.

Applications will be made for the Shares issued pursuant to the Initial Issue or any Subsequent Issue to be admitted to the premium listing category of the Official List and to be admitted to trading on the London Stock Exchange’s main market for listed securities (the “Main Market”). It is not intended that any class of shares in the Company be admitted to listing or trading in any other jurisdiction. It is expected that Initial Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence at 8:00 a.m. on 18 February 2020.

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## **CABOT SQUARE ALTERNATIVES PLC**

*(incorporated in England and Wales with registered no. 12247083 and registered as an investment company under section 833 of the Companies Act 2006)*

### **Target Initial Placing, Offer and Intermediaries Offer of 200 million Ordinary Shares at £1.00 per Ordinary Share**

**forming part of a Share Issuance Programme of up to 500 million Ordinary  
Shares and/or C Shares in aggregate**

**Admission to the premium listing category of the Official List and to trading  
on the Main Market of the London Stock Exchange**

*Sponsor*

**BDO LLP**

*Bookrunner*

**Cantor Fitzgerald Europe**

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The Company and each of the Directors, whose name appears on page 85 of this Prospectus, accept responsibility for the information and opinions contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus does not omit anything likely to affect the import of such information.

Cabot Square Capital LLP (the “Investment Manager”) accepts responsibility for the information and opinions contained in this Prospectus relating to it and all statements made by it. To the best of the knowledge of the Investment Manager, which has taken all reasonable care to ensure that such is the case, the information or opinions contained in this Prospectus related to or attributed to it and its Affiliates are in accordance with the facts and do not omit anything likely to affect the import of such information or opinions.

Cabot Square Alternatives Adviser LLP (the “**Investment Adviser**”) accepts responsibility for the information and opinions contained in this Prospectus relating to it and all statements made by it. To the best of the knowledge of the Investment Adviser, which has taken all reasonable care to ensure that such is the case, the information or opinions contained in this Prospectus related to or attributed to it and its Affiliates are in accordance with the facts and do not omit anything likely to affect the import of such information or opinions.

Cantor Fitzgerald Europe (“**Cantor Fitzgerald**”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in connection with the Initial Issue, the Subsequent Placings, each Admission, the contents of this Prospectus or any matters referred to in this Prospectus. Cantor Fitzgerald will not be responsible to anyone (whether or not a recipient of this Prospectus) other than the Company for providing the protections afforded to clients of Cantor Fitzgerald or for providing advice in relation to the Initial Issue, the Subsequent Placings, each Admission, the contents of this Prospectus or any matters referred to in this Prospectus. Cantor Fitzgerald is not responsible for the contents of this Prospectus. This does not exclude any responsibilities which Cantor Fitzgerald may have under FSMA or the regulatory regime established thereunder.

BDO LLP (“**BDO**”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in connection with the Initial Issue and Initial Admission, the contents of this Prospectus or any matters referred to in this Prospectus. BDO will not be responsible to anyone (whether or not a recipient of this Prospectus) other than the Company for providing the protections afforded to clients of BDO or for providing advice in relation to the Initial Issue, Initial Admission, the contents of this Prospectus or any matters referred to in this Prospectus. BDO is not responsible for the contents of this Prospectus. This does not exclude any responsibilities which BDO may have under FSMA or the regulatory regime established thereunder.

Apart from the liabilities and responsibilities (if any) which may be imposed on Cantor Fitzgerald and BDO by FSMA or the regulatory regime established thereunder, neither Cantor Fitzgerald nor BDO makes any representations, express or implied, nor accepts any responsibility whatsoever for the contents of this Prospectus nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the Initial Issue, the Subsequent Placings or any Admission. Cantor Fitzgerald and BDO and each of their Affiliates accordingly disclaim all and any responsibility or liability (save for any statutory liability), whether arising in tort, contract or otherwise which it or they might otherwise have in respect of this Prospectus or any such statement.

The Offer will remain open until 1:00 p.m. on 12 February 2020 and the Placing will remain open until 1:00 p.m. on 13 February 2020. Persons wishing to participate in the Offer should complete the Application Form set out in Appendix 1 to this Prospectus. To be valid, Application Forms must be completed and returned with the appropriate remittance so as to be received by the Receiving Agent no later than 1:00 p.m. on 12 February 2020, either by post to the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol, BS99 6AH, United Kingdom or by hand (during normal business hours) to the Receiving Agent at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE.

The actual number of Shares to be issued pursuant to the Initial Issue or any relevant Subsequent Placing will be determined by the Company, the Investment Manager and Cantor Fitzgerald after taking account of demand for the Shares and prevailing economic market conditions. Further details of the Initial Issue and how the number of such Shares is to be determined are contained in Part V (The Initial Issue and Subsequent Placings under the Share Issuance Programme) of this Prospectus.

The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and as such investors will not be entitled to the benefits of the Investment Company Act. The Shares have not been and will not be registered under the US 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, and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, any “U.S. persons” as defined in Regulation S under the Securities Act (“**US Persons**”), except pursuant to an exemption from, or in

a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act. In connection with an Issue, subject to certain exceptions, offers and sales of the Shares will be made only outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the Securities Act. There has been and will be no public offer of the Shares in the United States.

**Neither the US Securities and Exchange Commission (the “SEC”) nor any securities commission of any state or other jurisdiction of the United States has approved or disapproved this Prospectus or the issue of the Shares or passed upon or endorsed the merits of the offering of the Shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.**

In addition, the Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions and may subject the holder to the forced transfer provisions set out under the Articles. For further information on restrictions on offers, sales and transfers of the Shares, please refer to the sections entitled “*Overseas Persons and Restricted Territories*” and “*US Representations, Warranties and Undertakings*” in Part V (The Initial Issue and Subsequent Placings under the Share Issuance Programme) and the section entitled “*Memorandum and Articles of Association*” in Part VII (Additional Information on the Company) of this Prospectus.

In connection with the Initial Issue or any relevant Subsequent Placing, Cantor Fitzgerald and its Affiliates, acting as an investor for their own account(s), may acquire Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Initial Issue, any relevant Subsequent Placing or otherwise. Accordingly, references in this Prospectus to the 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, Cantor Fitzgerald and its Affiliates acting as an investor for their own account(s). Neither Cantor Fitzgerald nor its respective 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.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or the solicitation of an offer to purchase, subscribe for or otherwise acquire, any securities other than the securities to which it relates, or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for such securities by any person in any circumstances in which such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the Investment Manager, BDO or Cantor Fitzgerald.

The distribution of this Prospectus and the offer of the Shares in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been or will be taken to permit the possession, issue or distribution of this Prospectus (or any other offering or publicity material relating to the Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. None of the Company, the Investment Manager, BDO nor Cantor Fitzgerald or any of their respective Affiliates or advisers accepts any legal responsibility to any person, whether or not a prospective investor, for any such restrictions.

Capitalised terms contained in this Prospectus shall have the meanings ascribed to them in Part X (Definitions) of this Prospectus, save where the context indicates otherwise.

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

This Prospectus is dated 27 January 2020.

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## SUMMARY

Summaries are made up of disclosure requirements found in the Prospectus Regulation Rules. This summary contains all of the requirements to be included in a summary for this type of security and issuer.

### 1. INTRODUCTION AND WARNINGS

#### 1.1 Name, Identity, Contact Details and Date of Approval

The name of the Company is Cabot Square Alternatives plc and the ISIN number of the Ordinary Shares is GB00BJ0LR715. The Company's contact details are 4<sup>th</sup> Floor, 45 Monmouth Street, London, WC2H 9DG (tel: +44 (0) 207 579 9320). The Company's Legal Entity Identifier ("LEI") is 213800RN1K8U2IOMC936.

The Financial Conduct Authority of 12 Endeavour Square, London E20 1JN (tel: +44 (0)20 7066 1000) approved this Prospectus on 27 January 2020.

#### 1.2 Warning

This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on a consideration of this Prospectus as a whole by the investor. Investors could lose all or part of their invested capital. Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

### 2. KEY INFORMATION ON THE ISSUER

#### 2.1 Who is the issuer of securities?

*Domicile and legal form, LEI, applicable legislation and country of incorporation*

The Company was incorporated as a public limited company in England and Wales on 7 October 2019. The registered number of the Company is 12247083. The Company's LEI is 213800RN1K8U2IOMC936. The Company intends to carry on its business at all times as an investment trust for the purposes of section 1158 of the UK Corporation Tax Act 2010 (as amended).

*Principal activities*

The Investment Objective is to generate an attractive level of sustainable dividend income, alongside capital appreciation over the long term, by investing directly in a portfolio of: (i) infrastructure and property alternative assets (together "**Alternative Assets**"); and (ii) asset managers managing such Alternative Assets ("**Alternative Asset Managers**") (each, an "**Investment**").

Alternative Assets typically have a low correlation to, and reduced volatility compared with, traditional assets such as equities and bonds, whilst also providing portfolio diversification benefits. The Company's investments in Alternative Assets are expected to comprise direct interests in infrastructure (including renewable energy) and property alternative assets, or specialist debt secured against infrastructure and property alternative assets. Alternative Assets in which the Company invests (whether in the form of direct interests or specialist debt) are expected to be physical in nature and include freehold and leasehold land, buildings, plant, machinery, equipment, inventory, fixtures and fittings, but may also include other assets with contractual cash flows (potentially including government subsidies).

It is expected that, over time, the Company's portfolio will comprise investments in a number of Alternative Assets, together with investments in a smaller number (being four to six) of specialist Alternative Asset Managers managing these Alternative Assets. In addition, the Company may invest directly in Alternative Assets without taking a stake in the corresponding Alternative Asset Manager.

Investments in Alternative Assets and Alternative Asset Managers will be held through separate special purpose entities ("**SPes**"). For ease of reference, each combination of an Alternative Asset

Manager and the Alternative Assets it manages is referred to in this Prospectus as an “**Alternative Asset Platform**”.

Over time, the Company’s investments into Alternative Assets may also take the form of co-investments alongside other funds established or managed by Alternative Asset Managers (“**Third Party Funds**”). For the avoidance of doubt, the Company will not invest itself in such Third Party Funds.

The Company does not have a fixed life. The Company is an alternative investment fund or “AIF” for the purpose of the AIFM Directive. The Company is externally managed by Cabot Square Capital LLP, its Alternative Investment Fund Manager (“**AIFM**”). In connection with the performance of its duties to the Company, the Investment Manager has procured the services of Cabot Square Alternatives Adviser LLP (the “**Investment Adviser**”) to act as its investment adviser. The Investment Adviser intends to become an authorised AIFM in due course and, subject to the Board’s approval, will then replace Cabot Square Capital LLP as the Company’s Investment Manager and AIFM.

The Investment Manager and the Investment Adviser believe the Current Pipeline represents potential investment opportunities for the Company of £500 million and that, subject to further fund raising by the Company, there is sufficient potential within the Current Pipeline and the Further Investment Opportunities to enable the Company to be scaled up to approximately £1 billion within five years and further thereafter.

#### *Major Shareholders*

As at the date of this Prospectus the entire issued share capital of the Company is owned by the Initial Shareholder. Pending the allotment of Ordinary Shares pursuant to the Initial Issue, the Company is controlled by the Initial Shareholder.

#### *Directors*

The Directors of the Company are Charles (Charlie) Ricketts (Non-executive Director, Chair of the Board and chair of the Management Engagement and Nomination Committees), Annette Barbara (Barbara) Powley (Non-executive Director and chair of the Audit Committee) and Anthony (Tony) Roper (Senior Independent Non-executive Director and chair of the Risk and Remuneration Committees).

#### *Statutory Auditor*

The Statutory Auditor of the Company, following Initial Admission, will be BDO LLP.

## **2.2 What is the key financial information regarding the issuer?**

Not applicable. As at the date of this Prospectus, the Company has not commenced trading.

## **2.3 What are the key risks that are specific to the issuer?**

#### *Risks relating to the Company*

- The Company has no operating history and, as such, there are no historical financial statements or other meaningful operating or financial data with which to evaluate the Company and its performance.
- The Company’s Target Dividend and Target NAV Total Return are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties.

#### *Risks relating to the Investment Strategy*

- There can be no guarantee that the Company will achieve the Investment Objective or that investors will get back the full value of their investment.
- The success of the investment strategy of the Company will depend on factors including market conditions, the availability of investment opportunities and the expertise of the Investment Manager and the Investment Adviser.



#### *Risks relating to owning Alternative Assets and Alternative Asset Managers*

- The Company will be subject to the risks inherent in owning Alternative Assets, which include risks that the Alternative Assets may be subject to complex laws, taxes and regulations, may be difficult to value, are often dependent on counterparties and service providers, may suffer fluctuations or interruptions in generating revenue streams and may include physical assets which suffer physical damage or environmental risks.
- The Company will be subject to the risks inherent in owning interests in Alternative Asset Managers, which include the fact the business of Alternative Asset Managers is highly competitive and is often dependent on the performance of employees and service providers. Competition may be based on a number of factors such as investment performance, customer service, fees and investor liquidity offered and reputation.

#### *Risks relating to the Investment Manager and the Investment Adviser*

- The success of the Company depends on the ability and expertise of the Investment Manager and the Investment Adviser.
- There can be no assurance that the Investment Manager, with assistance from the Investment Adviser, will be able to source suitable investments at prices which the Investment Manager considers to be attractive.

#### *Risks relating to Regulation and Taxation*

- Changes in laws or regulations governing the Company's, the Investment Manager's or the Investment Adviser's operations may adversely affect the business and performance of the Company.
- Changes in taxation legislation or practice may adversely affect the Company or its Investments, and the tax treatment for Shareholders.

### **3. KEY INFORMATION ON THE SECURITIES**

#### **3.1 What are the main features of the securities?**

The Ordinary Shares ISIN number is GB00BJ0LR715. The Ordinary Shares will be denominated in Pounds Sterling and have a nominal value of £0.01 each. At the date of this Prospectus, the exact number of Ordinary Shares to be issued pursuant to the Initial Issue is unknown.

The ISIN of the C Shares that may be issued under Subsequent Placings is unknown at the date of this Prospectus and will be announced by way of an RIS announcement at the appropriate time.

The holders of Ordinary Shares shall have the following rights: (1) as to income, the holders of Ordinary Shares shall be entitled to receive, and participate in, any dividends or other distributions of the Company available for dividend or distribution and resolved to be distributed in relation to the class fund in respect of the Ordinary Shares, in respect of any accounting period or any other income or right to participate therein; (2) as to capital, the holders of Ordinary Shares shall be entitled on a winding up, to participate in any distributions in relation to the class fund in respect of the Ordinary Shares; and (3) as to voting, the holders of the Ordinary Shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company.

The holders of any class of C Shares shall have the following rights: (1) as to income, the holders of a class of C Shares shall be entitled to receive, and participate in, any dividends or other distributions of the Company available for dividend or distribution and resolved to be distributed in relation to that class of C Shares, in respect of any accounting period or any other income or right to participate therein; (2) as to capital, the holders of any class of C Shares shall be entitled on a winding up, to participate in any distributions in relation to the relevant class of C Shares (subject to the seniority provisions set out below); and (3) as to voting, the holders of any class of C Shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company and at any class meeting relating to the relevant class of C Shares.

#### **Relative seniority of the securities in the issuer's capital structure in the event of insolvency**

The capital and assets of the Company shall on a winding-up or on a return of capital, in each case, prior to Conversion, be applied as follows: (A) first, the Ordinary Share surplus shall be divided amongst the holders of the Ordinary Shares *pro rata* according to their holdings of Ordinary Shares; and (B) secondly, the C Share surplus shall be divided amongst the holders of any class of



C Shares in issue at the relevant time *pro rata* according to their holdings of such class of C Shares.

### Restrictions on free transferability of the securities

In their absolute discretion, the Directors may refuse to register a transfer of a share in certificated form which is not fully paid provided that, if the share is traded on a regulated market, such refusal does not prevent dealings in the shares from taking place on an open and proper basis. The Directors may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:

- is lodged, duly stamped, at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and/or the transferee to receive the transfer (including such written certifications in form and substance satisfactory to the Company as the Directors may determine in accordance with applicable law);
- is in respect of only one class of share;
- is not in favour of more than four transferees; and
- is not in favour of any Non-Qualified Holder (defined below).

The Directors may refuse to register a transfer of a Share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the requirement) under the CREST Regulations to register the transfer.

The Directors may, in their absolute discretion, decline to transfer, convert or register any transfer of shares to any person: (i) whose ownership of shares may cause the Company's assets to be deemed "plan assets" for the purposes of US Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder ("**ERISA**") or the United States Internal Revenue Code of 1986 (the "**US Tax Code**"); (ii) whose ownership of shares may cause the Company to be required to register as an "investment company" under the Investment Company Act or to lose an exemption or a status thereunder to which it might otherwise be entitled (including because the holder of shares is not a "qualified purchaser" as defined in the Investment Company Act); (iii) whose ownership of shares may cause the shares to be required to be registered or cause the Company to be required to file reports under the US Securities Exchange Act of 1934, as amended (the "**Exchange Act**") or any similar legislation; (iv) whose ownership of shares may cause the Company to be a "controlled foreign corporation" for the purposes of the US Tax Code, or may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the US Tax Code); (v) whose ownership of shares may cause the Company to cease to be considered a "foreign private issuer" for the purposes of the Securities Act or the Exchange Act; or (vi) whose ownership of shares would or might result in the Company not being able to satisfy its obligations under the Common Reporting Standard developed by the Organisation for Economic Co-Operation and Development (the "**Common Reporting Standard**") or such similar reporting obligations on account of, *inter alia*, non-compliance by such person with any information request made by the Company (each person described in (i) to (vi) above, being a "**Non-Qualified Holder**").

### Dividend policy

#### *Target Dividend*

On the basis of market conditions as at the date of this Prospectus, once substantially invested, and subject to having sufficient distributable reserves, the Company is targeting a dividend yield of 5.0 per cent. per annum based on the Initial Issue Price (the "**Target Dividend**"), with the aim of increasing dividends progressively over time. For the period from Initial Admission to 31 December 2020, the Company is targeting to announce dividends of at least 3.0 pence per Ordinary Share in total (the "**Initial Target Dividend**"), with dividends expected to be announced in April 2020, July 2020, October 2020 and January 2021, and paid during the month thereafter.

References in this Prospectus to "dividends" of the Company also include dividends which are designated wholly or partly as interest distributions for UK tax purposes.

### *Target NAV Total Return*

On the basis of market conditions as at the date of this Prospectus, once substantially invested the Company is targeting a total return in the region of 8.0 per cent. to 10.0 per cent. per annum (net of fees and expenses) on the Initial Issue Price to be achieved over the long term, in the form of NAV growth and dividend payments (the “**Target NAV Total Return**”).

None of the Target Dividend, the Initial Target Dividend or the Target NAV Total Return forms part of the Investment Objective or Investment Policy. The Target Dividend, the Initial Target Dividend and the Target NAV Total Return are targets only and are not profit forecasts. There can be no assurance that these targets will be met and they should not be taken as an indication of the Company’s expected or actual future results. Potential investors should decide for themselves whether or not these targets are reasonable or achievable in deciding whether to invest in the Company.

Actual events and conditions may differ materially from the assumptions used to establish the Initial Target Dividend, the Target Dividend and the Target NAV Total Return. In particular, the actual return generated by the Company in pursuing the Investment Objective and implementing its Investment Policy depends on a wide range of factors including, but not limited to, general economic and market conditions, availability of investment opportunities, achieving targeted fees, interest and other income within Investments, achieving targeted lease terms and rent escalation within Investments, achieving targeted valuation metrics and sale price targets within Investments and changes in the market value and/or fair value of the Investments, obtaining leverage at commercially acceptable rates and the risks highlighted in the “Risk Factors” section of this Prospectus. Accordingly, investors should not place any reliance on the Initial Target Dividend, the Target Dividend or the Target NAV Total Return in deciding whether to invest in the Shares.

### *Dividend policy*

Subject to market conditions and the level of the Company’s investment income and operating profit, it is intended that a first interim dividend will be announced in April 2020 for the period from incorporation to 31 March 2020 and, thereafter, it is intended that dividends on the Ordinary Shares will be payable quarterly in the form of interim dividends. The Company does not intend to pay final dividends but does intend to seek shareholder approval of its dividend policy at each annual general meeting.

The Board reserves the right to retain within retained earnings reserves a proportion of the Company’s income after tax in any financial year, such reserve then being available at the Board’s absolute discretion for subsequent distribution to Shareholders, subject to the requirements of the Investment Trust Regulations pursuant to Chapter 4 of Part 24 of the Corporation Tax Act 2010, and the availability of distributable reserves.

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. The Company may, at the discretion of the Board, and to the extent possible based on the quantum of distributable reserves, pay all or part of any future dividend out of capital reserves. The Company expects that, over the medium-term, its dividend payments will be fully covered by cash flows generated by the Investments.

The Directors may resolve to pay to holders of any class of C Shares dividends and other distributions out of the assets attributable to that class of C Shares. For the avoidance of doubt, the Target Dividend shall not apply with respect to any tranche of C Shares prior to Conversion.

The Company intends to comply with the requirements for maintaining investment trust status for the purposes of section 1158 of the Corporation Tax Act 2010 regarding distributable income. The Company will therefore distribute its income such that it does not retain in respect of any accounting period an amount greater than 15 per cent. of its income (as calculated for UK tax purposes) for that period. Further, the Company may elect for the streaming regime to apply to the dividend payments it makes to the extent that it has “qualifying interest income”, arising (for instance) from shareholder loans that it may make to SPEs or Alternative Asset Managers. To the extent that an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an accounting period under the streaming regime, then the corresponding dividends paid by the Company will be taxed as interest income in the hands of UK resident individual Shareholders.

### 3.2 Where will the securities be traded?

The Ordinary Shares to be issued pursuant to the Initial Issue and the Ordinary Shares and any class of C Shares to be issued pursuant to any Subsequent Placing will be admitted to the premium listing category of the Official List and to trading on the Main Market of the London Stock Exchange.

### 3.3 What are the key risks that are specific to the securities?

- The price at which the Ordinary Shares trade will likely not be the same as their NAV (although they are related) and the price that can be realised for Ordinary Shares can be subject to market fluctuations. Shareholders disposing of their interests in the secondary market may accordingly realise returns that are lower than they would have realised if an amount equivalent to the NAV were distributed.
- Initial Admission should not be taken as implying that there will be an active and liquid market for the Ordinary Shares particularly as, on Initial Admission, the Company may have a limited number of Shareholders. Consequently, the Share price may be subject to significant fluctuations on small volumes of trading.
- The existence of a liquid market in any class of C Shares cannot be guaranteed, and C Shares may suffer greater volatility in discounts and may be more illiquid than Ordinary Shares by virtue of the fact that the Company will not offer to buy back any class of C Shares.

## 4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND ADMISSION TO TRADING ON A REGULATED MARKET

### 4.1 Under which conditions and timetable can I invest in this security?

#### **General terms and conditions**

In this Prospectus, the Initial Placing, the Offer and the Intermediaries Offer are together referred to as the Initial Issue. The Company may issue up to 250 million Ordinary Shares through the Initial Issue at the Initial Issue Price. As at the date of this Prospectus, the aggregate Issue Proceeds are not known but the Company is targeting to raise Gross Initial Proceeds of £200 million.

The Initial Issue is conditional, *inter alia*, on:

- the Sponsor and Placing Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission;
- Initial Admission occurring by 8:00 am on 18 February 2020 (or such later date, not being later than the Long Stop Date, as the Company and the Bookrunner may agree); and
- the Gross Initial Proceeds being at least £100 million.

The maximum number of Shares that may be issued under the Share Issuance Programme (including those issued pursuant to the Initial Issue) is 500 million.

#### **Expected timetable**

The latest time and date for receipt of Application Forms under the Offer is 1:00 pm on 12 February 2020. The latest time and date for receipt of applications under the Intermediaries Offer is 5:00 pm on 12 February 2020. The latest time and date for receipt of placing commitments under the Initial Placing is 1:00 pm on 13 February 2020. The results of the Initial Issue, including the number of Ordinary Shares issued, are expected to be published by the Company on 14 February 2020. Initial Admission and dealing in the Ordinary Shares is expected to commence on 18 February 2020. If the Initial Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant, in the same manner in which the payments were made.

#### **Details of admission to trading on a regulated market**

Applications will be made to the London Stock Exchange for the Ordinary Shares to be issued pursuant to the Initial Issue of the Company and Ordinary Shares and/or C Shares to be issued pursuant to the Share Issuance Programme to be admitted to the premium listing category of the Official List and to trading on the Main Market of the London Stock Exchange.



***Plan for distribution***

The results of the Initial Issue will be announced by the Company on or around 14 February 2020 by an RIS announcement.

Initial Admission is expected to take place and dealings in Ordinary Shares are expected to commence on the London Stock Exchange at 8:00 a.m. on 18 February 2020. There will be no conditional dealings in the Ordinary Shares prior to Initial Admission.

***Amount and percentage of immediate dilution resulting from the Initial Issue***

As this Prospectus relates to the Company's initial public offering, there will be no immediate dilution resulting from the Initial Issue.

***Estimate of the total expenses of the Initial Issue and the Share Issuance Programme***

The costs and expenses of the Initial Issue are not expected to exceed 2 per cent. of the Gross Initial Proceeds. Assuming that 200 million Ordinary Shares are issued at the Initial Issue Price pursuant to the Initial Issue, the costs and expenses of, and incidental to, Initial Admission and the Initial Issue payable by the Company are not expected to exceed £4 million. The total costs of the Share Issuance Programme are not expected to exceed 2 per cent. of the aggregate gross proceeds of the Share Issuance Programme.

Any expenses incurred by a financial intermediary are for its own account. Prospective investors should confirm separately with any financial intermediary whether there are any commissions, fees or expenses that will be applied by such financial intermediary in connection with any application made through that financial intermediary pursuant to the Intermediaries Offer. The terms and conditions of the Intermediaries Offer limit the level of commission that financial intermediaries are able to charge any of their respective clients acquiring Ordinary Shares pursuant to the intermediaries offer.

***Estimated expenses charged to the investor***

As stated above, the expenses in connection with the Initial Issue or any Subsequent Placing will be met from the Gross Initial Proceeds or the relevant Gross Issue Proceeds, as the case may be, rather than being charged directly to any investor.

**4.2 Why is this Prospectus being produced?*****Reasons for the admission to trading on a regulated market***

This Prospectus is being produced in connection with: (i) the offer of Ordinary Shares to the public pursuant to the Initial Issue; and (ii) the application for admission of the Ordinary Shares to be issued pursuant to the Initial Issue, and the Ordinary Shares and any class of C Shares to be issued pursuant to any Subsequent Placing, to the premium listing category of the Official List and the Main Market of the London Stock Exchange.

***The use and estimated net amount of the proceeds***

The target Gross Initial Proceeds are £200 million. The Initial Issue is being made in order to enable the Company to generate an attractive level of sustainable dividend income, alongside capital appreciation over the long term, by investing directly in a portfolio of infrastructure and property Alternative Assets, and Alternative Asset Managers managing such Alternative Assets. The Company intends to use the Net Initial Proceeds and any further Net Issue Proceeds, less amounts required for working capital purposes, to acquire Investments in accordance with the Company's Investment Objective and Investment Policy.

***Underwriting***

None of the Initial Issue or any of the Subsequent Placings are being underwritten.

***Material conflicts of interest***

There is no interest, including any conflicting interest, that is material to Initial Admission.

## RISK FACTORS

An investment in the Shares carries a number of risks including but not limited to the risks described below. In addition to all other information set out in this Prospectus, the following specific factors should be considered when deciding whether to make an investment in the Shares. The risks set out below are those considered to be the material risks relating to an investment in the Shares but are not the only risks relating to the Shares or the Company. No assurance can be given that the Shareholders will realise profit on, or recover the value of their investment in the Shares, or that the Company will achieve any of its anticipated returns. It should be remembered that the price of securities can go down as well as up and investors could lose all or part of their investment.

The success of the Company will depend on the ability of the Investment Manager (acting on the advice of the Investment Adviser) to successfully pursue the Investment Policy, broader market conditions and the consequences of the risk factors set out in this section.

Prospective investors should note that the risks relating to the Company, its investment strategy and the Shares summarised in the section of this Prospectus headed “Summary” are the risks that the Directors believe 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 that 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 Prospectus headed “Summary” but also, *inter alia*, the risks and uncertainties described in this “Risk Factors” section of this Prospectus. Additional risks and uncertainties not currently known to the Company or the Directors or that the Company or the Directors consider to be immaterial as at the date of this Prospectus may also have a material adverse effect on the Company’s business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

The Shares are only suitable for long term investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) from such an investment. Accordingly, typical investors in this product are expected to be institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and knowledgeable unadvised retail investors who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company.

Potential investors in the Shares should review this Prospectus carefully, in its entirety, and consult with their professional advisers before purchasing Shares.

### RISKS RELATING TO THE COMPANY

#### ***The Company has no operating history***

The Company is recently established and has no operating history. Accordingly, there are no historical financial statements or other meaningful operating or financial data with which to evaluate the Company and its performance. An investment in the Company is subject to all of the risks and uncertainties associated with a new business, which could have an adverse effect on the Company’s business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

#### ***The Company’s Target Dividend and Target NAV Total Return are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties***

The target returns set out in Part I (Information on the Company) of this Prospectus are targets only and are based on financial projections that are themselves based on assumptions regarding market conditions, economic environment, availability of investment opportunities and investment-specific assumptions that may not be consistent with conditions in the future. These assumptions involve a significant element of subjective judgement and may be proven incorrect by post investment changes in market conditions.

Accordingly, the target returns of the Company may not be achieved at the level set out in this Prospectus. A variety of factors, including lack of attractive investment opportunities, market conditions, inability of the Company to source investment opportunities at the desired prices, exchange rates, government regulations, or the occurrence of risks described elsewhere in this Prospectus could adversely impact the Company's ability to achieve the Investment Objective and deliver the target returns. Potential investors should not place any reliance on such target returns in deciding whether to invest in the Company. A failure by the Company to achieve its target returns could adversely impact the market value of the Shares.

In addition, some or all revenues earned by the Company may be subject to income or corporate tax liabilities (including withholding taxes) which cannot be reclaimed or credited by the Company. This may apply, for instance, as a result of taxation levied in the jurisdictions in which revenues are earned (or are otherwise connected), or as a result of tax authorities taking a different view to that of the Company in respect of the application of relevant tax laws related to specific investments. If applicable, such taxes may reduce the net returns on the Company's investments and consequently diminish the potential value of the Investments.

The Directors may determine, in order to maintain the payment of dividends in accordance with the Company's dividend policy, to pay dividends by virtue of cancelling the Company's share premium account. Any such payment of dividends will only be made in compliance with the Act, which requires the Company to obtain court approval before cancelling its share premium account and paying such dividend. However, where the Company does pay a dividend following cancellation of its share premium account, such payment reduces the amount of cash otherwise available for deployment in Investments. The resulting lower investment level, or maintenance of the investment level through the use of borrowing, could result in the actual returns on investments being materially lower than targets.

There is no guarantee or assurance that the Target Dividend and Target NAV Total Return can be achieved at or near the level set out in this Prospectus and the actual rates of return achieved may be materially lower than the target, or may be a loss. A failure to achieve the Target Dividend or Target NAV Total Return set out in this Prospectus may have a material adverse effect on the market price of the Shares.

***The Company has no employees and is reliant on the performance of third party service providers, particularly the Investment Manager and the Investment Adviser***

The Company has no employees and the Directors have been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive functions. In particular, the Investment Manager, the Investment Adviser, the Company Secretary and the Registrar will be performing services which are integral to the operation of the Company. Further, the terms of appointment of the Investment Manager and the Investment Adviser, the Company Secretary and the Registrar provide that such third party service providers may terminate their engagement on notice to the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment or the termination of these agreements could have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

In particular, under the terms of the Investment Management and Adviser Agreement, the agreement may be terminated by the Investment Manager or the Investment Adviser by giving not less than 12 months' notice to the Company, such notice not to expire earlier than the fourth anniversary of Initial Admission. The Directors would, in these circumstances, have to find a replacement investment manager and/or investment adviser for the Company and there can be no assurance that a replacement with the necessary skills and experience would be available and/or could be appointed on terms acceptable to the Company. In this event, the Board may have to formulate and put forward to Shareholders proposals for the future of the Company which may include its merger with another investment company, reconstruction or winding up. While the Directors would seek to mitigate the effects of such a course of action, it may not be possible to avoid this having a material adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.



***The Company will be subject to various political, economic and other risks***

The Company will be subject to various risks inherent in investing in Alternative Asset Platforms. Given the broad nature, asset types, geographical scope and industry sectors in which the Company may invest, there will be a number of factors which may affect the Alternative Assets and Alternative Asset Managers and the relevant economic conditions, including currency devaluation and exchange rate fluctuations (particularly where an Alternative Asset is based in, and the Alternative Asset Manager generates revenue from, a country other than the UK), interest rate changes, inflation, competition, domestic, transnational, international and worldwide political, military and diplomatic events and trends (which is particularly relevant in respect of international infrastructure assets), none of which will be within the control of the Company.

In particular, the United Kingdom voted in favour of withdrawing from the European Union in a referendum on 23 June 2016 and, on 29 March 2017, the UK government exercised its right under Article 50 of the Treaty on the European Union to notify the European Union of the United Kingdom's intention to withdraw from the European Union. The political, economic, legal and social consequences of this, and the ultimate outcome of the negotiations between the UK and the European Union, remain uncertain and, may remain uncertain for some time (whether or not the UK withdraws from the European Union).

During this period of uncertainty, there may be significant volatility and disruption in global financial markets generally, which may result in a reduction of the availability of capital and debt. Furthermore, the nature of the UK's future relationship with the European Union may also impact and potentially require changes to the Company's regulatory position, however, at present it is not possible to predict with any certainty what these may be.

Should any of these risks materialise, they may have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

***There may be circumstances in which a Director has a conflict of interests***

There may be circumstances in which a Director has, directly or indirectly, a material interest in a transaction being considered by the Company or a conflict of interest with the Company. Any of the Directors and/or any person connected with them may, from time to time, act as a director or employee of, or invest in or be otherwise involved with: (i) other investment vehicles that have investment objectives and policies similar to those of the Company; or (ii) entities or other vehicles that are the subject of transactions with the Company, subject, in both cases and at all times, to the provisions governing such conflicts of interest both in law and in the Articles. Failure to disclose such conflicts could have a negative impact on the investment decisions made by the Board, which could have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares. Risks in relation to potential conflicts of interest of the Investment Manager and the Investment Adviser are set out below in the risk factor entitled "*The Investment Manager, the Investment Adviser and the Alternative Asset Managers and other affiliated entities may be involved in other financial, investment or professional activities that may give rise to conflicts of interest with the Company*".

**RISKS RELATING TO THE INVESTMENT STRATEGY**

***There can be no guarantee that the Company will achieve the Investment Objective or that investors will get back the full value of their investment***

As set out in the risk factor entitled "*The Company's Target Dividend and Target NAV Total Return are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties*", the Investment Objective of the Company and Target NAV Total Return set out in this Prospectus are targets only and are based on financial projections. There can therefore be no assurance that any growth in the NAV or the value of the Shares will occur or that the Investment Objective of the Company will be achieved. The Company may therefore fail to realise capital appreciation or income to the extent expected from its Investments.

The success of the Company will depend on the ability of the Investment Manager to pursue the Investment Policy successfully, acting on the advice from the Investment Adviser and on broader market conditions as discussed in this "*Risk Factors*" section of this Prospectus. There can be no

assurance that the Investment Manager (acting on the advice of the Investment Adviser) will be successful in pursuing the Investment Policy or will be able to invest the Company's capital on attractive terms, generate any investment returns for the Company's investors or avoid investment losses. These circumstances imply investors could lose all, or part, of the value of their investment in the Shares.

***The success of the investment strategy of the Company will depend on factors including market conditions, the availability of investment opportunities and the expertise of the Investment Manager, the Investment Adviser and the Alternative Asset Managers.***

The availability of investment opportunities will be subject to general market conditions, competition from other investors and, in some cases, the prevailing regulatory or political climate. The investment strategy is based upon the premise that Alternative Assets and shares in Alternative Asset Managers will be available for acquisition by the Company at prices that the Investment Manager (acting on the advice of the Investment Adviser) considers attractive in the circumstances. Further, the investment strategy relies in part upon favourable market conditions existing prior to the realisation of the investments. No assurance can be given that Alternative Assets and shares in Alternative Asset Managers can be acquired at favourable prices or that the market for such assets will be maintained or will improve, since this will depend largely on events and factors outside the control of the Investment Manager. Moreover, the strategy of investing in Alternative Assets and Alternative Asset Managers is both competitive and involves a degree of uncertainty. Even if an attractive investment opportunity is identified by the Investment Manager and the Investment Adviser, there is no certainty that the Company will be permitted to invest in such opportunity (or invest in such opportunity to the fullest extent desired). Accordingly, there can be no assurance that the Company will be able to identify and complete attractive Investments or that it will be able to invest substantially all the Net Initial Proceeds. In addition, competition for investment opportunities may have the effect of increasing prices, thereby reducing investment returns available to the Company.

***The Investment Manager may manage other investment funds which may seek to acquire investments that match the Company's Investment Objective and Investment Policy***

The Investment Manager operates a private equity programme which will have a right of first refusal over any investments that meet its investment criteria, including investments that might be suitable for the Company to acquire. The Investment Manager, however, does not anticipate material conflicts of interest between the Company and the private equity programme given the separate teams, different strategies, focus, investment horizons, target returns and fee structure. This right of first refusal will not extend to any investment opportunity originating from an Alternative Asset Manager that the Company has already invested in. Further, the Company will have the first right of refusal in relation to certain investments within the Current Pipeline, into which it expects to invest or exclusively commit substantially all the Net Initial Proceeds within the Initial Investment Period. If the Company is unable to acquire an Investment that suits the Investment Policy due to the right of first refusal referred to above, it may be required to make a less favourable investment, or retain cash for longer than expected, which may have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV and/or the market price of the Shares, and the Company's ability to deliver the Target Dividend or Target NAV Total Return to Shareholders.

#### ***Investment valuation uncertainty***

Investment valuation is judgemental and will be derived from financial forecasts which will be maintained based on the market and asset specific assessments made by the Investment Manager (acting on the advice of the Investment Adviser). While the Investment Manager's valuations will be reviewed by the Independent Valuer in advance of acquiring Investments and on a semi-annual basis, valuations do not necessarily represent the market price of an Investment since market prices of unquoted Investments can only be determined by negotiation between a willing buyer and seller. The value eventually realised on the disposal of an Investment may be more or less than the valuation of such asset as determined by the Investment Manager which may increase or reduce the profitability of the Company leading to reduced returns to Shareholders.

***The due diligence process that the Investment Manager and the Investment Adviser undertakes in evaluating Investments may be required to rely on incomplete or inaccurate information***

When conducting due diligence and making an assessment regarding an Investment, the Investment Manager and the Investment Adviser and the relevant legal and financial advisers will be required to rely on resources available to them, including internal sources of information as well as information provided by the Alternative Asset Managers and the relevant developers, contractors, advisers, consultants and other service providers or selling entities. The due diligence process may at times be required to rely on limited, incomplete or inaccurate information.

The Investment Manager (acting on the advice of the Investment Adviser) selects investment opportunities in part on the basis of information and data relating to potential investments that has been made directly available to them. Although the Investment Manager and the Investment Adviser evaluate all such information available, and may seek independent corroboration when they consider it to be appropriate and reasonably available, they will not necessarily be in a position to confirm the completeness, genuineness or accuracy of such information and data.

Further, the value of the investments made by the Company may be affected by fraud, misrepresentation or omission on the part of the third parties responsible for providing such information. Such fraud, misrepresentation or omission may adversely affect the valuation of the Investments in question or may adversely affect the Company's ability to enforce its contractual rights in relation to the Investment.

Any failure by either the Investment Manager or the Investment Adviser to identify relevant facts through its due diligence process may cause it to recommend inappropriate Investments for purchase, or recommend the purchase at a price which is not appropriate, and therefore result in the Company acquiring Investments which subsequently fail to perform in line with expectations, which may have an adverse effect on the Company's NAV and/or the market price of the Shares, which may be material in scale depending on the size of the affected Investment and the nature of the omitted or inaccurate information.

***Risks relating to investments involving third party co-venturers or partners***

Some of the Investments may be made as a co-venturer or partner with other investors or a part seller of an asset, or an affiliate of the seller, or an investor affiliated with the Investment Manager, the Investment Adviser or the Company, or other persons.

Such investments may involve risks not inherent in other types of investment vehicles, including, for example, the possibility that such persons might become bankrupt, have economic or business interests or goals inconsistent with those of the Company or otherwise be in a position to take action inconsistent with the Company's strategy, policies or objectives. Action taken by such persons might subject the relevant asset or Investment to liabilities in excess of, or other than, those contemplated. In addition, the Company may rely upon the abilities and management expertise of the co-venturer or partner. It may also be more difficult for the Company to sell its interest in any joint venture, partnership or entity with other owners than to sell its interest in wholly owned investments. These risks may reduce the value of Investments or the value the Company is able to realise on its Investments and may therefore reduce the NAV and/or the market price of the Shares.

***The insurance cover arranged in respect of Investments held by the Company may not be sufficient to cover all risks***

The Investment Manager will seek to ensure, but cannot guarantee, that the Investment Manager, the Investment Adviser and the Investments will be sufficiently insured against liability to third parties (public liability), professional indemnity and buildings cover, as is customary for similarly situated Investments. There can be no assurance, however, that insurance will be available or sufficient to cover all underlying risks. Insurance against certain risks, such as earthquakes, floods, terrorist attacks and acts of war may be unavailable (or prohibitively expensive), subject to a large excess or available in amounts that are less than the full fair value or replacement cost of assets. In addition, there can be no assurance that the particular risks which are currently insurable, will continue to be insurable in future on an economic basis. All of the Investments may be at risk in the event of an uninsured liability to a third party. In the event that the Company or its Investments suffer a loss that is not covered by insurance, either in part or in full, this will have an adverse impact on the NAV of the Company (which, depending on the nature and scale of the loss in the context of the



Company's overall portfolio, could be material), which could affect the Company's ability to sustain its Target Dividend and could adversely affect its NAV and/or the market price of the Shares.

***The Company's investments are illiquid in nature***

The Investments are likely to be illiquid. Consequently, in circumstances where the Investment Manager is seeking to sell an Investment, any such sale will be subject to certain factors, such as economic conditions, the competitive environment, the availability of potential acquirers, and may be subject to limitations on transfer or other restrictions that could interfere with such sale or adversely affect the terms that could be obtained on sale or the timetable for concluding such sale. Accordingly, there can be no assurances that the Company will be able to sell or otherwise dispose of an investment at a time that could be considered economically opportune, or at all. Further, the lack of a liquid market for the Investments may influence the Company's decision to implement a share repurchase in circumstances where the Ordinary Shares are trading at a discount to their NAV. This could have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

***The Investments may lack diversification until such time as the Company is fully invested***

It is expected that the Net Initial Proceeds will be fully deployed within 18 months following Initial Admission. During the Initial Investment Period, the Company may be invested in or committed to a limited number of Investments, and consequently, the Company will temporarily lack the benefit of full diversification and therefore the aggregate returns realised by the Shareholders may be adversely affected by the unfavourable performance of a small number of Investments.

If any of its Investments perform unfavourably during the Initial Investment Period, the Company's concentration would cause the Investment's unfavourable performance to have a more negative effect on the Company's financial condition and operations than if such unfavourable performance occurred at a time when the Company had a fully invested, diversified portfolio of Investments.

***The Investment Manager may acquire assets on an expedited basis***

In certain exceptional circumstances, investment analyses and decisions by the Investment Manager may be required to be undertaken on an expedited basis where the Investment Manager considers it necessary to take advantage of time limited investment opportunities. In such cases, the information available to the Investment Manager and the Investment Adviser at the time of making an investment decision may be more limited or incomplete and may, in some circumstances, be based on input provided by various third party consultants and service providers. Therefore, no assurance can be given that the Investment Manager and the Investment Adviser will have knowledge of all circumstances that may adversely affect an Investment.

Given the nature of the investments that the Company intends to acquire, the Investment Manager recognises that exceptional circumstances may include the need to beat any competitors to securing an investment which the Investment Manager has identified as being particularly attractive. In such circumstances, the information upon which the Investment Manager makes an investment decision has a higher likelihood of being incomplete or incorrect in any material respect and therefore the Investment Manager's decision may not be optimal and could result in decisions not to invest in assets which would otherwise fit the investment strategy or to invest in assets which would otherwise not fit the investment strategy. In either case, these decisions could potentially result in foregoing favourable returns; or making unfavourable returns for the Company and its Shareholders.

***The Company may face risks associated with leverage***

The Company will maintain a conservative level of gearing, limited to 25 per cent. of the Gross Asset Value at the time of drawdown, in order to seek to enhance income returns or provide short-term acquisition finance arrangements to finance acquisitions or any share repurchases.

Gearing and acquisition finance will also be employed at the level of the Investments (within a relevant SPE or intermediate wholly owned subsidiary of the Company as required).

While such leverage presents opportunities for increasing total returns, it can also have the opposite effect and introduce the risk of default on debt servicing obligations and insolvency. If income from Investments (as supplemented with borrowed funds) is less than the costs of the leverage, all other things being equal, the fair value of the Investment would decrease. Further, if the lender were to

enforce its rights of sale in the event of a default, it is possible that the assets may be sold at a lower value than the Company considers to be fair value, which would decrease the NAV and could have an adverse impact on returns to Shareholders. In either case, this could have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

#### ***Risks relating to currency and hedging***

It is expected that a proportion of the Investments and underlying cash flows may be denominated in currencies other than Sterling, however, the NAV will be calculated and reported in Sterling and dividends will be paid in Sterling.

Foreign exchange risk from non-Sterling assets may be managed by hedging investment income from overseas assets through the forward sale of the respective foreign currency cash flows (for example up to 24 months) combined with balance sheet hedging through debt drawings in foreign currencies thereby limiting the Company's exposure to a net investment position. The Company will also be permitted (subject to its restriction on leverage) to put in place foreign denominated debt at the Company level. The Company is also permitted to use hedging instruments to seek to provide protection against variable interest rate exposures (if any). Currency and interest rate hedging will only be undertaken with the aim of protecting investment returns and value and will not be permitted for speculative purposes.

In spite of the Company's hedging activities, the Company is expected to still have some remaining exposure to foreign current and interest rate movements which may have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

#### ***Risks relating to governmental intervention***

In recent years, the global financial markets have undergone disruptions which have led to certain governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets or the effect of such restrictions on the Company's strategies.

Governmental intervention and changes to government policies may reduce returns on Investments or force the Company to sell or otherwise restructure its holdings in Investments, potentially to the financial detriment of the Company. This may cause a reduction in the value of Investments and the Shares.

#### ***The Company may incur significant costs in complying with regulations***

The operations of the Company are subject to material UK laws, rules and regulations, and, to a lesser extent, the laws, rules and regulations of foreign jurisdictions, which could materially adversely affect the Company. The costs of compliance with such laws, rules and regulations could negatively affect the returns the Company receives from its Investments. Changes in laws, rules and regulations could also negatively affect the Company and its financial position and prospects.

#### ***The Company may be subject to litigation from time to time***

In the ordinary course of its business, the Company may be subject to litigation from time to time. The outcome of any such proceedings may materially adversely affect the Company and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Company's, its Investment Manager's and its Investment Adviser's time and resources, and this could be disproportionate to the amounts at stake in the litigation. Under the Investment Management and Adviser Agreement, the Company will generally be responsible for indemnifying the Investment Manager, the Investment Adviser and related parties for costs they may incur with respect to such litigation not covered by insurance, subject to certain standard carve-outs.

The acquisition, ownership and disposition of Alternative Assets (or Alternative Asset Managers) carry certain litigation risks, which could result in losses to the Company. Litigation may be

commenced with respect to an asset acquired by the Company in relation to activities that took place prior to the Company's acquisition of such asset. In addition, at the time of disposition of an individual asset, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosures made, if such buyer is passed over in favour of another as part of the Company's efforts to maximise sale proceeds. Similarly, successful buyers may later sue the Company under various damage theories, including those found in tort, for losses associated with latent defects or other problems not uncovered in due diligence.

## **RISKS RELATING TO ALTERNATIVE ASSETS AND OWNING INTERESTS IN ALTERNATIVE ASSET MANAGERS**

### ***Risks of making investments in Alternative Assets***

In accordance with the Investment Policy, the Company's investments in Alternative Assets are expected to comprise direct interests in infrastructure (including renewable energy) and property alternative assets, or specialist debt secured against infrastructure and property alternative assets. Alternative Assets in which the Company invests (whether in the form of direct interests or specialist debt) are expected to be physical in nature and include freehold and leasehold land, buildings, plant, machinery, equipment, inventory, fixtures and fittings, but may also include other assets with contractual cash flows (potentially including government subsidies).

Exposure to Alternative Assets is subject to inherent risks, which include but are not limited to:

- Alternative Assets may be subject to complex laws, taxes and regulations;
- income from Alternative Assets is often subject to availability or demand, which coupled with economic factors such as interest rates and inflation can affect the valuation of Alternative Assets;
- Alternative Assets often require a large number of counterparties working together to complete and operate assets. The number of parties involved elevates the risk that assets do not operate as intended, are incomplete, contain unanticipated liabilities, are subject to interpretation contrary to the Investment Manager's and the Investment Adviser's expectations or otherwise fail to provide the protection or recourse anticipated by the Company. Failure by one or more of these counterparties to perform their obligations fully or as anticipated could adversely affect the performance of affected investments. Replacement counterparties, where they can be obtained, may only be obtained at a greater cost and with reduced risk transfer;
- Alternative Assets will often be physical assets used to serve the public and will therefore be exposed to both reputational and legal implications in the event of damage or destruction of such assets; and
- although Alternative Assets are often associated with predictable cash flows, there remains a possibility that a counterparty may default on its payments or that income may not be replaced at the expiry of a particular contract.

The risks of making investments in Alternative Assets may be further compounded by the fact that the Company also intends, in certain cases, to hold interests in Alternative Asset Managers managing these Alternative Assets, which would mean that the materialisation of any of the risks above could also adversely impact the Company's interests in the relevant Alternative Asset Manager.

Any of the risks described above could lead to events that could have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

### ***Risks of owning interests in Alternative Asset Managers***

The business of Alternative Asset Managers is highly competitive, with competition based on a number of factors such as investment performance, customer service, fees and investor liquidity offered and reputation. It is expected that the Company's investments in Alternative Asset Managers will therefore be subject to these competitive risks. The risk will be exacerbated because the Company is expected to invest in newly established or early stage Alternative Asset Managers with limited track record, resources, brand recognition or regulatory permissions in place prior to the



Company's investment. In the event that any of the Company's Alternative Asset Managers were to perform poorly the Company's investment income and investment valuation would decline.

The performance of the Alternative Asset Managers may also be highly dependent on their ability to hire and retain skilled professionals. In several cases, the Investment Manager's and the Investment Adviser's decision to invest in an Alternative Asset Manager may be influenced by its principals and senior personnel. Consequently, the Company's investments in such Alternative Asset Managers would be subject to "key person" risks arising as a result of the departure of these key individuals from the Alternative Asset Manager.

Further, if the Company seeks to acquire a significant interest in an Alternative Asset Manager which is an authorised entity, there may be regulatory requirements which apply which could delay the acquisition process or, if the requisite regulatory approvals cannot be obtained, could result in the Company being unable to complete the acquisition of such interest in the Alternative Asset Manager.

If an Alternative Asset Manager did fail, for example by becoming insolvent, then (together with any immediate loss in value in the investment in the Alternative Asset Manager itself), it is likely that there would also be an impact on the Alternative Assets under its management. As such, the Investment Manager and the Investment Adviser would seek to take remedial actions, which may include the Investment Manager managing the Alternative Assets directly or procuring that a substitute Alternative Asset Manager is appointed to take on the management of those Alternative Assets. While these actions would likely cause some temporary revenue disruption at the Alternative Asset level, which in turn could temporarily affect returns to Shareholders and the NAV, it is not expected that, if successfully managed, these risks would significantly impact the NAV on an ongoing basis.

#### ***Risks related to Forward-funding construction-ready projects***

Alternative Assets in which the Company expects to invest may include completed, operational and income-generating assets as well as Alternative Assets which are construction-ready and are expected to be operational in the future. In the case of such construction-ready Alternative Assets, the Company may seek to acquire and fund the construction of the Alternative Asset, but will only do so where the necessary approvals, permits and licences together with the necessary build and operating contracts are already in place and will not provide speculative funding. The Company considers such acquisition and funding of construction-ready Alternative Assets on a non-speculative basis to be "**Forward-funding**". However, no more than 30 per cent. of the Gross Asset Value (calculated at the time of entering into any new Forward-funding arrangement and based on the latest available reported valuations at such time) will be comprised of Forward-funded Alternative Assets. The Company does not consider the provision of specialist debt to be Forward-funding and does not consider investing in construction-ready renewable energy assets to be subject to this restriction.

By their very nature, fixed price construction and operating contracts are likely to contain provisional items and dependencies on factors that will be outside the control of the Company, and the acquisition of, or funding of, Alternative Assets prior to completion of the construction is subject to greater risks than purchasing or funding operating income-producing assets with visible and predictable cash flows.

To the extent that the Company provides Forward-funding, the Company will have a direct or indirect exposure to construction risks relating to the relevant Alternative Asset until such time as it is constructed, such as:

- failure to complete the construction of the Alternative Asset, or delays in the timing of cash flows due to delays in the construction or commissioning of the Alternative Asset;
- the potential for the construction to run over budget;
- the risk of a key contractor becoming insolvent and being incapable of being replaced (either at all or on commercially acceptable terms); and
- inherent defects (including any latent defects) in the development, design, or construction phase of the Alternative Asset or otherwise the finished Alternative Asset not being to the performance specification, standards or having the characteristics that were initially expected.

The Company would be exposed to the risks that the contractors appointed to carry out the construction of the Alternative Asset fail to meet the standards expected of them, complete the work late or inadequately, or suffer an insolvency event during the construction phase. In those circumstances an alternative contractor would be appointed to complete construction to the required standard, however, the Company may, indirectly, incur a higher cost in completion of the Alternative Asset or a delay in receiving income from the Alternative Asset, which could have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

***Risks relating to appointment of certain contractors for the construction of infrastructure and property alternative assets***

Typically, the Investment Adviser and the Alternative Asset Managers will procure that the SPE appoints the appropriate engineering, procurement and construction contractors in connection with the construction phase of the relevant Alternative Asset, save that in the case of specialist debt it is expected that the borrower will arrange for the appointment of such contractors. As such, the Company will be indirectly dependent on the performance of such contractors in order to complete the construction of Alternative Assets on time, and in accordance with all appropriate contractual standards and specifications.

The Investment Adviser and the Alternative Asset Managers will seek to contract, or ensure that developers contract, with contractors of good standing and with strong track records, and will seek to ensure that any contract with the contractors, and the other contracts relating to the relevant project, contain sufficient protections to adequately compensate the SPE owning the Alternative Asset should it suffer any losses due to any delays, defects or failures in the construction or commissioning of the Alternative Asset. There can be no assurance that the liability regimes in the relevant contracts will be sufficient to cover all of the losses incurred by the SPE, resulting in the SPE being unable to recover all of its losses from the relevant contractor which, in turn, would result in the Company losing some or all of its investment, having an adverse effect on the Company's NAV, the market value of the Shares and the Company's ability to deliver the Target Dividend or Target NAV Total Return to Shareholders.

It is also possible that a contractor may become insolvent or otherwise become unable to pay its debts as they fall due, further restricting the SPE's ability to recover its losses. In the event of contractor failure, the Investment Manager, the Investment Adviser and the Alternative Asset Manager will seek to find a replacement contractor on a timely basis and on terms no less favourable than the terms of the previous contractor. There can be no guarantee, however, that this will be possible, and in such event, the Alternative Asset may not be completed, may be completed on a delayed basis or may become more expensive to build. This may cause the Company to lose some or all of its investment in the relevant project, which is likely to have an adverse impact on the Company's NAV, the market value of the Shares and the Company's ability to deliver the Target Dividend or Target NAV Total Return to Shareholders.

***Risks relating to the operating and maintenance of infrastructure and property alternative assets***

There are a number of risks relating to the operating and maintenance of infrastructure and property alternative assets which may affect the Company and the Alternative Asset Managers. Infrastructure and property assets will comprise of physical assets and, sometimes, real estate. As such, it is possible that the infrastructure and property assets or equipment underpinning them may fail, which could give rise to claims from counterparties for liquidated damages or other claims for underperformance against key performance indicators, particularly as contractual payments due in respect of infrastructure and property assets are typically linked to the output and performance of that asset. The Company will also be exposed to the same risks relating to the insolvency of any operators as those set out in the above risk factor entitled "*Risks relating to appointment of certain contractors for the construction of infrastructure and property alternative assets*".

In order to mitigate this risk, the Investment Manager, with advice from the Investment Adviser and, where relevant, the Alternative Asset Manager, will seek to use proven technologies, typically backed by manufacturer warranties, in the installation of any infrastructure and property assets. Further, the Investment Adviser and Alternative Asset Manager will typically implement a maintenance programme for infrastructure and property assets and will seek to appoint contractors with a strong track record to carry out such maintenance. Further, the Investment Adviser and the Alternative Asset Manager may seek to procure appropriate guarantees from the vendors,

developers or constructors of infrastructure and property assets in favour of the Company in respect of the works carried out.

However, there can be no assurance that the steps taken will be sufficient to entirely extinguish any risk that the infrastructure and property assets may fail, and there can be no assurance that the protections contained in the relevant contract with the operations contractor will be sufficient to cover any loss suffered by the Company. In such circumstances, this may affect the returns generated by the relevant infrastructure or property asset, which is likely to have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

In addition, where an infrastructure or property asset comprises a holding in, or access to, real estate, the physical location, maintenance and operation of an asset may pose a range of risks such as:

- health and safety risks to those involved during construction, maintenance, replacement or decommissioning – the Company will need to consider whether it is liable under environmental and health and safety legislation for any accidents that may occur in the relevant jurisdiction;
- the asset may be considered a source of nuisance, pollution or other environmental harm – the Company may be liable in respect of any environmental damage (including contamination of hazardous substances) which may occur on any site upon which infrastructure and property assets are installed or any neighbouring sites; and
- the infrastructure or property asset may be located on property leased from third parties – such lease arrangements give rise to a range of risks including deterioration in the property during the investment life, damages or other lease related costs, counterparty and third party risks in relation to the lease agreement and property, termination of the lease following breach or due to other circumstances such as a mortgagee taking possession of the property.

Any liabilities, access rights issues or other of the circumstances described above could have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

### ***Risks of property asset ownership***

Real estate historically has experienced significant fluctuations and cycles in value, and specific market conditions may result in reductions in the value of real property interests. The marketability and value of the real property interests will depend on many factors beyond the control of the Company, including (a) changes in general or local economic conditions; (b) changes in supply of, or demand for, competing properties in a certain area; (c) changes in interest rates; (d) the amendment, promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (e) unavailability of mortgage funds that may render the sale of a property difficult; (f) the financial condition of tenants, buyers and sellers of properties; (g) changes to existing laws, bylaws, mandates, rules, regulations, policies or practices related to the ownership and management of rental properties, and/or rental brokerage transactions; (h) changes in real estate tax rates and other operating expenses; (i) the imposition of rent controls; (j) energy and supply shortages; (k) various uninsured or uninsurable risks; (l) acts of God and natural disasters. In addition, general economic conditions in the UK, as well as the conditions of domestic and international financial markets, may adversely affect the position and prospects of the Company.

### ***Risks of investing in shared ownership of residential property***

The Current Pipeline includes an opportunity to invest in shared ownership of residential property as an attractive Alternative Asset. If a shared owner of a part buy/part rent property borrows monies through a mortgage from a commercial lender then that lender's mortgage may take priority ahead of the Company's investment in the Alternative Assets as well as any third party borrowings secured against the Alternative Assets. If that shared owner were in a position of default causing a commercial lender to enforce its security over its mortgage, the commercial lender may elect to sell the property, which may result in a shortfall if the property generated insufficient value from sale.

The valuation of shared ownership residential property to be acquired is assessed by considering the expected rental income and part realisations from each property that can reasonably be expected to occur during the term of the lease (each element being discounted by a discount factor

to reflect the expected timing of receipt of the relevant income stream arising from the property leases). Falls in house prices may, therefore, affect both the income arising from the properties as well as the portfolio valuation over time, either of which could affect the ability of the Alternative Assets to meet its payment obligations on a timely basis or its ability to satisfy any asset cover covenants which it may be required to maintain pursuant on any third party borrowings in place.

The availability of acquisition opportunities will depend, in part, upon conditions in the part buy/part rent home sector (including, in the case of new part buy/part rent homes, such homes continuing to be affordable for their target part buy/part rent owners) and the level of competition for assets in the market. Returns from the Alternative Assets investments will be affected by the price at which they are acquired and the availability of housing stock.

In order to ensure shared owners have wide access to mortgages and to maximise the availability of housing stock for purchase, the Alternative Asset Manager may establish and lease each residential property to a for profit registered housing provider.

The majority of shared owners in respect of the properties take out some level of mortgage to finance the purchase of their initial share and as such, a reduction in mortgage lender appetite to provide this type of product could lead to a reduction in the volume of assets available. Although the Alternative Assets will not rely on sale receipts to service obligations, if there is a disruption in the mortgage market in circumstances where rent is not being paid and sale proceeds are required to ensure the Alternative Assets can meet payments under its borrowing facilities, then the mortgage market disruption may impact on the ability of the Alternative Assets to meet payments due under any of its own borrowing facilities.

#### ***Risks of owning interests in Alternative Assets in Europe***

The Current Pipeline includes Spanish solar development and investment opportunities. These assets are affected by market conditions, including fluctuations in the supply and demand, residual value, illiquidity and scarcity as well as taking a significant period of time to become income generating. Difficult market conditions, including unanticipated changes to the Spanish tax and regulatory framework, may also adversely affect the returns generated by these assets. In addition, the credit risk of certain EU member states has been a cause for concern in the past, and one country's default could lead to stress across the entire Eurozone. Spain and its energy market could be affected which in turn could have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

#### ***Risks of making loans to infrastructure projects and assets and property assets***

The Current Pipeline includes two opportunities to provide debt to infrastructure assets and projects, and the Company may provide debt to property assets in the future, which exposes the Company, indirectly, to the risk of the creditworthiness of the borrower, and the risk that the borrower might default on their repayment obligations which, in turn, creates a risk that the Company may not be repaid all of its principal on the debt and may not generate its projected returns. In order to mitigate this risk, the Investment Manager and the Investment Adviser may: (i) carry out appropriate due diligence on the borrower, (ii) seek to limit loan to value ratios and debt service coverage ratios to an appropriate level, and (iii) seek to secure the debt against the relevant infrastructure and property alternative assets. There can be no assurance that these precautions will eliminate the counterparty risk, or ensure that the Company can recover its losses, in which case the default of a counterparty could have an adverse effect on Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

#### ***Risks of investing in healthcare and education***

The Current Pipeline includes opportunities to invest in healthcare and education properties which exposes the Company to the risk of the creditworthiness of the lessee or tenant and indirectly to certain operational, regulatory and reputation risks, such as lower fee rates and public sector funding, lower occupancy or higher operating costs including as a result of changes in regulation. If any of these risks were to materialise, this could have a significant impact on the net revenues generated by the relevant asset, which could cause the Company to be unable to generate its projected returns. Further given the nature of the underlying tenants including the elderly, the young



and public sector bodies or quasi-public entities, the Company may find it difficult from a reputation perspective to fully enforce its securities or contractual rights in the event of any default. In order to mitigate this risk, the Investment Manager and the Investment Adviser may: (i) carry out appropriate due diligence on the supply and demand need for the properties including ensuring required approvals are in place, the lessee and where different the operator; (ii) seek to limit rentals to benchmarked norms; or (iii) take security over the relevant infrastructure and property alternative assets. There can be no assurance that these precautions will eliminate all risks and any of these factors could have an adverse effect on Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

#### ***Projected returns from Alternative Assets and Alternative Asset Managers***

The Company makes investments based on estimates or projections of income and capital appreciation arising from Alternative Assets and Alternative Asset Managers, which, in either case, may be based on an assumed level of gearing. There can be no assurance that the actual cash flows arising from Alternative Assets or the actual returns on investments in the Alternative Asset Managers will equal or exceed those that are expected, or that the expected levels of gearing may be obtained either at competitive rates or at all. As a result, this may have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares, and the Company's ability to deliver the Target Dividend or Target NAV Total Return to Shareholders.

#### ***Risks relating to the acquisition of Alternative Assets***

The Company intends to acquire Alternative Assets that meet the Investment Policy and can be acquired on advantageous terms. Acquisitions of Alternative Assets have inherent general investment risks, including the risk that investments will fail to perform as expected.

The Company's acquisition activities and their success may be exposed to the following risks:

- even if the Company enters into an acquisition agreement for an Alternative Asset, such an agreement would typically be subject to customary conditions to closing, including satisfactory completion of due diligence investigations;
- competition from other investors may significantly increase the purchase price needed to be paid or may impair the Company's ability to acquire the investment;
- acquired Alternative Assets may fail to perform as the Company, the Investment Manager and the Investment Adviser projected when analysing its investments in those Alternative Assets; and
- the Company's estimates of the transaction costs in respect of acquired Alternative Assets may be inaccurate.

The Company may acquire Alternative Assets subject to known or unknown liabilities and with limited or no recourse to the seller. As a result, if liability was asserted against the Company based upon such Alternative Assets, the Company might have to pay substantial sums to dispute or remedy the matter, which could adversely affect the Company's cash flow. Unknown liabilities with respect to Alternative Assets acquired could include, for example, liabilities for clean-up of undisclosed environmental contamination; claims by tenants, customers, vendors or other persons relating to the prior operation of the Alternative Assets or the former owners of the Alternative Assets; liabilities incurred in the ordinary course of business; and claims for indemnification by the former owners of the Alternative Assets. As a result, this may have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares, and the Company's ability to deliver the Target Dividend or Target NAV Total Return to Shareholders.

#### ***Risks related to investment in development assets***

The Company will not engage in any development activities. However, investments by the Company in the working capital of Alternative Asset Managers may result in the Company obtaining indirect exposure to development opportunities that have not yet reached the stage of having all the necessary approvals and contracts in place. Given the restriction set out in the Investment Policy on the amounts which may be invested by the Company in Alternative Asset Managers, the Company's

indirect exposure to such development opportunities is expected to be limited. The Company does not consider the provision of specialist debt to be development.

The key risk is that the asset may never reach construction-ready status, due to the developer not being able to obtain the necessary permissions, agreements or approvals causing cessation of development work or that the necessary construction and operating contracts cannot be put in place with acceptable terms and conditions. There is also the risk that a developer or other advisers engaged by an Alternative Asset Manager may not perform as intended or might not be readily replaceable (either at all or on commercially viable terms) to advance the project.

The Company will be subject to the risk that third party developers or other necessary advisers or contractors engaged by an Alternative Asset Manager could become insolvent during the development phase, which could then cause the project to take a number of additional months to complete.

In the event that the Alternative Asset development opportunity does not achieve construction-ready status for any of the reasons described above, this may materially adversely affect the value of any investment in the development project and could affect the value of the Alternative Asset Manager, resulting in the value of the Company's investment in such Alternative Asset Manager being adversely affected, with consequential impacts on the Company's NAV and/or the market value of the Shares and, potentially, on the Company's ability to deliver the Target Dividend or Target NAV Total Return to Shareholders.

### ***Environmental Risks***

Some of the Investments will be in sectors that are subject to significant regulation. Were one of those Investments, or another business in such a sector, to suffer a significant industrial or environmental incident, regulatory scrutiny of the relevant sector may increase significantly, which may adversely affect the operations of the underlying entities or businesses in which the Company invests.

The Company may be exposed to risk of loss from environmental claims arising with respect to Alternative Assets after investment by the Company or where the Alternative Assets have been acquired with environmental problems, and the loss may exceed the Company's investment. Additionally, changes in environmental laws or in the environmental condition of an asset may create liabilities that did not exist at the time of acquisition of an Investment and that could not have been foreseen. To the extent that such environmental risks materialise, they may have an adverse effect on the Company's financial position and the value of its Investments.

## **RISKS RELATING TO THE INVESTMENT MANAGER, THE INVESTMENT ADVISER AND THE ALTERNATIVE ASSET MANAGERS**

### ***The success of the Company depends on the ability and expertise of the Investment Manager, the Investment Adviser and the Alternative Asset Managers***

In accordance with the Investment Management and Adviser Agreement, the Investment Manager is responsible for the management of the Investments, acting on the advice of the Investment Adviser. The Company does not have any employees and its Directors are appointed on a non-executive basis. All of its investment and asset management decisions will in the ordinary course be made by the Investment Manager (and any of its delegates) with input and recommendations from the Investment Adviser, and not by the Company. The Investment Manager is not required to and generally will not submit individual investment decisions for approval by the Board, however any decisions to invest in Alternative Asset Managers and new types of Alternative Assets will be subject to Board endorsement. The Company will therefore be reliant upon, and its success will depend on, the personnel, services and resources of the Investment Manager and the Investment Adviser.

Many of the Investment Manager's investment decisions will depend upon the ability of its own and the Investment Adviser's employees and agents to carry out due diligence and obtain relevant information. There can be no assurance that such information will be available or, if available, can be obtained by the Investment Manager or the Investment Adviser's employees and agents. Further, the Investment Manager may be required to make investment decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to fully verify. There can be no assurance that the Investment Manager or the

Investment Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on the Investments. Any failure by the Investment Manager or the Investment Adviser to perform effective due diligence on potential investments may adversely affect the investment returns expected from a particular investment.

The Investment Adviser intends to become an authorised AIFM in due course and, subject to the approval by the Board of the Company, will then replace Cabot Square Capital LLP as the Company's Investment Manager and AIFM. This change would require the Investment Adviser to obtain the requisite regulatory approvals. If the Investment Adviser is unable to obtain these approvals, it is expected that Cabot Square Capital LLP will remain the Company's Investment Manager and AIFM and will continue acting on the advice of the Investment Adviser.

In addition, the Investment Manager and the Investment Adviser, and by extension the Company, are reliant on the skill and expertise of the Alternative Asset Managers, and their personnel, services and resources, to manage the relevant Alternative Assets with due care and skill in a manner that delivers the expected returns on a consistent and reliable basis.

In particular, the ability of the Company to pursue the Investment Policy successfully will depend on the continued service of key personnel of the Investment Manager and the Investment Adviser and/or the Investment Manager's and the Investment Adviser's ability to recruit new individuals of similar experience and calibre. In addition, the ability of an Alternative Asset Manager to perform its obligations under the relevant asset management agreement with due care and skill will depend on its ability to recruit and retain suitably experienced and skilled individuals. Whilst each of the Investment Manager, the Investment Adviser and the Alternative Asset Managers seek or will seek to ensure that the principal members of their management teams are suitably incentivised, the retention of key members of those teams cannot be guaranteed. There is no guarantee that, following the death, disability or departure from the Investment Manager, the Investment Adviser or the Alternative Asset Managers of any key personnel, the affected entity would be able to recruit a suitable replacement or avoid any delay in doing so. The loss of key personnel and any inability to recruit an appropriate replacement in a timely fashion could have a material adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

***There can be no assurance that the Investment Manager, with assistance from the Investment Adviser, will be able to source suitable investments at prices which the Investment Manager considers to be attractive***

Shareholders' investment returns will depend upon the Investment Manager's ability, with the assistance of the Investment Adviser, to source and complete successful Investments on behalf of the Company in the face of competition from other entities, which may be more established or have greater resources than the Company, or be able to undercut the Company's pricing appetite due to having lower operating costs.

Further, the Investment Manager's ability to source investments at a price that it considers to be attractive could be affected by all the factors previously described above relating to the acquisition of Alternative Assets generally.

In either case, the Company may be required to make a less favourable investment, make the same Investment at a less favourable price or retain cash for longer than otherwise expected, which may have a material adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

***No reliance should be placed by investors on the past performance of other investment vehicles or accounts managed or advised by the Investment Manager or the Investment Adviser, their affiliates or their employees***

The track record of investment vehicles managed or advised by the Investment Manager or the Investment Adviser, their affiliates and their respective employees should not be assumed to imply or predict, directly or indirectly, any level of future performance of the Company. The investment strategy, and the nature of and risks associated with the Company's assets, may differ from those of the other investment vehicles managed or advised by the Investment Manager or the Investment Adviser or their affiliates or employees. Furthermore, the performance of the Company is dependent on future events and is, therefore, inherently uncertain. Past performance cannot be relied upon to

predict future events for a variety of reasons, including, without limitation, local and national economic circumstances, supply and demand characteristics, degrees of competition and other circumstances pertaining to capital markets. In addition, different persons may be performing different roles and devoting different levels of attention to the Company as compared to the transactions giving rise to the past performance information provided in this Prospectus. Remuneration, returns and incentives to the Investment Manager or the Investment Adviser from the Company, or remuneration of the Alternative Asset Managers due in respect of the relevant Alternative Asset Platform, may also be different than in the transactions giving rise to the prior returns reported upon in this Prospectus. Moreover, limitations and restrictions within the Investment Management and Adviser Agreement or otherwise referred to in this Prospectus are different and in many instances may be more restrictive, than restrictions to which any of the Investment Manager, the Investment Adviser, the Alternative Asset Managers, their respective affiliates or any of their respective employees may have been subject to in prior appointments and in achieving the prior performance results set forth in this Prospectus. The Investment Manager's, the Investment Adviser's or an Alternative Asset Manager's investment outlook and strategy may be affected by such differences.

***The Investment Manager, the Investment Adviser and the Alternative Asset Managers and other affiliated entities may be involved in other financial, investment or professional activities that may give rise to conflicts of interest with the Company***

The Investment Manager and the Investment Adviser and other affiliated entities may be involved in other financial, investment or professional activities which may give rise to conflicts of interest with the Company. In particular, the Investment Manager and the Investment Adviser and other affiliated entities may establish similar new investment vehicles in the future with a similar investment strategy to that of the Company.

There is therefore a risk that conflicts of interest may arise because the Investment Manager or the Investment Adviser must allocate certain investment opportunities between the Company and other investment vehicles and the Investment Adviser must provide advice to more than one investment vehicle.

In addition, it is possible that, in the future, the Alternative Asset Managers might establish fund vehicles through which they may raise third party funds to manage a portfolio of alternative assets. Such circumstances could give rise to a conflict of interests between the Alternative Asset Manager on the one hand and the Company, the Investment Manager and the Investment Adviser on the other, for example in respect of the allocation of new investment opportunities between those third party funds and the Company, or in respect of the ability for the Alternative Asset Manager to devote sufficient time to managing the relevant Alternative Assets.

The Investment Manager and the Investment Adviser have established procedures to address any such potential conflicts of interest, which are described in Part IV (Directors, Management and Administration) of this Prospectus. The Investment Manager and the Investment Adviser will work with each Alternative Asset Manager to establish suitable, fair and transparent conflicts of interest policies.

However, there can be no guarantee that these procedures with respect to such conflicts of interest will remain in place or will be successful in addressing all such conflicts that may arise. If these procedures are not followed for any reason, if the Investment Manager, the Investment Adviser or the relevant Alternative Asset Manager is otherwise unable to effectively manage such potential conflicts of interest, or if the outcome of following such procedures is adverse to the interests of the Company, this could have an adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares.

***Operational risks may disrupt the Investment Manager's, the Investment Adviser's or the Alternative Asset Manager's businesses, result in losses or limit the Company's growth***

The Company relies heavily on the financial, accounting and other data processing systems of the Investment Manager, the Investment Adviser and, to a lesser extent, the Alternative Asset Managers. If any of these systems do not operate properly or are disabled, the Company could suffer financial loss or reputational damage. In addition, the Company may invest in businesses that are highly dependent on information systems and technology.



A disaster or a disruption in the infrastructure that supports the Investments, or a disruption involving electronic communications or other services used by the Investment Manager, the Investment Adviser, the Alternative Asset Managers or third parties with whom the Company conducts business, could have a material adverse impact on the ability of the Company to continue operating its business without interruption. The disaster recovery programmes used by the Investment Manager, the Investment Adviser, the Alternative Asset Managers or third parties with whom the Company conducts business may not be sufficient to mitigate the harm that may result from such disaster or disruption.

### ***Cybersecurity Risk***

The Investment Manager, the Investment Adviser, the Alternative Asset Managers, the Directors and the Company's other service providers increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Company and the Shareholders, despite the efforts of the Board, the Investment Manager, the Investment Adviser, the Alternative Asset Managers and the Company's other service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Company and the Shareholders. For example, unauthorised third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Investment Manager, the Investment Adviser, the Alternative Asset Managers, the Company Secretary, the Directors or the Company's other service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third party service providers or other users of the Investment Manager's, the Investment Adviser's or an Alternative Asset Manager's systems to disclose sensitive information in order to gain access to their data. A successful penetration or circumvention of the security of the Investment Manager's, the Investment Adviser's or an Alternative Asset Manager's systems could result in the loss or theft of the Company's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Directors, the Company, the Investment Manager, the Investment Adviser, the relevant Alternative Asset Manager or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial losses.

### ***Reputational risks against the Investment Manager, the Investment Adviser, an Alternative Asset Manager or the Company, may disrupt the Company's investment strategy and growth***

The Company may be exposed to reputational risks, misconduct, operational failures, negative publicity and press speculation (whether or not valid) which may harm the reputation of the Investment Manager, the Investment Adviser, an Alternative Asset Manager or the Company. Although considered by the Board to be unlikely, it is possible that the Investment Manager, the Investment Adviser, an Alternative Asset Manager or the Company may be named as parties to litigation or become involved in regulatory inquiries, which could cause substantial reputational damage to the Investment Manager, the Investment Adviser, an Alternative Asset Manager or the Company or disrupt the Company's investment strategy, business or potential growth and have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, in extreme cases (in particular in the case of an adverse ruling) may have an adverse effect on the NAV and/or the market price of the Shares, and the Company's ability to deliver the Target Dividend or Target NAV Total Return to Shareholders.

## **RISKS RELATING TO AN INVESTMENT IN SHARES**

### ***The Shares may trade at a discount to NAV and the price that can be realised for the Shares can be subject to market fluctuations***

It is unlikely that the price at which the Shares trade will be the same as their NAV (although they are related). The shares of an investment company such as the Company may be quoted at a discount to the NAV per share. This could be due to a variety of factors, including due to market conditions or an imbalance between supply and demand for the Shares. While the Directors may seek to mitigate the discount to NAV through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such efforts will be

successful. As a result of this, investors that dispose of their interests in the Shares in the secondary market may realise returns that are lower than they would have been if an amount equivalent to the NAV per share was distributed.

The market price of the Shares may significantly fluctuate and Shareholders may not be able to sell Shares at or above the price at which they purchased those Shares. Factors that may cause the price of the Shares to vary include those detailed in this “Risk Factors” section of this Prospectus, such as: changes in the Company’s financial performance and prospects, or in the financial performance and market prospects of the Company’s assets or those which are engaged in businesses that are similar to the Company’s business; the termination of the Investment Management and Adviser Agreement or the departure of some or all of the Investment Manager’s or the Investment Adviser’s key investment professionals; changes in or new interpretations or applications of laws and regulations that are applicable to the Company’s business or to the companies in which the Company makes investments; sales of Shares by Shareholders; general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events; poor performance in any of the Investment Manager’s activities or any event that affects the Company’s or the Investment Manager’s reputation; speculation in the press or investment community regarding the Company’s business or assets, or factors or events that may directly or indirectly affect the Company’s business or assets; and foreign exchange risk as a result of making and selling equity investments denominated in currencies other than Sterling.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance or fundamentals of individual companies. Market fluctuations may adversely affect the trading price of the Shares. As with any investment, the price of the Shares may fall in value with the maximum loss on such investments being equal to the value of the initial investment and, where relevant, any gains on subsequent investments made.

***It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Shares, and Shareholders have no right to have their Shares redeemed or repurchased by the Company***

Initial Admission should not be taken as implying that there will be an active and liquid market for the Ordinary Shares. The number of Ordinary Shares to be issued pursuant to the Initial Issue is not yet known and there may, on Initial Admission, be a limited number of Shareholders. Consequently, the Ordinary Share price may be subject to significant fluctuation on relatively small volumes of trading. Limited numbers of Shares and/or Shareholders may result in limited liquidity in such Shares, which may affect: (i) an investor’s ability to realise some or all of its/their investment; and/or (ii) the price at which such Shares trade in the secondary market. The price at which the Shares will be traded will be influenced by a variety of factors, some specific to the Company and its Investments and some that may affect companies generally.

Further, the Company is a closed-ended investment company and Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Subject to the Act, the Directors retain the right to effect repurchases of Shares in the manner described in this Prospectus. However, 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 exercise such powers. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares on the market. There can be no guarantee that a liquid market in the Shares will develop or that the Shares will trade at prices close to their underlying NAV per share. Accordingly, Shareholders may be unable to realise their investment at such NAV per share, or at all.

The Company will be required under the Listing Rules to ensure that 25 per cent. of the Shares are publicly held at all times. If, for any reason, the number of Shares in public hands were to fall below that level, there is a risk that the London Stock Exchange might suspend or terminate the trading of the Shares and therefore that Shareholders would find it difficult to realise their investment during such suspension or termination.

***The existence of a liquid market in any class of C Shares cannot be guaranteed, and C Shares may suffer greater volatility in discounts and may be more illiquid than Ordinary Shares***

Each class of C Shares will constitute a separate class of Shares, with a separate underlying pool of assets and each class shall be independent of each other. Each class of C Shares will have the

same rights and characteristics as any other class of C Shares. Each class of C Shares will have a separate NAV per C Share (calculated by reference to the assets attributable to that class of C Shares divided by the number of C Shares issued in that class). There can be no guarantee that a liquid market in any class of C Shares will develop or be sustained or that the C Shares of any class will trade at prices close to their respective underlying NAV. The Directors will not conduct buybacks of any class of C Shares prior to Conversion. Therefore, the Company will not assist any class of C Shares in limiting discount volatility or providing an additional source of liquidity through repurchases of any C Shares in such a class of C Shares. Therefore, until the relevant C Shares are converted into New Ordinary Shares, they may suffer greater volatility in discounts and may be more illiquid than Ordinary Shares.

#### ***Possible delay in Conversion of C Shares***

Following the Initial Issue, the Company expects to only consider issuing C Shares if it believes, following advice from the Investment Manager and the Investment Adviser, that suitable acquisition opportunities exist which would allow the Net Issue Proceeds of such issuance of C Shares to be deployed within 12 to 18 months following Admission of the relevant tranche of C Shares. There is a risk that where the Company does not succeed in acquiring the Investments it has identified, or is unable to acquire such Investments on a timely basis, then the Company will be unable to deploy the Net Issue Proceeds within its expected timeframe. Should these scenarios materialise, they could have a material adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its dividend, NAV, and/or the market value of the Shares and, consequently, the Company's NAV and/or the market price of the C Shares, and the Company's ability to deliver the Target Dividend or Target NAV Total Return to the holders of Ordinary Shares or the relevant class of C Shares, could be materially affected. In addition, failure to deploy substantially all of the Net Issue Proceeds will delay the Conversion to New Ordinary Shares of the relevant class of C Shares.

#### ***The Company may in the future issue new Shares, which may dilute Shareholders' equity or have a detrimental effect on the market price of the Shares***

Further issues of Shares may, subject to compliance with the relevant provisions of the Act and the Articles, be made on a non-pre-emptive basis. Any such issue may dilute the interest in the Company held by any of the Company's existing Shareholders immediately prior to such issue. Additionally, such issues could have an adverse effect on the market price of the Shares. Although the Articles do not contain pre-emption rights, pre-emption rights at law apply. By a special resolution passed on 13 November 2019, the Directors have been authorised to allot Shares pursuant to the Share Issuance Programme or otherwise up to an aggregate nominal amount equal to £10 million on a non-pre-emptive basis, such authority to expire at the end of the period of five years from the date of the passing of that resolution.

#### ***The Shares are subject to transfer restrictions and forced transfer provisions for investors in the United States and certain other jurisdictions***

The Shares have not been and will not be registered in the United States under the Securities Act or other applicable securities laws and are subject to the restrictions on transfer contained in such laws.

In addition, in order to avoid being required to register under the Investment Company Act, the Company has imposed restrictions on the transfer of the Shares. There are restrictions on the purchase of Shares by investors who are located in the United States or are US Persons and on the resale of Shares by any Shareholders to any person who is located in the United States or to, or for the account or benefit of, a US Person. These restrictions may make it more difficult for Shareholders to resell the Shares and may have an adverse effect on the market value of the Shares.

For further information on restrictions on offers, sales and transfers of the Shares, please refer to the section entitled "US Representations, Warranties and Undertakings" in Part V (The Initial Issue and Subsequent Placings under the Share Issuance Programme) of this Prospectus.

The Shares are also subject to forced transfer provisions under the Articles. The Company may require any Shareholder whom the Directors believe is or may be a Non-Qualified Holder (as defined in the Articles), to provide the Company within 30 days with sufficient satisfactory

documentary evidence to satisfy the Directors (whose judgement shall be final and binding) that they are not a Non-Qualified Holder. The Company may require any such person to sell or transfer their Shares to a person who is not a Non-Qualified Holder within 30 days and within such 30 days to provide the Directors with evidence satisfactory to the Directors (whose judgement shall be final and binding) of such sale or transfer. Pending such transfer, the Directors may suspend the exercise of any voting or consent rights and rights to receive notice of, or attend, a meeting of the Company and any rights to receive dividends or other distributions with respect to such Shares. If any such person upon whom the Directors serve a notice does not within 30 days after such notice either: (i) transfer their Shares to a person who is not a Non-Qualified Holder; or (ii) establish to the satisfaction of the Directors (whose judgement shall be final and binding) that they are not a Non-Qualified Holder, the Directors may arrange for the sale of the Shares on behalf of the registered holder at the best price reasonably obtainable at the relevant time. For further information on the forced transfer provisions under the articles, prospective investors should refer to the section entitled “Articles of Association” in Part VII (Additional Information on the Company) of this Prospectus.

## **RISKS RELATING TO REGULATION AND TAXATION**

### ***Changes in laws or regulations governing the Company’s, the Investment Manager’s or the Investment Adviser’s operations may adversely affect the business and performance of the Company***

The Company, the Investment Manager and the Investment Adviser are subject to laws and regulations enacted by national and local governments.

The Company is subject to, and will be required to comply with, certain legal and regulatory requirements that are applicable to UK investment trusts. The Company is subject also to the continuing obligations imposed by the FCA on all investment companies whose shares are listed on the premium listing category of the Official List and trading on the Main Market of the London Stock Exchange. The Investment Manager and the Investment Adviser are subject to, and will be required to comply with, certain regulatory requirements set out in UK domestic legislation, rules and regulations as well as those set out at an EEA level, many of which could directly or indirectly affect the management of the Company.

The laws and regulations affecting the Company, the Investment Manager and/or the Investment Adviser are evolving and any changes in such laws and regulations may have an adverse effect on the ability of the Company, the Investment Manager or the Investment Adviser to carry on their respective businesses. Any such changes could have an adverse effect on the value of the Investments, the Company’s financial condition, results of its operations and prospects, with a consequential adverse effect on the value of the Shares.

### ***Changes in taxation legislation or practice may adversely affect the Company or its Investments and the tax treatment for Shareholders***

Any change in the Company’s tax status, or in taxation legislation or practice in the United Kingdom or other jurisdictions to which the Company has exposure, could adversely affect the value of the Company’s portfolio of Investments and the Company’s ability to achieve the Investment Objective, or alter the post-tax returns to Shareholders. Statements in this Prospectus concerning the taxation of the Company and taxation of Shareholders are based upon current UK tax law and published practice, any aspect of which is, in principle, subject to change that could adversely affect the ability of the Company to successfully pursue its Investment Policy and/or which could adversely affect the taxation of the Company and the Shareholders and, as a consequence, may have an adverse effect on the value of the Company’s portfolio, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions for approval of the Company by HMRC as an investment trust under section 1158 of the Corporation Tax Act 2010 (as amended) and pursuant to regulations made under section 1159 of the Corporation Tax Act 2010 (as amended). However, neither the Investment Manager nor the Directors can provide assurance that this approval will be maintained. The UK Investment Trust (Approved Company) (Tax) Regulations 2011 require an up-front application to be made for approval as an investment trust. Once approved, the Company will be treated as an investment trust during the current accounting period at the time the application is made, and will continue to



have investment trust status in each subsequent accounting period, unless the Company breaches the investment trust conditions so as to be treated as no longer approved by HMRC as an investment trust, pursuant to the regulations. Breach of such conditions could lead to the Company being subject to UK tax on its capital gains. Any changes may have an adverse effect on the ability of the Company to realise the value of its Investments, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the value of the Shares.

***Shareholders may be subject to withholding and forced transfers under FATCA and there may also be reporting of Shareholders under other exchange of information agreements***

The FATCA provisions are US provisions contained in the US Hiring Incentives to Restore Employment Act of 2010. FATCA is aimed at reducing tax evasion by US citizens. FATCA imposes a withholding tax of 30 per cent. on: (i) certain US source interest, dividends and certain other types of income; and (ii) beginning no earlier than 1 January 2019 the gross proceeds from the sale or disposition of assets which produce US source interest or dividends and, potentially on "foreign passthru payments" (a term which is not yet defined), which are received by a foreign financial institution ("FFI"), unless the FFI complies with certain reporting and other related obligations under FATCA. The UK has concluded an intergovernmental agreement ("IGA") with the US, pursuant to which parts of FATCA have been effectively enacted into UK law.

Under the IGA, an FFI that is resident in the UK (a "**Reporting FI**") is not subject to withholding under FATCA provided that it complies with the terms of the IGA, including requirements to register with the IRS and requirements to identify, and report certain information on, accounts held by certain US persons owning, directly or indirectly, an equity or debt interest in the Company (other than equity and debt interests that are regularly traded on an established securities market, as described below) and report on accounts held by certain other persons or entities to HMRC, which will exchange such information with the IRS.

The Company expects that it will be treated as a Reporting FI pursuant to the IGA and that it will comply with the requirements under the IGA and relevant UK legislation. The Company also expects that its Shares may, in accordance with the current HMRC practice, comply with the conditions set out in the IGA to be "regularly traded on an established securities market" meaning that the Company should not have to report specific information on its Shareholders and their investments to HMRC.

However, there can be no assurance that the Company will be treated as a Reporting FI, that its Shares will be considered to be "regularly traded on an established securities market" or that it will not in the future be subject to withholding tax under FATCA or the IGA. If the Company becomes subject to a withholding tax as a result of FATCA or the IGA, the return on investment for some or all Shareholders may be materially adversely affected.

***The Company is likely to be regarded as a "covered fund" under the Volcker Rule. Any prospective investor that is or may be considered a "banking entity" under the Volcker Rule should consult its legal advisers regarding the potential impact of the Volcker Rule on its investments and other activities prior to making any investment decision with respect to the Shares or entering into other relationships or transactions with the Company***

Section 13 of the US Bank Holding Company Act of 1956, as amended, and Regulation VV (12 C.F.R. Section 248) promulgated thereunder by the Board of Governors of the Federal Reserve System (such statutory provision together with such implementing regulations, the "**Volcker Rule**"), generally prohibits "banking entities" (which term is broadly defined to include any US bank or savings association whose deposits are insured by the Federal Deposit Insurance Corporation, any company that controls any such bank or savings association, any non-US bank treated as a bank holding company for purposes of Section 8 of the US International Banking Act of 1978, as amended, and any affiliate or subsidiary of any of the foregoing entities) from: (i) engaging in proprietary trading as defined in the Volcker Rule; (ii) acquiring or retaining an "ownership interest" in, or "sponsoring", a "covered fund"; and (iii) entering into certain other relationships or transactions with a "covered fund".

As the Company is likely to be regarded as a "covered fund" under the Volcker Rule, any prospective investor that is or may be considered a "banking entity" under the Volcker Rule should consult its legal advisers regarding the potential impact of the Volcker Rule on its investments and other activities, prior to making any investment decision with respect to the Shares or entering into

other relationships or transactions with the Company. If the Volcker Rule applies to an investor's ownership of Shares, the investor may be forced to sell its Shares, or the continued ownership of Shares may be subject to certain restrictions. Violations of the Volcker Rule may also subject an investor to potential penalties imposed by the applicable bank regulatory authority or other enforcement action.

***The Company has not, does not intend to become and may be unable to become registered as an investment company under the Investment Company Act and related rules***

The Company has not, does not intend to become and may be unable to become registered with the SEC as an "investment company" under the Investment Company Act and related rules. The Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies, none of which will be applicable to the Company or its investors. However, if the Company were to become subject to the Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect the operating results and financial performance of the Company. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity and shareholders in that entity may be entitled to withdraw their investment.

***The Company may be treated as a passive foreign investment company***

The Company may be treated as a "passive foreign investment company" (often referred to as a "PFIC") for US federal income tax purposes, which could have adverse consequences on US investors. If the Company is classified as a PFIC for any taxable year, holders of Ordinary Shares that are US taxpayers may be subject to adverse US federal income tax consequences. Further, prospective investors should assume that a "qualified electing fund" election, which, if made, could serve as an alternative to the general PFIC rules and could reduce any adverse consequences to US taxpayers if the Company were to be classified as a PFIC, will not be available because the Company does not expect to provide the information needed to make such an election. A "mark-to-market" election may be available, however, if the Company's ordinary shares are regularly traded. Prospective purchasers of Shares that are US taxpayers are urged to consult with their own tax advisers concerning the US federal income tax considerations associated with acquiring, owning and disposing of Shares in light of their particular circumstances.

***The ability of certain persons to hold Shares and make secondary transfers in the future may be restricted as a result of ERISA and other regulatory considerations***

Unless otherwise expressly agreed with the Company, each initial purchaser and subsequent transferee of Shares will be required to represent and warrant or will be deemed to represent and warrant that it is not a "benefit plan investor" (as defined in Section 3(42) of ERISA), and that it is not, and is not using assets of, a plan or other arrangement subject to provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the US Tax Code unless its purchase, holding and disposition of Shares does not constitute or result in a non-exempt violation of any such substantially similar law. In addition, under the Articles, the Board has the power to refuse to register a transfer of Shares or to require the sale or transfer of Shares in certain circumstances, including any purported acquisition or holding of Shares by a benefit plan investor.

The Shares have not been registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In order to avoid being required to register under the Investment Company Act, the Company has imposed significant restrictions on the transfer of Shares which may make it more difficult for Shareholders to resell their Shares and may have an adverse effect on the market value of the Shares. If in the future an initial purchaser, or any subsequent holder, decides to offer, sell, transfer, assign or otherwise dispose of the Shares, they may do so only: (i) in an "offshore transaction" complying with the provisions of Regulation S under the Securities Act to a person outside the United States and not known by the transferor to be a US Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof. Prospective investors should refer to the sections entitled "Overseas Persons and Restricted Territories" and "US Representations, Warranties and Undertakings" in Part V (The Initial Issue and Subsequent Placings under the Share Issuance Programme) of this Prospectus.

Under the Articles, the Directors have the power to require the sale or transfer of Shares, or refuse to register a transfer of Shares, in respect of any Non-Qualified Holder. In addition, the Directors may require the sale or transfer of Shares held or beneficially owned by any person who refuses to provide information or documentation to the Company which results in the Company suffering US tax withholding charges. Prospective investors should refer to the section entitled “*Articles of Association*” in Part VII (Additional Information on the Company) of this Prospectus.

## IMPORTANT NOTICES

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

The contents of this Prospectus or any subsequent communications from the Company, the Investment Manager, the Investment Adviser, BDO, Cantor Fitzgerald or any of their respective Affiliates, officers, directors, employees or agents are not to be construed as legal, business or tax advice. The tax legislation of a Shareholder's home jurisdiction and of the United Kingdom, as the country of incorporation of the Company, may have an impact on the income received by the Shareholder from the Shares. Each prospective investor should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice in relation to the purchase of Shares.

Apart from the liabilities and responsibilities (if any) which may be imposed on BDO or Cantor Fitzgerald by FSMA or the regulatory regime established thereunder, neither BDO nor Cantor Fitzgerald, their respective Affiliates, officers, directors, employees or agents make any representations, express or implied, nor accept any responsibility whatsoever for the contents of this Prospectus (or any supplementary prospectus published by the Company prior to Initial Admission or the date of any Subsequent Admission) nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Investment Manager, the Investment Adviser, the Shares, the Initial Issue, the Subsequent Placings or any Admission. Each of BDO and Cantor Fitzgerald and their respective Affiliates, officers, directors, employees or agents accordingly disclaim all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it or they might otherwise have in respect of this Prospectus or any such statement.

In connection with the Initial Issue and the Subsequent Placings, the Investment Manager, the Investment Adviser, Cantor Fitzgerald and their respective Affiliates, officers, directors, employees or agents acting as an investor for its or their own account(s), may acquire Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Initial Issue, the Subsequent Placings or otherwise. Accordingly, references in this Prospectus to the Shares being issued, offered, acquired, subscribed for or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by, Cantor Fitzgerald and its Affiliates, officers, directors, employees or agents acting as an investor for its or their own account(s). Neither Cantor Fitzgerald nor any of their Affiliates, officers, directors, employees or agents intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Shares are only suitable for long term investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) from such an investment. Accordingly, typical investors in this product are expected to be institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and knowledgeable unadvised retail investors who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company.

The Shares are designed to be held over the long term and may not be suitable as short-term investments. There is no assurance that any appreciation in the value of the Company's investments will occur and investors may not get back the full amount initially invested, or any amount at all. The Investment Objective, Target NAV Total Return and Target Dividend of the Company are targets



only and should not be treated as an assurance or guarantee of performance. There can be no assurance that the Investment Objective or Target NAV Total Return will be achieved, or that the Target Dividend will be paid.

A prospective investor should be aware that the value of an investment in the Company is subject to market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of the Shares will occur or that the Investment Objective of, or the dividends proposed by, the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

## **GENERAL**

Prospective investors should rely only on the information contained in this Prospectus and any supplementary prospectus published by the Company prior to Initial Admission or any Subsequent Admission of the relevant Shares. No broker, dealer or other person has been authorised by the Company, the Board or any Director, the Investment Manager, the Investment Adviser, BDO or Cantor Fitzgerald to issue any advertisement or to give any information or to make any representation in connection with the Initial Issue or the Subsequent Placings other than those contained in this Prospectus and any such supplementary prospectus and, if issued, given or made, any such advertisement, information or representation must not be relied upon as having been authorised by the Company, the Board, any Director, the Investment Manager, the Investment Adviser, BDO or Cantor Fitzgerald.

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

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

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

## **SELLING RESTRICTIONS**

**This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.**

**The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction relevant to them in connection with any proposed applications for Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction.**

**Save for in the United Kingdom and save as explicitly stated elsewhere in this Prospectus, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus in any other jurisdiction where action for that purpose is required.**

### **Notice to prospective investors in the EEA**

In relation to each Relevant Member State, no Shares have been offered or will be offered pursuant to an Issue 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 Regulation, except that offers of Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation, if they are implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in Article 2(e) of the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) in such Relevant Member State; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation or any measure relating to the Prospectus Regulation in a Relevant Member State.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Shares in any 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 Member State by any measure relating to the Prospectus Regulation in that Relevant Member State.

Further, the Investment Manager, in its capacity as AIFM, has made the notifications or applications and received, where relevant, approvals for the marketing of the Shares to “professional investors” (as defined in the AIFM Directive) in the following EEA States: Iceland, Netherlands, Sweden and the UK. Notwithstanding any other statement in the Prospectus, the Prospectus should not be made available to any investor domiciled in any EEA State other than those cited above. Prospective investors domiciled in the EEA that have received the Prospectus in any EEA States other than those cited above should not subscribe for Shares (and the Company reserves the right to reject any application so made, without explanation) unless (i) the Investment Manager has confirmed that it has made the relevant notification or applications in that EEA State and is lawfully able to market Shares into that EEA State; or (ii) such investors have received the Prospectus on the basis of an enquiry made at the investor’s own initiative.

Notwithstanding that the Investment Manager may have confirmed that it is able to market Shares to professional investors in an EEA State, the Shares may not be marketed to retail investors (as this term is understood in the AIFM Directive as transposed in the relevant EEA States) in that EEA State unless the Shares have been qualified for marketing to retail investors in that EEA State in accordance with applicable local laws. At the date of the Prospectus, the Shares are not eligible to be marketed to retail investors in any EEA State (other than the UK). Accordingly, the Shares may not be offered, sold or delivered and neither the Prospectus nor any other offering materials relating to such Shares may be distributed or made available to retail investors in those countries.

### **Notice to prospective investors regarding United States federal securities laws**

The Company has not been and will not be registered under the Investment Company Act and as such investors are not and will not be entitled to the benefits of the Investment Company Act. The Shares have not been and will not be registered under the 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, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, any US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act. In connection with an Issue, subject to certain exceptions, offers and sales of the Shares will be made only outside the United States in “offshore transactions” to non-US

Persons pursuant to Regulation S under the Securities Act. There has been and will be no public offer of the Shares in the United States.

Neither the SEC nor any state securities commission of any state or other jurisdiction of the United States has approved or disapproved this Prospectus or the issue of the Shares or passed upon or endorsed the merits of the offering of the Shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

In addition, the Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions and may subject the holder to the forced transfer provisions set out under the Articles. For further information on restrictions on offers, sales and transfers of the Shares, please refer to the sections entitled “*Overseas Persons and Restricted Territories*” and “*US Representations, Warranties and Undertakings*” in Part V (The Initial Issue and Subsequent Placings under the Share Issuance Programme) and the section entitled “*Memorandum and Articles of Association*” in Part VII (Additional Information on the Company) of this Prospectus.

### **Enforceability of civil liberties**

The Company is organised as a public limited company incorporated under the laws of England and Wales. None of the Directors are citizens or residents of the United States. In addition, the majority of the Company’s assets are located outside the United States. As a result, it may not be possible for any US investors to effect service of process within the United States upon the Company or the Directors or to enforce in the US courts or outside the United States judgments obtained against them in US courts or in courts outside the United States, including judgments predicated upon the civil liability provisions of the US federal securities laws or the securities laws of any state or territory within the United States. There is doubt as to the enforceability in England and Wales, whether by original actions or by seeking to enforce judgments of US courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales.

### **Forward-looking statements**

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including, but not limited to, the terms “believes”, “could”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places in this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company, the Directors or the Investment Manager concerning, amongst other things, the Investment Objective and Investment Policy, investment performance, results of operations, financial condition, prospects, and dividend policy of the Company and the markets in which it invests and/or operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not assurances of future performance. The Company’s actual investment performance, results of operations, financial condition, dividends paid and its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition of the Company and its financing strategies, are consistent with the forward-looking statements contained in this Prospectus, those results, its condition or strategies may not be indicative of results, its condition or strategies in subsequent periods. Important factors that could cause these differences include, but are not limited to, the factors set out in the “Risk Factors” section of this Prospectus.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the “Risk Factors” section of this Prospectus for a discussion of additional factors that could cause the Company’s actual results to differ materially from those that the forward-looking statements may give the impression will be achieved, before making an investment decision. Forward-looking statements speak only as at the date of this Prospectus. The Company, the Investment Manager, the Investment Adviser, BDO and Cantor Fitzgerald undertake no obligation to revise or update any

forward-looking statements contained herein (save where required by the Prospectus Regulation Rules, the Listing Rules, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules or the AIFM Directive), whether as a result of new information, future events, conditions or circumstances, any change in the Company's, the Investment Manager's and the Investment Adviser's expectations with regard thereto or otherwise. However, Shareholders are advised to read any communications that the Company may make directly to them, and any additional disclosures in announcements that the Company may make through an RIS announcement following the date of this document.

For the avoidance of doubt, nothing in the foregoing sections under this heading "*Forward-looking statements*" constitutes a qualification of the working capital statement contained in Part VII (Additional Information on the Company) of this Prospectus.

#### **Important note regarding performance data**

This Prospectus includes information regarding the track record and performance data of the Investment Manager (the "**Track Record**"). Such information is not necessarily comprehensive and prospective investors should not consider such information to be indicative of the possible future performance of the Company or any investment opportunity to which this Prospectus relates. The past performance of the Investment Manager is not a reliable indicator of, and cannot be relied upon as a guide to, the future performance of the Company and/or the Investment Manager and the Investment Adviser.

Investors should not consider the Track Record information (particularly the past returns) contained in this Prospectus to be indicative of the Company's future performance. Past performance is not a reliable indicator of future results and the Company will not make the same investments reflected in the Track Record information included herein. Prospective investors should be aware that any investment in the Company involves a significant degree of risk and could result in the loss of all or substantially all of their investment.

The Company has no investment history. For a variety of reasons, the comparability of the Track Record information to the Company's future performance is by its nature very limited. Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Company or the Investment Manager and the Investment Adviser which may be different in many respects from those that prevail at present or in the future, with the result that the performance of portfolios originated now may be significantly different from those originated in the past.

Prospective investors should consider the following factors which, among others, may cause the Company's results to differ materially from the historical results achieved by the Investment Manager, their Affiliates and certain other persons:

- the Track Record information included in this Prospectus was generated in respect of different funds managed by the Investment Manager in different circumstances, and some of the people involved in managing those funds and particular investments differ from those who will manage the Company's investments. However Keith Maddin, the Investment Manager's and the Investment Adviser's lead fund manager was involved in the development and management of the funds compiling the Track Record;
- results can be positively or negatively affected by market conditions beyond the control of the Company and the Investment Manager and the Investment Adviser;
- differences between the Company and the circumstances in which the Track Record information was generated include (but are not limited to) all or certain of: actual acquisitions and investments made, Investment Objective, fee arrangements, structure (including for tax purposes), terms, leverage, geography, performance targets and investment horizons. All of these factors can affect returns and impact the usefulness of performance comparisons and as a result, none of the historical information contained in this Prospectus is directly comparable to the Initial Issue or any Subsequent Placing or the returns which the Company may generate;



- the Company and any intermediate holding entities may be subject to taxes on some or all of its earnings. Any taxes paid or incurred by the Company and any intermediate holding entities will reduce the proceeds available from the sale of an investment to make future investments or distributions and/or pay the expenses and other operating costs of the Company; and
- market conditions at the times covered by the Track Record may be different in many respects from those that prevail at present or in the future, with the result that the performance of portfolios originated now may be significantly different from those originated in the past. In this regard, it should be noted that there is no guarantee that the returns can be achieved or can be continued if achieved.

No representation is being made by the inclusion of the investment examples and strategies presented in the Track Record or elsewhere in this Prospectus that the Company will achieve a similar level of performance or avoid losses. Past performance is no guarantee of future results.

### **AIFM Directive disclosures**

The AIFM Directive imposes detailed and prescriptive obligations on fund managers established in the EEA (the “**Operative Provisions**”). These Operative Provisions include prescriptive rules on measuring and capping leverage in line with known European standards, the treatment of investors, liquidity management, the use of “depositories” and cover for professional liability risks.

The AIFM Directive imposes conditions on the marketing of entities such as the Company to investors in the EEA. The AIFM Directive requires that an ‘alternative investment fund manager’ be identified to meet such conditions where such marketing is sought. For these purposes, Cabot Square Capital LLP, as the legal person responsible for performing portfolio and risk management of the Company, shall be the AIFM.

### **INFORMATION TO DISTRIBUTORS**

#### **Target Market Assessment**

Solely for the purposes of the product governance requirements contained within: (a) MiFID II; (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 Ordinary Shares and C Shares have been subject to a product approval process, which has determined that the Ordinary Shares and C Shares to be issued pursuant to the Initial Issue and the Subsequent Placings 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 MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares and C Shares may decline and investors could lose all or part of their investment; the Ordinary Shares and C Shares offer no guaranteed income and no capital protection; and an investment in the Company’s Shares is suitable for long term investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) from such an investment. Accordingly, typical investors in this product are expected to be institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and knowledgeable unadvised retail investors who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Initial Issue or the Subsequent Placings. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Cantor Fitzgerald 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 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 Ordinary Shares and/or the C Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Ordinary Shares and the C Shares and determining appropriate distribution channels.

### **PRIIPs Regulation**

In accordance with the PRIIPs Regulation, a Key Information Document (“**KID**”) in respect of an investment in the Company has been prepared by the Investment Manager and is available to investors at [www.cabotaltspc.com](http://www.cabotaltspc.com).

### **Data protection**

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

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

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

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

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

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

### **Intermediaries**

The Company consents to the use of this Prospectus by Intermediaries in connection with any subsequent resale or final placement of the Ordinary Shares in the UK in relation to the Intermediaries Offer only by Intermediaries who are appointed by the Company, a list of which will appear on the Company's website.

Such consent is given for the offer period which is from the date any Intermediaries are appointed to participate in connection with any subsequent resale or final placement of the Ordinary Shares until the closing of the period for the subsequent resale or final placement of the Ordinary Shares at 5:00 p.m. on 12 February 2020, being the date upon which the Intermediaries Offer closes, unless closed prior to that date.

**Any Intermediary that uses this Prospectus must state on its website that it uses this Prospectus with the Company's consent and in accordance with the conditions attached thereto. Any application made by investors to any Intermediary is subject to the terms and conditions imposed by each Intermediary.**

**Information on the terms and conditions of any subsequent resale or final placement of Ordinary Shares by any Intermediary is to be provided at the time of the offer by the Intermediary.**

The Company accepts responsibility for the information in this Prospectus with respect to any subscriber for Ordinary Shares pursuant to any subsequent resale or final placement of Ordinary Shares by Intermediaries appointed by the Company.

Kepler Partners LLP has been engaged as an adviser to the Company in relation to the Intermediaries Offer (the **"Intermediaries Offer Adviser"**) and will be responsible for liaising directly with potential financial intermediaries and processing applications made by Intermediaries in relation to the Intermediaries Offer.

Any new information with respect to Intermediaries unknown at the time of approval of this Prospectus will be available on the Company's website at [www.cabotaltsplc.com](http://www.cabotaltsplc.com).

#### **No incorporation of website**

The contents of the Company's website at [www.cabotaltsplc.com](http://www.cabotaltsplc.com), the contents of any website accessible from hyperlinks on the Company's website, the Investment Manager's website at [www.cabotsquare.com](http://www.cabotsquare.com), or any other website referred to in this Prospectus are not incorporated into, and do not form part of, this Prospectus. Investors should base their decision to invest on the contents of this Prospectus and any supplementary prospectus published by the Company prior to Initial Admission or any relevant Subsequent Admission alone and should consult their professional advisers prior to making an application to acquire Shares.

## EXPECTED TIMETABLE

Publication of this Prospectus and commencement of the Initial Issue	27 January 2020
Latest time and date for applications under the Offer	1:00 p.m. on 12 February 2020
Latest time and date for applications under the Intermediaries Offer	5:00 p.m. on 12 February 2020
Latest time and date for placing commitments under the Initial Placing	1:00 p.m.* on 13 February 2020
Publication of results of the Initial Issue	14 February 2020
Initial Admission and dealings in Ordinary Shares commence	8:00 a.m. on 18 February 2020
CREST Accounts credited with uncertificated Shares	as soon as practicable after 8:00 a.m. on 18 February 2020
Where applicable, definitive share certificates despatched by post	in the week commencing 24 February 2020

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\* or such later time and date as may be notified to a Placee

Any changes to the expected timetable set out above will be notified to the market by the Company through a Regulatory Information Service announcement. In any case, Initial Admission and dealings in Ordinary Shares shall commence by no later than the Long Stop Date. References to times are to London times unless otherwise stated.

## EXPECTED SHARE ISSUANCE PROGRAMME TIMETABLE

Publication of Placing Price in respect of each Subsequent Placing	as soon as practicable following the closing of each Subsequent Placing
Subsequent Admission and crediting of CREST accounts in respect of each Subsequent Placing	as soon as practicable following the closing of each Subsequent Placing
Share certificates in respect of Shares issued pursuant to the relevant Subsequent Placing dispatched (if applicable)	as soon as practicable following any Subsequent Admission
Last date for Shares to be issued pursuant to the Share Issuance Programme	26 January 2021**

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\*\* or, if earlier, the date on which all of the Shares available for issue under the Share Issuance Programme have been issued (or such other date as may be agreed between Cantor Fitzgerald and the Company (such agreed date to be announced through an RIS announcement)).

The Board may, subject to prior approval from Cantor Fitzgerald, bring forward or postpone the closing time and date for any Subsequent Placing under the Share Issuance Programme. In the event that such date is changed, the Company will notify investors who have applied for Shares of changes by post, email, or by publication through a Regulatory Information Service announcement.

References to times are to London times unless otherwise stated.



## INITIAL ISSUE STATISTICS

Initial Issue Price per Ordinary Share*	£1.00
Target Gross Initial Proceeds**	£200 million
Maximum Gross Initial Proceeds***	£250 million
Estimated Net Initial Proceeds**	£196 million
Expected NAV per Ordinary Share on Initial Admission	£0.98

\* The minimum subscription per investor pursuant to the Offer is £1,000 and multiples of £1,000 thereafter.

\*\* Assuming that the Initial Issue is subscribed as to 200 million Ordinary Shares.

\*\*\* The maximum Gross Initial Proceeds are £250 million with the actual size of the Initial Issue being subject to investor demand. The number of Shares to be issued pursuant to the Initial Issue, and therefore the Gross Initial Proceeds, is not known as at the date of this Prospectus but will be notified to the market by the Company through an RIS announcement prior to Initial Admission. The Initial Issue will not proceed if the Gross Initial Proceeds would be less than £100 million. If the Initial Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant.

## DEALING CODES

ISIN for Ordinary Shares	GB00BJ0LR715
SEDOL of the Ordinary Shares	BJ0LR71
Ticker symbol of the Ordinary Shares	ALTS

Each class of C Shares issued pursuant to a Subsequent Placing made throughout the Share Issuance Programme will have separate ISINs, SEDOLs and ticker symbols issued. The announcement of each Issue of C Shares will contain details of the relevant ISIN, SEDOL and ticker symbol for such class of C Shares being issued.

## SUBSEQUENT PLACING STATISTICS

Number of Shares that may be issued under the Share Issuance Programme (excluding any Ordinary Shares issued pursuant to the Initial Issue)	up to 500 million, less any Ordinary Shares issued pursuant to the Initial Issue
Share Issuance Price for Subsequent Placings	in respect of: (a) Ordinary Shares, at a price representing a premium to the latest published NAV per Ordinary Share to be determined by the Directors, in their absolute discretion, from time to time; and (b) C Shares, a price of £1.00 per C Share

## DIRECTORS, ADVISERS AND OTHER SERVICE PROVIDERS

<b>Directors</b>	<p>Charles (Charlie) Ricketts (Non-executive Director, Chair of the Board and chair of the Management Engagement and Nomination Committees)</p> <p>Annette Barbara (Barbara) Powley (Non-executive Director and chair of the Audit Committee)</p> <p>Anthony (Tony) Roper (Senior Independent Non-executive Director, chair of the Risk and Remuneration Committees)</p>
<b>Registered Office</b>	<p>4<sup>th</sup> Floor 45 Monmouth Street London, WC2H 9DG</p>
<b>Investment Manager and AIFM</b>	<p>Cabot Square Capital LLP One, Connaught Place London, W2 2ET</p>
<b>Investment Adviser</b>	<p>Cabot Square Alternatives Adviser LLP One, Connaught Place London, W2 2ET</p>
<b>Sponsor</b>	<p>BDO LLP 55 Baker Street London, W1U 7EU</p>
<b>Bookrunner</b>	<p>Cantor Fitzgerald Europe Five Churchill Place Canary Wharf London, E14 5HU</p>
<b>Legal Advisers to the Company</b>	<p>Herbert Smith Freehills LLP Exchange House Primrose Street London, EC2A 2EG</p>
<b>Legal Advisers to Cantor Fitzgerald and BDO</b>	<p>Stephenson Harwood LLP 1 Finsbury Circus London, EC2M 7SH</p>
<b>Company Secretary</b>	<p>IQ EQ Global (UK) Limited 4<sup>th</sup> Floor 45 Monmouth Street London, WC2H 9DG</p>
<b>Depository</b>	<p>IQ EQ Depository Company (UK) Limited Two London Bridge London, SE1 9RA</p>
<b>Registrar and Receiving Agent</b>	<p>Computershare Investor Services PLC The Pavilions Bridgewater Road Bristol, BS13 8AE</p>
<b>Reporting Accountant</b>	<p>BDO LLP 55 Baker Street London, W1U 7EU</p>
<b>Auditor (following Initial Admission)</b>	<p>BDO LLP 55 Baker Street London, W1U 7EU</p>

**Independent Valuer**

Duff & Phelps Ltd  
The Shard  
32 London Bridge Street  
London, SE1 9SG

**Intermediaries Offer Adviser**

Kepler Partners LLP  
9/10 Savile Row  
London, W1S 3PF

## PART I – INFORMATION ON THE COMPANY

### 1. INTRODUCTION

Cabot Square Alternatives plc (the “**Company**”) is a newly established closed-ended investment company incorporated in England and Wales under the Companies Act 2006, as amended (the “**Act**”) on 7 October 2019 with registered number 12247083. The Company does not have a fixed life. The Company intends to carry on its business at all times as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 (as amended) and as an investment company for the purposes of section 833 of the Act.

The Initial Issue comprises the Initial Placing, the Offer and the Intermediaries Offer. The Company is targeting to raise Gross Initial Proceeds of £200 million through an issue of Ordinary Shares. All Ordinary Shares issued pursuant to the Initial Issue will be issued at the Initial Issue Price of £1.00 per Ordinary Share. The Company has also put in place a Share Issuance Programme with the capacity to issue up to 500 million Ordinary Shares and/or C Shares (including any Ordinary Shares issued under the Initial Issue).

An application will be made for the Ordinary Shares to be issued pursuant to the Initial Issue to be admitted to listing on the premium listing category of the Official List and to trading on the Main Market of the London Stock Exchange. It is expected that Initial Admission will become effective and that unconditional dealings in the Ordinary Shares will commence at 8:00 a.m. on 18 February 2020.

The Company has appointed Cabot Square Capital LLP (the “**Investment Manager**”) as its Alternative Investment Fund Manager (“**AIFM**”) pursuant to the AIFM Directive. The Investment Manager is responsible for the portfolio management and risk management functions of the Company. Further details on the Investment Manager are set out in Part II (The Investment Manager, the Investment Adviser and the Investment Strategy) and Part IV (Directors, Management and Administration) of this Prospectus.

In connection with the performance of its duties to the Company, the Investment Manager has procured the service of Cabot Square Alternatives Adviser LLP (the “**Investment Adviser**”) to act as its investment adviser. Further details on the Investment Adviser are set out in Part II (The Investment Manager, the Investment Adviser and the Investment Strategy) and Part IV (Directors, Management and Administration) of this Prospectus. The Investment Adviser intends to become an authorised AIFM and, subject to approval by the Board of the Company, will then replace Cabot Square Capital LLP as the Company’s Investment Manager and AIFM.

The Net Initial Proceeds of the Initial Issue and the Net Issue Proceeds of Subsequent Placings will be invested in accordance with the Investment Objective and Investment Policy set out below.

### 2. INVESTMENT OPPORTUNITY

The Company seeks to provide a new model for investors to access returns from the alternatives sector so as to generate an attractive level of sustainable dividend income alongside capital appreciation over the long term.

The Company has identified the opportunity to invest directly in a portfolio of infrastructure and property alternative assets (together “**Alternative Assets**”) and in asset managers managing such Alternative Assets (“**Alternative Asset Managers**”) (each, an “**Investment**”).

Alternative Assets typically have a low correlation to, and reduced volatility compared with, traditional assets such as equities and bonds, whilst also providing portfolio diversification benefits.

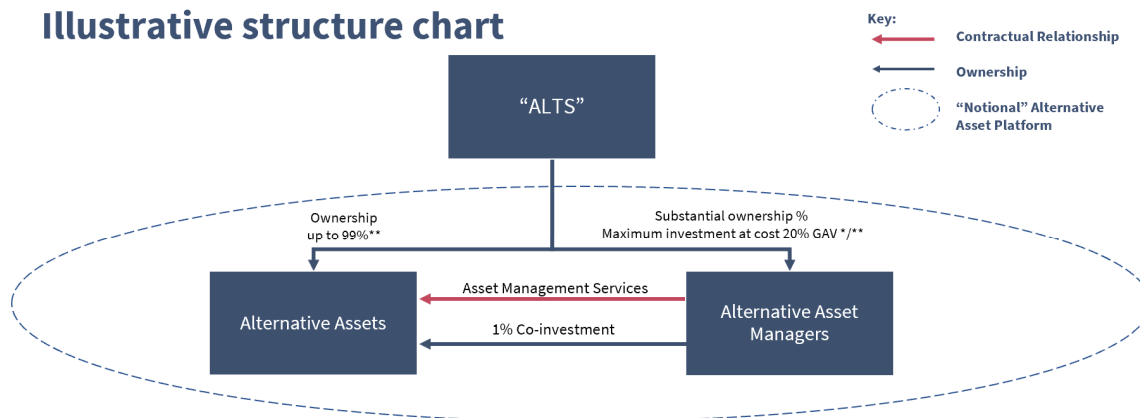
The Company’s investments in Alternative Assets are expected to comprise direct interests in infrastructure (including renewable energy) and property alternative assets, or specialist debt secured against infrastructure and property alternative assets. Alternative Assets in which the Company makes investments are expected to be physical in nature and include freehold and leasehold land, buildings, plant, machinery, equipment, inventory, fixtures and fittings, but may also include other assets with contractual cash flows (potentially including government subsidies). Further details of the types of assets that might comprise the Alternative Assets are set out in Section 3 (Investment Objective and Investment Policy) of this Part I (Information on the Company) of this Prospectus.



It is expected that, over time, the Company's portfolio will comprise investments in a number of Alternative Assets, together with investments in a smaller number (being four to six) of specialist Alternative Asset Managers managing these Alternative Assets. In addition, the Company may invest directly in Alternative Assets without taking a stake in the corresponding Alternative Asset Manager.

Investments in Alternative Assets and Alternative Asset Managers will be held through separate special purpose entities ("**SPEs**"). For ease of reference, each combination of an Alternative Asset Manager and the Alternative Assets it manages is referred to in this Prospectus as an "**Alternative Asset Platform**".

### Illustrative structure chart



Over time, the Company's investments into Alternative Assets may also take the form of co-investments alongside other funds established or managed by Alternative Asset Managers ("**Third Party Funds**"). For the avoidance of doubt, the Company will not invest itself in such Third Party Funds.

The Investment Manager has an extensive and successful track record of investing in alternative assets and alternative asset managers and building alternative asset platforms that reach substantial scale and believes it can build new alternative asset platforms suited to being held in an evergreen premium-listed UK investment fund that will be an attractive investment for institutional and retail investors.

The Investment Manager and the Investment Adviser believe there is a shortage of capital and a lack of expertise in the market of investing in infrastructure and property Investments, with a value between £1 million and £25 million, which can result in attractive risk adjusted returns for those willing and able to invest in this range.

The Investment Manager and the Investment Adviser will target investment opportunities that are expected to generate an attractive risk adjusted return and that can also make a positive environmental, social and governance ("**ESG**") impact by focusing on some of the biggest challenges facing societies and economies. The Company will report on ESG as well as financial results, and believes that investing for a positive ESG impact will also help promote positive long term financial returns for the Company.

The Investment Manager and the Investment Adviser have agreed heads of terms, including exclusivity beyond Initial Admission, to invest in two Alternative Asset Managers. Based on discussions between the Investment Adviser and the Alternative Asset Managers, these Alternative Asset Managers also have their own pipelines of Alternative Assets in which the Company can invest. The Investment Manager and the Investment Adviser have also identified additional Alternative Asset types in which the Company may invest. These investment opportunities in the two Alternative Asset Managers, their pipelines of Alternative Assets and the additional Alternative Asset types are collectively referred to as the "**Current Pipeline**". In the opinion of the Investment Manager and the Investment Adviser the Current Pipeline represents potential investment opportunities for the Company of £500 million. The Investment Manager and the Investment Adviser have offered the Company a first right of refusal, during the period from Initial Admission to the date falling eighteen months following Initial Admission (the "**Initial Investment Period**"), over those investments in the Current Pipeline which are under exclusivity.

It is expected that the Company's investment in the Current Pipeline will enable the Company to meet its intention to have substantially invested or committed the Net Initial Proceeds during the Initial Investment Period. If the net proceeds of the Initial Issue and the Subsequent Placings, in aggregate, total at least £196 million, the Company expects to invest in a portfolio comprising approximately 20 Alternative Assets (provided that, as outlined in the investment restrictions set out in the Investment Policy, the Company is only required to have invested in a minimum of 8 Alternative Assets by the end of the Initial Investment Period) and a minimum of 3 Alternative Asset Managers by the end of the Initial Investment Period.

The Investment Policy is intentionally broad in terms of the types of Alternative Assets the Investment Manager will consider for investment, and allows the Company flexibility to allocate investment towards the most attractive investment opportunities available at any particular time, whilst also enabling the Company to source and invest in Alternative Assets before the weight of institutional capital directed into such investments increases prices and reduces returns. The Investment Manager and the Investment Adviser intend to target Alternative Assets between the immature and established stage, therefore seeking an attractive return with an acceptable level of risk.

Examples of the types of Alternative Assets that the Investment Manager and the Investment Adviser have identified, as at the date of this Prospectus, that are expected to be suitable for investment by the Company are set out in Section 3 (The Current Pipeline and Further Investment Opportunities) of Part III (Market Overview and Current Pipeline) of this Prospectus.

In addition to investing in Alternative Assets, the Company is also expected, over time, to acquire significant stakes in a smaller number (being four to six) of specialist Alternative Asset Managers. The Investment Policy permits the Company to invest, in aggregate, no more than 20 per cent. of the Gross Asset Value in Alternative Asset Managers (calculated by aggregating the amounts invested in each such Alternative Asset Manager, whether in the form of debt or equity, and based on the latest available reported valuations at the time of making any such investment). The Investment Manager (acting on the advice of the Investment Adviser) expects, in practice, that the actual amounts invested in Alternative Asset Managers, in aggregate, will be significantly lower than 20 per cent. of Gross Asset Value. The Investment Manager and the Investment Adviser expect the value of the Alternative Asset Managers to increase as the respective Alternative Asset Platforms scale up. Therefore, over time, the Alternative Asset Managers may, on a fair value basis, constitute a larger proportion of the Gross Asset Value.

In order to spread investment risk to offer investors exposure to a diverse investment portfolio, the Investment Policy permits the Company to invest, in aggregate, no more than 25 per cent. of the Gross Asset Value in an Alternative Asset Manager and the Alternative Assets managed by such Alternative Asset Manager (calculated by aggregating the amounts invested in each such Alternative Asset Manager and Alternative Asset, whether in the form of debt or equity, and based on the latest available reported valuations at the time of making any such investment).

By investing in Alternative Asset Managers, the Company increases the number of asset managers originating and analysing opportunities for investment by the Company, thereby accelerating the Company's potential to achieve scale benefits. The Investment Manager and the Investment Adviser believe that, subject to further fund raising by the Company, there is sufficient potential within the Current Pipeline and the Further Investment Opportunities to enable the Company to be scaled up to approximately £1 billion within five years and further thereafter. This, in turn, has the potential benefit in the future of reducing the Company's ongoing charges ratio by 25 to 50 basis points per annum.

The Investment Manager's and the Investment Adviser's ability to tailor Investments and flex the Company's capital allocation over time is expected to increase the Company's ability to meet its Target Dividend and Target NAV Total Return and to build a portfolio likely to provide diversification benefits.

### **3. INVESTMENT OBJECTIVE AND INVESTMENT POLICY**

#### ***Investment Objective***

The Investment Objective is to generate an attractive level of sustainable dividend income, alongside capital appreciation over the long term, by investing directly in a portfolio of infrastructure and property alternative assets, and asset managers managing such assets.

## ***Investment Policy***

The Company intends to identify and invest directly in a portfolio of: (i) infrastructure and property alternative assets (together “**Alternative Assets**” as described and defined below); and (ii) asset managers managing such Alternative Assets (“**Alternative Asset Managers**”) (each, an “**Investment**”).

Alternative Assets typically have a low correlation to, and reduced volatility compared with, traditional assets such as equities and bonds, whilst also providing portfolio diversification benefits. It is expected that, over time, the Company’s portfolio will comprise investments in a number of Alternative Assets, together with investments in a smaller number (being four to six) of specialist Alternative Asset Managers managing Alternative Assets. In addition, the Company may invest directly in Alternative Assets without taking a stake in the corresponding Alternative Asset Manager.

Investments in Alternative Assets and Alternative Asset Managers will be held through separate special purpose entities (“**SPEs**”). For ease of reference, each combination of an Alternative Asset Manager and the Alternative Assets it manages is referred to in this Prospectus as an “**Alternative Asset Platform**”.

Over time, the Company’s investments into Alternative Assets may also take the form of co-investments alongside Third Party Funds. For the avoidance of doubt, the Company will not invest itself in such Third Party Funds.

The Investment Manager, with the advice of the Investment Adviser, will seek to identify Investments for the Company that offer an attractive risk-adjusted return and will allocate capital to such Investments. Alongside investing in Alternative Assets, the Company is also expected to own a significant stake in a number of specialist Alternative Asset Managers, with a view to enhancing the returns achieved on its capital invested in such Alternative Asset Platform. Investments into Alternative Asset Managers will be structured so as to incentivise the Alternative Asset Managers and to align their interests with those of the Company.

Investments will be held within SPEs into which the Company will invest through equity and/or shareholder loan instruments. The Company expects that an SPE will hold one or more Alternative Assets of a similar type or, separately, may hold one Alternative Asset Manager (although a single SPE will not hold interests simultaneously in Alternative Assets and the corresponding Alternative Asset Manager). The Company will typically seek to retain legal control of its Investments by owning majority stakes of up to 100 per cent. in such SPEs, but may (subject to the investment restriction set out below) invest in SPEs structured as joint venture investments (“**JVs**”) or co-investments, including through minority stakes, where this approach is the only viable alternative. Where the Company participates in a JV or a co-investment, it will seek to secure its rights through obtaining protective provisions in shareholders’ agreements, JV agreements, co-investment agreements or any other transactional documents as well as board representation for the Investment Adviser.

## ***Alternative Assets and Alternative Asset Managers***

This section sets out the types of assets which fit within the Company’s definition of “**Alternative Assets**”. References to Alternative Assets throughout this Prospectus are intended to refer to assets which meet the criteria set out below.

The Company’s investments in Alternative Assets are expected to comprise direct interests in infrastructure (including renewable energy) and property alternative assets, or specialist debt secured against infrastructure and property alternative assets. Alternative Assets in which the Company makes investments (whether in the form of direct interests or specialist debt) are expected to be physical in nature and include freehold and leasehold land, buildings, plant, machinery, equipment, inventory, fixtures and fittings, but may also include other assets with contractual cash flows (potentially including government subsidies).

Alternative Assets in which the Company expects to invest may include completed, operational and income-generating assets as well as Alternative Assets which are construction-ready but which are expected to be completed in the future. In the case of such construction-ready Alternative Assets, the Company may seek to acquire and fund the construction of the Alternative Asset, but will only do so where the necessary approvals, permits and licences together with the necessary build and operating contracts are already in place and will not provide speculative funding. The Company considers such acquisition and funding of construction-ready Alternative Assets on a non-speculative basis to be “**Forward-funding**”. No more than 30 per cent. of the Gross Asset Value (calculated at

the time of entering into any new Forward-funding arrangement and based on the latest available reported valuations at such time) will be comprised of Forward-funded Alternative Assets. The Company does not consider the provision of specialist debt to be Forward-funding and does not consider investing in construction-ready renewable energy assets to be subject to this restriction.

The Company will not engage in development activities. However, investments by the Company in the working capital of Alternative Asset Managers may result in the Company obtaining indirect exposure to development opportunities that have not yet reached the stage of having all the necessary approvals and contracts in place. Given the restriction below on the amounts which may be invested by the Company in Alternative Asset Managers, the Company's indirect exposure to such development opportunities is expected to be limited.

Investments are expected to produce long term stable cashflows for their useful life and will often have an inflation correlation and a pre-defined and/or capped residual value. However, Investments will also include providing short and medium term specialist debt, and acquiring interests in, non-fully amortising Alternative Assets or Alternative Assets which are of a short duration or have no defined useful life. Investments may also have a predefined or capped residual value or a fixed cash flow. Investments may be disposed of prior to the end of their useful life, or otherwise realised, where the Investment Manager (acting on the advice of the Investment Adviser) determines (following consultation with the Board, where relevant) that such realisation is in the interests of the Company. Such circumstances may include (without limitation) disposals for the purposes of realising or preserving value, or of realising cash resources for reinvestment.

The Company's investments in Alternative Asset Managers may take the form of equity, debt or a combination of both.

The Company intends that, in normal circumstances, its Investments in Alternative Assets will have predictable cash flows based on the Investment Manager's and the Investment Adviser's assumptions and projections. The Company also expects to make Investments which may be subject to demand, usage and price variables, and to a range of counterparties including public sector organisations, charities and not-for-profit organisations, corporates and individuals, as well as across a range of markets and/or sectors.

#### *Risk diversification*

Investments will be selected by the Investment Manager and the Investment Adviser with a view to diversifying risk in accordance with the following principles:

1. no more than 20 per cent. of the Gross Asset Value may be invested in Alternative Asset Managers (calculated by aggregating the amounts invested in each such Alternative Asset Manager, whether in the form of debt or equity, and based on the latest available reported valuations at the time of making any such investment);
2. no more than 25 per cent. of the Gross Asset Value may be invested, in aggregate, in an Alternative Asset Manager and in the Alternative Assets managed by such Alternative Asset Manager (calculated by aggregating the amounts invested in each such Alternative Asset Manager and Alternative Asset, whether in the form of debt or equity, and based on the latest available reported valuations at the time of making any such investment);
3. no more than 20 per cent. of the Gross Asset Value may be invested in any single Investment comprising an individual Alternative Asset Manager or an Alternative Asset (calculated at the time of investment and based on the latest available reported valuations at the time of making any such investment);
4. assuming the net proceeds of the Initial Issue and the Subsequent Placings, in aggregate, total at least £196 million, the Company will invest in a minimum of eight Alternative Assets and a minimum of three Alternative Asset Managers, provided that this restriction will apply only after the expiry of the Initial Investment Period, and provided further that if the net proceeds of the Initial Issue and the Subsequent Placings, in aggregate, are less than £196 million, the Company will invest, after the expiry of the Initial Investment Period, in a minimum of eight Alternative Assets and a minimum of two Alternative Asset Managers;



5. the Company will acquire Alternative Assets located in the United Kingdom and Europe as well as other locations around the world, save that the Company will invest only in UK based Alternative Asset Managers, although these Alternative Asset Managers may have teams and offices outside of the UK;
6. no more than 30 per cent. of the Gross Asset Value (calculated at the time of entering into any new Forward-funding arrangement and based on the latest available reported valuations at such time) will be comprised of Forward-funded Alternative Assets; provided this restriction will not apply to renewable energy assets;
7. no more than 10 per cent. of the Gross Asset Value (calculated at the time of investment and based on the latest available reported valuations at such time) will be invested, in aggregate, in SPEs in which the Company holds a minority interest; and
8. the Company will not invest directly in listed closed-ended investment funds or in any other investment funds, including Third Party Funds.

### ***Gearing***

As at the date of this Prospectus, the Company has not incurred any borrowings or indebtedness or other leverage and has not granted any mortgages, charges or security interests over or in relation to any of its assets.

The Directors will restrict the Company's borrowings to an amount not exceeding 25 per cent. of the Gross Asset Value (calculated at the time of initial drawdown).

The Company will be permitted to provide security to lenders in order to borrow money, which may be by way of mortgages, charges or other security interests.

The Company intends to assess its ability to raise debt at the Company level once sufficient Investments have been acquired and to the extent funding is available on acceptable terms to enhance returns.

In addition, the Company may from time to time borrow for short-term liquidity purposes which could be achieved through a loan facility or other types of collateralised borrowing instruments.

Once sufficient Investments have been acquired and to the extent funding is appropriate and available on acceptable terms, the Company is expected to use leverage at the SPE level (including to fund the acquisition of Investments) to enhance returns while managing risk. Such borrowing will be on terms including non-recourse to the Company and will be independent of the Company's borrowing limits. The Company does not intend to enter into cross-financing arrangements between its investments in Alternative Asset Managers and also does not intend to enter into cross-financing arrangements between Alternative Assets which are managed by different Alternative Asset Managers. It may, on occasion, enter into borrowings at the SPE level which are structured so as to cover more than one Alternative Asset. However, this is only expected to be the case where these Alternative Assets are of the same asset type and are managed by the same Alternative Asset Manager. Even in this case, the Company does not intend to enter into cross-financing arrangements between Alternative Asset Managers and Alternative Assets that they are managing.

### ***Use of derivatives***

The Company may use derivatives for efficient portfolio management, but not for investment purposes. In particular, the Company may engage in full or partial interest rate hedging and currency hedging.

The Company will only enter into hedging contracts and other derivative contracts when they are available in a timely manner and on acceptable terms. The Company reserves the right to terminate any hedging arrangement at its absolute discretion.

### ***Cash management***

Whilst it is the intention of the Company to be fully or near fully invested in normal market conditions, the Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market funds and tradeable debt securities ("**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 significant Cash and Cash Equivalents instead of being fully or near fully invested.

#### 4. CHANGES TO INVESTMENT POLICY

No material change will be made to the Investment Policy without the prior approval of the FCA and Shareholders by ordinary resolution.

The Company intends to conduct its affairs so as to qualify, at all times, as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 (as amended). Any proposed changes to the Investment Policy are also required to be notified to HMRC in advance of the filing date for the accounting period in which the investment strategy is revised (together with details of why the change does not impact the Company's status as an investment trust).

#### 5. TARGET DIVIDEND AND TARGET NAV TOTAL RETURN

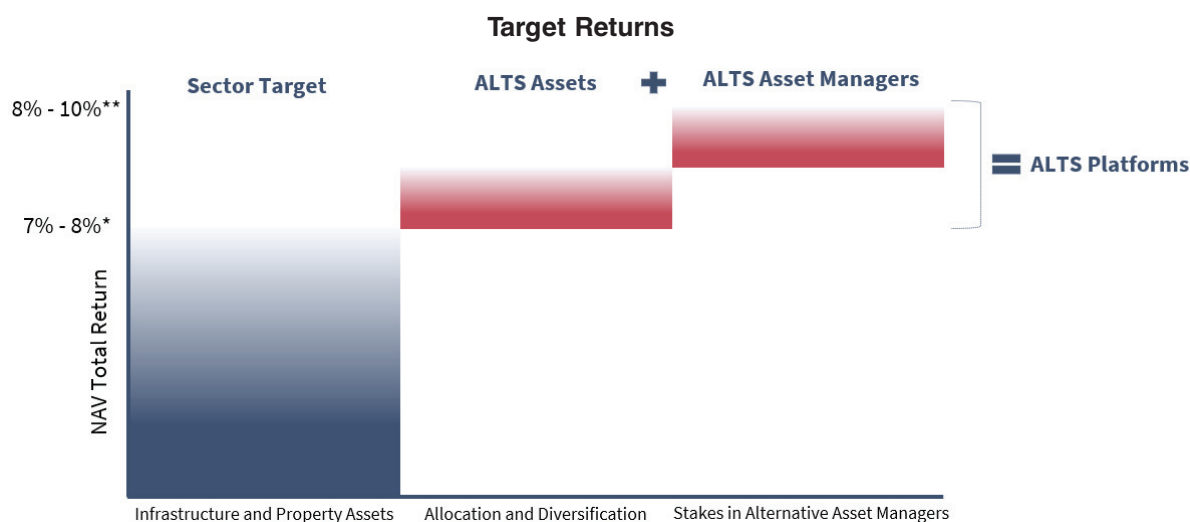
##### **Target Dividend**

On the basis of market conditions as at the date of this Prospectus, once substantially invested, and subject to having sufficient distributable reserves, the Company is targeting a dividend yield of 5.0 per cent. per annum based on the Initial Issue Price (the **"Target Dividend"**), with the aim of increasing dividends progressively over time. For the period from Initial Admission to 31 December 2020, the Company is targeting to announce dividends of at least 3.0 pence per Ordinary Share in total (the **"Initial Target Dividend"**), with dividends expected to be announced in April 2020, July 2020, October 2020 and January 2021, and paid during the month thereafter.

References in this Prospectus to "dividends" of the Company also include dividends which are designated wholly or partly as interest distributions for UK tax purposes.

##### **Target NAV Total Return**

On the basis of market conditions as at the date of this Prospectus, once substantially invested the Company is targeting a NAV total return in the region of 8.0 per cent. to 10.0 per cent. per annum (net of fees and expenses) on the Initial Issue Price to be achieved over the long term, in the form of NAV growth and dividend payments (the **"Target NAV Total Return"**).



Source: Cabot Square Capital LLP, December 2019

\* Typical total return target of infrastructure including renewable energy generation, special property and specialist debt funds as collected by the Investment Manager and the Investment Adviser

\*\* The Company's Target NAV Total Return

**None of the Target Dividend, the Initial Target Dividend or the Target NAV Total Return forms part of the Investment Objective or Investment Policy. The Target Dividend, the Initial Target Dividend and the Target NAV Total Return are targets only and are not profit forecasts. There can be no assurance that these targets will be met and they should not be taken as**

**an indication of the Company's expected or actual future results. Potential investors should decide for themselves whether or not these targets are reasonable or achievable in deciding whether to invest in the Company.**

Actual events and conditions may differ materially from the assumptions used to establish the Initial Target Dividend, the Target Dividend and the Target NAV Total Return. In particular, the actual return generated by the Company in pursuing the Investment Objective and implementing its Investment Policy depends on a wide range of factors including, but not limited to, general economic and market conditions, availability of investment opportunities, achieving targeted fees, interest and other income within Investments, achieving targeted lease terms and rent escalation within Investments, achieving targeted valuation metrics and sale price targets within Investments and changes in the market value and/or fair value of the Investments, obtaining leverage at commercially acceptable rates and the risks highlighted in the "Risk Factors" section of this Prospectus. Accordingly, investors should not place any reliance on the Initial Target Dividend, the Target Dividend or the Target NAV Total Return in deciding whether to invest in the Shares.

### ***Dividend policy***

Subject to market conditions and the level of the Company's investment income and operating profit, it is intended that a first interim dividend will be announced in April 2020 for the period from incorporation to 31 March 2020 and, thereafter, it is intended that dividends on the Ordinary Shares will be payable quarterly in the form of interim dividends. The Company does not intend to pay final dividends but does intend to seek shareholder approval of its dividend policy at each annual general meeting.

The Board reserves the right to retain within retained earnings reserves a proportion of the Company's income after tax in any financial year, such reserve then being available at the Board's absolute discretion for subsequent distribution to Shareholders, subject to the requirements of the Investment Trust Regulations pursuant to Chapter 4 of Part 24 of the Corporation Tax Act 2010, and the availability of distributable reserves.

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. The Company may, at the discretion of the Board, and to the extent possible based on the quantum of distributable reserves, pay all or part of any future dividend out of capital reserves. The Company expects that, over the medium-term, its dividend payments will be fully covered by cash flows generated by the Investments.

The Directors may resolve to pay to holders of any class of C Shares dividends and other distributions out of the assets attributable to that class of C Shares. For the avoidance of doubt, the Target Dividend shall not apply with respect to any tranche of C Shares prior to Conversion.

The Company intends to comply with the requirements for maintaining investment trust status for the purposes of section 1158 of the Corporation Tax Act 2010 regarding distributable income. The Company will therefore distribute its income such that it does not retain in respect of any accounting period an amount greater than 15 per cent. of its income (as calculated for UK tax purposes) for that period. Further, the Company may elect for the streaming regime to apply to the dividend payments it makes to the extent that it has "qualifying interest income", arising (for instance) from shareholder loans that it may make to SPEs or Alternative Asset Managers. To the extent that an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an accounting period under the streaming regime, then the corresponding dividends paid by the Company will be taxed as interest income in the hands of UK resident individual Shareholders. Potential investors are referred to Part VI (Taxation) of this Prospectus for details of the taxation of the Company and of Shareholders in the UK.

## **6. NET ASSET VALUE ("NAV")**

The unaudited NAV per Ordinary Share will be calculated by the Investment Manager with advice from the Investment Adviser as at the close of business on the last Business Day of each quarter and is expected to be announced through an RIS announcement and published on the Company's website. Such unaudited NAV will be calculated on the same basis as the calculation of the NAV per Share for the purpose of the Company's audited financial statements.

The NAV per Share will be calculated in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the EU and the Company’s valuation policy and accounting policies.

The Investment Manager and the Investment Adviser will calculate the NAV and the NAV per Share by taking the total of the value of the Investments recorded at fair value and making such adjustments as are required to reflect the fair value of working capital and amortised cost of debt (if any) held by the Company.

In accordance with IFRS 10 “Consolidated Financial Statements”, the Company is an Investment Entity and as such does not consolidate the entities it controls where they are deemed to be subsidiaries held for capital appreciation and investment income. Instead, investments in subsidiaries, joint ventures or associates are measured at fair value. Consistent with IFRS 10, the Company will have a documented exit strategy for all of its Investments.

IFRS 13 defines fair value as the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. The fair value is measured using the assumptions that market participants would use when pricing the asset, or liability, by using available observable inputs and valuation techniques deemed appropriate in the circumstances. Valuation techniques include using recent arm’s length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis making as much use of available and supportable market data as possible and third party valuation models.

The fair value will be prepared by the Investment Manager and the Investment Adviser and will be presented to the Audit Committee for review, on a quarterly basis, with a valuation report from the Independent Valuer being provided to the Audit Committee on a half yearly basis.

#### ***Suspension of the calculation of NAV***

The Directors may at any time, but are not obliged to, temporarily suspend the calculation of the NAV if:

- (a) there are political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, that have an effect on the disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company’s business are not reasonably practicable without material detriment to the interests of Shareholders;
- (b) there is a breakdown of the means of communication normally employed in determining the calculation of the NAV or the NAV per Share of the relevant class; or
- (c) it is not reasonably practicable to determine the NAV or the NAV per Share of the relevant class on an accurate, fair and timely basis.

Any suspension in the calculation of the NAV or the NAV per Share of the relevant class will be notified through an RIS as soon as practicable after such suspension occurs.

In the event of such a suspension, trading in the Shares on the Main Market may also be suspended.

## **7. DISCOUNT AND PREMIUM MANAGEMENT**

### ***General***

The shares of investment trusts and other listed closed-ended funds may trade at a discount or premium to the underlying NAV per share. Whilst the rating that the market applies to the Company’s Shares is not in the control of the Company, the Directors believe that, subject always to wider market conditions, the rating will tend to benefit from strong investment performance.

The Board recognises the need to address any sustained and significant imbalance between buyers and sellers which might otherwise lead to the Ordinary Shares trading at a material discount or premium to the NAV per Ordinary Share. Whilst it has not adopted any formal discount or premium targets which would dictate the point at which the Company would seek to buy back Ordinary Shares on the stock market or issue further Ordinary Shares, the Board is committed to utilising its share purchase and share issuance authorities where appropriate, in such a way as to mitigate the effects of any such imbalance.

In considering whether share buyback or issuance might be appropriate in any particular set of circumstances, the Board will take into account, amongst other things: the prevailing market conditions; the degree of NAV accretion that will result from the buy back or issuance; the cash resources readily available to the Company; the immediate pipeline of investment opportunities open to the Company; the level of the Company's existing borrowings; and the working capital requirements of the Company.

Principally through commentary in its annual and interim reports, the Board will keep Shareholders apprised of its approach to discount and premium management.

### ***Share buybacks***

The Company has a general authority to make market purchases of Ordinary Shares, such authority to expire at the first annual general meeting of the Company, subject to the condition that the number of Ordinary Shares to be acquired, other than pursuant to an offer made to Shareholders generally, up to the date of the first annual general meeting of the Company, shall not exceed 14.99 per cent. of the Ordinary Shares in issue immediately following Initial Admission.

In exercising the Company's power to buy back Ordinary Shares, the Board has complete discretion as to the timing, price and volume of Ordinary Shares so purchased. If the Company does purchase its own Ordinary Shares then it may hold them in treasury rather than cancel them. Ordinary Shares may only be reissued from treasury at a price which, after issue costs and expenses, is not less than the most recently published NAV per Ordinary Share at the relevant time.

The Directors will not buy back any C Shares prior to Conversion. The Company will not, therefore, assist any class of C Shares in limiting discount volatility or provide an additional source of liquidity.

All share repurchases will be conducted in accordance with the Act and the Listing Rules applicable to closed-ended investment funds from time to time and will be announced to the market through an RIS announcement on the same or the following day.

### ***Continuation Votes***

The Company has been established with an indefinite life. The Board does, however, wish to provide Shareholders with the opportunity to consider the future of the Company on a periodic basis. Accordingly, the Articles provide that a continuation vote be put to Shareholders as an ordinary resolution at the first annual general meeting of the Company to be held following the fifth anniversary of Initial Admission (being the annual general meeting to be held in 2025) and, if passed, at the annual general meeting of the Company held every fifth year thereafter.

If any continuation vote is passed by the Shareholders by ordinary resolution, the effect will be that the Company will continue its business thereafter as a closed-ended public limited company conducting its affairs as a UK investment trust. If any continuation vote resolution is not passed, the Directors will be required to put proposals for the reconstruction, reorganisation or winding up of the Company to the Shareholders for their approval within six months of the date of the general meeting at which the resolution was proposed. These proposals may involve winding up the Company or liquidating all or part of the Company's then existing portfolio of Investments and there can be no assurance that a continuation vote not being passed will necessarily result in a winding up of the Company or liquidation of all or some of its Investments.

### ***Share issuance***

The Directors have a general authority to allot further Ordinary Shares and C Shares following Initial Admission. The authority, granted at a general meeting held on 13 November 2019, authorises the issue and allotment of up to 1 billion Shares, which shall be inclusive of any Shares issued pursuant to the Initial Issue and the rest of the Share Issuance Programme. The authority lasts until the end of the period of five years from the date of the general meeting. To the extent that the authority is used in full before the end of such period, the Company may convene a general meeting to refresh the authority, or it may refresh the authority at an annual general meeting. Shareholders' pre-emption rights over this unissued share capital have been disapplied so that the Directors will not be obliged to offer new Shares to Shareholders *pro rata* to their existing holdings.

Pursuant to the authorities described above, the Company may seek to raise further funds through the issue of C Shares rather than Ordinary Shares. C Shares are designed to overcome the potential disadvantages that may arise out of a fixed price issue of further Ordinary Shares for cash.



These disadvantages relate primarily to the effect that an injection of un-invested cash may have on the NAV per Ordinary Share performance of otherwise fully invested portfolios (commonly referred to as 'cash drag'). Further details on the rights attaching to the C Shares are set out in section 6.2.23 of Part VII (Additional Information on the Company) of this Prospectus.

Except where authorised by Shareholders, no new Ordinary Shares will be issued at a price which (after issue costs and expenses) is less than the most recently published NAV per existing Ordinary Share at the relevant time, unless the new Ordinary Shares are first offered *pro rata* to Shareholders on a pre-emptive basis.

Applications will be made for any Ordinary Shares issued on Initial Admission and any Ordinary Shares or any class of C Shares issued on any Subsequent Admission to be admitted to listing on the premium listing category of the Official List and to trading on the Main Market of the London Stock Exchange.

## **8. ACCOUNTS, MEETINGS AND REPORTS**

The Company's first Accounting Period will be from the date of the Company's incorporation on 7 October 2019 to 30 September 2020.

The Company expects to hold its first annual general meeting in March 2021 and will then hold an annual general meeting each year thereafter. The annual report and accounts of the Company will be made up to 30 September in each year with copies expected to be published within the following four months. The Company will also publish unaudited interim reports to 31 March each year. The Company's financial statements will be prepared in Sterling and in accordance with IFRS.

Any ongoing disclosures required to be made to Shareholders pursuant to the AIFM Directive will (where applicable) be contained in the Company's periodic or annual reports published on the Company's website, or communicated to Shareholders in written form as required.

The Directors intend to include in the Company's annual and half-yearly reports sufficient information relating to the Company's underlying investments and valuation methodologies to enable Shareholders to appraise the Company's Investments and its performance.

## **9. TAXATION**

Potential investors are referred to Part VI (Taxation) of this Prospectus for details of the taxation of the Company and of Shareholders in the UK.

Shareholders considering disposing of their Shares are advised to consider their investment objectives and their own individual financial and tax circumstances. Shareholders who are in any doubt as to their tax position should seek professional advice from their own adviser.

## PART II – THE INVESTMENT MANAGER, THE INVESTMENT ADVISER AND THE INVESTMENT STRATEGY

### INTRODUCTION

The Company has appointed Cabot Square Capital LLP, a liability limited partnership incorporated in England and Wales with registered number OC318397 and LEI code 2138006A8FPMJAMAW178, whose registered address is at One Connaught Place, London, W2 2ET, and telephone number is +44 (0) 207 579 9320 (the “**Investment Manager**”), as its AIFM pursuant to the AIFM Directive. The Investment Manager is responsible for the portfolio management and risk management functions of the Company (which is an “alternative investment fund” for the purposes of the AIFM Directive).

The Investment Manager has procured the services of Cabot Square Alternatives Adviser LLP, a liability limited partnership incorporated in England and Wales with registered number OC429645, whose registered address is at One, Connaught Place, London, W2 2ET (the “**Investment Adviser**”) to act as its investment adviser in the performance of its duties to the Company.

Details of the terms of the Investment Management and Adviser Agreement are set out in section 11.2 of Part VII (Additional Information on the Company) of this Prospectus.

The Investment Adviser intends to become an authorised AIFM in due course and, subject to the approval by the Board of the Company, will then replace Cabot Square Capital LLP as the Company's Investment Manager and AIFM.

### 1. HISTORY OF THE INVESTMENT MANAGER

The Investment Manager was founded in London in 1996 by John Van Deventer and James R. Clark. It is managed by its six partners and other experienced investment professionals. Its first investment vehicle, CS Structured Credit Fund, Ltd (approximately US\$225 million in total commitments) was formed to invest in private equity, subordinated structured credit instruments and leveraged fixed income securities. Since 1998, the Investment Manager has focused exclusively on private equity investing, with a primary focus on the financial services sector as well as the infrastructure and property sectors.

In December 1999, CS Capital Partners, Ltd (approximately US\$285 million in total commitments) was established to reflect the firm's focus on private equity, to accommodate new investors and to acquire the share capital of CS Structured Credit Fund, Ltd. CS Capital Partners, Ltd was put into liquidation in February 2003.

Since 2003, the Investment Manager has held final closes on the following private funds:

- CS Capital Partners II, L.P. – approximately £200 million in total commitments, closing in October 2003 and now wound up;
- CS Capital Partners III, L.P. – approximately £300 million in total commitments, closing in August 2006;
- CS Capital Partners IV, L.P. – approximately £178 million in total commitments, including co-investments, closing in June 2014;
- CS Capital Partners V, L.P. – approximately £300 million in total commitments, closing in May 2016; and
- CS Capital Partners Real Estate Fund – a €100 million fund established September 2017 to acquire residential ground leases in the Netherlands.

The Investment Manager currently manages approximately £760 million including undrawn commitments in the above funds (excluding CS Capital Partners, Ltd and CS Capital Partners II, L.P.).

The Investment Manager is authorised by the FCA as an AIFM.

The Investment Manager employs 14 investment professionals including 6 partners with an average tenure of over 10 years.

## 2. TRACK RECORD

During the 15-year period from 2003 to 2018, which included the 2007/2008 financial crisis, the Investment Manager has made investments in a total of eight infrastructure and property alternative assets and their alternative asset managers that the Investment Manager considers are relevant to the Investment Policy (the “**Track Record Platforms**”). No other investments have been undertaken by the Investment Manager involving infrastructure and property alternative assets and their UK based asset managers.

The investments into the Track Record Platforms were led by Keith Maddin, a partner of the Investment Manager, with support from the Investment Manager’s team of investment professionals and oversight provided by the Investment Manager’s founding partners.

The Track Record Platforms up to 31 December 2018 generated an aggregate Internal Rate of Return (“**IRR**”) of 23 per cent. and a money multiple of 2.8 times (meaning £2.80 was returned for every £1.00 invested), with £285 million of value created, of which £265 million has been realised as at the date of this Prospectus. These returns are net of all transaction costs and returns to individuals within the management teams of the alternative asset managers, but are before any fees charged by the Investment Manager. Excluding two unrealised investments, which are the two most recent investments, the Track Record Platforms generated an aggregate IRR of 23 per cent. and a money multiple of 2.9 times, with £263 million of value created.

In all cases, the alternative asset managers of the Track Record Platforms were either start-ups or early stage businesses. In addition to the Investment Manager’s investment, the Track Record Platforms themselves raised over £2 billion of institutional and retail investment in listed and unlisted funds to invest in assets. Today the Track Record Platforms manage approximately £7 billion<sup>1</sup>.

### The Track Record Platforms

**Premium care homes**

Asset manager, investor,  
developer, operator

**Start Up**

Jun 03 – Feb 15

Unlisted 7 year funds

3<sup>rd</sup> Party AUM £0.3bn\*\*

Sold Reit/Pension Fund

**Healthcare property**

Asset manager, developer,  
surgeries/care/pharmacy

**Start Up**

Sep 03 – Mar 16

Listed/unlisted funds

3<sup>rd</sup> Party AUM £0.9bn\*\*

Sold to Asset Manager

**Infrastructure**

Asset manager,  
primary bidder

**Start Up**

Feb 07 – Feb 15

Unlisted 10/25 year funds

3<sup>rd</sup> Party AUM £1.1bn\*\*

Sold to Investment Fund

**Self storage**

Investor,  
Operator

**Start Up**

Dec 09 – Nov 17

N/A

3<sup>rd</sup> Party AUM £0bn\*\*

Sold to Reit

**Waste to energy assets**

Asset manager

**Start Up**

Dec 10 – Feb 13

n/a

3<sup>rd</sup> Party AUM £0bn\*\*

Largest loss £1m

**Private rented residential**

Investor, developer and  
operator

**Start Up**

Oct 13 – Nov 17

n/a

3<sup>rd</sup> Party AUM £0bn\*\*

Sold to Listed Company

<sup>1</sup> This figure excludes the value of MedicX Fund Limited, which merged with Primary Health Properties plc in early 2019.



Offsite manufacturer
Carbon neutral schools and houses
Early stage
Dec 15 – ongoing
n/a
Funding opportunity
Still own



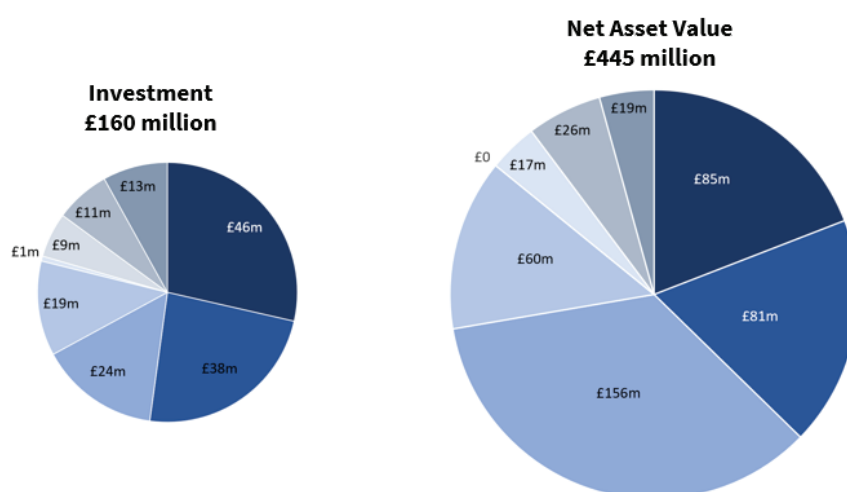
Public sector property
Facilitator and asset manager
Early stage
Aug 17 – ongoing
n/a
Funding opportunity
Still own

\* 2003-2018 excludes new care home investment in 2019

\*\* Assets under Management (“AuM”) at the time of sale by Cabot

Source: Cabot Square Capital LLP, December 2019

### Manager Track Record – Individual investment value creation\*



\* 2003-2018 NAV based on realised returns/valuations as at 31/12/18 after management incentives and pre Cabot fees.

Source: Cabot Square Capital LLP, December 2019

The above chart illustrates the individual investment amounts into the Track Record Platforms and their respective net asset value, which represents either the realised amounts for investments that have been sold or, for the two most recent investments, their valuation as at 31 December 2018. The most successful investment was in Equitix, which generated a 48 per cent. IRR and 6.6 times money multiple, with £132 million value created. The least successful investment and only loss was the c.£1 million investment in Aleltho. The remainder of the investments, based on realisations or valuations for the two unrealised investments, have generated or were valued at 31 December 2018 with a money multiple of 2.0 times.

## Manager Track Record – Individual investment IRR and Money Multiple\*



\* 2003-2018 IRR, money multiple calculated on gross investment and realised returns/valuations as at 31/12/18 after management incentives and pre Cabot fees

\*\* Unrealised and exclude care home investment in 2019

Source: Cabot Square Capital LLP, December 2019

Two case studies are presented below to illustrate in more detail the path of the Investment Manager's investments in MedicX and Equitix's development and asset management businesses ("Manager Platforms").

The charts set out below illustrate the progress over time of the Manager Platforms creating and growing an Alternative Asset Manager in terms of assets under management ("AuM") and the cumulative investment by the Investment Manager against both the quarterly fair value reported by the Investment Manager and cash realisations.

The charts illustrate that the investment in the Manager Platforms to drive recruitment, build corporate infrastructure and acquire seed assets was recognised in the fair value, initially in line with cost, and over time at a premium to cost.

### Manager Case Study: MedicX Manager Platform

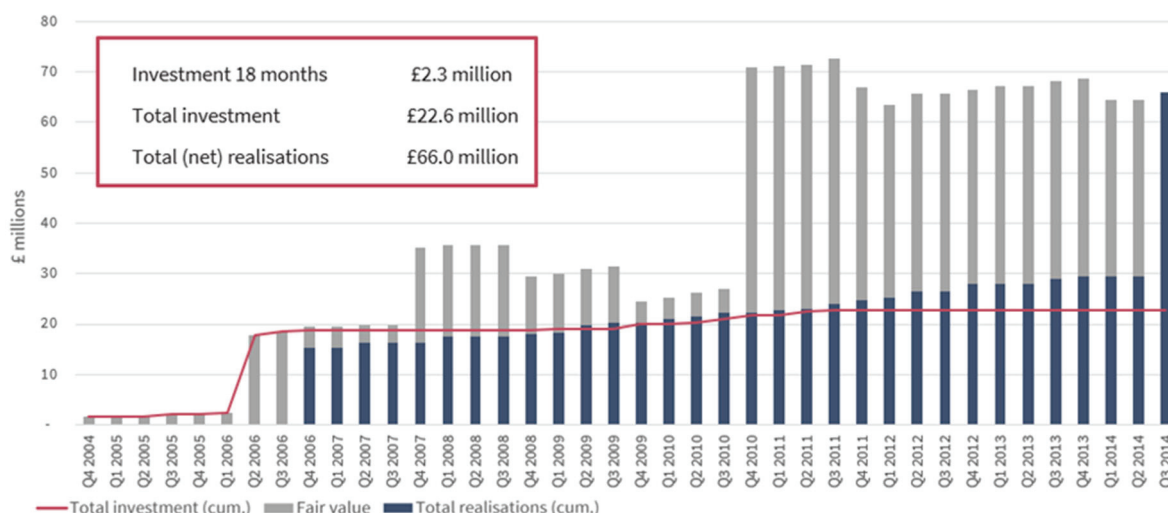


**If MedicX Fund itself had owned the MedicX developer and investment adviser the profit on Cabot's sale would have added 12 pence per share to the 83 pence share price or increased MedicX Fund's market value by 14%**

Source: Cabot Square Capital LLP, December 2019



## Manager Case Study: MedicX Manager Platform



Excludes MedicX Pharmacy.

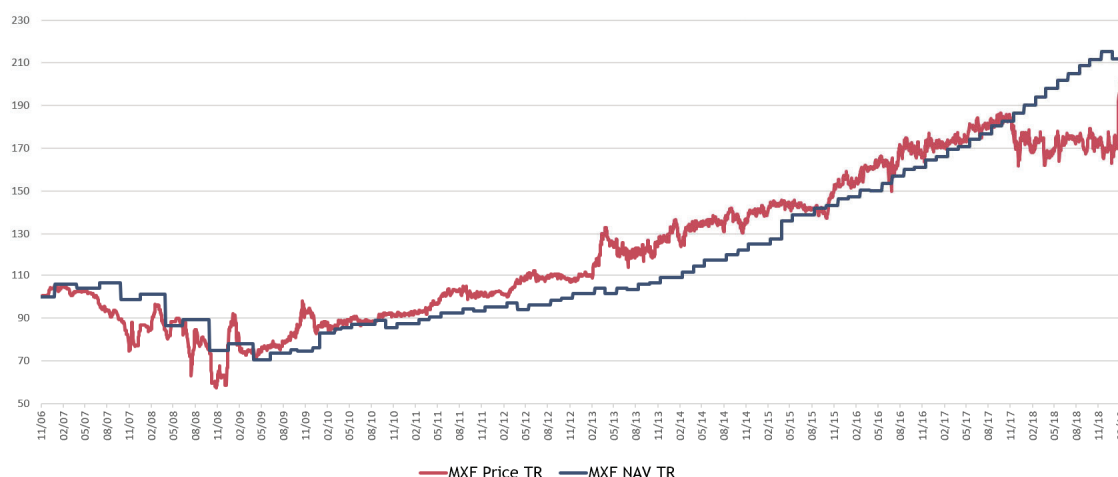
Source: Cabot Square Capital LLP, December 2019

The MedicX Manager Platform's £15.4 million seed assets were acquired in the second quarter of 2006 and were sold into the listed MedicX Fund Limited ("**MedicX Fund**") in the fourth quarter of 2006 shortly after its initial public offering. The MedicX Manager Platform owned by the Investment Manager's private equity funds was sold in the third quarter of 2014.

If the MedicX Fund itself had owned the private equity funds' interest in the MedicX Manager Platform, the Investment Manager estimates that the cumulative profit on sale of the MedicX Manager Platform would have added 12 pence per share to the then 83 pence share price, or increased MedicX Fund's market value by 14 per cent. at the date of sale.

Following the sale, MedicX Fund continued to perform well and in the first quarter of 2019, MedicX Fund merged with Primary Health Properties plc.

## MedicX Fund Performance



Source: Morningstar – relative to 100

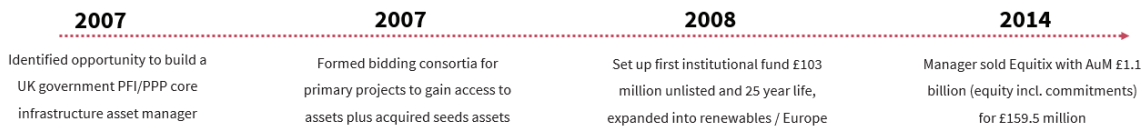
## Manager Case Study: Equitix Manager Platform

The Equitix Manager Platform's £6.7 million of seed assets were acquired in the fourth quarter of 2007 and were sold into Equitix's first unlisted 25-year life third party institutional fund in the fourth quarter of 2008. The Equitix Manager Platform scaled quicker than the MedicX Manager Platform

and by 2014 AuM increased to £1.1 billion. The Investment Manager agreed the sale of the private equity funds' interest in the Equitix Manager Platform in 2014, and completed the sale following FCA approval in the first quarter of 2015.

Manager Case Study: Equitix Manager Platform

Equitix timeline



Sale generated c.6.6x return equivalent to c. 2% per annum on total AuM

Since sale Equitix has grown AUM to over £5bn and generated a c. 2.8x return post sale

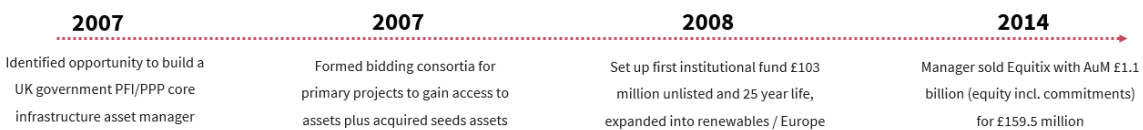
ALTS would have been able to retain the business for the long term

Source: Cabot Square Capital LLP, December 2019

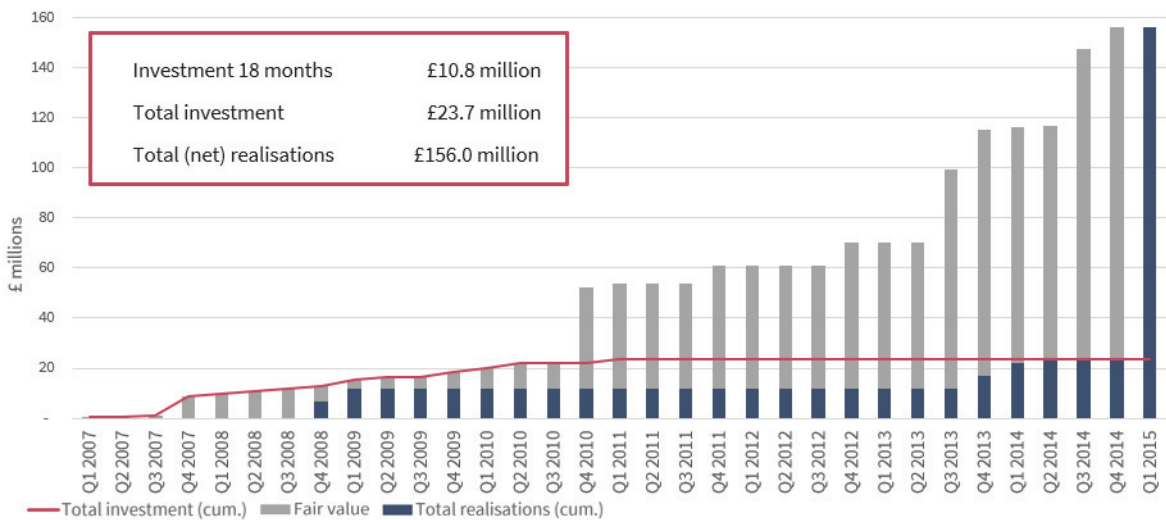
If all of Equitix Manager Platform's £1.1 billion of AuM had been invested in 2007, and institutional investors had owned the private equity funds' interest in the Equitix Manager Platform, the Investment Manager estimates the cumulative profit on sale would have added approximately 2 per cent. per annum to the asset returns of the £1.1 billion AuM over the period of ownership (i.e. to 2015).

Manager Case Study: Equitix Manager Platform

Equitix timeline



Sale generated c.6.6x return equivalent to c. 2% per annum on total AuM  
Since sale Equitix has grown AUM to over £5bn and generated a c. 2.8x return post sale  
ALTS would have been able to retain the business for the long term



Source: Cabot Square Capital LLP, December 2019

The Equitix Manager Platform has continued to grow and create value for its current majority owner, Tetragon Financial Group Limited (“**Tetragon**”).

According to Tetragon’s financial statements, Equitix now manages £4.7 billion. Tetragon has already realised a similar amount to its acquisition cost and the reported valuation of Equitix since acquisition has nearly doubled.

Unlike the Investment Manager’s private equity funds, the Company is able to retain its investment in Alternative Asset Managers for the long term and so can benefit from the expected longer term growth potential.

### **3. INVESTMENT STRATEGY**

The Investment Manager and the Investment Adviser believe they have a differentiated investment strategy that combines the identification of and investment in attractive Alternative Assets, with the creation and/or development of nascent Alternative Asset Managers, to create scalable Alternative Asset Platforms.

The Investment Manager and the Investment Adviser source investment opportunities directly, either by approaching targets themselves or by appraising potential Alternative Asset Managers who approach the Investment Manager and the Investment Adviser. Where third party advisers are involved, this is normally on the basis of bilateral negotiations rather than auctions.

The track record of the Investment Manager, discussed above, is consistent with this approach, as are the opportunities in the Current Pipeline.

#### ***Investment overview***

The Investment Manager and the Investment Adviser will consult with the Board in relation to investment allocations into any new Alternative Asset Manager and any new types of Alternative Assets. Following such consultation and subject to any specific Board direction, the Investment Manager will then, at its discretion and on the advice of the Investment Adviser, complete Investments in accordance with the Investment Policy.

The Company seeks to provide a new model for investors to access returns from the alternatives sector, by creating, over time, a portfolio of investments in a number of Alternative Assets, alongside investments in a smaller number (being four to six) specialist Alternative Asset Managers managing these Alternative Assets, in order to enhance the returns achieved on the Company’s capital. Although such investments in Alternative Assets and Alternative Asset Managers will be held through separate SPEs, the Investment Manager and the Investment Adviser refer to this combination of investing in Alternative Assets and their corresponding Alternative Asset Managers as an Alternative Asset Platform. In addition, the Company may invest directly in Alternative Assets without taking a stake in the corresponding Alternative Asset Manager.

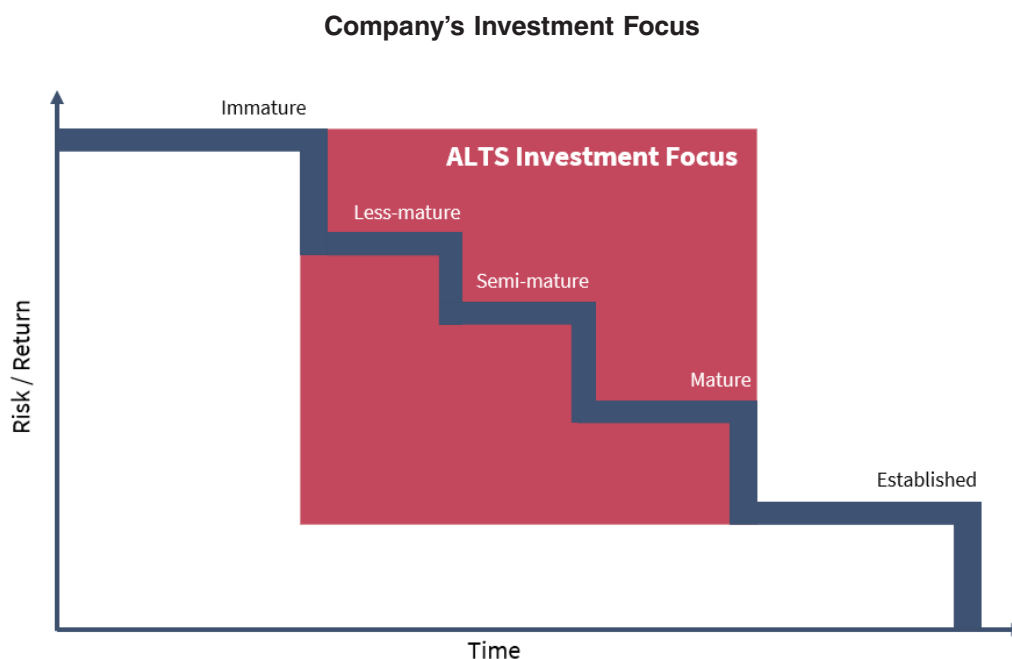
The Company has a first right of refusal, exercisable during the Initial Investment Period, over certain investments within the Current Pipeline, as described in further detail in Section 3 (The Current Pipeline and Further Investment Opportunities) of Part III (Market Overview and Current Pipeline) of this Prospectus. The Investment Manager and the Investment Adviser have agreed terms including exclusivity in relation to the Investment opportunities in the Current Pipeline beyond Initial Admission. The Current Pipeline is expected to enable the Company to meet its intention to have substantially invested or committed the Net Initial Proceeds within the Initial Investment Period.

The Investment Manager and the Investment Adviser expect that, subject to further fund raising by the Company, there is sufficient potential within the Current Pipeline and the Further Investment Opportunities to enable the Company to be scaled to approximately £1 billion within five years and further thereafter, which has the potential benefit, in due course, of reducing the Company’s ongoing charges ratio by 25 to 50 basis points per annum.

#### ***Investing in Alternative Assets***

The Company expects to invest mainly in Alternative Assets with attractive risk adjusted returns. The Investment Policy is intentionally broad in terms of the classes of Alternative Assets the Investment Manager will consider for investment, and allows the Company flexibility to allocate investment towards the most attractive investment opportunities available at any particular time, whilst also enabling the Company the ability to source and invest in Alternative Assets before the

weight of institutional capital directed into such investments increases prices and reduces returns. The Investment Manager and the Investment Adviser intend to target Alternative Assets between the immature and established stage, therefore seeking an attractive return and an acceptable level of risk.



Source: Cabot Square Capital LLP, December 2019

The Investment Manager's and the Investment Adviser's ability to tailor Investments and flex the Company's capital allocation over time is expected to increase the Company's ability to meet its Target Dividend and Target NAV Total Return and to build a portfolio likely to provide diversification benefits.

### ***Investing in Alternative Asset Managers and building Alternative Asset Platforms***

The Investment Manager and the Investment Adviser expect that a key differentiating factor of the Company will be its ability to invest in Alternative Asset Managers. These Alternative Asset Managers may be either start-ups or early stage companies with high growth potential. Investing in Alternative Asset Managers at such an early stage has the benefit of the Company not being required to pay high prices for established asset managers (including on account of goodwill). This potentially limits the amount of the Company's exposure to such Alternative Asset Managers and, therefore, reduces the downside risk of investing in these Alternative Asset Managers. Simultaneously, investing in Alternative Asset Managers that are start-ups or early stage companies has the potential to capture for the Company's investors a share in the potential value creation of new Alternative Asset Managers.

When identifying and sourcing Alternative Assets and Alternative Asset Managers which may be investment opportunities for the Company, the Investment Manager and the Investment Adviser may either:

- identify a class of attractive Alternative Assets to invest in before identifying an Alternative Asset Manager to invest in – in this case, the Company's investment strategy may involve the Investment Manager (acting on the advice of the Investment Adviser) directly managing these Alternative Assets on behalf of the Company for a period of time until a suitable Alternative Asset Manager has been identified; or
- identify an Alternative Asset Manager to invest in, before securing for the Company investment opportunities in Alternative Assets managed by such Alternative Asset Manager.

In either case, the Company's investments in Alternative Assets and Alternative Asset Managers will be held through separate SPEs. However, the identification of the Alternative Asset Manager will be a key element to building a successful Alternative Asset Platform.

### ***Key attributes of an Alternative Asset Manager***

In the Investment Manager's and the Investment Adviser's experience, there are certain key attributes that an alternative asset manager needs to establish and master to be successful, scale and create value.

Alternative Assets with attractive risk adjusted returns are scarce and successful alternative asset managers often have proprietary access to, and an ability to originate, such Alternative Assets. This can result from existing relationships, reputation and market positioning, often established over the long term, but can also result from participating in primary or development activities.

A contributing factor to returns on Alternative Assets being attractive, is that the underwriting, investment structuring and management can be complex and, in the experience of the Investment Manager and the Investment Adviser, Alternative Assets are therefore best managed by sector specialist alternative asset managers.

The Investment Manager and the Investment Adviser will seek to procure that each Alternative Asset Manager is contractually obliged to first offer to the Company any new investment opportunities which fit within the Investment Policy. However, where the Company is either unable to or opts not to participate in such investment opportunities, the Alternative Asset Manager may make these available to Third Party Funds or other clients of the Alternative Asset Manager. In such circumstances, the Company will benefit, through its ownership of interests in the relevant Alternative Asset Manager, from the fees received from the Alternative Asset Manager in respect of such increased AuM.

To grow an Alternative Asset Manager's AuM to its full potential, an Alternative Asset Manager will need to raise increasing amounts of Third Party Funds over time. The Company's investments in Alternative Assets managed by an Alternative Asset Manager may also take the form of co-investments alongside such Third Party Funds. For the avoidance of doubt, the Company will not invest into such Third Party Funds.

### **Key attributes of an Alternative Asset Manager**



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Source: Cabot Square Capital LLP, December 2019



### ***Forward-funding Alternative Assets***

Alternative Assets in which the Company expects to invest may include completed, operational and income-generating assets, but it may also provide Forward-funding on a non-speculative basis to construction-ready Alternative Assets. The Company will only provide Forward-funding where the necessary approvals, permits and licences together with the necessary build and operating contracts are already in place. However, no more than 30 per cent. of the Gross Asset Value (calculated at the time of entering into any new Forward-funding arrangement and based on the latest available reported valuations at such time) will be comprised of Forward-funded Alternative Assets. The Company does not consider the provision of specialist debt to be Forward-funding and does not consider investing in construction-ready renewable energy assets to be subject to this restriction.

The Investment Manager and the Investment Adviser consider such Forward-funding to be a route to secure for the Company the long term ownership of attractive Alternative Assets. The benefit of Forward-funding is that the Alternative Asset can often be acquired at an enhanced return and can provide the Company with greater visibility and control over its pipeline. In determining whether to provide such Forward-funding, the Investment Manager and the Investment Adviser will carry out appropriate due diligence on the Alternative Assets and, where relevant, the Alternative Asset Manager, including (but not limited to) the approvals, permits and licences that are in place, the proposed contractors and operators to be used in connection with the construction and operation phase and the terms on which they are contracted.

Where the Company provides Forward-funding or otherwise acquires an Alternative Asset from an Alternative Asset Manager, this transaction will be subject to an independent valuation and a process agreed in consultation with the Board.

### ***Indirect exposure to development activities carried out by Alternative Asset Managers***

The Company does not consider the provision of Forward-funding to construction-ready Alternative Assets to be “development” and, as such, the Company will not engage in any development activities. However, investments by the Company in the working capital of Alternative Asset Managers may result in the Company obtaining indirect exposure to development opportunities that have not yet reached the stage of having all the necessary approvals and contracts in place. Given the restriction set out in the Investment Policy on the amounts which may be invested by the Company in Alternative Asset Managers, the Company’s indirect exposure to such development opportunities is expected to be limited.

As with Forward-funding, the benefit of an Alternative Asset Manager carrying out development is that the relevant Alternative Asset can often be acquired at an enhanced return, and can provide the Alternative Asset Manager with greater visibility and control over its pipeline.

When Alternative Asset Managers carry out development, this may involve financing the entire project or partnering with other developers where it is desirable to share the risk. In practice, given the expected size of the Alternative Asset Managers, the Investment Manager and the Investment Adviser expect that the relevant Alternative Asset Manager will only progress projects up to the stage where they may, if appropriate, be Forward-funded by the Company along the lines described above (although the Company will be under no obligation to provide such funding and will only do so after the appropriate due diligence has been carried out by the Investment Manager and the Investment Adviser). In doing so, the Alternative Asset Manager (and, indirectly, the Company by virtue of its ownership stake in the Alternative Asset Manager) will share any upside as well as any risk of failure to secure the necessary approvals, permits and licences as well as the contracts with the proposed contractors and operators to be used in connection with the construction and operation phase on terms that are acceptable to the Company.

A key feature of development projects carried out by Alternative Asset Managers is that on the date of funding, the project will not typically generate income until the operator or developer has let the property or otherwise found an off-taker or purchaser for the relevant asset or revenue stream. In the case of Forward-funding a project, a full income return is not typically received, however a discount may accrue for the benefit of the investor.

The Alternative Asset Managers will seek to contract, or ensure that developers contract, with contractors of good standing and with a strong track record, and will seek to ensure that any contract with the contractors, and the other contracts relating to the relevant project, contain

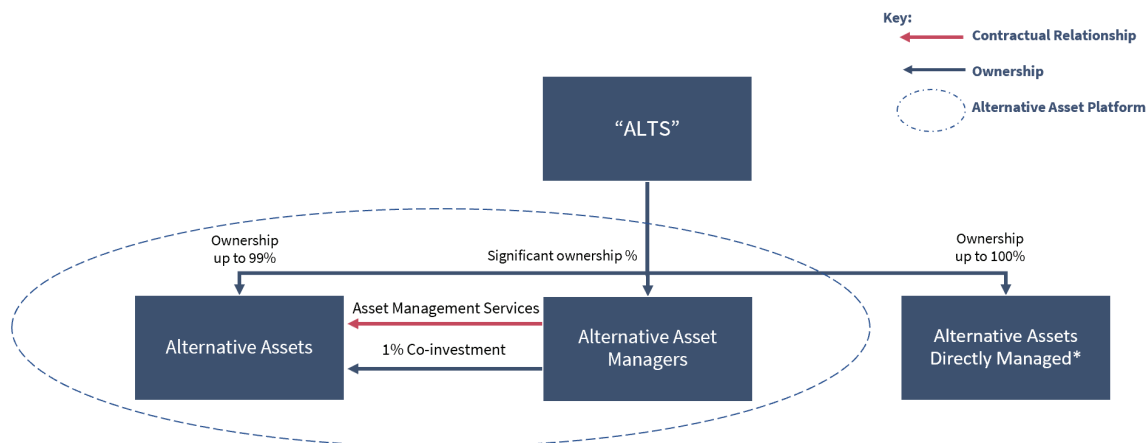
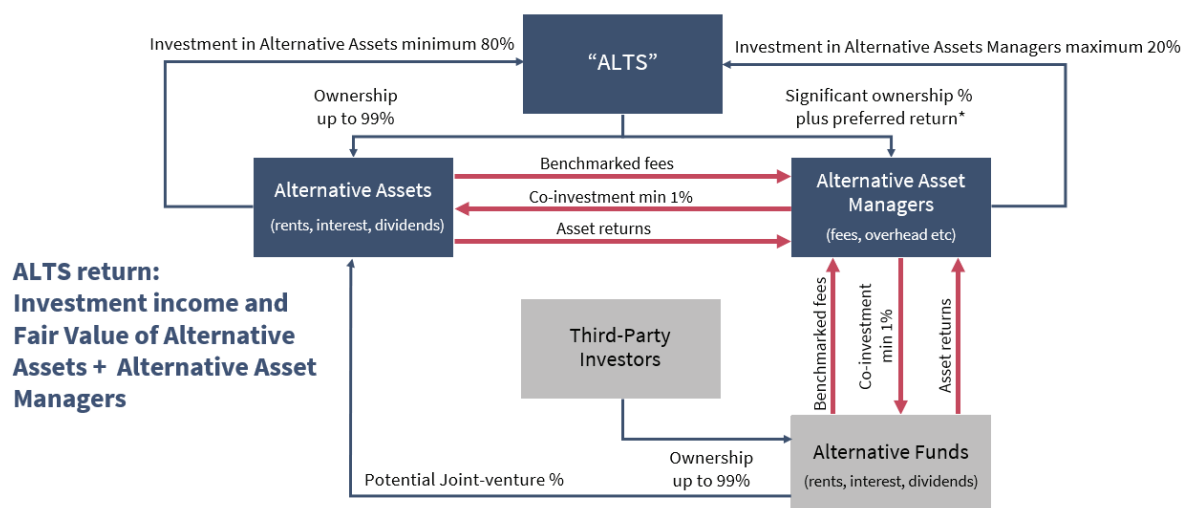
sufficient protections to adequately compensate the Alternative Asset Manager and, indirectly, the Company, should it incur any losses due to delays, defects or failures in the construction or operation of the Alternative Asset.

In the event of insolvency of a developer, contractor or operator, the Alternative Asset Manager (supported by the Investment Manager and the Investment Adviser) will seek to find a replacement developer, contractor or operator on a timely basis and on terms no less favourable than the terms of the previous developer, contractor or operator, where possible.

### Investment Structuring and Reporting

The Company expects to structure its Investments as illustrated in the diagrams below:

#### Illustrative structure of corporate group and Investments



\* Directly managed by the Investment Manager and Investment Adviser or managed by an Alternative Asset Manager that the Company has not invested in

Source: Cabot Square Capital LLP, December 2019

The Company will invest to achieve returns in the form of an attractive level of sustainable dividend income, alongside capital appreciation over the long term. Its investment and ownership interests will be in the form of equity or similar interests and/or shareholder loan instruments.

The Investment Manager and the Investment Adviser will identify Alternative Assets with attractive risk adjusted returns. The Investment Manager and the Investment Adviser will also identify attractive specialist Alternative Asset Managers who would typically manage, or who the Investment Manager and the Investment Adviser believe to be well-suited to managing, such Alternative Assets.

Subject to completing satisfactory due diligence, the Company would then seek to invest, over time, in a number of Alternative Assets, alongside investments (in the form of significant stakes) in a smaller number (being four to six) of specialist Alternative Asset Managers managing these Alternative Assets. Investments by the Company in Alternative Assets and Alternative Asset Managers will be held directly by the Company and through separate SPEs. In addition, the Company may invest directly in Alternative Assets without taking a stake in the corresponding Alternative Asset Manager.

The Company will typically seek to retain legal control of its Investments by owning controlling stakes of up to 100 per cent. in such SPEs, and no more than 10 per cent. in aggregate of the Company's Gross Asset Value will be invested in SPEs in which the Company owns a minority stake.

### ***Management and monitoring of Alternative Asset Managers***

Where the Company invests in an Alternative Asset Manager, in addition to its significant stake, it will secure its rights through protective provisions in shareholders' agreements including the right for the Investment Adviser to have board representation. Where the Company invests an amount of capital in an Alternative Asset Manager which exceeds its ownership stake, such investment is expected to be in the form of shareholder loans, which will generate a preferred return above all other equity interests and any other shareholder loans.

By holding significant stakes in all Alternative Asset Managers in which it invests, the Company and the Investment Manager (on the advice of the Investment Adviser) are able to directly monitor performance, and, where relevant, implement measures which seek to address underperformance, of such Alternative Asset Managers.

The Investment Manager and the Investment Adviser will perform a portfolio management role through which the activity of the Alternative Asset Managers can be influenced and controlled. All investment decisions for the Company will be made by the Investment Manager with advice from the Investment Adviser and in consultation with the Board, and not by the individual Alternative Asset Managers.

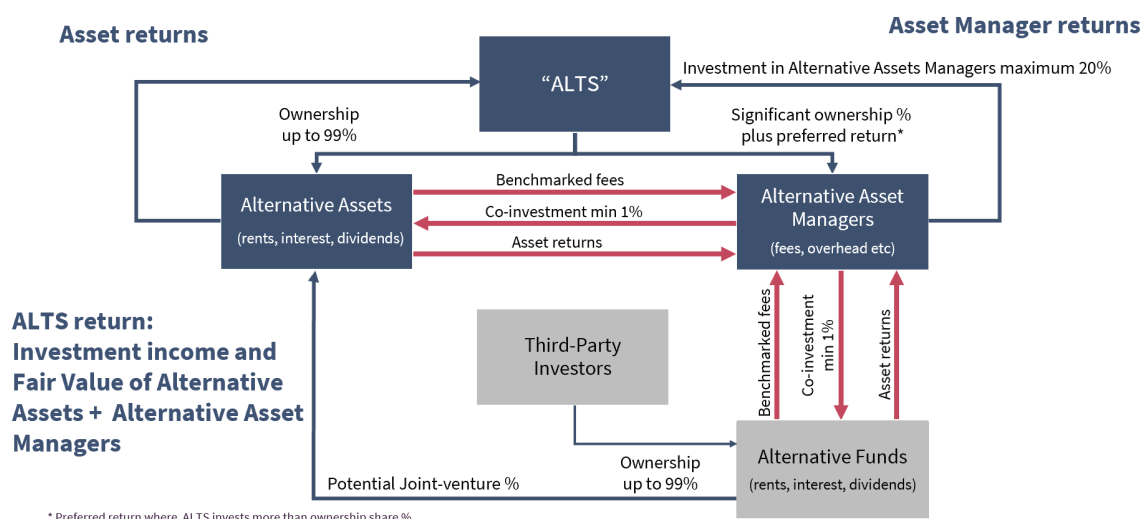
If an Alternative Asset Manager were to fail, for example by becoming insolvent, the Investment Manager and the Investment Adviser would seek to take remedial actions, which may include the Investment Manager and the Investment Adviser managing the Alternative Assets directly or procuring that a substitute Alternative Asset Manager is appointed to take on the management of those Alternative Assets.

The Investment Policy permits the Company to invest, in aggregate, no more than 20 per cent. of the Gross Asset Value in Alternative Asset Managers (calculated by aggregating the amounts invested in each such Alternative Asset Manager, whether in the form of debt or equity, and based on the latest available reported valuations at the time of making any such investment). The Investment Manager (acting on the advice of the Investment Adviser) expects, in practice, that the actual amounts invested in Alternative Asset Managers will be significantly lower than 20 per cent. of Gross Asset Value.

The Investment Manager and the Investment Adviser expect the value of the Alternative Asset Managers to increase as the respective Alternative Asset Platforms scale and through a combination of such Alternative Asset Manager's own investment income, origination fees, asset management fees and adviser fees. Therefore, over time, the Alternative Asset Managers may, on a fair value basis, constitute a larger proportion of the Gross Asset Value relative to that at the time of investment.

The Investment Manager and the Investment Adviser will seek to procure that each Alternative Asset Manager is contractually obliged to first offer to the Company any new investment opportunities which are within the Investment Policy. However, where the Company is either unable to or opts not to participate in such investment opportunities, the Alternative Asset Manager may make these available to Third Party Funds or other clients of the Alternative Asset Manager. In such circumstances, the Company will benefit, through its ownership of interests in the relevant Alternative Asset Manager, from the fees received from the Alternative Asset Manager in respect of such increased AuM. The Company's investments in Alternative Assets managed by an Alternative Asset Manager may also take the form of co-investments alongside such Third Party Funds. For the avoidance of doubt, the Company will not invest into such Third Party Funds.

## Illustrative structure of Alternative Asset Platform and Investments



Source: Cabot Square Capital LLP, December 2019

The structure supports the Investment Policy of investing in Alternative Assets and also in Alternative Asset Managers and reporting the performance of these Investments. The structure also supports the long term alignment of interests and the incentivisation of Alternative Asset Managers with the Alternative Assets they manage.

### ***Sustainable investing with socio-economic impact***

The Investment Manager and the Investment Adviser intend to positively and negatively screen and integrate into the Investment Manager's investment decisions and asset management plans, ESG criteria. The Company, the Investment Manager and the Investment Adviser and each of the Alternative Asset Managers will have ESG policies based on the United Nations Principles for Responsible Investing and Sustainable Development Goals. The Company's ESG policy will be published on its website following its adoption by the Board.

The Investment Manager and the Investment Adviser will target investment opportunities that are expected to generate an attractive risk adjusted return and that can also make a positive ESG impact by focusing on some of the biggest challenges facing societies and economies. The Company will report on ESG as well as financial results, and believes that investing for positive ESG impact will also help promote positive long term financial returns for the Company.

### ***The Current Pipeline and future investment opportunities***

The Current Pipeline includes investment opportunities that are, in the opinion of the Investment Manager and the Investment Adviser, consistent with the Investment Policy.

As set out above, the Investment Manager has an extensive and successful track record of building alternative asset platforms that reach substantial scale and believes it can build new alternative asset platforms suited to being held in an evergreen premium-listed UK investment fund that will be an attractive investment for institutional and retail investors. Details of the Current Pipeline are set out in Part III (Market Overview and Current Pipeline) of this Prospectus.

## PART III – MARKET OVERVIEW AND CURRENT PIPELINE

### 1. INTRODUCTION

This Part III (Market Overview and Current Pipeline) of this Prospectus contains the Investment Manager's and the Investment Adviser's current assessment of the diverse and evolving market by reference to which the Company has adopted the Investment Objective and the Investment Policy as well as specific Investments being considered by the Company within the Current Pipeline.

### 2. MARKET OVERVIEW

#### ***Institutional investment in Alternative Assets managed by Alternative Asset Managers***

Alternative Assets typically have a low correlation to, and reduced volatility compared with, traditional assets such as equities and bonds, whilst also providing portfolio diversification benefits.

Institutional investors have been increasing investments in Alternative Assets managed by alternative asset managers. The 75 largest infrastructure investment managers manage more than €861 billion in assets (IPE Real Assets July/August 2019). As at the end of 2018, the 100 largest property fund managers in the world manage €3 trillion of assets between them and the industry had almost doubled in size in the previous five years (IPE Real Assets November/December 2018).

By owning significant stakes in growing Alternative Asset Managers, the Investment Manager and the Investment Adviser intend to enhance the value of the Company. Through a combination of a number of relatively uncorrelated businesses across different types of Alternative Assets and at different stages of maturity, the Company intends to create a diversified portfolio of Investments.

Further detail is set out below providing a market context in the sub-sectors/industries where the Company's Investments are expected to be made.

#### ***Market data on assets versus managers***

The mean price to earnings ratio in 2018 for managers of closed-ended funds investing in Alternative Assets was 22.9x, whilst for the same period, infrastructure funds had a mean price to earnings ratio of 12.2x. By extension, the Investment Manager and the Investment Adviser believe that this shows that there is additional value that can be created from investing in Alternative Asset Managers over only investing into Alternative Assets. However, investment in Alternative Asset Managers does come with higher volatility. As at 31 July 2019, the 2-year mean historic equity volatility was 20.8 per cent. for managers of funds investing in Alternative Assets and 11.3 per cent. for infrastructure funds. It is worth noting that infrastructure funds have over the 5 years prior to 31 July 2019 shown c.61 per cent. of the volatility of the FTSE All Share Index (inclusive of those stocks). (All data provided by Capital IQ)

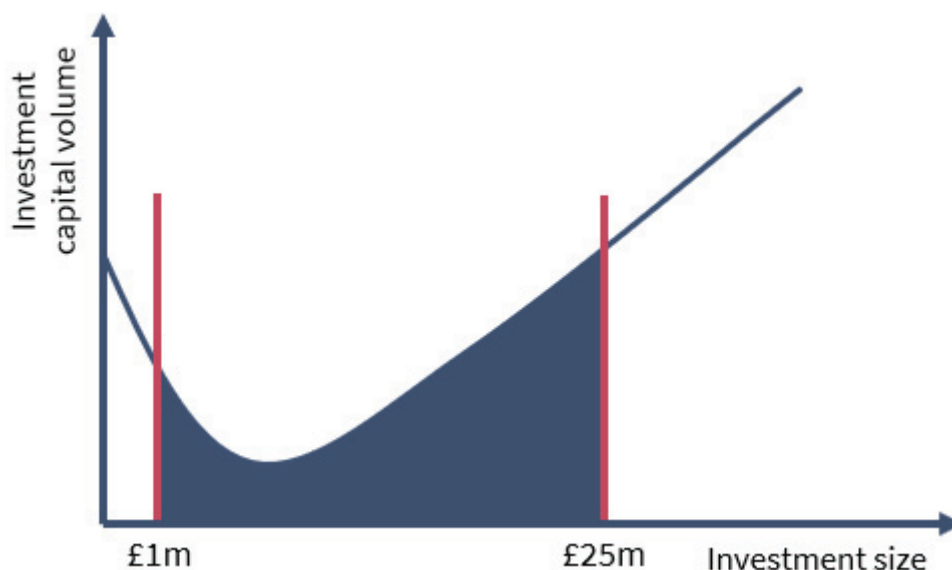
The next sections of this Part III (Market Overview and Current Pipeline) of this Prospectus focus on the information directly relevant to the Current Pipeline. The Company may choose to invest in further Alternative Assets in the future.

#### ***Lack of capital and expertise for lower-mid size investments***

The Investment Manager and the Investment Adviser believe there is a shortage of capital and a lack of expertise in the market of investing in infrastructure and property transactions worth between £1 million and £25 million, which can result in attractive risk adjusted returns for those willing and able to invest in this range. This is reflected in the chart below:



**Illustrative graph of volume of capital available based on deal size**



Source: Cabot Square Capital LLP, December 2019

In the Investment Manager's and the Investment Adviser's experience, institutions are typically attracted to much larger investments and traditional funding sources including bank funding will often finance smaller and simpler to understand projects.

The Investment Manager and the Investment Adviser believe there is an opportunity to fill this "funding gap" by building the expertise in specialist Alternative Asset Managers to access these smaller more complex investment opportunities which can then be replicated to create scale in both debt and equity investing.

***Opportunity to focus on making a positive ESG impact linked to challenges facing the UK and economies elsewhere in the world***

The Investment Manager and the Investment Adviser will target investment opportunities that are expected to generate an attractive risk adjusted return and that can also make a positive ESG impact by focusing on some of the biggest challenges facing societies and economies. The Company will report on ESG as well as financial results, and believes that investing for a positive ESG impact will also help promote positive long term financial returns for the Company.

***Enormous renewable energy and sustainable infrastructure investment requirement***

In June 2019, the UK government became the first major economy to set in law a target to reach net-zero carbon and emissions by 2050. The UK Government Committee on Climate Change has estimated the cost to achieve this at over £50 billion per annum, with the Department of Business, Energy and Industrial Strategy putting the figure at £70 billion per annum. Philip Hammond, the UK chancellor at that time, reported the total costs would be more than £1 trillion.

The European Commission is close to having unanimous support to seek climate neutrality by 2050. The European Commission estimates that, even if Member States deliver on all of their plans for the next ten years, the costs of achieving climate neutrality from 2030 to 2050 will be US\$13 trillion.

In order to meet these targets to reduce carbon emissions, Bloomberg New Energy Outlook (2019) estimated that US\$13.3 trillion of global investment will be required in order to generate the requisite capacity between 2019 and 2050, with 77 per cent. investment into renewable energy and US\$11.4 trillion needed for distribution and transmission expansion or, in total, over US\$800 billion per annum for the next 30 years.

The investment requirement relates to increased renewable energy generation, but also relates to ancillary areas such as supporting the effective operation of the grid, changing patterns of generation and usage by businesses and consumers, as well the creation of new technologies over time.

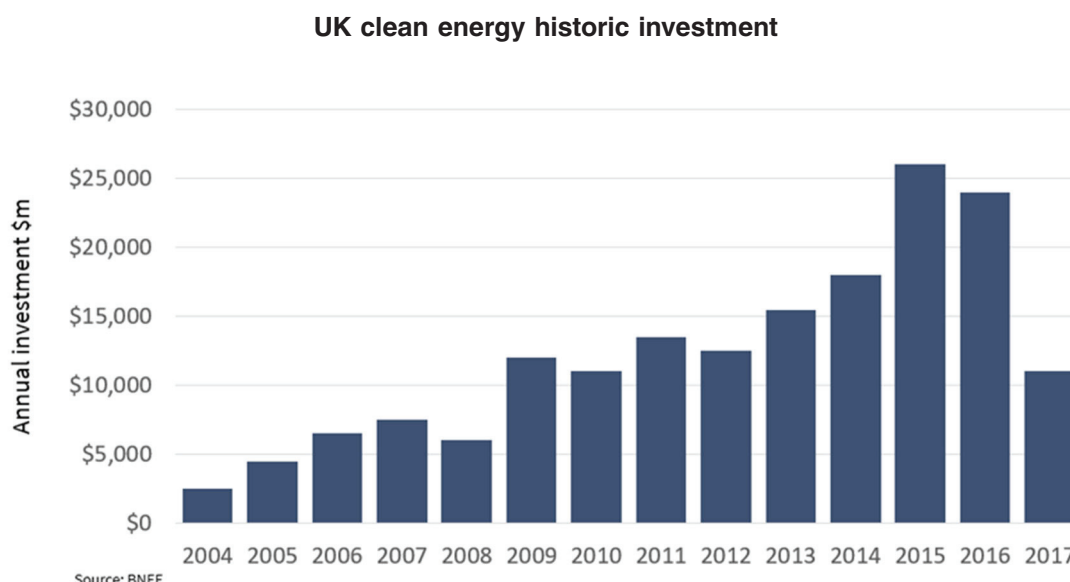
According to a report by Energy Entrepreneurs (2018), there are 6,800 renewable energy projects in the UK currently generating 13.8 GW of energy giving an average of just 2MW per project. On that basis, a large proportion of the requirements going forward is expected to continue to be of a smaller scale.

### ***Subsidy-free renewables***

New government subsidies in the UK have largely ceased with Renewable Obligation Certificates ending in 2017, Feed In Tariffs ending in 2019 and Renewable Heat Incentive being dramatically reduced; all of which underpinned the majority of past investment in renewables in the UK. Schemes such as Contracts For Difference exist, but larger projects win these capacity-based auction processes, so for niche projects they are not relevant.

The Investment Manager and the Investment Adviser will consider investing in subsidy-free renewable energy projects utilising a strategy that may include minimising the exposure of projects' revenues to power market prices through the use of instruments such as a fixed-price power purchase agreements and mid-long dated futures contracts, as well as private wire direct sales to adjacent consumers.

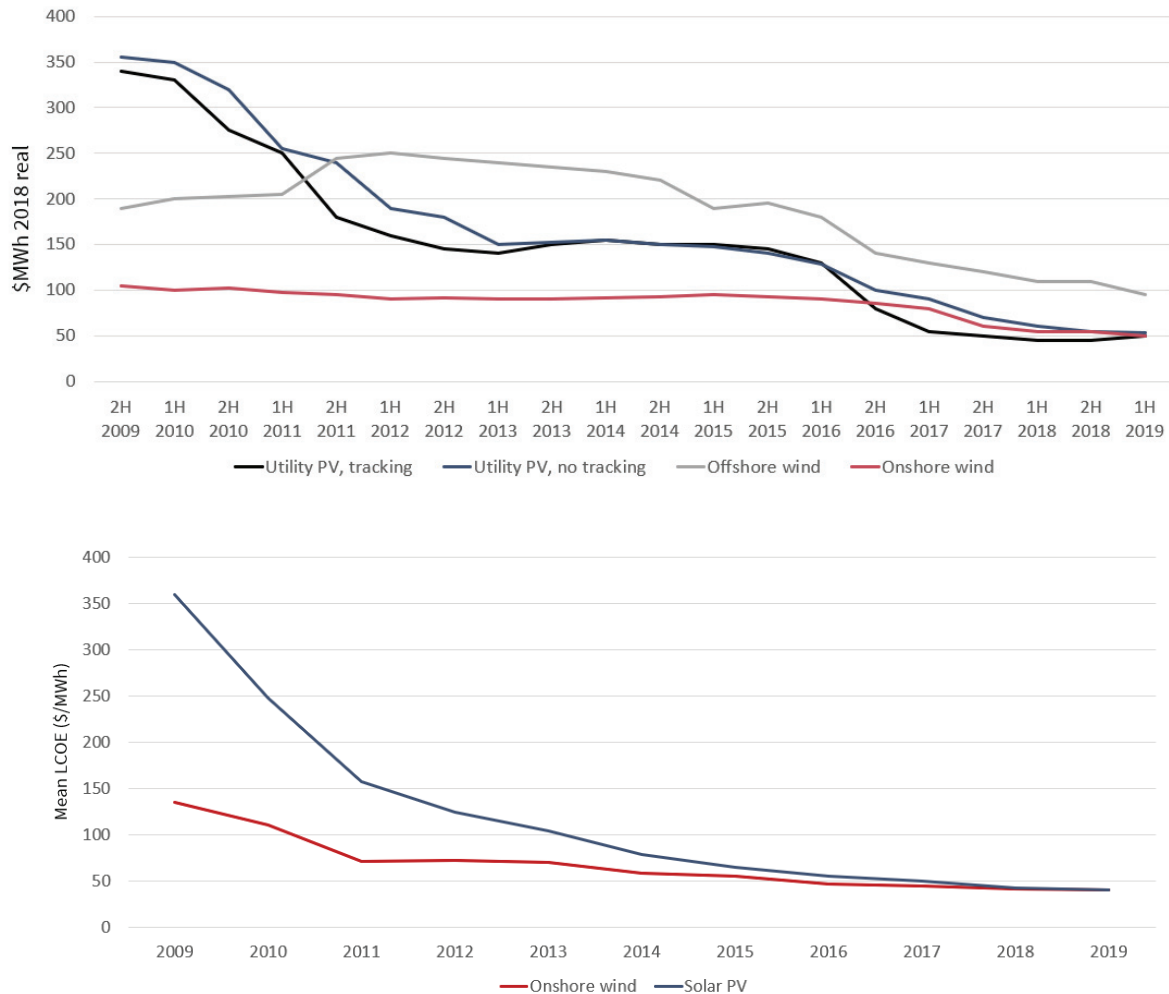
The chart below shows the decline in the level of investment in renewable energy from 2015 to 2017. The Investment Manager and the Investment Adviser believe that, given the wider governmental renewable energy targets worldwide, these investment levels will once again pick up, but on a subsidy-free project basis:



The Investment Manager and the Investment Adviser expect that this phasing out of subsidies will further increase the dysfunction in the market and reduce the appetite of larger institutional investors towards smaller projects creating a capital demand that should push up returns for investors willing to invest in these projects.

One driver for the reduction in subsidies has been the dramatic cost reductions in renewable energy technologies such that the solar and onshore wind assets are increasingly not reliant on support mechanisms or subsidy regimes to compete against established natural resources such as coal and gas. Utility-scale solar levelised cost of energy has seen a reduction of 89 per cent. and wind a reduction of 70 per cent. over the last ten years.

## Levelised Cost of Energy Trends



Source: Lazard's Levelised Cost Of Energy Analysis – Version 13.0 November 2019. Chart prepared solely for general informational purposes, should not be construed as financial or other advice and should not be relied upon for any purpose.

Source: Lazard's Levelised Cost Of Energy Analysis November 2018

Looking further afield than the UK, Spain is an example of a country where there is currently a significant amount of interest in investing in subsidy-free solar assets. Spain benefits from one of the highest levels of solar irradiance in Europe and has access to tier one panel suppliers, engineering, procurement & construction and operations & maintenance contractors. Further, there is an increasingly liquid electricity market supporting power purchase agreements. Again, the large-scale investments are somewhat crowded with institutional investors pushing down returns, but the smaller niche assets need access to capital from investors. These projects typically involve structuring complex framework agreements with local developers that most institutional investors are not set up to be able to do directly. Other non-subsidy renewable assets such as onshore wind and projects in the UK and other European countries are expected to present similar investment opportunities.

### **Sustainable infrastructure**

Sustainable infrastructure includes renewable energy generation, and also includes all the ancillary investment requirements necessary to support climate neutrality and decarbonisation. Examples include supporting the effective operation of the grid, changing patterns of generation and usage by businesses and consumers, as well the creation of new technologies over time.

The Investment Manager and the Investment Adviser will seek to invest in niche sustainable infrastructure projects and assets, including but not limited to:

- small-scale battery power units that are utilised by construction & utility companies alongside existing generators;
- combined heat and power units for commercial and industrial users;
- solar thermal for commercial and industrial users;
- plastic recycling plants;
- electric vehicle charging networks; and
- support vehicles/vessels to install and maintain offshore windfarms as well as decommission oil and gas supplies.

These projects are expected to involve hard or physical assets that are “mission-critical” assets that use proven technologies. These assets and projects will be cash generative with the cash flow predictable and able to be quantified.

### ***Residential shared ownership and affordable rented properties***

In the opinion of the Investment Manager and the Investment Adviser, the shared ownership housing sector bears similar investment characteristics to that of a social infrastructure asset insofar as it has long term stable inflation-linked cash flows which has generally shown to be counter-cyclical to the economic cycle.

The UK faces a long term structural undersupply of housing across all housing tenures and particularly those described as affordable housing. These shortfalls, together with rising social and economic pressures on the housing market, mean that housing has risen up the political agenda.

In the first-time buyer market, as part of mortgage lender's tougher criteria since the 2007 / 2008 financial crisis, higher deposit requirements have significantly raised the barrier to entry for potential buyers, resulting in much lower mortgage approval rates for house purchases. From a peak of 1,300,000 mortgage approvals in 2006, only approximately 788,000 mortgages were approved in the 12 months to September 2019.

Shared ownership housing is a form of affordable housing and is a “part buy-part rent” scheme introduced by the government which typically enables first-time buyers access to the property ladder by part-owning (25-75 per cent.) a home, whilst paying an affordable rent on the part they do not own.

Typically, the first-time buyer shares ownership with a housing provider such as a housing association, but the rental stream provides an opportunity for investors to co-own and receive a return through the rents and any uplift in the value of the property. For private sector investors that include a Registered Social Housing Provider (“RHP”) within their enterprise, they are able to enhance their investment returns by accessing any available government grants.

The government launched the Shared Ownership and Affordable Homes Programme 2016 to 2021 (SOAHP 2016-21) in April 2016. This programme was aimed at creating long term change, by providing £4.7 billion of funding to help build a further 135,000 shared ownership homes over the next five years. In November 2016, the government announced an additional £1.4 billion to deliver a further 40,000 affordable homes (to be allocated between the Greater London Authority for homes in London and the SOAHP 2016-21). RHPs can apply for up to £30,000 of ‘first loss equity’ under SOAHP (2016-21) for each property, with no redemption date or interest payable and can also benefit from section 106 subsidy.

Some institutional investors are now emerging and long term equity and debt finance has been provided by pension funds and insurance companies seeking geographically diverse secure part-owned property, and income from incentivised co-owners. An investor will typically receive a fully repairing and insuring long lease (99-125 years) with index-linked rental stream, increasing at RPI plus 0.5 per cent. per annum (with a floor of 0.5 per cent. per annum). Housing is procured at scale from large national house builders, often at a discount and subject to build completion and a committed shared owner as well as from sales by RHPs.

The demand for shared ownership is driven from 2 million potential qualifying shared owner buyers. As well as a means for buyers getting a foothold on the property ladder, shared owners benefit from the right to increase their share of ownership over time. This ownership increase is known as

staircasing which occurs at a market valuation and, therefore, has the effect for the investor of crystallising any valuation gain above their grant-assisted discounted initial purchase price.

There are currently 200,000 existing shared ownership properties in the United Kingdom, with 13,400 completions in 2018 and a possible increase in demand predicted to 15,000 per annum once the government Help to Buy scheme ends in 2023<sup>2</sup>. This equates to a potential c.£3 billion a year investment requirement.

The repossession rate for shared ownership properties was 0.02 per cent. in 2018, which was less than half the level for general owner property occupation<sup>3</sup>.

The demand for affordable rented properties is supported by the 1.1 million households on local authority waiting lists and that the supply of new affordable housing properties has remaining broadly flat over the last ten years at only c.50,000 per annum.

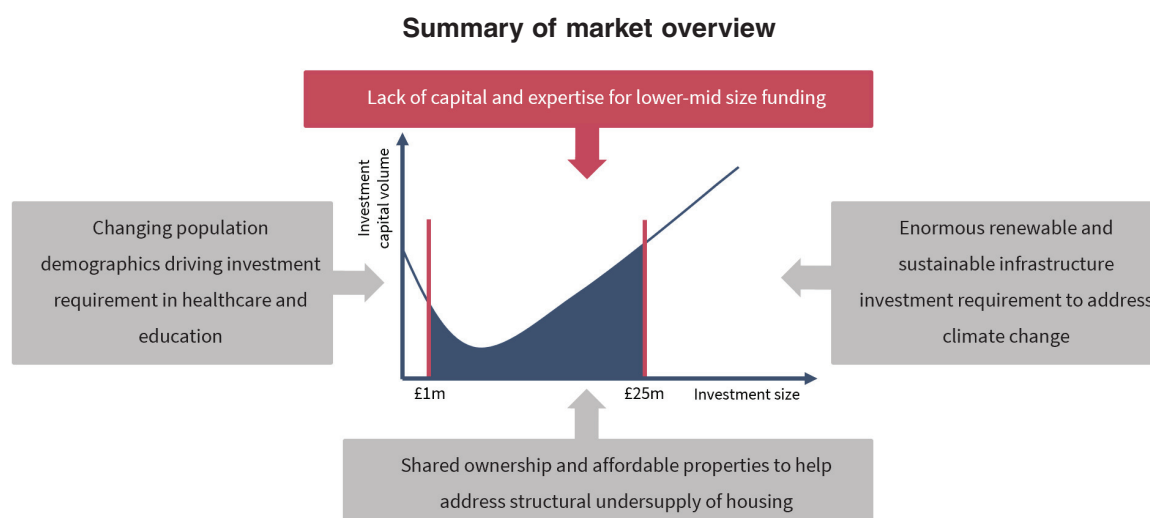
### Changing Population Demographics

The Investment Manager and the Investment Adviser believe there could also be attractive social infrastructure investment opportunities for the Company in healthcare and education sectors as a result of changing population demographics in the UK and elsewhere.

In common with many other countries, the UK's age structure is shifting towards later ages. In 1998, around one in six people were 65 years and over (15.9 per cent.). This increased to one in five people in 2018 (18.3 per cent.) and is projected to reach one in every four people (24.2 per cent.) by 2038<sup>4</sup>.

The proportionate increase is even more marked with the number of over 85 year olds increasing from 1.6 million in 2018 to 2.8 million in 2038 or by 72 per cent<sup>5</sup>.

State-funded school pupil numbers in England have also been increasing up from 7.0 million in 2008 to 7.6 million in 2018 and this is projected to increase to 7.9 million by 2027<sup>6</sup>.



Source: Cabot Square Capital LLP, December 2019

### 3. THE CURRENT PIPELINE AND FURTHER INVESTMENT OPPORTUNITIES

The Investment Manager and the Investment Adviser have agreed heads of terms, including exclusivity beyond the Initial Admission Date, to invest in two Alternative Asset Managers (Rosewood and Phoenix). Based on discussions between the Investment Adviser and the Alternative Asset Managers, these Alternative Asset Managers also have their own pipelines of Alternative Assets in which the Company can invest. The Investment Manager and the Investment

<sup>2</sup> *Spotlight: Shared Ownership*, Savills Research 12 June 2019.

<sup>3</sup> *Spotlight: Shared Ownership*, Savills Research 12 June 2019.

<sup>4</sup> Overview of the UK population August 2019, Office for National Statistics 23 August 2019.

<sup>5</sup> National population projections: 2018-based, Office for National Statistics 21 October 2019.

<sup>6</sup> School Census: DfE Pupil Projection Model – 2018 model.



Adviser have also identified additional Alternative Asset types in which to invest. These investment opportunities in the two Alternative Asset Managers, their pipelines of Alternative Assets and the additional Alternative Asset types are collectively referred to as the “**Current Pipeline**”. In the opinion of the Investment Manager and the Investment Adviser the Current Pipeline represents potential investment opportunities for the Company of £500 million. The Investment Manager and the Investment Adviser have offered the Company a first right of refusal, during the Initial Investment Period, over those investments in the Current Pipeline which are under exclusivity.

The Company may invest in the Current Pipeline on an arms’ length basis, subject to completion of its due diligence, contract documentation and, where necessary, Board consultation. The Company, however, is not committed to complete any of these Investments or committed to invest a specified amount. Nevertheless, it is expected that the Company’s investment in the Current Pipeline will enable the Company to meet its intention to have substantially invested or committed the Net Initial Proceeds during the Initial Investment Period. Investment may also include binding commitments to future drawdowns.

Shareholders should note that there is no guarantee that the Current Pipeline will be acquired following Initial Admission and that, subject to the investment restrictions contained in the Investment Policy (as amended from time to time), the characteristics, sectors, and geographies of any future Investments acquired by the Company may differ materially from those of the Current Pipeline.

The amounts set out below which the Company currently expects to invest in each opportunity are based on the Company raising net proceeds from the Initial Issue and the Subsequent Placings, in aggregate, of at least £196 million. In such circumstances, the Company expects to invest in a portfolio comprising approximately 20 Alternative Assets (provided that, as outlined in the investment restrictions set out in the Investment Policy, the Company is only required to have invested in a minimum of 8 Alternative Assets by the end of the Initial Investment Period) and a minimum of three Alternative Asset Managers by the end of the Initial Investment Period.

Alternatively, if the net proceeds of the Initial Issue and the Subsequent Placings, in aggregate, are less than £196 million, the Company expects to invest in a minimum of eight Alternative Assets and a minimum of two Alternative Asset Managers by the end of the Initial Investment Period.

### ***Rosewood Alternative Asset Platform***

This represents an opportunity to acquire 75 per cent. of an existing independent debt advisory, arrangement and execution business (“**Rosewood**”) and, concurrently, to build an Alternative Asset Manager organically.

The Rosewood management team has arranged approximately £3 billion (and advised on over £5 billion) of debt funding in the UK and European infrastructure sectors (including in the areas of renewable energy, core infrastructure, social infrastructure and real estate markets), working with developers and sponsors on the one hand, and banks and institutional investors on the other. This experience and the extensive relationships Rosewood has developed with a wide range of principals, lenders and service providers means Rosewood is well positioned to build and complete on a proprietary pipeline of investment opportunities.

The Investment Manager and the Investment Adviser have known the Rosewood management team professionally for many years and have previously worked together.

In the opinion of the Investment Manager and the Investment Adviser, the Rosewood management team is highly skilled in origination, underwriting, investment structuring, execution and fund raising. These skills have been proven in the debt arrangement and advisory market and, with the support of the Investment Manager and the Investment Adviser, are considered to be transferable to acting in the capacity that will be required of the Rosewood management team in respect of the types of Alternative Assets comprising the Rosewood pipeline. It is expected, therefore, that the Rosewood management team will originate attractive Alternative Asset investment opportunities for the Company to directly invest in, a number of which they will also manage, thereby creating an Alternative Asset Platform.

The Company’s investment in the Rosewood Alternative Asset Manager should assist in the recruitment and retention of investment professionals into the asset management side of the business. A number of suitable individuals have already been identified and have agreed to join the Rosewood Alternative Asset Manager subject to the investment by the Company.

Investment by the Company in Alternative Assets identified and/or managed by the Rosewood management team, in addition to providing attractive Investments to the Company, is expected to help demonstrate and build a track record to enable the Rosewood management team to also raise Third Party Funds in the future.

### ***Rosewood Alternative Assets Pipeline***

The Rosewood management team has indicated to the Investment Manager and the Investment Adviser that it owns a small (approximately £3 million) Alternative Asset, comprising contracted, longer term, RPI-linked agency fees associated with 12 previous debt financings. These agency fees are generated from a number of different long term debt financings secured on a diversified portfolio of renewable energy assets mainly located in the United Kingdom. The Company expects to acquire 100 per cent. of this portfolio.

The Rosewood management team has identified another attractive Alternative Asset investment opportunity that builds upon their debt arrangement and advisory experience to provide short-term (one to three year) specialist debt financing to renewable energy projects in the UK. The debt financing will provide secured lending for bridging, acquisition, and construction finance, with a maximum target gearing level of 85 per cent. All loans are expected to be interest-paying from the start and repayable in full at the end of the loan term.

The capital will be deployed within the following sectors for small to mid-size renewable energy projects:

- ground and roof mounted solar photovoltaics (“**PV**”) projects (tracking and fixed);
- onshore wind;
- hydro run of river;
- gas peaker;
- anaerobic digestion (operational assets only); and
- energy storage.

In the opinion of the Investment Manager and the Investment Adviser, based on consultation with the Rosewood management team, the market opportunity has arisen as there is a significant amount of long term debt available from both institutional investors and banks for renewable energy infrastructure assets. However, the Rosewood management team has indicated to the Investment Manager and the Investment Adviser that there is significant unmet demand for capital within the £3m to £20m principal range for shorter tenor debt which is expected to create a higher yielding product for investors of approximately 6 to 7 per cent. per annum on an ungeared basis, whilst still benefiting from a similar credit profile to that which long term project finance debt would attract.

The Investment Manager and the Investment Adviser believe, based on discussions they have had with the Rosewood management team, that an additional margin of approximately 2 to 3 per cent. can be expected to be generated over the current yields for similarly rated long term instruments for similar assets.

In the opinion of the Investment Manager and the Investment Adviser, based on consultation with the Rosewood management team, there are currently more opportunities for bridging and acquisition finance relating to operational assets. However, as more non-subsidy renewables projects come to the market in the UK, specifically in onshore wind and solar, there is an expectation that there will be also be construction loans for these types of projects. The construction loans will only be made to assets that have all the necessary approvals, permits and licences together with the necessary build and operating contracts already in place (“**RTB**”), i.e. no development risk associated with the project. The construction period taking the project from RTB to Commercial Operations Date (“**COD**”) can range from six months (solar PV) to two years (onshore wind). These asset types have a long track record of robust and efficient construction processes.

The Investment Manager and the Investment Adviser expects to manage these loans directly and for the Company to deploy initially around 20 per cent. of the Net Initial Proceeds to this short-term specialist debt during the Initial Investment Period. The current intention is not to gear this portfolio of loans although that may be considered in the future to enhance returns.

The Investment Manager and the Investment Adviser believe these loans represent an attractive investment opportunity for the Company and can contribute to the Company's income targets and scale as the renewable energy investment requirement increases. The loans are expected to be to UK projects initially, however, the opportunity may also expand to other countries in the future. The short-term nature of the loans are also attractive in terms of providing the Company flexibility in terms of pricing if interest rates were to increase as well as additional liquidity in that the Company could elect not to continue lending, in which case, any loans would be repaid within a few years.

The Investment Manager and the Investment Adviser as well as the Rosewood management team are also in discussions covering a number of Spanish non subsidy solar development opportunities as well as RTB opportunities. The Rosewood management team has indicated to the Investment Manager and the Investment Adviser that Spanish solar development opportunities are expected to typically take 12 to 24 months if successful to achieve RTB and then typically take 6 to 12 months from the start of construction until COD when they are income generating assets. The Investment Manager and the Investment Adviser estimate that its current pipeline includes Spanish solar investment opportunities which could have an investment requirement of up to €250 million or more. These amounts assume the Company funds these investment opportunities at RTB stage. Based on discussions with the Rosewood management team, the Investment Manager and the Investment Adviser currently expect that returns from these investment opportunities will be approximately 8 per cent. IRR over a 30 year period on an appropriately geared basis, assumed here at 65 per cent.

The Investment Manager and the Investment Adviser expect further opportunities over time in non-subsidy renewable energy projects that include onshore wind as well as solar and in other European countries as well as the UK.

The Investment Manager and the Investment Adviser expect Rosewood to manage a number of these investments and to deploy initially around 25 per cent. of the Net Initial Proceeds to renewable energy long term equity investment opportunities during the Initial Investment Period.

#### ***Rosewood Alternative Asset Manager***

The Investment Manager and the Investment Adviser currently expect the total investment in the Rosewood Alternative Asset Manager over the Initial Investment Period (excluding the agency fee portfolio but including the acquisition price and funding working capital, which includes the funding requirement of development opportunities prior to RTB) to be between £5 million and £10 million. However, the amount actually invested may be greater depending upon the amount of development activity subject always to the investment restrictions relating to: (i) aggregate investment in any one Alternative Asset Manager and the Alternative Assets they manage; and (ii) the total investment, in aggregate, in all Alternative Asset Managers.

In the opinion of the Investment Manager and the Investment Adviser, Rosewood has the potential over time to grow the existing debt advisory, arrangement and execution business and to build an asset management business over time with £1 billion or more AuM. The intention is to expand the types of Alternative Asset that the Company gains access to as a result of its ownership of the Rosewood Alternative Asset Manager and that fit the Rosewood management team's experience of UK and European infrastructure (including in the areas of renewable energy, core infrastructure, social infrastructure) and real estate markets.

In summary, Rosewood fulfils a number of the key attributes of an Alternative Asset Manager which also has proven debt capital markets experience and Rosewood will benefit from the investment made by the Company and the hands-on support from the Investment Manager and the Investment Adviser.

#### ***Phoenix Alternative Asset Platform***

The investment opportunity is to invest in an experienced management team ("**Phoenix**") to build an Alternative Asset Manager which will identify and manage Alternative Assets, thereby creating another Alternative Asset Platform. The Investment Manager and the Investment Adviser believe there is an opportunity to take advantage of the significant investment requirement for sustainable infrastructure projects in the UK and the lack of capital and expertise available to provide lower/mid-size funding, with possible international expansion at a later date. Phoenix will focus on providing specialist debt to these sustainable infrastructure investment opportunities.

The CEO of Phoenix approached Keith Maddin of the Investment Manager and the Investment Adviser in 2018 to discuss building an Alternative Asset Platform.

### ***Phoenix Alternative Assets Pipeline***

The Alternative Assets identified by Phoenix present similarities to the Alternative Assets identified by the Rosewood management team; however, Phoenix has indicated to the Investment Manager and the Investment Adviser that the loans it is considering are fully-amortizing mid term (typically 4 to 12 years), generate higher returns (typically 8 to 10 per cent. interest rates per annum), include project finance and asset finance loans and will involve a greater variety of underlying assets and operating businesses. Phoenix has a track record of arranging loans with similar returns both on project finance and asset finance with strong Debt Service Cover Ratios and with a low default rate.

Phoenix is actively assessing a number of projects including near-term opportunities in the following areas:

- portable energy storage units designed to work alongside traditional construction industry and utility diesel generators, reducing emissions (UK);
- combined heat and power units for commercial and industrial users (UK);
- solar thermal units providing on-site heating and cooling for commercial and industrial users (UK);
- plastic recycling using chemical techniques to extract various products otherwise destined for landfill (UK);
- EV Charging Network for commercial site owners (UK); and
- specialist offshore engineering support vessels for the offshore wind industry (UK).

All of these projects are sourced through Phoenix's own network and are assessed for their impact and sustainability. Projects are typically funded with senior debt with security over the cash flows and assets.

Phoenix has indicated to the Investment Manager and the Investment Adviser that it has identified potential opportunities that would enable it to facilitate lending of c.£50 million in the first year and have c.£20 million close to completion shortly after the proposed investment by the Company following Initial Admission. Phoenix has also indicated to the Investment Manager and the Investment Adviser that it has identified further opportunities which, subject to available funding, would enable it to facilitate lending a further c.£75 million, on an ungeared basis, in the second year. Phoenix may consider gearing these loans at some time in the future but is not intending to do so in the short-term.

Phoenix could therefore represent an opportunity for the Company to invest up to c.£125 million in Alternative Assets, subject to satisfactory due diligence and approval. The Investment Manager and the Investment Adviser expect to deploy initially around 25 per cent. of the Net Initial Proceeds to such mid-term specialist debt managed by the Phoenix Alternative Asset Manager during the Initial Investment Period.

Taken together with the expected investment into the Rosewood originated ungeared short term debt, this is expected to lead to a low level of underlying gearing of Investments across the portfolio.

Phoenix expects to also offer corporate finance advisory services to its target market which could lead to attractive equity opportunities for the Company.

Phoenix has extensive experience in underwriting these types of loans. The Company's investment in the Phoenix Alternative Asset Manager as well as the hands-on support from the Investment Manager and the Investment Adviser is expected to support the hiring of additional finance and legal professionals as well as build the necessary corporate infrastructure to support the Phoenix Alternative Asset Manager's growth plans. A number of suitable individuals have already been identified and agreed to join the Phoenix Alternative Asset Manager subject to the investment by the Company.

### ***Phoenix Alternative Asset Manager***

The Company expects the total investment in working capital of the Phoenix Alternative Asset Manager over the first one to two years to be between £2m and £3m, and the Company expects to acquire a 75 per cent. stake in the Phoenix Alternative Asset Manager.

In the opinion of the Investment Manager and the Investment Adviser, the Phoenix Alternative Asset Manager has the potential to grow its loan book and asset management business to £1 billion AuM.

### ***Residential shared ownership, healthcare and education properties***

In addition to the agreed heads of terms outlined above, the Investment Manager and the Investment Adviser believe that investing in UK shared ownership, healthcare and education properties particularly where this investment involves long term fully repairing and insuring leases can represent attractive Alternative Asset type opportunities for the Company given their social infrastructure-like long term stable and often inflation linked cash flows. Opportunities in these investments are at various stages of due diligence and negotiation. Accordingly, the Company expects to invest part of the Net Initial Proceeds in such assets.

Following discussions with various market participants, the Investment Manager and the Investment Adviser believe that it is possible to achieve a long term, geared return of approximately 8 per cent. IRR on these types of assets. The external debt assumed to achieve these returns is expected to be typically around 50 per cent., which the Investment Manager and the Investment Adviser believe is achievable in the current market.

Investment opportunities are expected to include investing in scalable Alternative Asset Managers with a similar investment requirement as Phoenix above and who will manage Alternative Assets as well as opportunities to invest directly in Alternative Assets without taking a stake in the corresponding Alternative Asset Manager.

The Investment Manager and the Investment Adviser expect, initially, to deploy around 25 per cent. of the Net Initial Proceeds to these types of investments during the Initial Investment Period.

The Investment Policy is intentionally broad in terms of the types of Alternative Assets the Investment Manager (as advised by the Investment Adviser) will consider for investment, and allows the Company flexibility to allocate investment towards the most attractive investment opportunities available at any particular time, whilst also enabling the Company to source and invest in Alternative Assets before the weight of institutional capital directed into such investments increases prices and reduces returns.

The actual allocation of investment by the Company is, therefore, likely to be different in practice than presented above.

### ***Further Investment Opportunities***

The Investment Manager and the Investment Adviser continue to review new Alternative Asset and Alternative Asset Manager investment opportunities, which will meet the Investment Objective and Investment Policy ("**Further Investment Opportunities**"). These Further Investment Opportunities may be in sectors which may be different to those included in the Current Pipeline. Subject to there being capital available, which may be as a result of the Current Pipeline not being converted or following further fund raising, the Company expects to grow the number of Alternative Assets and Alternative Asset Managers in which it invests.

The Investment Manager and the Investment Adviser believe that, subject to further fund raising by the Company, there is sufficient potential within the Current Pipeline and the Further Investment Opportunities to enable the Company to be scaled up to approximately £1 billion within five years and further thereafter. The Investment Manager and the Investment Adviser also believe that, in the long term, a number, if not all, of the Alternative Asset Managers have the potential to manage additional Third Party Funds.



## PART IV – DIRECTORS, MANAGEMENT AND ADMINISTRATION

### 1. DIRECTORS

The Directors are responsible for the determination of the Investment Objective and Investment Policy and have overall responsibility for the Company's activities, including the review of investment activity and performance and the supervision and evaluation of the Investment Manager and the Investment Adviser. The Directors have delegated responsibility for managing the Investments to the Investment Manager (which, in turn, will seek advice from the Investment Adviser in the performance of its duties to the Company), which is not required to, and generally will not, submit individual investment decisions for the approval of the Board.

All of the Directors are non-executive and all of the Directors are independent of the Investment Manager and the Investment Adviser for the purposes of the Listing Rules and the UK Corporate Governance Code.

The Directors will meet as a Board at least on a quarterly basis and the Audit and Risk Committees will meet at least two times a year.

The Directors are as follows:

**Charles (Charlie) Ricketts** *(Independent Non-executive Chair of the Board, chair of the Management Engagement and Nomination Committees)*

With over 30 years' experience in the investment trust sector, Charlie brings a wealth of experience to the Board. He was head of investment funds at Cenkos Securities for 8 years and prior to that was a managing director and head of investment companies at UBS Investment Bank. Since stepping down from Cenkos in 2014 he has pursued a number of business and charitable interests. Charlie is a non-executive director of Templeton Emerging Markets Investment Trust plc and Asia Dragon Trust plc.

**Annette Barbara (Barbara) Powley** *(Independent Non-executive Director and chair of the Audit Committee)*

Barbara is a chartered accountant with over 30 years' experience in the investment trust industry. Prior to 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. She brings to the Board her extensive knowledge of the investment trust sector and its regulatory requirements. Barbara is a non-executive director of M&G Credit Income Investment Trust plc.

**Anthony (Tony) Roper** *(Senior Independent Non-Executive Director and chair of the Risk and Remuneration Committees)*

Tony started his career as a structural engineer with Ove Arup and Partners in 1983. In 1994 he joined John Laing plc to review and make equity investments in infrastructure projects both in the UK and abroad and then in 2006 he joined HSBC Specialist Investments to be the fund manager for HICL Infrastructure Company Limited. In 2011, Tony was part of the senior management team that bought HSBC Specialist Investments from HSBC, renaming it InfraRed Capital Partners. Tony was a managing partner and a senior member of the infrastructure management team at InfraRed Capital Partners until June 2018 during which time he oversaw the successful launch of The Renewables Infrastructure Group on the London Stock Exchange. Tony is a non-executive director of Affinity Water Limited and is the chairman of Aberdeen Standard European Logistics Income plc and SDCL Energy Efficiency Income Trust plc.

### 2. THE INVESTMENT MANAGER AND THE INVESTMENT ADVISER

The Company, the Investment Manager and the Investment Adviser have entered into the Investment Management and Adviser Agreement pursuant to which the Investment Manager has been given responsibility, subject to the overall supervision of the Board, for active discretionary portfolio management of the Investments in accordance with the Investment Objective and Investment Policy. The Investment Adviser has been given responsibility for advising the Investment Manager in connection with the performance of its duties, which includes making recommendations to the Investment Manager for executing the Company's investment strategy in accordance with the Investment Objective and Investment Policy.

### ***The Investment Manager***

In addition to being the AIFM, the Investment Manager will establish an Investment Committee, and, with the assistance of the Investment Adviser, provide fund administration and accounting services to the Company.

Key members of the Investment Manager who will provide support to the Company are expected to include:

#### ***Keith Maddin, Partner and Fund Manager***

Keith joined the Investment Manager in July 1998 and was made partner in 2008. Keith has led the Investment Manager's UK infrastructure and property investments over the last 15 years. Prior to joining the Investment Manager, Keith was employed for 14 years by BP in London, Cyprus and Brussels. During that time, he held a series of financial, strategy, M&A, operational and asset management positions. He has a wide range of experience in corporate management, performance improvement initiatives, and strategy formulation and implementation. Keith is a Fellow of the Chartered Institute of Management Accountants and graduated with joint honours from Edinburgh University.

#### ***John Van Deventer, Partner***

John founded the Investment Manager in 1996. Prior to founding the Investment Manager, John was employed by Goldman Sachs (1986-1995) in New York and London, where he established and led the firm's European Principal and Structured Finance Groups. Prior to Goldman Sachs, John was a corporate, tax, and securities attorney at Brown & Wood (New York, N.Y.) (1985-1986) and McCarter & English (Newark, N.J.) (1983-1985) and served as a Clerk to Judge Meade Whitaker of the United States Tax Court (Washington DC) (1982-1983). He has been a London resident since 1989. John graduated from Yale University (B.A. 1979) and the University of Virginia School of Law (J.D. 1982).

#### ***Lawrence Small, Partner & General Counsel***

Lawrence joined the Investment Manager in September 2004. Prior to joining, Lawrence was employed in the London office of Clifford Chance LLP (1999-2004), where he worked in the capital markets practice. Lawrence is responsible for transaction structuring and execution, regulatory advice, and portfolio company legal support. Lawrence has lived in London since 1999. He graduated from Brown University (B.A. 1994), Cambridge University (M. Litt. 1996) and from the Yale Law School (J.D. 1999). Lawrence was made a partner of the Investment Manager in March 2015.

#### ***Stephanie Wilde, Chief Financial Officer of the Investment Manager***

Stephanie joined the Investment Manager in July 2014. Prior to joining, Stephanie was employed as Portfolio Manager at Montagu Private Equity. Stephanie has been involved in performance tracking and fund reporting. Stephanie graduated from the University of Leeds (BA 2006), and qualified as an ACA in 2009. She is a fellow of the Institute of Chartered Accountants in England and Wales.

#### ***Alan Pennell, Chief Financial Officer of the Investment Adviser***

Alan joined the Investment Manager in August 2019 and will also be the Chief Financial Officer of Cabot Square Alternatives Adviser LLP. Alan is a member of the ICAEW with over 20 years' experience of working with property owners, operators and developers and with construction, technology and investment trust companies. Following nine years with EY, Alan joined the investment adviser to MedicX Fund, a closed-ended investment company listed on the premium segment of the London Stock Exchange. Between 2014 and 2019, Alan led the finance team during which time MedicX Fund increased its assets under management from £500 million to £800 million, refinanced or put in place new debt facilities amounting to £400 million, expanded into the Republic of Ireland, converted to a Real Estate Investment Trust and completed a merger with Primary Health Properties plc. Alan qualified as a Chartered Accountant in 2000 having graduated from Oxford University.

#### ***Jay Derrett, Chief Technology Officer***

Jay joined the Investment Manager in September 1997. Prior to joining, Jay was a systems analyst for Dow Jones Markets and Euro Brokers Ltd. Jay works on systems development and analysis

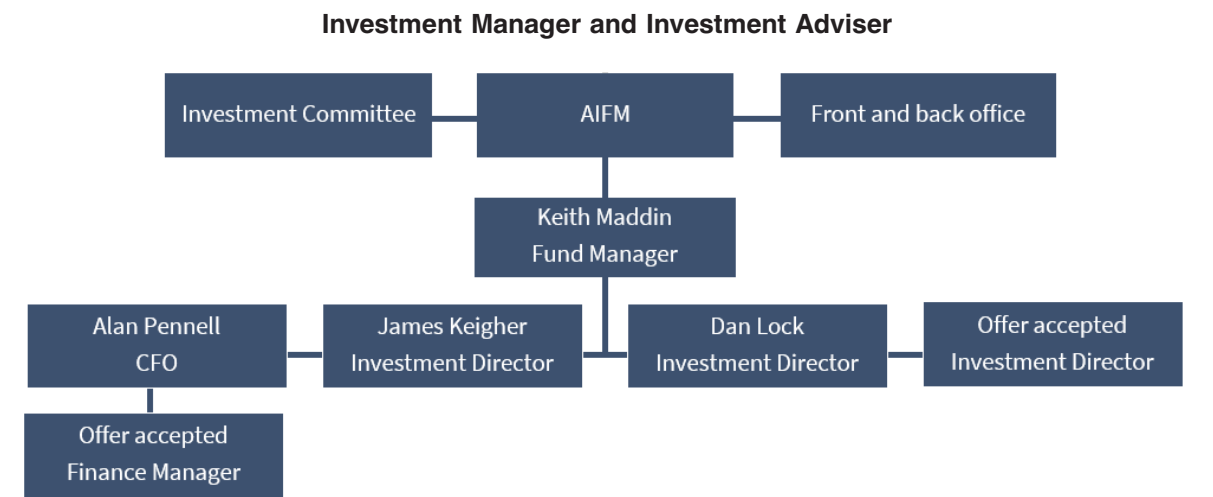
projects for portfolio companies and is also responsible for the Investment Manager’s IT infrastructure.

**Investment Committee**

The Investment Manager will establish an Investment Committee which will be responsible for ensuring that any Investment made by the Company is in accordance with the Company’s stated Investment Objective and Investment Policy. In order to discharge its responsibilities, the Investment Committee will (a) review the strategic rationale and merits of each potential investment, (b) assess the expected risks and returns of each potential investment, (c) consider the market characteristics, (d) review any historic and projected financial and investment returns, (e) give consideration to the adequacy of resources, advisers and personnel involved with the potential investment, (f) consider the ESG impact, (g) consider the results of due diligence and the need for any remedial asset management; and (h) consider the scalability of the potential investment opportunity and corresponding pipeline and exit strategy.

The Investment Committee will be made up of appropriately qualified and experienced professionals and it will be required to reach unanimous decisions. Initially, it is expected that the Investment Committee shall comprise Keith Maddin, John Van Deventer, Lawrence Small (or an alternate partner from the Investment Manager) and Alan Pennell.

Cabot Square Alternatives Adviser LLP intends, in due course, to become an authorised AIFM and, subject to the approval by the Board, will then replace Cabot Square Capital LLP as the Company’s Investment Manager and AIFM. Limited changes to the Investment Committee are expected as a result of this change.



Source: Cabot Square Capital LLP, December 2019

**The Investment Adviser**

The Investment Adviser will be led by Keith Maddin (who is a partner of the Investment Manager and whose experience is set out above) and will initially consist of five other dedicated investment and finance professionals.

The finance team will be led by Alan Pennell (whose experience is set out above). A finance manager from an existing infrastructure asset manager has already been recruited and will start in post following Initial Admission.

James Keigher has been appointed by the Investment Adviser as an investment director and will be joined by Dan Lock (see further information below) and, subject to the Initial Admission and notice periods, a further investment professional.

In addition to Keith Maddin and Alan Pennell the team is as follows:

***James Keigher, Investment Director***

James joined the Investment Adviser's team from Copenhagen Infrastructure Partners where he worked in the investment team deploying their €3.5 billion fund. The principal transactions on which he worked were a £480 million Energy From Waste plant in the UK and an acquisition of a development portfolio of German geothermal projects.

During four years at InfraRed Capital Partners, James played a key role in the formation, £300 million IPO and subsequent initial growth of The Renewables Infrastructure Group Limited which now has a market capitalisation of £2.1 billion. At InfraRed, James also worked on various acquisitions for their unlisted and listed infrastructure funds including HICL Infrastructure Company Limited.

Previously, James was a Vice President at the Green Investment Bank, a UK government owned entity, during its sale process to Macquarie in 2018. Green Investment Bank invested across the capital structure directly into large scale renewable energy assets in the UK and into UK fund managers focusing on smaller renewable energy investments.

James started his career at Investec Bank plc after graduating from Manchester University.

***Daniel (Dan) Lock, Investment Director***

Dan joins the Investment Adviser after 7 years with FTSE 100 listed Legal & General Group plc, including 4 years with their £8 billion principal investment arm. Dan played a key role in the setup and subsequent growth of L&G's wholly owned affordable housing and shared ownership platform, L&G Affordable Homes, and Pemberton Asset Management, a European credit based alternative asset manager which has grown assets under management to over €5 billion. Dan is a CFA Charterholder and graduated from the University of Exeter.

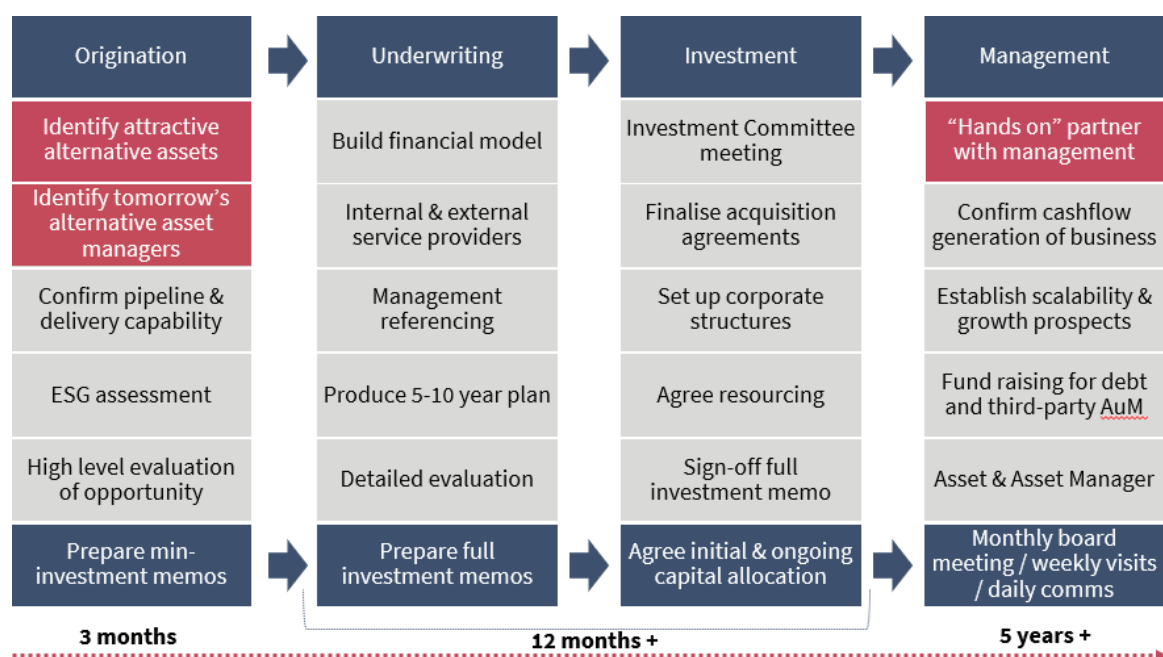
As the Company develops, the Investment Adviser team is expected to grow and if the Investment Adviser takes on any other investment mandates, the Investment Adviser team is expected to grow further. Only Keith Maddin in the Investment Adviser team will have any ongoing involvement in private equity investing as a member of the Investment Manager. All other Investment Adviser team members will work exclusively on the Investment Adviser's investment mandates which will initially be exclusive to the Company.

The resources of the Investment Manager and the Investment Adviser team are on a par with those that established the Track Record Platforms (see Section 2 of Part II (The Investment Manager, Investment Adviser and the Investment Strategy) of this Prospectus) and, as such, the Company believes that the Investment Adviser has the resources required to take on the role of the Company's Investment Manager in due course once it has received the requisite regulatory approvals. Unlike typical private equity funds which have a fixed life, the Company does not have a fixed term and as such, the Company expects to be a long term investor which can hold investments on a long term basis.

***Investment Process***

The Investment Manager, with the assistance of the Investment Adviser, has established a detailed investment process that is illustrated below.

## Investment Process



Source: Cabot Square Capital LLP, December 2019

The investment process typically involves 12 months or more to carry out due diligence and finalise agreements with sellers and Alternative Asset Managers. Much of this work is carried out by the Investment Manager and the Investment Adviser internally, with external advisers being used toward the end of the investment decision making process. This investment process ensures the Investment Manager forms its own understanding and conclusions as much as possible, with advice from the Investment Adviser, and minimises costs on projects which do not proceed to investment.

This time is also used to get to know the Alternative Asset Manager management teams and vice versa and, to the extent possible, assess compatibility of cultures as well as understand the strengths, weakness and possible gaps within management teams so that enhancements can be made.

The Investment Manager has developed a suite of documents for investing in Alternative Asset Managers that it has successfully deployed in the past and these agreements will similarly be used by the Company with a limited number of changes incorporated by the Investment Adviser to reflect the Investment Policy and Investment Objective. An important focus of these documents is to align the interests of Alternative Asset Managers with the Company's long term objective of capital appreciation and income generation, as well as to incentivise management teams and to develop succession plans.

The Investment Adviser will also act as a "hands on" partner to Alternative Asset Manager management teams over the duration of the Company's investment in order to maximise the Company's investment income and capital appreciation from its Investments by monitoring performance against agreed plans and contributing to performance where the Investment Manager and the Investment Adviser can use their experience and resources to support the Alternative Asset Manager's management team. The Investment Manager and the Investment Adviser will also act to approve Alternative Asset Manager asset investments, as part of their Investment Committee, in a pre-Investment Committee or through other mechanisms. Communication will play a significant role and will include daily online/voice calls, weekly visits to offices and attendance at monthly board meetings.

Whilst the Investment Manager and the Investment Adviser will, where possible, use their experience to influence outcomes, the management teams are responsible for the day to day management of the Alternative Asset Managers. However, the Company's investment agreements will typically provide the Company, through the Investment Manager and the Investment Adviser, with a number of control provisions.



### ***Conflicts of Interest, Allocation Policy and Transaction Fees***

The Investment Manager and its Affiliates, including the Investment Adviser and each of their respective directors, officers, partners and employees, may be subject to various conflicts of interest in their relationship with the Company. These conflicts of interest include, without limitation, the following:

#### *Personnel*

Certain personnel of the Investment Manager and/or its Affiliates will devote only a portion of their business time to the provision of advisory and management services to the Company. Such personnel may be appointed as directors of other Affiliates and/or may also work on projects for Affiliates and other stakeholders, and therefore conflicts of interest may arise in allocating management time, services or functions among such Affiliates.

#### *Transactions with Affiliates*

The Company may, from time to time: (i) acquire Alternative Assets from or dispose of Alternative Assets to the Investment Manager, the Investment Adviser, their Affiliates or other funds (or other clients) managed or advised by the Investment Manager, the Investment Adviser or their Affiliates; (ii) participate in joint ventures or co-invest alongside the Investment Manager, the Investment Adviser or their Affiliates or alongside other funds (or other clients) managed or advised by the Investment Manager, the Investment Adviser or their Affiliates; or (iii) acquire interests in Alternative Asset Managers who are Affiliates of the Investment Manager or the Investment Adviser. Any acquisition of Alternative Assets from, or disposal of Alternative Assets to, funds (or other clients) managed or advised by the Investment Manager, the Investment Adviser or their Affiliates, may trigger a fee payable to the Investment Manager, the Investment Adviser or their Affiliates (as applicable) or result in such entity being paid an ongoing fee by the Company following its acquisition. In these circumstances, the Investment Manager and the Investment Adviser will procure that they each act in accordance with their respective conflicts of interest policy in relation to these transactions, and will ensure that any resulting conflicts are suitably disclosed to the Board and, where necessary and where requested by the Board, ensure that the Company will benefit from additional protections such as independent valuations and/or being subject to Board approval.

#### *Allocation policy*

The Investment Manager and the Investment Adviser may each manage or advise other investment funds or clients. In particular, the Investment Manager operates a private equity programme which will have a right of first refusal over any investments that meet its investment criteria. However, the Investment Manager and the Investment Adviser do not anticipate material conflicts of interest between the Company and the private equity programme given the separate teams, different strategies, focus, investment horizons, target returns and fee structure. In the event of any potential conflicts of interest, these would be addressed by the respective Conflicts of Interest Policies. This right of first refusal will not extend to any investment opportunity originating from an Alternative Asset Manager that the Company has already invested in.

The Company will have the first right of refusal, during the Initial Investment Period, over those investments in the Current Pipeline which are under exclusivity, into which it expects to invest or exclusively commit substantially all the Net Initial Proceeds within the Initial Investment Period. If and when the Company raises additional capital (whether pursuant to the Share Issuance Programme or otherwise), the Company expects that the Investment Manager, with the advice of the Investment Adviser, will identify a similar pipeline of investment opportunities over which it will be granted the first right of refusal for the deployment of such additional capital.

### **3. COMPANY SECRETARY**

IQ EQ Global (UK) Limited has been appointed as Company Secretary of the Company pursuant to the Company Secretary Agreement, further details of which are set out in section 11.3 in Part VII (Additional Information on the Company) of this Prospectus. The Company Secretary will be responsible for the day-to-day administration of the Company (including but not limited to, providing a company secretary, statutory and regulatory compliance, releasing regulatory announcements (RISs), coordinating the Company's annual general meetings, coordinating Board and Committee meetings and providing services and support to the Board of Directors. Prospective investors should note that it is not possible for the Company Secretary to provide any investment advice to investors.

#### 4. DEPOSITARY

IQ EQ Depositary Company (UK) Limited has been appointed as the depositary of the Company pursuant to the Depositary Agreement with the Company and the Investment Manager, further details of which are set out in section 11.4 of Part VII (Additional Information on the Company) of this Prospectus. As Depositary of the Company, it will perform those duties prescribed under the AIFM Directive. These include safekeeping of the Company's assets, cash monitoring and oversight.

#### 5. REGISTRAR

Computershare Investor Services PLC has been appointed as the Company's Registrar pursuant to the Registrar Agreement, further details of which are set out in section 11.5 of Part VII (Additional Information on the Company) of this Prospectus. The Registrar will be responsible for the maintenance of the Company's register of members, administration and settlement of the Company's quarterly dividends, dealing with routine correspondence and enquiries, and the performance of all the usual duties of a registrar in relation to the Company.

#### 6. AUDITOR

The auditor to the Company, immediately following Initial Admission, will be BDO LLP. BDO LLP is independent of the Company and is registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. The auditor's responsibility is 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 in accordance with IFRS as adopted by the EU.

#### 7. FEES AND EXPENSES

##### ***Initial Expenses related to the Initial Issue***

The formation and initial expenses of the Company are those that are necessary for the establishment of the Company, the Initial Issue and Initial Admission ("**Initial Expenses**"). These Initial Expenses (which include commission and expenses payable under the Sponsor and Placing Agreement, registration, listing and admission fees, printing, advertising and distribution costs and professional adviser fees, including legal fees and any other applicable expenses) are not expected to exceed 2 per cent. of the Gross Initial Proceeds. Therefore, on Initial Admission, the opening NAV per Ordinary Share is expected to be £0.98 and, on the basis that the Gross Initial Proceeds are £200 million, the Net Initial Proceeds will be approximately £196 million. The expenses in connection with the Initial Issue will be met from the Gross Initial Proceeds, rather than being charged directly to any investor.

##### ***Expenses relating to the Subsequent Placings***

The Directors expect that the total costs of the Share Issuance Programme will not exceed 2 per cent. of the aggregate gross proceeds of the Share Issuance Programme. With respect to a Subsequent Placing of Ordinary Shares under the Share Issuance Programme, the Directors anticipate that these costs will be substantially recouped through the cumulative premium at which Ordinary Shares in issue are trading at the relevant time. The total costs of an Issue of C Shares under the Share Issuance Programme will be borne out of the Gross Issue Proceeds of such Subsequent Placing and shall not exceed 2 per cent. of the Gross Issue Proceeds of such Subsequent Placing. The expenses in connection with any Subsequent Placing will be met from the gross proceeds of the relevant Subsequent Placing, rather than being charged directly to any investor.

##### ***Ongoing expenses of the Company***

The Company will also incur ongoing expenses (commonly also referred to as ongoing charges or ongoing costs). Ongoing expenses (taking into account all material fees payable directly by the Company for services under arrangements entered into or expected to be entered into during the first year following Initial Admission, as at the date of this Prospectus, but excluding the Management Fee) are currently expected to not exceed approximately 0.5 per cent. of the NAV annually (assuming that, following Initial Admission, the Company will have an initial NAV of £196 million). The key items of ongoing expense which will be borne by the Company are set out

immediately below, together with a summary of those ongoing expenses which are not readily quantifiable and have therefore been estimated.

Taking into account the above estimation, the ongoing expenses including the Management Fee (but excluding any Performance Fee which will not be payable until after the end of the First Full Accounting Period) are not currently expected to exceed 1.5 per cent. of the NAV annually. Investors should note, however, that some expenses are inherently unpredictable and, depending on circumstances, ongoing expenses may exceed this estimation.

The Investment Manager has prepared a KID as required under the PRIIPs Regulation. The PRIIPs Regulation requires costs to be calculated and presented in accordance with detailed and prescriptive rules. The KID is available on the Company's website at [www.cabotaltspc.com](http://www.cabotaltspc.com).

The KID has been prepared in accordance with the methodology prescribed by the Regulation (EU) 1286/2014 of the European Parliament and the Council.

The total costs disclosed in the KID associated with an investment in the PRIIP, comprise both direct and indirect costs to be borne by the retail investor, including one-off and recurring costs.

Ongoing expenses will include the fees payable to the Investment Manager and the fees and expenses of the Company's other service providers and borrowing costs (if any) incurred by the Company. Investments transaction costs will include the costs of buying and selling underlying investments for the Company.

### **Directors**

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. The Directors' basic current level of remuneration is £40,000 per annum for each Director and is increased for additional responsibilities as follows: the Chair of the Company shall receive a further £20,000 per annum, the chair of the Audit Committee shall receive an additional £10,000 per annum, the chair of the Risk Committee shall receive an additional £10,000 per annum and the Senior Independent Director shall receive an additional £5,000 per annum.

The Directors will also be entitled to be paid all reasonable expenses properly incurred by them in connection with the performance of their duties. These expenses will include those associated with attending general meetings, Board or committee meetings and legal fees. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event that such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

### **Management Fee**

Under the terms of the Investment Management and Adviser Agreement, the Investment Manager will be entitled, from the date of Initial Admission, to an annual fee (exclusive of Value Added Tax, which shall be added where applicable), payable quarterly in arrear, provided that the fee for the initial period commencing on Initial Admission until 31 March 2020 (the "**Initial Period**") and the fee for the period commencing on the first day of the year in which the Investment Management and Adviser Agreement terminates and ending on the date of termination of the Investment Management and Adviser Agreement ("**Final Period**") shall be the appropriate pro-rated amount (the "**Management Fee**").

The Management Fee shall be payable within 5 business days of the last day of each calendar quarter and shall be calculated based on the Company's closing NAV on the last day of such calendar quarter then ended. The Management Fee shall be estimated where necessary (pending calculation of the NAV), and shall be adjusted as appropriate at the time of calculating the amount payable in respect of the immediately following calendar quarter. The Management Fee shall be calculated as follows:

NAV	Annual Fund Management Fee (percentage of NAV)
Up to and including £500 million	1.0%
Between £500 million and up to and including £1 billion	0.8%
Above £1 billion	0.7%

The Investment Manager is also entitled to be reimbursed for all reasonably incurred disbursements, fees and costs payable to third parties (including any disbursements, fees and costs) pursuant to provision of services under the Investment Management and Adviser Agreement.

### **Performance fee**

In respect of the First Full Accounting Period and each Accounting Period thereafter, the Investment Manager shall be entitled to receive a performance fee (the “**Performance Fee**”) equal to 20 per cent. of the Excess Total Return relating to that Accounting Period, provided that the amount of Performance Fee actually paid in respect of any Accounting Period shall be capped such that the sum of the Management Fee and the Performance Fee paid in respect of any Accounting Period is no more than 2 per cent. of the Adjusted NAV (with the High Watermark being adjusted where the Performance Fee is so capped). However, the Performance Fee entitlement shall be uncapped if any of the following events have occurred during the Accounting Period:

- any person other than an Investment Manager Associate (together with persons acting in concert with such person, within the meaning of the UK Takeover Code) comes to hold 30 per cent. or more of the voting rights in the Company; or
- a Termination Date occurs pursuant to a notice to terminate the Agreement being served by the Company other than “for cause”.

The Performance Fee shall be payable within 5 business days of the publication of annual financial statements relating to the relevant Accounting Period, provided that:

- 50 per cent. of the Performance Fee will be paid in cash; and
- the remainder (being the “**Performance Share Amount**”) will, subject to certain qualifications set out in the Agreement, be paid in the form of Ordinary Shares issued to, or acquired by the Company (or broker appointed by it for this purpose) on behalf of, the Investment Manager (or, where the Investment Manager so directs, one or more Investment Manager Associates). The number of Performance Shares to be so issued or acquired shall be calculated by dividing the Performance Share Amount by the average of the middle market quotations of an Ordinary Share for the one month period ending on the last Business Day of the relevant Accounting Period (rounded to the nearest whole Ordinary Share).

For these purposes, in respect of any Accounting Period:

- “**Adjusted NAV**” means the Company’s NAV as at the end of the Accounting Period, adjusted to add back any accruals for the Management fee or the Performance Fee in respect of such Accounting Period;
- “**Excess Total Return**” means “**A**” multiplied by “**B**”, where:  
“**A**” is the difference between the Share Price and the higher of: (a) the Performance Hurdle; and (b) the High Watermark; and  
“**B**” is the weighted average of the number of Ordinary Shares in issue (excluding any Ordinary Shares held in treasury) at the end of each day during that Accounting Period;
- “**High Watermark**” means the higher of: (i) the Initial Issue Price; and (ii) the Share Price as at the end of the most recent Accounting Period in respect of which a Performance Fee was paid; provided that if the amount of Performance Fee actually paid in respect of such Accounting Period had been capped as described above, the High Watermark shall be such lower amount as would have resulted in the Performance Fee entitlement being equal to the amount of Performance Fee which was actually paid pursuant to the cap;
- “**Performance Hurdle**” means the Initial Issue Price increased at a rate of 10 per cent. per annum, compounded annually, from Initial Admission until the end of the relevant Accounting Period;
- “**PSP Adjustments**” means adjustments to the Share Price in order to: (i) include the gross amount of any dividends (on a total return basis) paid in respect of an Ordinary Share since Initial Admission; (ii) include the gross amount of any other distributions (on such basis as may be agreed between the Company and the Investment Manager, acting reasonably and in good faith, when making such distribution) paid in respect of an Ordinary Share since Initial

Admission; and (iii) make such adjustments to take account of any C Share issuance as are agreed between the Company, the Investment Manager, acting reasonably and in good faith, at the time of such C Share issuance;

- **“Share Price”** means the average of the middle market quotations of an Ordinary Share for the one month period ending on the last Business Day of the Accounting Period (which shall be adjusted as appropriate: (i) to include any dividend declared but not paid where the Ordinary Shares are quoted ex such dividend at any time during that month; (ii) for the PSP Adjustments; and (iii) to exclude any dividend paid in respect of the Ordinary Shares during that month (solely to the extent required to avoid any double counting resulting from the adjustment referred to in limb (i) of the definition of PSP Adjustments)).

### ***Company Secretary***

IQ EQ Global (UK) Limited has been appointed as Company Secretary of the Company pursuant to the Company Secretary Agreement. Under the terms of the Company Secretary Agreement, the Company Secretary is entitled to an annual fee of £65,000 (exclusive of any applicable VAT) in consideration of performance of the company secretarial services, such fee being payable quarterly in arrear in equal instalments. The Company Secretary is also entitled to certain variable fees payable for additional services or corporate actions of the Company. If the Company Secretary incurs expenses and disbursements, provided that these are reasonably incurred in relation to the provision of the services under the Company Secretary Agreement, it shall invoice the Company for such amounts.

### ***Depositary***

IQ EQ Depositary Company (UK) Limited has been appointed as Depositary of the Company pursuant to the Depositary Agreement. Under the terms of the Depositary Agreement, the Depositary is entitled to a basic annual fee of £30,000 (exclusive of any applicable VAT) in consideration of its services, such fee being payable quarterly in arrear in equal instalments. The Depositary is also entitled to certain variable fees payable for additional services related to each investment made by the Company and for services related to the Company’s reporting under the AIFM Directive.

### ***Registrar***

Under the terms of the Registrar Agreement, the Registrar is entitled to a monthly maintenance fee per Shareholder account, subject to a minimum annual fee of £4,800. If the Registrar incurs expenses and disbursements, provided that these are reasonably incurred in relation to the provision of the services under the Registrar Agreement, the Registrar shall invoice the Company for such amounts and the Company shall pay the invoice within 30 days of the date of invoice.

### ***Other operational expenses***

Other ongoing operational expenses that will be borne by the Company (either for itself or for its any SPEs) include the auditor’s fees, corporate broker fees, independent valuation fees, tax adviser services, legal fees, listing fees of the FCA (if any), fees of the London Stock Exchange, fees for public relations services, directors’ and officers’ insurance premiums, printing costs, fees for website maintenance, relevant trade body memberships and irrecoverable VAT. The Company may also bear certain out of pocket expenses of the Investment Manager, the Investment Adviser, members of the Investment Manager’s or the Investment Adviser’s teams, the Company Secretary, the Registrar, other service providers and the Directors.

## **8. TAKEOVER CODE**

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

## **9. CORPORATE GOVERNANCE**

The Board has considered the principles and recommendations of the 2019 AIC Code of Corporate Governance (the **“AIC Code”**). The AIC Code provides a framework of best practice for listed investment companies and addresses all of the principles set out in the UK Corporate Governance Code (the **“UK Code”**), as well as setting out additional principles and recommendations on issues that are of specific relevance to listed investment companies.



The Board intends to become a member of the AIC as it considers that reporting against the principles and recommendations of the AIC Code (which incorporates the UK Code) will provide better information to Shareholders.

As a recently incorporated company, the Company does not yet comply with the UK 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. The AIC Code provides a framework of best practice in respect of the governance of investment companies, such as the Company.

The Financial Reporting Council has confirmed that member companies who report against the AIC Code will be meeting their obligations in relation to the UK Code. This endorsement means that AIC member companies may make a statement that, by reporting against the AIC Code they are meeting their obligations under the UK Code (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules) and as such do not need to report further on issues contained in the UK Code which are irrelevant to them. As recommended under the AIC Code, the Directors will be subject to re-election on an annual basis.

In addition, 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.

#### ***Audit Committee***

The Company has established an Audit Committee which will be chaired by Barbara Powley and consists of all the independent Directors. The Audit Committee will meet at least two times per year. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Audit Committee. The Audit Committee will keep under review the effectiveness of the Company's internal financial control systems. It will review the annual and interim reports of the Company and review the periodic valuations of the Company's portfolio, and also receive information from the Investment Manager. The Audit Committee will review the scope, results, cost effectiveness, independence and objectivity of the Company's external auditor. The Audit Committee will report to the Board and will report annually to shareholders on its activities.

#### ***Risk Committee***

The Company has established a Risk Committee, which will be chaired by Tony Roper and consists of all the independent Directors. The Risk Committee will meet at least two times a year and will have responsibility for setting the Company's risk appetite, overseeing the Company's risk management systems and process, considering emerging risks and market risk in relation to the Investment Policy and reporting annually to shareholders on its activities. The Risk Committee will assess the performance of the Investment Manager in addressing and mitigating the Company's key risks. The Risk Committee will report to the Board and will report annually to shareholders on its activities.

#### ***Management Engagement Committee***

The Company has established a Management Engagement Committee, which will be chaired by Charlie Ricketts and consists of all the independent Directors. The Management Engagement Committee will meet at least once a year and will have responsibility for reviewing the terms of the Investment Management and Adviser Agreement and the performance of the Investment Manager, the Investment Adviser, the Company Secretary, the Registrar and other major service providers.

#### ***Remuneration Committee***

The Company has established a Remuneration Committee, which will be chaired by Tony Roper and consists of all the independent Directors. The Remuneration Committee will meet at least once a year and will have responsibility for benchmarking and recommending the remuneration of Directors.

***Nomination Committee***

The Company has established a Nomination Committee, which will be chaired by Charlie Ricketts and consists of all the independent Directors. The Nomination Committee will meet at least once a year and will have responsibility for nominating the appointment of Directors.

The Board will review its performance and structure on an ongoing basis and at least annually to ensure that it has a suitable mix of relevant skills, diversity and experience and, where appropriate, will seek to hire additional Directors for the effective conduct of the Company's business.

**Senior Independent Director**

The Company has appointed Tony Roper as Senior Independent Director. The Senior Independent Director will provide a sounding board for the Chair of the Board, will serve as an intermediary for the other directors and Shareholders and will deputise for the Chair of the Board if he is unavailable.

## **PART V – THE INITIAL ISSUE AND SUBSEQUENT PLACINGS UNDER THE SHARE ISSUANCE PROGRAMME**

### **1. INTRODUCTION**

Pursuant to this Prospectus, the Directors intend to implement the Share Issuance Programme (being a programme of issues of Shares in the form of Ordinary Shares and/or C Shares). Initially, the Company intends to issue Ordinary Shares pursuant to the Initial Issue comprising the Initial Placing, the Offer and the Intermediaries Offer. The Company can issue a maximum of 500 million Shares pursuant to the Share Issuance Programme, out of which, the Company can issue a maximum of 250 million Ordinary Shares with an Initial Issue Price of £1.00 per Ordinary Share pursuant to the Initial Issue. The maximum sizes of the Initial Issue and the Share Issuance Programme should not be taken as an indication of the number of Shares which will be issued under the Share Issuance Programme. The Minimum Gross Initial Proceeds in respect of the Initial Issue will be £100 million. No part of the Share Issuance Programme is being underwritten.

The aggregate Net Initial Proceeds are not known as at the date of this Prospectus, but are expected to be approximately £196 million on the assumption that Gross Initial Proceeds are £200 million. The Initial Expenses are not expected to exceed 2 per cent. of the Gross Initial Proceeds, such that the opening NAV per Ordinary Share is not expected to be below £0.98.

### **2. THE INITIAL ISSUE**

#### **2.1 Timing and Conditionality**

It is expected that the results of the Initial Issue will be notified through an RIS announcement on or around 14 February 2020, or such later date (being no later than the Long Stop Date) as the Company and Cantor Fitzgerald may agree.

If the timetable for the Initial Issue is extended, the revised timetable will be notified through an RIS announcement.

The Initial Issue is conditional, *inter alia*, on:

- (i) the Sponsor and Placing Agreement not having been terminated in accordance with its terms;
- (ii) Initial Admission occurring by 8:00 a.m. (London time) on 18 February 2020 (or such other date, not being later than the Long Stop Date, as the Company and Cantor Fitzgerald may agree); and
- (iii) the Minimum Gross Initial Proceeds being raised.

If the Company and the Investment Manager (in consultation with Cantor Fitzgerald) decide to reduce the amount of the Minimum Gross Initial Proceeds or otherwise waive the condition referred to above, the Company will be required to publish a supplementary prospectus. In circumstances where the conditions of the Initial Issue are not fully met, the Initial Issue will not take place. Where the Initial Issue does not take place, any monies paid by applicants will be returned to them without interest and at their own risk.

#### **2.2 Initial Placing**

Cantor Fitzgerald has agreed, pursuant to the Sponsor and Placing Agreement, to use its reasonable endeavours to procure Placees to subscribe for Ordinary Shares under the Initial Placing at the Initial Issue Price. Details of the Sponsor and Placing Agreement are set out in section 11.1 of Part VII (Additional Information on the Company) of this Prospectus.

The terms and conditions which will apply to any subscription for Ordinary Shares pursuant to the Initial Placing are contained in Part VIII (Terms and Conditions of any Placing) of this Prospectus.

The latest time and date for receipt of placing commitments under the Initial Placing is 1:00 p.m. on 13 February 2020 or such other date as may be agreed between the Company and Cantor Fitzgerald.

#### **2.3 The Offer**

Under the Initial Issue, Ordinary Shares will be made available by the Company under the Offer at the Initial Issue Price, subject to the terms and conditions of application under the Offer set out in Part IX (Terms and Conditions of Application under the Offer) of this Prospectus. These terms and conditions, together with the Application Form (which is set out at Appendix 1 to this Prospectus),

should be read carefully before any application is made. The Offer is expected to expire at 1:00 p.m. on 12 February 2020. If the timetable for the Offer is extended, the revised timetable will be notified through an RIS announcement.

Applications under the Offer must be for Ordinary Shares with a minimum subscription amount of £1,000 and thereafter in multiples of £1,000, or such lesser amount as the Company may determine (at its discretion).

Completed Application Forms, accompanied by a cheque or banker's draft, or accompanied by a payment by electronic bank transfer, as appropriate, must be posted or delivered by hand (during normal business hours only) to the Receiving Agent so as to be received as soon as possible and, in any event, by no later than 1:00 p.m. on 12 February 2020.

**The Offer is being made only to the public in the United Kingdom and applications for Ordinary Shares under the Offer will only be accepted from United Kingdom residents unless the Company (in its absolute discretion) determines that applications may be accepted from non-United Kingdom residents without compliance by the Company with any material regulatory, filing or other requirements or restrictions in other jurisdictions.**

The Ordinary Shares are only suitable for long term investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) from such an investment. Accordingly, typical investors in this product are expected to be institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and knowledgeable unadvised retail investors who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company.

BDO and Cantor Fitzgerald have no responsibility in relation to the making of the Offer or any matter concerning the Offer and, in accordance with the terms and conditions of the Offer, applicants under the Offer shall be required to agree that BDO and Cantor Fitzgerald is acting only for the Company in connection with the Offer and for no-one else and that neither BDO nor Cantor Fitzgerald will treat the applicant as its customer by virtue of such application being accepted or owe the applicant any duties or responsibilities concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for the applicant or be responsible to the applicant for providing the protections afforded to its customers.

## **2.4 Revocation of Issue**

The Initial Issue may be revoked by the Company if Initial Admission does not occur by:

- (i) 8:00 a.m. on 18 February 2020 (or such other date, not being later than the Long Stop Date, as the Company, Cantor Fitzgerald and BDO may agree); or
- (ii) if earlier, the date on which the Initial Placing and/or Offer ceases to be capable of becoming unconditional, which would be the case if (*inter alia*) the Minimum Gross Initial Proceeds would not be raised.

Any such revocation will be announced by the Company through an RIS announcement as soon as practicable after the Company and Cantor Fitzgerald have decided to revoke the Initial Issue. In such circumstances, any application monies will be returned to investors at their own risk without interest and after the deduction of any applicable bank charges.

## **2.5 Dilution in connection with the Initial Issue**

In respect of the Initial Issue, as an initial offering, there will be no dilution of Shareholders' interests in the Company.

## **2.6 Initial Admission**

It is expected that Initial Admission will become effective and that unconditional dealings in the Ordinary Shares issued pursuant to the Initial Issue will commence at 8:00 a.m. on 18 February 2020. Dealings in Ordinary Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

No temporary documents of title will be issued.

## 2.7 Use of Proceeds

The Initial Issue is being made (and any Subsequent Placing will be made pursuant to the Share Issuance Programme) in order to provide investors with exposure to a diversified portfolio of Investments through participation in an investment trust company. The Company intends to use the Net Initial Proceeds and Net Issue Proceeds to acquire further investments in accordance with the Investment Objective and Investment Policy.

## 3. INTERMEDIARIES OFFER

The Company expects to carry out the Intermediaries Offer which will open on 27 January 2020. Retail investors in the United Kingdom may be eligible to apply for Ordinary Shares through the Intermediaries Offer, by following the application procedures of the relevant Intermediary. The Intermediaries Offer is being made to retail investors in the UK only.

There is a minimum application amount of £100 per retail investor in the Intermediaries Offer and thereafter in multiples of £100 or such lesser amount as the Company may determine (at its discretion). There is no maximum application amount in the Intermediaries Offer. No Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom. Applications under the Intermediaries Offer must be by reference to the total monetary amount the applicant wishes to invest and not by reference to a number of Ordinary Shares or the Initial Issue Price.

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

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

## 4. SUBSEQUENT PLACINGS UNDER THE SHARE ISSUANCE PROGRAMME

Following completion of the Initial Issue (as described above), the Directors may, at their sole and absolute discretion, decide to carry out one or more Subsequent Placings before the Final Closing Date, should the Board determine that market conditions are appropriate. Any such Subsequent Placings may comprise the issue of Ordinary Shares and/or C Shares.

In using their discretion under the Share Issuance Programme, the Directors may also take into account the desirability of limiting any premium to NAV at which the Ordinary Shares trade in order to ensure that Shareholders and new investors who acquire Ordinary Shares are not disadvantaged by being required to acquire such Ordinary Shares at a high premium to NAV per Ordinary Share.

The maximum number of Shares that may be issued under the Share Issuance Programme (including those issued pursuant to the Initial Issue) is 500 million. The actual number of Ordinary Shares and/or C Shares to be issued pursuant to any Subsequent Placing under the Share Issuance Programme is not known as at the date of this Prospectus. The actual number of Ordinary Shares and/or C Shares issued will be notified by the Company via an RIS announcement and the Company's website, prior to the relevant Subsequent Admission.

Each Subsequent Placing pursuant to the Share Issuance Programme is conditional, *inter alia*, on:

- the relevant Subsequent Admission occurring and becoming effective by 8.00 a.m. (London time) on such date as the Company specifies, not being later than the Final Closing Date;
- in respect of the issue of Ordinary Shares, the relevant Share Issuance Price being agreed between the Company and Cantor Fitzgerald;
- a valid supplementary prospectus being published by the Company if such is required by the Prospectus Regulation Rules; and
- the Sponsor and Placing Agreement not having been terminated on or before the date of the relevant Subsequent Placing having become unconditional (save for any condition relating to the relevant Subsequent Admission).



In circumstances where these conditions are not fully met, the relevant Subsequent Placing will not take place. Where a Subsequent Placing does not take place, any monies paid by applicants will be returned to them without interest and at their own risk.

Any minimum gross proceeds in respect of each issue will be fixed by the Directors prior to each Subsequent Placing in consultation with Cantor Fitzgerald. It is expected that the costs of issuing Ordinary Shares under the Share Issuance Programme will be covered by issuing such Ordinary Shares at a premium to the latest published NAV per Ordinary Share.

The terms and conditions which will apply to any subscriber for Shares under each Subsequent Placing procured by Cantor Fitzgerald are set out in Part VIII (Terms and Conditions of any Placing) of this Prospectus.

#### **4.1 Dilution in connection with Subsequent Placings**

If 300 million Shares were to be issued pursuant to Subsequent Placings (being the maximum number of Shares that the Directors will be authorised to issue under the Share Issuance Programme, assuming that 200 million Ordinary Shares were issued pursuant to the Initial Issue), a subscriber to the Initial Issue who did not participate in any of the Subsequent Placings would suffer dilution of 60 per cent. in respect of their voting control in the Company immediately after the Initial Issue.

The potential dilution in any Subsequent Placing will be communicated by an RIS announcement in connection with such Subsequent Placing. Further, on Conversion of C Shares, any dilution resulting from the issue of C Shares, under the Share Issuance Programme, may increase or decrease depending on the Conversion Ratio used for such Conversion.

#### **4.2 Share Issuance Price and expenses of Subsequent Placings**

Subject to the requirements of the Listing Rules, and except in relation to the Initial Issue, the price at which each Ordinary Share will be issued will be calculated by reference to the latest published NAV per Ordinary Share plus issue expenses. The premium at which Ordinary Shares are issued has the potential to ultimately provide an enhancement to the NAV attributable to the Ordinary Shares.

All C Shares to be issued pursuant to the Share Issuance Programme will be issued at the issue price of £1.00 per C Share.

It is expected that arrangements of a similar nature as outlined above will apply in relation to Subsequent Placings, with the costs and expenses that will be borne by investors being set at the time of the relevant Issue ("**Subsequent Expenses**"). It is not possible to ascertain the exact costs and expenses of such Subsequent Placing. The Subsequent Expenses may or may not be capped in the same manner as the Initial Expenses.

Fractions of Shares will not be issued.

### **5. C SHARES**

Following the Initial Issue, the Company will only consider issuing C Shares if it believes, following advice from the Investment Manager and the Investment Adviser, that suitable acquisition opportunities exist which would allow the Net Issue Proceeds of such issuance of C Shares to be invested or committed within 12 to 18 months following Admission of the relevant tranche of C Shares. The Company may determine that the net proceeds from the issue of a class of C Shares be used, in whole or in part, to repay any debt incurred by or on behalf of the Company. In such cases, the part of such C Share proceeds used to repay debt would be treated as having been "invested or committed" for the purposes of determining the relevant Conversion Calculation Date.

The Company may, at its discretion, issue additional classes of C Shares prior to the Conversion of any previously issued classes of C Shares. Each class of C Shares will form a distinct and separate class of Shares from other classes of C Shares. Each class of C Shares will have the same rights and characteristics as any other class of C Shares. A new class of C Shares may be issued prior to the Conversion of any existing class(es) of C Shares in a number of circumstances including where the existing cash attributable to Ordinary Shares and any existing class(es) of C Shares is considered to be potentially insufficient to fund the acquisition of, or commitments to, one or more pipeline investments (which may or may not ultimately materialise). Save for raising the

Minimum Net Initial Proceeds in relation to the Initial Issue and not becoming a “close company” (as defined in section 439 of the Corporation Tax Act 2010, as amended) and satisfaction of any market capitalisation requirements under the Listing Rules, there are no minimum Net Issue Proceeds of any relevant Subsequent Placing pursuant to the Share Issuance Programme.

The C Shares issued pursuant to the Share Issuance Programme will convert into Ordinary Shares in accordance with the conversion mechanism and subject to the terms and conditions described in section 6.2.23 of Part VII (Additional Information on the Company) of this Prospectus.

The holders of any class of C Shares have the following rights: (1) as to income, the holders of a class of C Shares shall be entitled to receive, and participate in, any dividends or other distributions of the Company available for dividend or distribution and resolved to be distributed in respect of that class of C Shares, in respect of any accounting period or any other income or right to participate therein; (2) as to capital, the holders of any class of C Shares shall be entitled on a winding up, to participate in any distributions in respect of the relevant class of C Shares (subject to the seniority provisions referred to in section 6.2.6 of Part VII (Additional Information on the Company) of this Prospectus); and (3) as to voting, the holders of any class of C Shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company and at any class meeting relating to the relevant class of C Shares.

Upon Conversion, the new Ordinary Shares arising will rank *pari passu* with all other Ordinary Shares then in issue for dividends and other distributions declared, made or paid by reference to a record date falling after the relevant Conversion Date. The number of new Ordinary Shares issued on Conversion will be rounded down to the nearest whole number and any fractions may be dealt with by the Directors in such manner as they see fit.

## 6. GENERAL

### 6.1 Dealing Codes

The Ordinary Shares will have the following dealing codes:

	Ordinary Shares
ISIN	GB00BJ0LR715
SEDOL	BJ0LR71
Ticker	ALTS

Each class of C Shares issued pursuant to a Subsequent Placing made throughout the Share Issuance Programme will have separate ISINs, SEDOLs and ticker symbols issued. The announcement of each issue of C Shares will contain details of the relevant ISIN, SEDOL and ticker symbol for such class of C Shares being issued.

### 6.2 Scaling Back and Allocation

If aggregate applications for Shares pursuant to an Issue exceed a level that the Directors determine, in their absolute discretion at the time of closing the relevant Issue, to be the appropriate maximum size of such an Issue, it would be necessary to scale back applications under that Issue (including the Initial Issue). The Offer may be scaled in favour of the Initial Placing and vice versa. Accordingly, applicants for Shares may, in certain circumstances, not be allotted the number of Shares for which they have applied. Cantor Fitzgerald, the Company and the Investment Manager (acting on the advice of the Investment Adviser) may agree to scale back applications for Shares received pursuant to any Placing in such amounts as such parties consider appropriate. Cantor Fitzgerald on behalf of the Company reserves the right to decline in whole or in part any application for Shares received pursuant to any Placing.

The results of the Initial Issue will be announced by the Company on or around 14 February 2020 by an RIS announcement.

Subscription monies received in respect of unsuccessful applications (or to the extent applications are scaled back) will be returned without interest at the risk of the applicant to the bank account from which the money was received forthwith following the relevant Admission.

### **6.3 Dealings in Shares**

Applications will be made to each of the FCA and the London Stock Exchange for the Ordinary Shares to be issued pursuant to the Initial Issue (and for any Shares issued pursuant to any Subsequent Placing) to be admitted to listing on the premium listing category of the Official List under Chapter 15 of the Listing Rules and to trading on the Main Market of the London Stock Exchange.

It is anticipated that dealings in the Shares will commence no more than three Business Days after the trade date for each issue of Shares. Except where the Company may determine (in its absolute discretion) otherwise, it is expected that all Shares issued pursuant to a particular Placing will be issued in uncertificated form. If the Company decides to issue any Shares in certificated form, it is expected that share certificates would be dispatched approximately two weeks after the relevant Admission of the relevant Shares. No temporary documents of title will be issued.

The Company does not guarantee that at any particular time any market maker(s) will be willing to make a market in the Shares, nor does it guarantee the price at which a market will be made in the Shares. Accordingly, the dealing price of the Shares may not necessarily reflect changes in the NAV per Ordinary Share or the NAV per class of C Share (as the case may be). Furthermore, the level of the liquidity in the various classes of Shares can vary significantly and liquidity on the Main Market is still unknown.

### **6.4 CREST**

CREST is a paperless settlement process 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 will apply for the Shares to be admitted to CREST with effect from the date of the relevant Admission. Accordingly, settlement of transactions in the Shares following the relevant Admission may take place within the CREST system if any Shareholder so wishes.

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

### **6.5 Miscellaneous**

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, 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 new factors relating to the information described in this Prospectus after its publication, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant new factors.

The Directors (in consultation with Cantor Fitzgerald) may in their absolute discretion waive the minimum application amounts in respect of any particular application for Shares under the Share Issuance Programme.

Should an Issue be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant to the bank account from which the money was received forthwith following such abort or failure, as the case may be. Any abort or failure fees and expenses will be borne by the Company.

The Investment Manager and/or Cantor Fitzgerald may, at their discretion, elect to pay away some or all of their Management Fee or placing commission (as the case may be) to one or more investors.

The Share Issuance Programme will be suspended at any time when the Company is unable to issue Shares pursuant to the Share Issuance Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion. The Share Issuance Programme may resume when such conditions cease to exist, subject always to the Final Closing Date.

## **7. LEGAL IMPLICATIONS OF THE CONTRACTUAL RELATIONSHIP ENTERED INTO FOR THE PURPOSE OF INVESTMENT**

The Company is a public company limited by shares, incorporated in England and Wales under the Act. 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. Shareholders' rights in respect of their investment in the Company are governed by the Articles and the 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 their own legal advisers.

### ***Jurisdiction and applicable law***

As noted above, Shareholders' rights are governed principally by the Articles and the Act. By subscribing for Shares under the Initial Issue and Share Issuance Programme, investors agree to be bound by the Articles which are governed by, and construed in accordance with, the laws of England and Wales.

### ***Recognition and enforcement of foreign judgments***

Regulation (EC) 593/2008 ("**Rome I**") must be applied in all member states of the EU (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 courts 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. 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 Lugano Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters of 30 October 2007, the Administration of Justice Act 1920, and the Foreign Judgments (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.

## **8. OVERSEAS PERSONS AND RESTRICTED TERRITORIES**

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

The offer of Ordinary Shares under the Initial Issue to Overseas Persons may be affected by the laws of other 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 acquire Ordinary Shares under the Initial Issue. It is the responsibility of all Overseas Persons receiving this Prospectus and/or wishing to subscribe for 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.

In particular, none of the Ordinary Shares have been or will be registered under the laws of any Restricted Territory. Accordingly, the Ordinary Shares may not be offered, sold, issued or delivered,

directly or indirectly, within any Restricted Territory unless an exemption from any registration requirement is available.

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

Persons (including, without limitation, nominees and trustees) receiving this Prospectus should not distribute or send it to any jurisdiction where to do so would or might contravene local securities laws or regulations.

Investors should additionally consider the provisions set out under the heading “*Important Notices*” on pages 37 to 44 of this Prospectus.

The Company reserves the right to treat as invalid any agreement to subscribe for Shares under any 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.

### **8.1 Certain ERISA Considerations**

Unless otherwise expressly agreed with the Company, the Shares may not be acquired by:

- investors using assets of: (A) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (B) a “plan” as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in preceding clause (A) or (B) in such entity pursuant to the US Plan Assets Regulations; or
- a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, unless its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

### **8.2 US Representations, Warranties and Undertakings**

Unless otherwise expressly agreed with the Company, each acquirer of Shares pursuant to any Issue and each subsequent transferee, and each acquirer of Ordinary Shares upon conversion of any C Shares and each subsequent transferee, by acquiring Shares or a beneficial interest therein, will be deemed to have represented, warranted, undertaken, agreed and acknowledged to the Company, BDO and Cantor Fitzgerald as follows:

- a) it is located outside the United States, it is not a US Person, it is acquiring the Shares in an “offshore transaction” meeting the requirements of Regulation S and it is not acquiring the Shares for the account or benefit of a US Person;
- b) the Shares have not been and will not be registered under the 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, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act;
- c) the Company has not been and will not be registered under the Investment Company Act, and as such investors will not be entitled to the benefits of the Investment Company Act and the Company has elected to impose restrictions on each Issue and on the future trading in the Shares to ensure that the Company is not and will not be required to register under the Investment Company Act;
- d) if in the future it decides to offer, sell, transfer, assign, pledge or otherwise dispose of the Shares or any beneficial interest therein, it will do so only (i) in an “offshore transaction” complying with the provisions of Regulation S to a person outside the United States and not known by the transferor to be a US Person, by prearrangement or otherwise, or (ii) to the



Company or a subsidiary thereof. It acknowledges and agrees that any offer, sale, transfer, assignment, pledge or other disposal made other than in compliance with the foregoing restrictions will be subject to the compulsory transfer provisions contained in the Articles;

- e) it is acquiring 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 Securities Act, the Investment Company Act or any other applicable securities laws;
- f) it is aware and 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 US federal securities laws and to require any such person that has not satisfied the Company that the holding by such person will not violate or require registration under US federal securities laws to transfer such Shares or interests in accordance with the Articles;
- g) the representations, warranties, undertakings, agreements and acknowledgements contained in this Prospectus are irrevocable and it acknowledges that the Company, BDO, Cantor Fitzgerald, their respective Affiliates and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the representations, warranties, undertakings, agreements and acknowledgements contained herein;
- h) if any of the representations, warranties, undertakings, agreements or acknowledgements contained herein are no longer accurate or have not been complied with, it will immediately notify the Company, BDO and Cantor Fitzgerald; and
- i) 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 it has full power to make, and does make, the representations, warranties, undertakings, agreements and acknowledgements contained herein on behalf of each such account.

## **PART VI – TAXATION**

The information below, which relates only to the UK, summarises the advice received by the Board and is applicable to the Company and (except in so far as express reference is made to the treatment of other persons) to persons who are resident in the United Kingdom for taxation purposes and who hold Shares as an investment. It is based on current UK tax law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). It is not intended to be, nor should it be construed to be, legal or tax advice. 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 about your tax position, you should consult your professional adviser.

### **1. THE COMPANY**

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

An investment trust approved under Chapter 4 of Part 24 of the Corporation Tax Act 2010, or one that intends to seek such approval and which has a reasonable belief that such approval will be obtained, is able to elect to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period (referred to here as the "streaming" regime). The Company may, if it so chooses, designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends, to the extent that it has "qualifying interest income" for the accounting period. Were the Company to designate any dividend it pays in this manner, it should be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period. The Company may elect for the "streaming" regime to apply to the dividend payments it makes to the extent that it has such "qualifying interest income", arising (for instance) from shareholder loans that it may make to companies in its group.

### **2. SHAREHOLDERS**

#### **2.1 Taxation of chargeable gains**

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

UK-resident and domiciled individual Shareholders have an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £12,000 for the tax year 2019/2020. For such individual Shareholders, capital gains tax will be chargeable on a disposal of Shares at the applicable rate (the current rate being 10 per cent. for basic rate taxpayers or 20 per cent. for higher or additional rate taxpayers).

Generally, an individual Shareholder who has ceased to be resident in the UK for tax purposes for a period of five years or less and who disposes of Shares during that period may be liable on their return to the UK to UK taxation on any chargeable gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax at the rate of corporation tax applicable to that Shareholder (currently at a rate of 19 per cent.) on chargeable gains arising on a disposal of their Shares.

Shareholders who are neither resident in the UK, nor temporarily non-resident for the purposes of the anti-avoidance legislation referred to above, and who do not carry on a trade in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, should not be subject to UK taxation on chargeable gains on a disposal of their Shares.

## **2.2 Dividends – individuals**

The following statements summarise the expected UK tax treatment for individual Shareholders who receive dividends from the Company. The statements in the following two paragraphs apply in respect of dividends to which the “streaming” regime does not apply.

UK resident individuals are entitled to a nil rate of income tax on the first £2,000 of dividend income in a tax year (the “**Nil Rate Amount**”). Any dividend income received by a UK resident individual Shareholder in respect of the Shares in excess of the Nil Rate Amount will be subject to income tax at a rate of 7.5 per cent. to the extent that it is within the basic rate band, 32.5 per cent. to the extent that it is within the higher rate band and 38.1 per cent. to the extent that it is within the additional rate band.

Dividend income that is within the Nil Rate Amount counts towards an individual’s basic or higher rate limits – and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income are treated as the highest part of an individual’s income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

The Company will not be required to withhold tax at source when paying a dividend to individuals.

To the extent that an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an accounting period under the “streaming” regime, then the corresponding dividends paid by the Company will be taxed as interest income in the hands of UK resident individual shareholders. To the extent the Shareholder is within the basic rate band, interest received in excess of the tax-free savings income of £1,000, will be taxed at 20 per cent. To the extent the Shareholder is within the higher rate band, interest received in excess of the tax-free savings income for higher rate tax payers of £500, will be taxed at 40 per cent. To the extent the Shareholder is within the additional rate band, interest received will be taxed at 45 per cent. The tax-free savings income is not available for additional rate taxpayers.

## **2.3 Dividends – corporations**

The statements in the following two paragraphs apply in respect of dividends to which the “streaming” regime does not apply.

A corporate Shareholder who is tax resident in the UK or carries on a trade in the UK through a permanent establishment in connection with which its Shares are held will be subject to UK corporation tax on the gross amount of any dividends paid by the Company, unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009.

It is anticipated that dividends paid on the Shares to UK tax resident corporate Shareholders would generally (subject to anti-avoidance rules) fall within one of those exempt classes. Such Shareholders, however, are advised to consult their independent professional tax advisers to determine whether such dividends will be subject to UK corporation tax. If the dividends do not fall within any of the exempt classes, they will be subject to corporation tax, currently at a rate of 19 per cent.

The Company will not be required to withhold tax at source when paying a dividend to corporations.

To the extent that an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an accounting period then the corresponding dividends paid by

the Company will be generally taxed according to loan relationship rules in the hands of UK corporate Shareholders and subject to corporation tax at a current rate of 19 per cent.

### 3. STAMP DUTY AND STAMP DUTY RESERVE TAX (“SDRT”)

The issue of new Shares pursuant to the Initial Issue and any Subsequent Placing should not generally be subject to UK stamp duty or SDRT.

Transfers on the sale of existing Shares held in certificated form will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the amount or value of the consideration given for the transfer (rounded up to the nearest £5). However, an exemption from stamp duty will be available on an instrument transferring existing Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the stamp duty.

An unconditional agreement to transfer existing Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. However, if a duly stamped or exempt 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 existing Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system (but in practice the cost will be passed on to the purchaser). Deposits of Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration in the form of money or money's worth.

The issue of new Shares pursuant to the Initial Placing and any Subsequent Placing should not generally be subject to UK stamp duty or SDRT.

### 4. ISAS, SIPPS AND SSASS

Shares issued by the Company should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2019/2020).

Investments held in ISAs will be free of UK tax on both capital gains and income.

Selling shares within an ISA to reinvest would not count towards the Shareholder's capital gains annual exemption limit and for “flexible” ISAs (which does not include junior ISAs) Shareholders may be entitled to withdraw and replace funds in their stocks and shares ISA, in the same tax year, without using up their annual subscription limit.

Shares should be eligible for inclusion in a self-invested personal pension (“SIPP”) or a small self-administered scheme (“SSAS”), subject to the discretion of the trustees of the SIPP or the SSAS, as the case may be.

The opportunity to invest in Shares through an ISA is restricted to certain UK resident individuals aged 18 and over. Individuals wishing to invest in Shares through an ISA, SSAS or SIPP should contact their professional advisers regarding their eligibility.

### 5. 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 United States in relation to FATCA, International Tax Compliance Agreements with Guernsey, Jersey, the Isle of Man and Gibraltar and agreements regarding the OECD's global standard for automatic and multilateral exchange of information between tax authorities, known as the “Common Reporting Standard”. The UK is also subject to obligations regarding mandatory automatic exchange of information in the field of taxation pursuant to EU Council Directive 2014/107/EU, which implements the Common Reporting Standard in the Member States. In connection with such international agreements and obligations the Company may, *inter alia*, be required to collect and report to HMRC certain information

regarding Shareholders and other account holders of the Company and HMRC may pass this information on to tax authorities in other jurisdictions in accordance with the relevant international agreements.

#### **6. PREVENTION OF THE CRIMINAL FACILITATION OF TAX EVASION**

Two new United Kingdom corporate criminal offences for failure to prevent the facilitation of tax evasion ("FTP" offences) have been created by the Criminal Finances Act 2017. The offences came into force on 30 September 2017. The FTP offences impose criminal liability on a company or a partnership (a "relevant body") if it fails to prevent the criminal facilitation of tax evasion by a "person associated" with the relevant body. There is a defence to the charge if the relevant body can show that it had in place "reasonable prevention procedures" at the time the facilitation took place. In order to comply with the Criminal Finances Act 2017, the Company and/or the Investment Manager may require additional information from Shareholders or prospective investors in the Company regarding their tax affairs.



## **PART VII – ADDITIONAL INFORMATION ON THE COMPANY**

### **1. INCORPORATION OF THE COMPANY**

- 1.1 The Company was incorporated in England and Wales under the Act as a public limited company on 7 October 2019 with registered number 12247083. The Company has received a certificate under section 761 of the Act entitling it to commence business and to exercise its borrowing powers. The Company has given notice to the Registrar of Companies that it intends to carry on business as an investment company under section 833 of the Act.
- 1.2 Save for its entry into the material contracts summarised in section 11 below and certain non-material contracts, since its incorporation the Company has not commenced operations, has not declared any dividend and no financial statements have been made up. The Company is resident for tax purposes in the United Kingdom and currently has no employees. The Company has no reserves.
- 1.3 The principal activity of the Company is to invest its assets in accordance with the Investment Policy set out in section 3 of Part I (Information on the Company) of this Prospectus.
- 1.4 The Company operates under the Act and is not regulated as a collective investment scheme by the FCA. Its registered office and principal place of business is at 4<sup>th</sup> Floor, 45 Monmouth Street, London, WC2H 9DG, and the statutory records of the Company will be kept at this address (save for the register of members, which will be kept at the Registrar's address). The Company's telephone number is +44 (0) 207 579 9320.

### **2. PRINCIPAL ACTIVITIES OF THE COMPANY**

- 2.1 The Company has applied to and obtained approval (conditional on Initial Admission) from, HMRC for eligibility as an investment trust company and intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of Part 4 of Chapter 24 of the Corporation Tax Act 2010 (as amended) and the UK Investment Trust (Approved Company) (Tax) Regulations 2011 (as amended).
- 2.2 In summary, the conditions that must be met for a company to be approved as an investment trust in respect of an accounting period are that, in relation to that accounting period:
  - 2.2.1 all, or substantially all, of the business of the company is to invest its funds in shares, land or other assets with the aim of spreading investment risk and giving members of the company the benefit of the results of the management of its funds;
  - 2.2.2 the shares making up the company's ordinary share capital (or, if there are such shares of more than one class, those of each class) and which, for these purposes, shall include the Ordinary Shares and any class of C Shares, are admitted to trading on a regulated market;
  - 2.2.3 the company is not a venture capital trust or a real estate investment trust;
  - 2.2.4 the company is not a close company (as defined in section 439 of the Corporation Tax Act 2010, as amended); and
  - 2.2.5 subject to particular rules that may apply where the company has accumulated revenue losses brought forward from previous accounting periods, the company does not retain an amount which is greater than the higher of: (i) 15 per cent. of its income for the accounting period; and (ii) any amount of income that the company is required to retain in respect of the accounting period by virtue of a restriction imposed by law.

### **3. THE AIFM**

- 3.1 The Investment Manager, Cabot Square Capital LLP, a limited liability partnership incorporated in England and Wales under the UK Limited Liability Partnership Act 2000 with registered number OC318397, is the Company's AIFM. It is authorised and regulated by the FCA. The registered office of the Investment Manager is One, Connaught Place, London, W2 2ET, United Kingdom and its telephone number is +44 (0) 207 579 9320.
- 3.2 As at the date of this Prospectus, the Investment Manager has appointed the Investment Adviser, Cabot Square Alternatives Adviser LLP, a limited liability partnership incorporated in England and Wales under the UK Limited Liability Partnership Act 2000 with registered number OC429645, to provide it with investment advice in respect of the Investments and the

performance of the Investment Manager's duties. The Investment Adviser (whose registered address and telephone number is the same as that of the Investment Manager's set out in section 3.1 above) is not authorised by the FCA. Under the terms of the Investment Management and Adviser Agreement, the Company has agreed that the appointment of Cabot Square Capital LLP as AIFM and Investment Manager to the Company will be novated to the Investment Adviser, subject to Board approval and the Investment Adviser obtaining all the necessary regulatory authorisation and permissions from the FCA to take up office as the Company's AIFM. This novation of responsibilities will not change the Management Fee arrangements other than that the Investment Adviser will become the beneficiary of the Management Fee.

- 3.3 At the date of this Prospectus the Investment Adviser has not started the application process to obtain FCA authorisation and permissions and the process towards novation is expected to take more than 12 months.

#### 4. DEPOSITARY

IQ EQ Depositary Company (UK) Limited has been appointed as Depositary of the Company pursuant to the Depositary Agreement (further details of which are set out in section 11.4 below). The Depositary is a private limited company incorporated in England and Wales under the Act on 30 May 2006 with registered number 05830789. It is authorised by the FCA (firm registration number 481843) for the purpose of providing depositary services. The address of the registered office of the Depositary is 2 London Bridge, London, SE1 9RA, and its telephone number is +44 (0) 207 397 5450.

#### 5. SHARE CAPITAL

##### Shares and Redeemable Preference Shares

- 5.1 When admitted to trading, the Ordinary Shares will be registered with ISIN GB00BJ0LR715, SEDOL number BJ0LR71 and it is expected that the Ordinary Shares will be traded under the ticker symbol ALTS.
- 5.2 Each class of C Shares issued pursuant to a Subsequent Placing made throughout the Share Issuance Programme will have separate ISINs, SEDOLs and ticker symbols issued. The announcement of each issue of C Shares will contain details of the relevant ISIN, SEDOL and ticker symbol for such class of C Shares being issued.
- 5.3 On incorporation, the share capital of the Company was £50,000.01 represented by one Ordinary Share of £0.01 nominal value and 5,000,000 Redeemable Preference Shares of £0.01 nominal value, which, as at the date of this Prospectus, are held by the Investment Manager to allow the Company to commence business and to exercise its borrowing powers under section 761 of the Act.
- 5.4 Set out below is the issued share capital of the Company: (a) as at the date of this Prospectus; and (b) immediately following the Initial Issue (assuming 200 million Ordinary Shares are issued and assuming the cancellation of the Redeemable Preference Shares pursuant to the resolution described in section 5.6 below). All Ordinary Shares issued pursuant to the Initial Issue will be fully paid on Initial Admission and, in addition, any Ordinary Shares or class of C Shares issued pursuant to a Subsequent Placing will be fully paid on the relevant Subsequent Admission.

	At the date of this Prospectus		Following the Initial Issue	
	Number	Aggregate nominal value	Number	Aggregate nominal value
Ordinary Shares	1	£0.01	200,000,000	£2,000,000
Redeemable Preference Shares	5,000,000	£50,000	Nil	N/A

- 5.5 The effect of the Initial Issue will be to increase the net assets of the Company. On the assumption that the Gross Initial Proceeds are £200 million, the Initial Issue is expected to increase the net assets of the Company by approximately £196 million.
- 5.6 At a general meeting of the Company held on 13 November 2019, the Initial Shareholder of the Company approved resolutions as follows:
- (A) the Directors were authorised to allot Ordinary Shares in connection with the Initial Issue up to an aggregate nominal value of £2,500,000 on a non-pre-emptive basis, such authority to expire at the end of the period of five years from the date of the passing of that resolution;
  - (B) in addition to the authority referred to in sub-section (A) above, the Directors were authorised to allot Ordinary Shares and C Shares in connection with the Subsequent Placings up to an aggregate nominal value equal to the difference between the aggregate nominal amount of the Ordinary Shares issued under the Initial Issue and £5 million on a non-pre-emptive basis, such authority to expire at the end of the period of five years from the date of the passing of that resolution;
  - (C) in addition to the authorities referred to in sub-sections (A) and (B) above, the Directors were authorised to allot Ordinary Shares and C Shares otherwise than pursuant to the Share Issuance Programme up to an aggregate nominal value equal to the difference between the aggregate nominal amount of the Shares issued under the Share Issuance Programme and £10 million on a non-pre-emptive basis, such authority to expire at the end of the period of five years from the date of the passing of that resolution;
  - (D) the Company was authorised to make market purchases of Ordinary Shares on such terms and in such manner as the Directors may from time to time determine, provided that:
    - (i) the maximum number of Ordinary Shares authorised to be acquired other than pursuant to an offer made to Shareholders generally is equal to 37,475,000 or, if lower, 14.99 per cent. of the number of Ordinary Shares in issue immediately following Initial Admission;
    - (ii) the minimum price which may be paid for any Ordinary Share is £0.01;
    - (iii) the maximum price (exclusive of expenses) which may be paid for any Ordinary Share is the higher of: (i) an amount equal to 105 per cent. of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five Business Days immediately preceding the day on which such Ordinary Share is contracted to be purchased; and (ii) the higher of: (a) the price of the last independent trade; and (b) the highest current independent bid for an Ordinary Share on the trading venues where the relevant market purchases by the Company pursuant to the authority conferred by that resolution will be carried out;
    - (iv) such authority shall expire at the end of the Company's first annual general meeting, unless previously renewed, varied or revoked by the Company in general meeting;
  - (E) conditional upon: (i) the Company having sufficient paid up share capital to maintain its status as a public limited company and to comply with the conditions of section 761 of the Act; and (ii) the approval of the courts of England and Wales, the Company was authorised to cancel the 5,000,000 Redeemable Preference Shares in issue; and
  - (F) conditional upon: (i) Initial Admission occurring; and (ii) the approval of the courts of England and Wales, the Company was authorised to cancel the amount standing to the credit of the share premium account of the Company immediately following Initial Admission.
- 5.7 The cancellation of the Company's share premium account will enable the Directors to make Ordinary Share repurchases out of the Company's distributable reserves arising from such cancellation to the extent considered desirable by the Directors. The Company may, where the

Directors consider it appropriate, use the reserve created by the cancellation of its share premium account to pay dividends.

- 5.8 Subject as provided elsewhere in this Prospectus and in the Articles, Ordinary Shares and any class of C Shares will be freely transferable.
- 5.9 There are no pre-emption rights relating to the Ordinary Shares or the C Shares in the Articles. Statutory pre-emption rights under the Act apply, save to the extent disapplied by Shareholders as referred to in section 5.6 above or otherwise.
- 5.10 Save as disclosed in this Prospectus, since the date of its incorporation, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration, and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital. Save as disclosed in this Prospectus, since the date of its incorporation, no share or loan capital of the Company has been put under option or has been agreed, conditionally or unconditionally, to be put under option.
- 5.11 The Ordinary Shares and the C Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from Initial Admission or, in respect of C Shares, the relevant Subsequent Admission. In the case of Ordinary Shares to be issued in uncertificated form under the Initial Issue, these will be transferred to successful applicants through CREST. Accordingly, settlement of transactions in the Ordinary Shares following Initial Admission may take place within CREST if any Shareholder so wishes.

#### **Redemptions at the option of Shareholders**

- 5.12 There is no right or entitlement attaching to the Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

### **6. MEMORANDUM AND ARTICLES OF ASSOCIATION**

#### **6.1 Memorandum**

The Memorandum does not restrict the objects of the Company.

#### **6.2 Articles of Association**

The Articles contain (among others) provisions to the following effect:

##### **6.2.1 Life**

The Company has been established with an unlimited life.

##### **6.2.2 Issue of Shares**

Subject to the provisions of the Act, and without prejudice to any rights attaching to any existing Shares, any Share may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or, if the Company has not so determined, as the Directors may determine).

##### **6.2.3 Alteration to Share capital**

The Company may by ordinary resolution consolidate and divide all or any of its Share capital into Shares of larger nominal amount than its existing Shares and sub-divide its Shares, or any class of them, into Shares of smaller nominal amount than its existing Shares and determine that, as between Shares arising from that sub-division, any of the Shares have any preference or advantage as compared with the others. The Company may by special resolution reduce its Share capital, any capital redemption reserve, any share premium account or any other non-distributable reserve in any manner permitted by, and in accordance with, the Act.

##### **6.2.4 Redemption of Shares**

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

#### 6.2.5 Dividends

- (A) Subject to the provisions of the Act and the Articles, the Directors may by ordinary resolution declare dividends. No dividends shall exceed the amount recommended by the Board. Subject to the provisions of the Act and the Articles, the Directors may pay interim dividends, or dividends payable at a fixed rate, if it appears to them that such dividends are justified by the profits of the Company available for distribution.
- (B) Subject to the provisions of the Act and the Articles, all dividends shall be declared and paid according to the amounts paid up on the Shares on which the dividend is paid. If any Share is issued on terms that it ranks for dividend as at a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amount paid up on the Shares during any portion(s) of the period in respect of which the dividend is paid.
- (C) Notwithstanding any other provision of the Articles, but without prejudice to the rights attached to any Shares, the Company may fix a date and time as the record date by reference to which a dividend will be declared or paid or a distribution, or allotment or issue of Shares, made. No dividends or other money payable in respect of a Share shall bear interest against the Company, unless otherwise provided by the rights attached to the Share.

#### 6.2.6 Distribution of assets on a winding up

The capital and assets of the Company shall on a winding-up or on a return of capital prior, in each case, to Conversion be applied as follows: (A) first, the Ordinary Share surplus shall be divided amongst the holders of the Ordinary Shares *pro rata* according to their holdings of Ordinary Shares; and (B) secondly, the C Share surplus shall be divided amongst the holders of any class of C Shares in issue at the relevant time *pro rata* according to their holdings of such class of C Shares.

#### 6.2.7 Voting rights

- (A) Subject to sub-section (B) below and any rights or restrictions attached to any class of Shares, on a show of hands every Shareholder present in person at a meeting has one vote and every proxy present who has been duly appointed by a Shareholder entitled to vote has one vote, and on a poll every Shareholder (whether present in person or by proxy) has one vote for every Share of which they are the holder. A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use the same way. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders appear in the Register.
- (B) No Shareholder shall have any right to vote at any general meeting or at any separate meeting of the holders of any class of Shares, either in person or by proxy, in respect of any Share held by them unless all amounts presently payable by them in respect of that Share have been paid.

#### 6.2.8 Variation of rights

If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied in such manner as may be provided by those rights or by consent of the holders of that class of Shares.

#### 6.2.9 General Meetings

- (A) General meetings may be called by the Directors. If there are not sufficient Directors to form a quorum in order to call a general meeting, any Director may call a general meeting. If there is no Director, any Shareholder may call a general meeting.



- (B) Subject to the provisions of the Act, an annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed or permitted under the Act.
- (C) No business shall be transacted at any meeting unless a quorum is present. In the case that the Company has only one member, one person entitled to vote upon the business to be transacted, present at a meeting shall be a quorum. In any other case, two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a corporation which is a Shareholder (including for this purpose two persons who are proxies or corporate representatives of the same Shareholder), shall be a quorum.
- (D) A Shareholder is entitled to appoint another person as their proxy to exercise all or any of its rights to attend and to speak and vote at a meeting of the Company. A Shareholder may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different Share or Shares. Subject to the provisions of the Act, any corporation (other than the Company itself) which is a Shareholder may, by resolution of its directors or other governing body, authorise any person(s) to act as its representative(s) at any meeting of the Company, or at any separate meeting of the holders of any class of Shares. Delivery of an appointment of proxy shall not preclude a Shareholder from attending and voting at the meeting or at any adjournment of it.
- (E) Directors may attend and speak at general meetings and at any separate meeting of the holders of any class of Shares, whether or not they are Shareholders.
- (F) A poll on a resolution may be demanded at a general meeting either before a vote on a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

#### 6.2.10 Redeemable Preference Shares

Redeemable Preference Shares are not entitled to receive any dividend or distribution made or declared by the Company except for a fixed annual dividend equal to 0.00001 per cent. of their issue price. Save where there are no other Shares of the Company in issue, Redeemable Preference Shares shall carry no right to attend, receive notice of or vote at any general meeting of the Company. On a winding up of the Company, the holder of a Redeemable Preference Share shall be entitled to be repaid the capital paid up thereon *pari passu* with the repayment of the nominal amount of the Shares.

#### 6.2.11 Restrictions on rights: failure to respond to a section 793 notice

If a Shareholder, or any other person appearing to be interested in Shares held by that Shareholder, has been given a notice under section 793 of the Act and has failed in relation to any Shares (the “**Default Shares**”) to give the Company the information thereby required within 14 days of the notice, sanctions shall apply unless the Directors determine otherwise in their absolute discretion. The sanctions available are the suspension of the right to attend or vote (whether in person or by representative or proxy) at any general meeting of Shareholders or any separate meeting of the holders of any class of Shares or on any poll and, where the Default Shares represent at least 0.25 per cent. of their class (excluding treasury Shares), the withholding of any dividend payable in respect of those Default Shares and the restriction of the transfer of any Default Shares (subject to certain exceptions).

#### 6.2.12 Untraced Shareholders

Subject to various notice requirements, the Company may sell any of a Shareholder's Shares if, during a period of 12 years, at least three dividends (either interim or final) on such Shares have become payable and no cheque for amounts payable in respect of such Shares has been presented and no warrant or other method of payment has

been effected and no communication has been received by the Company from the Shareholder or person concerned.

#### 6.2.13 **Borrowing powers**

The Directors shall restrict the borrowings of the Company such that, save with the previous sanction of an ordinary resolution of the Company, gearing shall not, at the time of draw down, exceed 25 per cent. of the Gross Asset Value of the Company determined in accordance with the Company's accounting policies, applicable accounting standards and the Company's constitution.

#### 6.2.14 **Transfer of Shares**

- (A) A Share in certificated form may be transferred by an instrument of transfer, which may be in any usual form or in any other form approved by the Directors, executed by or on behalf of the transferor and, where the Share is not fully paid, by or on behalf of the transferee. The transferor and/or the transferee shall deliver to the Company (and/or other person designated by the Company) such written certifications in form and substance satisfactory to the Company as the Directors may determine in accordance with applicable law.
- (B) A Share in uncertificated form may be transferred by means of the relevant system concerned.
- (C) In their absolute discretion, the Directors may refuse to register the transfer of a Share in certificated form which is not fully paid provided that, if the Share is traded on a regulated market, such refusal does not prevent dealings in the Shares from taking place on an open and proper basis. The Directors may also refuse to register a transfer of a Share in certificated form unless the instrument of transfer:
  - (1) is lodged and duly stamped, at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the Share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and/or the transferee to receive the transfer (including such written certifications in form and substance satisfactory to the Company as the Directors may determine in accordance with applicable law);
  - (2) is in respect of only one class of Share;
  - (3) is not in favour of more than four transferees; and
  - (4) is not in favour of any Non-Qualified Holder.
- (D) The Directors may refuse to register a transfer of a Share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the requirement) under the CREST Regulations to register the transfer.
- (E) If the Directors refuse to register a transfer of a Share, they shall send the transferee notice of that refusal with reasons for the refusal within two months after the date on which the transfer was lodged with the Company (for the transfer of a Share in certificated form) or the date the operator instruction was received by the Company (for the transfer of a Share in uncertificated form which will be held thereafter in certificated form).
- (F) No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any Share.
- (G) The Directors may, in their absolute discretion, decline to transfer, convert or register any transfer of Shares to any person: (i) whose ownership of Shares may cause the Company's assets to be deemed "plan assets" for the purposes of ERISA or the US Tax Code; (ii) whose ownership of Shares may cause the Company to be required to register as an "investment company" under the Investment Company Act or to lose an exemption or a status

thereunder to which it might otherwise be entitled (including because the holder of Shares is not a “qualified purchaser” as defined in the Investment Company Act); (iii) whose ownership of Shares may cause the Company to be required to register under the Exchange Act or any similar legislation; (iv) whose ownership of Shares may cause the Company to be a “controlled foreign corporation” for the purposes of the US Tax Code, or may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the US Tax Code); (v) whose ownership of Shares may cause the Company to cease to be considered a “foreign private issuer” for the purposes of the Securities Act or the Exchange Act; or (vi) whose ownership of Shares would or might result in the Company not being able to satisfy its obligations on the Common Reporting Standard developed by the Organisation for Economic Co-Operation and Development or such similar reporting obligations on account of, *inter alia*, non-compliance by such person with any information request made by the Company, (each person described in (i) to (vi) above, being a “**Non-Qualified Holder**”).

- (H) If it comes to the attention of the Directors that any Non-Qualified Holder does or may own any Shares, whether directly, indirectly or beneficially, the Directors may give notice requiring such person within 30 days to:
  - (1) establish to the satisfaction of the Directors (whose judgement shall be final and binding) that such person is not a Non-Qualified Holder; or
  - (2) sell or transfer its Shares to a person who is not a Non-Qualified Holder, and to provide the Directors with evidence satisfactory to the Directors (whose judgement shall be final and binding) of such sale or transfer. Pending sale or transfer of such Shares, the Directors may suspend rights with respect to the Shares.
- (I) If any person upon whom a notice is served pursuant to this section does not within 30 days transfer its Shares or establish to the satisfaction of the Directors (whose judgement shall be final and binding) that he is not a Non-Qualified Holder, the Directors may arrange for the sale of the Shares on behalf of the registered holder at the best price reasonably obtainable at the time. The manner, timing and terms of any such sale shall be such as the Directors determine (based on appropriate professional advice) to be reasonably obtainable having regard to all material circumstances.

#### 6.2.15 Appointment of Directors

- (A) Unless the Company determines otherwise by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than two.
- (B) Subject to the Articles, the Company may by ordinary resolution appoint a person who is willing to act as a Director, and is permitted by law to do so, to be a Director either to fill a vacancy or as an additional Director. The Directors may appoint a person who is willing to act as a Director, and is permitted by law to do so, to be a Director, either to fill a vacancy or as an additional Director. All of the Directors are required under the Articles to retire and seek re-election at each annual general meeting of the Company.
- (C) Until otherwise determined by the Company by ordinary resolution, there shall be paid to the Directors (other than alternate Directors) such fees for their services in the office of Director as the Directors may determine, not exceeding in the aggregate an annual sum of £300,000 (or such sum as the Company may by ordinary resolution decide).

#### 6.2.16 Powers of Directors

- (A) 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 of the Company to take, or refrain from taking, specified action, may exercise all the powers of the Company.

- (B) The Directors may appoint one or more of their number to the office of managing Director or to any other executive office of the Company and, subject to the provisions of the Act, any such appointment may be made for such term, at such remuneration and on such other conditions as the Directors think fit.
- (C) Any Director (other than an alternate Director) may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director and may remove such an alternate Director from office.

#### **6.2.17 Voting at board meetings**

- (A) No business shall be transacted at any meeting of the Directors unless a quorum, which may be fixed by the Directors from time to time, is present. Unless so fixed at any other number, the quorum shall be two. A Director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternate Director, who is not a Director shall, if its appointor is not present, be counted in the quorum.
- (B) Questions arising at a meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the chair of the meeting shall, unless he is not entitled to vote on the resolution, have a second or casting vote.

#### **6.2.18 Restrictions on voting**

Subject to any other provision of the Articles, a Director shall not vote at a meeting of the Directors on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in Shares, debentures or other securities of, or otherwise in or through, the Company) unless such interest arises only because the case falls within certain limited categories specified in the Articles.

#### **6.2.19 Directors' interests**

Subject to the provisions of the Act and provided that the Director has disclosed to the other Directors the nature and extent of any material interest, a Director, notwithstanding office held, may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, or any body corporate in which the Company is interested.

#### **6.2.20 Periodic retirement**

Each Director shall retire from office, and stand for re-election, at each annual general meeting.

#### **6.2.21 Indemnity**

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

#### **6.2.22 Continuation vote**

At the first annual general meeting of the Company held following the fifth anniversary of Admission, the Directors shall propose an ordinary resolution that the Company

continues its business as a closed-ended investment trust. If passed, a further continuation vote shall be put to Shareholders at the annual general meeting of the Company held every fifth year thereafter. The continuation vote shall pass if it is approved by an ordinary resolution. If any continuation vote is not passed, the Directors will be required to put proposals for the reconstruction, reorganisation or winding up of the Company to the Shareholders for their approval within six months of the date of the general meeting at which the resolution was proposed.

#### 6.2.23 C Shares

##### (A) Definitions

**“C Share”** means a redeemable C share with nominal value of £0.01 in the capital of the Company carrying the rights set out in the Articles;

**“C Share Surplus”** means, in relation to any tranche of C Shares, the net assets of the Company attributable to the holders of C Shares of that tranche (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets) less such proportion of the Company’s liabilities (including the fees and expenses of the liquidation or return of capital (as the case may be)) as the Directors or the liquidator (as the case may be) shall fairly allocate to the assets of the Company attributable to such holders;

**“C Shareholder”** means a holder of C Shares;

**“Conversion”** means, in relation to any tranche of C Shares, conversion of the C Shares of that tranche into New Ordinary Shares in accordance with the Articles;

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

- (a) close of business on a business day to be determined by the Directors and falling on or after the day on which the Investment Manager gives notice to the Directors that at least 75 per cent., or such other percentage as the Directors may select as part of the terms of issue of any tranche of C Shares, of the assets attributable to the holders of that tranche of C Shares are invested in accordance with the Investment Policy (which shall include, where relevant, the repayment of any debt incurred by or on behalf of the Company); and
- (b) opening of business on the first day on which the Directors resolve that Force Majeure Circumstances in relation to any tranche of C Shares have arisen or are imminent,

provided that the Conversion Calculation Date shall in relation to any tranche of C Shares be such that the Conversion Date shall not be later than such date as may be determined by the Directors on the date of issue of C Shares of such tranche as the last date for Conversion of that tranche;

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

- (a) such date as may be determined by the Directors on the date of issue of the C Shares of such tranche as the last date for Conversion of such tranche; and
- (b) the opening of business on a business day selected by the Directors and falling after the Conversion Calculation Date;

**“Conversion Ratio”** means in relation to each tranche of C Shares, A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

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



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

and where:

“C” is the aggregate value of all assets and investments of the Company attributable to the relevant tranche of C Shares (as determined by the Directors) on the relevant Conversion Calculation Date calculated in accordance with the accounting principles adopted by the Company from time to time, provided that the Directors shall be authorised to make such adjustments as they deem appropriate where some or all of the proceeds from the issue of the relevant tranche of C Shares has been used the repayment of any debt incurred by or on behalf of the Company;

“D” is the amount (to the extent not otherwise deducted in the calculation of C) which, in the Directors’ opinion, fairly reflects the amount of the liabilities attributable to the holders of C Shares of the relevant tranche on the Conversion Calculation Date;

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

“F” is the aggregate value of all assets and investments attributable to the Shares on the relevant Conversion Calculation Date calculated in accordance with the accounting principles adopted by the Company from time to time, provided that the Directors shall be authorised to make such adjustments as they deem appropriate where some or all of the proceeds from the issue of the relevant tranche of C Shares has been used the repayment of any debt incurred by or on behalf of the Company;

“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 attributable to the Shares on the Conversion Calculation Date; and

“H” is the number of Shares in issue on the Conversion Calculation Date,

provided always that: (i) in relation to any tranche of C Shares, the Directors may determine, as part of the terms of issue of such tranche, that element A in the formula shall be valued at such discount as may be selected by the Directors; and (ii) the Directors shall make such adjustments to the value or amount of “A” and “B” as the auditor shall report to be appropriate having regard, *inter alia*, to the assets of the Company immediately prior to the Issue Date or the Conversion Calculation Date; and (iii) in relation to any tranche of C Shares, the Directors may, as part of the terms of issue of such tranche, amend the definition of Conversion Ratio in relation to that tranche;

**“Force Majeure Circumstance”** means, in relation to any tranche of C Shares, any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation and/or other circumstances which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable notwithstanding that less than 85 per cent. (or such other percentage as the Directors may select as part of the terms of issue of such tranche) of the assets attributable to the holders of that tranche of C Shares are invested in accordance with the Investment Policy;

**“Issue Date”** means, in relation to any tranche of C Shares, the day on which the Company receives the net proceeds of the issue of the C Shares of that tranche;

**“New Ordinary Shares”** means the new ordinary shares arising on Conversion of the C Shares; and

**“Ordinary Share Surplus”** means the net assets of the Company less the C Share Surplus or, if there is more than one tranche of C Shares in issue at the relevant time, the C Share Surpluses attributable to each of such tranches.

(B) **Issue of C Shares**

Subject to the Act, the Directors shall be authorised to issue tranches of C Shares on such terms as they determine provided that such terms are consistent with the provisions of the Articles. The Board shall, on the issue of each tranche of C Shares, determine the minimum percentage of assets required to have been invested or committed (which shall include, where relevant, the repayment of any debt incurred by or on behalf of the Company) prior to the Conversion Calculation Date, the last date for the Conversion of such tranche of C Shares to take place and the voting rights attributable to each such tranche.

Each tranche of C Shares, if in issue at the same time, shall be deemed to be a separate class of shares. The Board may, if it so decides, designate each tranche of C Shares in such manner as it sees fit in order that each tranche of C Shares can be identified.

(C) **Dividends**

The C Shareholders of any tranche of C Shares will be entitled to receive such dividends as the Board may resolve to pay to such C Shareholders out of the assets attributable to such tranche of C Shareholders.

The New Ordinary Shares arising on Conversion of the C Shares shall rank in full for all dividends and other distributions declared with respect to the Ordinary Shares after the Conversion Date save that, in relation to any tranches of C Shares, the Directors may determine, as part of the terms of issue of such tranche, that the New Ordinary Shares arising on the Conversion of such tranche will not rank for any dividend declared with respect to the Ordinary Shares after the Conversion Date by reference to a record date falling on or before the Conversion Date.

(D) **Rights as to capital**

The capital and assets of the Company shall on a winding up or on a return of capital prior, in each case, to Conversion be applied as follows:

- (a) first, the Ordinary Share Surplus shall be divided amongst the holders of the Ordinary Shares *pro rata* according to their holdings of Ordinary Shares; and
- (b) secondly, the C Share Surplus attributable to each tranche of C Shares shall be divided amongst the holders of the C Shares of such tranche *pro rata* according to their holdings of C Shares of that tranche.

(E) **Voting rights**

Each tranche of C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. Subject to any other provision of the Articles, the voting rights of holders of C Shares will be the same as those applying to holders of Shares as set out in the Articles as if the C Shares and Ordinary Shares were a single class.

(F) **Class consents and variation of rights**

For the purposes of section 6.2.8 above, until Conversion, the consent of both: (i) the holders of each tranche of C Shares as a class; and (ii) the holders of the Ordinary Shares as a class shall be required to:

- (a) make any alteration to the memorandum of association or the articles of association of the Company; or
- (b) pass any resolution to wind up the Company.

(G) **Undertakings**

Until Conversion and without prejudice to its obligations under the Act, the Company shall, in relation to each tranche of C Shares:

- (a) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the holders of C Shares of the relevant 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 the Act, procure that separate cash accounts, broker and other settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets and liabilities attributable to such C Shareholders;
- (b) allocate to the assets attributable to such C Shareholders such proportion of the expenses and liabilities of the Company incurred or accrued between the relevant Issue Date and the Conversion Calculation Date (both dates inclusive) as the Directors fairly consider to be attributable to such C Shares; and
- (c) give appropriate instructions to the Investment Manager to manage the Company's assets so that the provisions of sections (a) and (b) above can be complied with by the Company.

(H) **The Conversion process**

The Directors shall procure in relation to each tranche of C Shares that:

- (a) within 10 Business Days (or such other period as the Directors may determine) after the relevant Conversion Calculation Date, the Conversion Ratio as at the Conversion Calculation Date and the numbers of New Ordinary Shares to which each holder of C Shares of that tranche shall be entitled on Conversion shall be calculated; and
- (b) the auditor shall be requested to certify, within 10 Business Days (or such other period as the Directors may determine) of the relevant Conversion Calculation Date or, if later, the date on which the Conversion Ratio is otherwise determined, that such calculations as have been made by the Investment Manager:
  - (A) have been performed in accordance with the Articles; and
  - (B) are arithmetically accurate,

whereupon such calculations shall become final and binding on the Company and all members.

The Directors shall procure that, as soon as practicable following such certification, a notice is sent to each C Shareholder advising such C Shareholder of the Conversion Date, the Conversion Ratio and the number of New Ordinary Shares to which such C Shareholder shall be entitled on Conversion of such C Shareholder's C Shares.

On Conversion, such number of C Shares as shall be necessary to ensure that, upon Conversion being completed, the aggregate number of New Ordinary Shares into which those C Shares are converted equals the number of C Shares in issue on the Conversion Calculation Date multiplied by the Conversion Ratio and rounded down to the nearest whole Ordinary Share, shall automatically convert into an equal number of New Ordinary Shares. The New Ordinary Shares arising on Conversion shall be divided amongst the former C Shareholders *pro rata* according to their respective former holdings of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to New Ordinary Shares arising upon Conversion, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining

the proceeds for the benefit of the Company provided that such proceeds are less than £2.00 per C Shareholder). If the number of C Shares required to be converted into New Ordinary Shares exceeds the number of C Shares in issue, the Directors shall be authorised (without the need for any further authorisation) to take such additional steps, including issuing additional innominate shares by way of a bonus issue to C Shareholders, as shall be necessary to ensure the proper operation of the Conversion process as described in this section.

Each issued C Share which does not convert into a New Ordinary Share in accordance with this section shall, immediately upon Conversion, be redeemed by the Company for an aggregate consideration of £0.01 for all of the C Shares to be so redeemed and the notice referred to in this section shall be deemed to constitute notice to each C Shareholder (and any person or persons having the right to acquire or acquiring C Shares on or after the Conversion Calculation Date) that such C Shares shall be so redeemed. The Company shall not be obliged to account to any C Shareholder for the redemption monies in respect of such shares.

Upon request following Conversion, the Company shall issue to each former C Shareholder a new certificate in respect of the New Ordinary Shares in certificated form which have arisen upon Conversion.

## **7. THE CITY CODE ON TAKEOVERS AND MERGERS**

### **7.1 Mandatory Bid**

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

- (a) any person acquires, whether by a series of transactions over a period of time or otherwise, an interest in Shares which, when taken together with Shares in which they and persons acting in concert with them are interested, carry 30 per cent. or more of the voting rights in the Company; or
- (b) any person, together with persons acting in concert with them, is interested in Shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold Shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with them, acquires an interest in any other Shares which increases the percentage of Shares carrying voting rights in which they are interested,

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

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

### **7.2 Compulsory Acquisition**

Under sections 974 to 991 of the Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of a class of Shares (in value and by voting rights) to which such offer relates, it may then compulsorily acquire the outstanding Shares of that class held by holders that have not assented to the offer. It would do so by sending a notice to the holders of Shares of that class indicating that it is desirous of acquiring such outstanding Shares whereupon the offeror will become entitled and bound to acquire such Shares. At the end of 6 weeks from the date of such notice, it would execute a transfer of such outstanding Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the holders of such outstanding Shares subject to the

transfer. The consideration offered to the holders whose outstanding Shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the Shares (in value and by voting rights, pursuant to a takeover offer that relates to all the Shares in the Company) 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 their Shares on the same terms as the takeover offer.

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

## **8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

### **8.1 Directors' interests**

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

<b>Name</b>	<b>Shares</b>
Charlie Ricketts	60,000
Barbara Powley	25,000
Tony Roper	40,000

As at the date of this Prospectus, there are no potential conflicts of interest between any duties owed to the Company of any of the Directors and their private interests and/or other duties. Save as disclosed above, immediately following Initial Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

### **8.2 Directors' contracts with the Company**

- 8.2.1 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.
- 8.2.2 The Directors' appointments can be terminated in accordance with the Articles and without compensation or in accordance with the Act or common law. All of the Directors are required under the Articles to seek re-election at each annual general meeting of the Company.
- 8.2.3 There is no notice period specified in the letters of appointment or Articles for the removal of Directors. The Articles provide that the office of Director may be terminated by, *inter alia*: (i) resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) the written request of all Directors other than the Director whose appointment is being terminated.
- 8.2.4 The Directors' basic current level of remuneration is £40,000 per annum for each Director increased for additional responsibilities as follows: the Chair of the Company shall receive a further £20,000 per annum, the chair of the Audit Committee shall receive an additional £10,000 per annum, the chair of the Risk Committee shall receive an additional £10,000 per annum and the Senior Independent Director shall receive an additional £5,000 per annum.
- 8.2.5 The Company has not made any loan to any Director which is outstanding, nor has it ever provided any guarantee for the benefit of any Director or the Directors collectively. No amounts have been set aside or accrued by the Company to provide pension, retirement or similar benefits.



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

### 8.3 Other interests

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

<i><b>Name</b></i>	<i><b>Current</b></i>	<i><b>Previous</b></i>
Charlie Ricketts	Asia Dragon Trust plc Crix Capital Limited Templeton Emerging Markets Investment Trust PLC	Global Diversified Infrastructure Privatus Club Limited
Barbara Powley	M&G Credit Income Investment Trust plc The Arndale Management Company Limited	None
Tony Roper	Aberdeen Standard European Logistics Income PLC Affinity Water Acquisitions (Holdco) Limited Affinity Water Acquisitions (Investments) Limited Affinity Water Acquisitions Limited Affinity Water Acquisitions (Midco) Limited Affinity Water Capital Funds Limited Affinity Water Finance (2004) PLC Affinity Water Finance plc Affinity Water Holdco Finance Limited Affinity Water Holdings Limited Affinity Water Limited Daiwater Investment Limited SDCL Energy Efficiency Income Trust PLC	Academy Services (Norwich) Holdings Limited Academy Services (Norwich) Limited Academy Services (Oldham) Holdings Limited Academy Services (Oldham) Limited Academy Services (Sheffield) Holdings Limited Academy Services (Sheffield) Limited Amalie Infrastructure Limited Amalie PFI (UK) Limited Blue Light Holdings Limited Blue3 (Gloucestershire Fire) (Holdings) Limited Blue3 (Gloucestershire Fire) Limited Bootle Accommodation Partnership Holding Limited Bootle Accommodation Partnership Limited Brentwood Healthcare Partnership Holding Limited Brentwood Healthcare Partnership Limited Central Blackpool PCC Holding Company Limited Central Blackpool PCC Limited Children's Ark Partnerships Holdings Limited Children's Ark Partnerships Limited CityLink Telecommunications Holdings Limited CityLink Telecommunications Limited CSES (Dorset) Limited Ealing Schools Partnerships Holdings Limited

<i><b>Name</b></i>	<i><b>Current</b></i>	<i><b>Previous</b></i>
		Ealing Schools Partnerships Limited
		European Healthcare Projects Limited
		European Investments Solar Holdings 2 Limited
		European Investments Solar Holdings Limited
		European Investments Tulip Limited
		European Storage Investments Group Limited
		European Wind Investments Group 2 Limited
		European Wind Investments Group Limited
		Hadfield Healthcare Partnerships Holding Limited
		Hadfield Healthcare Partnerships Limited
		HDM Schools Solutions (Holdings) Limited
		HDM Schools Solutions Ltd
		ICB Securities 1 Limited
		ICB Securities 2 Unlimited
		InfraRed (Infrastructure) Capital Partners Limited
		InfraRed Capital Partners (Management) LLP
		InfraRed Capital Partners Limited
		InfraRed Infrastructure III General Partner Limited
		InfraRed Infrastructure Yield General Partner Limited
		InfraRed Infrastructure Yield Holdings Limited
		Infrastructure Central Ltd (formerly HICL Infrastructure Company Limited)
		Infrastructure Investments (A63) Holdings Limited
		Infrastructure Investments (Affinity) Limited
		Infrastructure Investments (Colorado) Limited
		Infrastructure Investments (Defence) Limited
		Infrastructure Investments (Health) Limited
		Infrastructure Investments (HSL Zuid) Limited
		Infrastructure Investments (No 7) Limited
		Infrastructure Investments (No 8) Limited
		Infrastructure Investments (Portal) GP Limited
		Infrastructure Investments (Portal) Limited

<i><b>Name</b></i>	<i><b>Current</b></i>	<i><b>Previous</b></i>
		Infrastructure Investments (Portsmouth) Limited
		Infrastructure Investments (Roads) Limited
		Infrastructure Investments Betjeman (Holdco) Limited
		Infrastructure Investments Betjeman Limited
		Infrastructure Investments General Partner Limited
		Infrastructure Investments Holdings Limited
		Infrastructure Investments OFTO 1 Limited
		Infrastructure Investments Trafalgar Limited
		Irish Wind Investments Group Limited
		Kajima Darlington Schools Holding Limited
		Kajima Darlington Schools Limited
		Kajima Haverstock Holding Limited
		Kajima Haverstock Limited
		Kajima Newcastle Libraries Holding Limited
		Kajima Newcastle Libraries Limited
		Kajima North Tyneside Holdings Limited
		Kajima North Tyneside Limited
		Manchester Housing (MP Equity) Limited
		Manchester Housing (MP Subdebt) Limited
		Manchester Housing (MP Topco) Limited
		New Intermediate Care Limited
		New Schools Investment Company Limited
		Newham Learning Partnership (PSP) Limited
		Offshore Wind Investments Group Limited
		Prospect Healthcare (Hinchingsbrooke) Holdings Limited
		Prospect Healthcare (Hinchingsbrooke) Limited
		RBLH Limited
		RBLH Medway Investment Company Limited
		RBLH RWF Investment Company Limited
		Redwood Partnership Ventures 2 Limited
		Redwood Partnership Ventures Limited
		RL Investment Limited
		Road Infrastructure (Ireland) Limited

<i><b>Name</b></i>	<i><b>Current</b></i>	<i><b>Previous</b></i>
		Schools Investment Company (IRL) Limited
		SEEIT Holdco Limited
		The Renewables Infrastructure Group (France) SAS
		The Renewables Infrastructure Group (UK) Investments Limited
		The Renewables Infrastructure Group (UK) Limited
		UK GDN Investments Holdco Limited
		UK GDN Investments Limited
		UK GDN Investments Topco Limited
		Wooldale Partnerships Holdings Limited
		Wooldale Partnerships Limited
		Yorker Holdings PKR Limited
		Zealburg Holdings Limited

8.3.2 In the five years before the date of this Prospectus, the Directors:

- (A) do not have any convictions in relation to fraudulent offences;
- (B) 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
- (C) have not been subject to 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.

#### **8.4 Major Shareholders, Investment Manager's shareholding and Directors' shareholdings**

8.4.1 As at the date of this Prospectus and other than in the Investment Manager's capacity as Initial Shareholder, none of the Directors, the Investment Manager, the Investment Adviser or any person connected with any of the Directors has a shareholding or any other interest in the share capital of the Company. The Directors, the Investment Manager or the Investment Adviser intend, subject to compliance with legal and regulatory requirements, to subscribe for such number of Ordinary Shares as is set out next to their respective names in section 8.1 above, pursuant to the Initial Issue at the Initial Issue Price. Such applications are expected to be met in full.

8.4.2 The Investment Manager holds all of the voting rights in the Company as at the date of this Prospectus. Pending the allotment of Ordinary Shares pursuant to the Initial Issue, the Company is controlled by the Investment Manager.

8.4.3 As at the date of this Prospectus and insofar as is known to the Company, assuming Gross Initial Proceeds of £200 million, no person will, immediately following the Initial Issue, be directly or indirectly interested in 3 per cent. or more of the Company's share capital. None of the Shareholders has or will have voting rights attached to the Shares held by them which are different from the voting rights attached to any other Shares in the same class in the Company. Insofar as is known to the Company as at the date of this Prospectus, the Company will not immediately following the Initial Issue be directly or indirectly owned or controlled by any single person or entity and there are no arrangements known to the Company the operation of which may subsequently result in a change of control of the Company.

- 8.4.4 The Investment Manager and the Investment Adviser have indicated to the Company that members of their respective teams and affiliates, in aggregate, intend to subscribe, pursuant to the Initial Issue, for at least 500,000 Ordinary Shares at the Initial Issue Price (the “**Subscription Shares**”), such Subscription Shares being subject to materially similar lock-up arrangements as the Performance Shares. Further, the company has received non-binding commitments of approximately £40 million from 3 investors at the date of this Prospectus.
- 8.4.5 The Performance Shares issued to the Investment Manager and/or the Investment Adviser will be subject to lock-up arrangements for a period of 18 months immediately following the date on which such Performance Shares are issued to or acquired for the Investment Manager and/or the Investment Adviser or, if earlier, upon the Termination Date (the “**Lock-up Period**”). During the Lock-up Period, the Investment Manager and/or the Investment Adviser (or their respective Affiliates) may neither offer, sell, contract to sell, pledge, mortgage, charge, assign, grant options over, or otherwise dispose of, directly or indirectly, any Performance Shares, nor mandate a third party to do so on its behalf, or announce the intention to do so (together, a “**Disposal**”).
- 8.4.6 The restriction on Disposal of the Performance Shares does not apply where the Investment Manager and/or the Investment Adviser (or their relevant Affiliate) has:
- (a) received the prior written consent of the Company, provided that such consent shall not be unreasonably withheld or delayed where the proposed Disposal is made by a person (“**that person**”) to:
    - (i) a member of that person’s group of companies or if an individual, that person’s family (meaning their wife, husband, parents or adult child, grandchild or siblings); or
    - (ii) any other person or persons acting in the capacity of trustee or trustees of a trust created by, or including as principal beneficiary, that person and/or members of that person’s family (as described in paragraph (a)(i));
    - (iii) any transfer to an ISA or SIPP or the trustees thereof including as principal beneficiary, that person and/or members of that person’s family (as described in paragraph 1.1(a)(i)); or
    - (iv) any transfer to or by the personal representatives of that person upon their death,

provided that unless waived by the Company (in its sole discretion), the transferee in each case is bound by similar restrictions on Disposal for the remainder of the Lock-Up Period as set out in the paragraph above (and the Company has third party rights to enable it to enforce such restrictions on Disposal);
  - (b) accepted a general offer for the issued share capital of the Company made in accordance with the Takeover Code (a “**General Offer**”);
  - (c) sold the Performance Shares to an offeror or potential offeror during an offer period (within the meaning of the Takeover Code);
  - (d) made any Disposal pursuant to an offer by the Company to purchase its own Ordinary Shares where such an offer is made on identical terms to all holders of Ordinary Shares in the Company;
  - (e) made any Disposal through the implementation of any scheme of arrangement by the Company or other procedure to effect an amalgamation to give effect to a General Offer;
  - (f) sold or transferred the Performance Shares pursuant to an order made by a court with competent jurisdiction or where required by applicable law or regulation; or



- (g) made a Disposal pursuant to any decision or ruling by an administrator, administrative receiver or liquidator appointed to the Investment Manager and/or the Investment Adviser (or the relevant Affiliate) in connection with a winding up or liquidation of the Investment Manager and/or the Investment Adviser (or the relevant Affiliate).

8.4.7 All Shareholders have the same voting rights in respect of the share capital of the Company.

## 8.5 Related party transactions

Save for the entry into the Investment Management and Adviser Agreement, which is disclosed in section 11.2 below, the Company has not entered into any related party transaction at any time during the period from incorporation to the date of this Prospectus.

## 8.6 Other material interests

8.6.1 The Investment Manager, the Investment Adviser, other Investment Manager Group entities (including the Investment Adviser and any of its affiliated entities), any of their directors, officers, employees, agents and Affiliates and the Directors, and any person or company with whom they are affiliated or by whom they are employed, may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company.

8.6.2 In particular, interested parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, the Investment Manager, the Investment Adviser, other Investment Manager Group entities (including the Investment Adviser and any of its affiliated entities), any of their directors, officers, employees, agents and Affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed may (subject in the case of the Investment Manager and the Investment Adviser to the restrictions contained in the Investment Management and Adviser Agreement) acquire on behalf of a client an investment in which the Company may invest.

## 9. SHARE OPTIONS AND SHARE SCHEME ARRANGEMENTS

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

## 10. OTHER INVESTMENT RESTRICTIONS

10.1.1 The Company will at all times invest and manage its assets with the objective of spreading risk and in accordance with its published Investment Policy (as amended from time to time in accordance with section 4 of Part I (Information on the Company) of this Prospectus).

10.1.2 The Listing Rules currently restrict the Company from investing more than 10 per cent. of its total assets in other UK listed closed-ended investment companies, save that this investment restriction does not apply to investments in closed-ended investment funds which themselves have published investment policies to invest no more than 15 per cent. of their total assets in other UK listed closed-ended investment companies. As set out in the Investment Policy in Part I (Information on the Company) of this Prospectus, the Company will not invest directly in listed closed-ended investment funds or in any other investment funds, including Third Party Funds.

10.1.3 The Company intends to conduct its affairs at all times so as to enable it to qualify as an investment trust for the purposes of Chapter 4 of Part 24 of the Corporation Tax Act 2010 (as amended) and the Investment Trust (Approved Company) (Tax) Regulations 2011 (as amended), and its investment activities will therefore be subject to the restrictions set out under "*Principal Activities of the Company*" in section 2 above.

10.1.4 In the event of a material breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Investment Manager through an RIS announcement.

## 11. MATERIAL CONTRACTS

Save as described below, the Company has not: (i) entered into any material contracts (other than contracts in the ordinary course of business) since its incorporation; or (ii) entered into any contracts that contain provisions under which the Company has any obligation or entitlement that is material to the Company as at the date of this Prospectus.

### 11.1 Sponsor and Placing Agreement

- 11.1.1 The Company, the Directors, the Investment Manager, the Investment Adviser, Kepler, BDO and Cantor Fitzgerald have entered into the Sponsor and Placing Agreement dated 27 January 2020, pursuant to which, subject to certain conditions: (i) the Company has appointed Cantor Fitzgerald as bookrunner in relation to the Initial Issue and the Share Issuance Programme; (ii) Cantor Fitzgerald has agreed to use its reasonable endeavours to procure Placees for Ordinary Shares under the Initial Placing at the Initial Issue Price and for Shares under the Subsequent Placings; (iii) the Company has appointed BDO as sponsor in relation to the Initial Issue; and (iv) the Company has appointed Kepler Partners LLP as Intermediaries Offer Adviser.
- 11.1.2 The Sponsor and Placing Agreement may be terminated by either BDO or Cantor Fitzgerald in certain customary circumstances prior to Initial Admission.
- 11.1.3 The obligations of: (a) BDO to act as sponsor; (b) Cantor Fitzgerald to use its reasonable endeavours to procure subscribers for Shares; and (c) Kepler to act as Intermediaries Offer Adviser, are conditional upon certain conditions that are customary for agreements of this nature. In respect of the Initial Issue, these conditions include, *inter alia*: (i) Initial Admission occurring by 8:00 a.m. (London time) on 18 February 2020 (or such other date, not being later than the Long Stop Date, as the Company and Cantor Fitzgerald may agree); (ii) the Minimum Gross Initial Proceeds being raised; and (iii) the Sponsor and Placing Agreement not having been terminated in accordance with its terms.
- 11.1.4 BDO will be entitled to fees in respect of the Initial Issue. Cantor Fitzgerald will be entitled to a commission in respect of each Issue and Kepler will be entitled to a commission in respect of the Initial Issue. Each of BDO, Kepler and Cantor Fitzgerald will also be entitled to reimbursement of all costs, charges and expenses incurred by it of, or incidental to, the Share Issuance Programme.
- 11.1.5 The Company, the Directors, the Investment Adviser and the Investment Manager have given warranties to BDO, Kepler and Cantor Fitzgerald concerning, *inter alia*, the accuracy of the information contained in this Prospectus. The Company, the Investment Adviser and the Investment Manager have also given indemnities to BDO, Kepler and Cantor Fitzgerald. The warranties and indemnities given by the Company, the Directors, the Investment Manager and the Investment Adviser are standard for an agreement of this nature.
- 11.1.6 The Sponsor and Placing Agreement is governed by the laws of England and Wales.

### 11.2 Investment Management and Adviser Agreement

- 11.2.1 The Company, the Investment Manager and the Investment Adviser have entered into the Investment Management and Adviser Agreement dated 27 January 2020, pursuant to which the Investment Manager is appointed to act as investment manager of the Company, with responsibility for the discretionary portfolio management and risk management functions for the Company on a day-to-day basis, in accordance with the Company's Investment Policy, subject to the overall policies, supervision, review and control of the Board, and the Investment Adviser has been appointed by the Investment Manager to act as adviser to the Investment Manager in relation to the performance of its duties to the Company under the Investment Management and Adviser Agreement. The Investment Manager, with the assistance of the Investment Adviser, shall also provide fund administration and accounting services to the Company.
- 11.2.2 Under the terms of the Investment Management and Adviser Agreement and subject always to the investment guidelines contained in the Investment Management and Adviser Agreement, the Investment Manager has discretion to, *inter alia*: (i) hold, invest

in, subscribe for, buy or otherwise acquire and to sell or otherwise dispose of investment assets for the account of the Company; (ii) negotiate borrowings; (iii) deal in foreign currencies; and (iv) take such other action as it reasonably considers to be necessary, desirable or incidental to the performance of its obligations under the Investment Management and Adviser Agreement. The Investment Manager is also required to comply with such regulatory requirements as may apply to it from time to time as the AIFM of the Company.

#### **Fees and expenses**

- 11.2.3 The Company shall pay, and the Investment Manager shall be entitled to receive, a quarterly Management Fee, further details of which are described in Part IV (Directors, Management and Administration) of this Prospectus.
- 11.2.4 The Company shall pay, and the Investment Manager (or, where the Investment Manager so directs, the Investment Adviser or any member of the Investment Adviser's and Investment Manager's team) shall be entitled to receive, an annual Performance Fee, further details of which are described in Part IV (Directors, Management and Administration) of this Prospectus.
- 11.2.5 The Investment Manager is entitled to be reimbursed by the Company for certain disbursements and expenses properly incurred in respect of the performance of its obligations under the Investment Management and Adviser Agreement (which include all such expenses of the Investment Adviser).

#### **Service standard**

- 11.2.6 The Investment Manager and the Investment Adviser have agreed to perform their obligations under the Investment Management and Adviser Agreement in accordance with the following standard of care:
  - (A) with such skill and care as would be reasonably expected of a professional discretionary investment manager of equivalent standing to the Investment Manager managing in good faith an investment company of comparable size and complexity to the Company and having a materially similar Investment Objective and Investment Policy; and
  - (B) ensuring that its obligations under the Investment Management and Adviser Agreement are performed by a team of appropriately qualified, trained and experienced professionals reasonably acceptable to the Board (the "**Service Standard**").
- 11.2.7 The Investment Manager shall keep the Board informed as to the individuals with responsibilities on a day to day basis for the performance of the Investment Manager's obligations under the Investment Management and Adviser Agreement.
- 11.2.8 As described in this Part VII (Additional Information on the Company) of this Prospectus, it is the intention that the AIFM responsibility will, subject to Board approval, novate from the Investment Manager to the Investment Adviser once the necessary regulatory authorisations are in place.

#### **Termination**

- 11.2.9 Unless otherwise agreed by the Company, the Investment Manager and the Investment Adviser, the Investment Management and Adviser Agreement may be terminated by either the Company, the Investment Manager or the Investment Adviser on not less than 12 months' notice to the other party, such notice not to expire prior to the fourth anniversary of Initial Admission (the "**Initial Term**").
- 11.2.10 In addition, the Company may terminate the Investment Management and Adviser Agreement with immediate effect if:
  - (A) the Investment Manager or the Investment Adviser are subject to any of certain insolvency situations;

- (B) the Investment Manager or the Investment Adviser have committed fraud, wilful default or a breach of its obligations under the Investment Management and Adviser Agreement (except a breach of the Service Standard) that is material in the context of the Investment Management and Adviser Agreement or breached the Service Standard and, where such breach is capable of remedy, fails to remedy such breach within 30 days after receiving written notice from the Company requiring the same to be remedied;
- (C) the Investment Manager ceases to be authorised to act as the Company's AIFM or otherwise ceases to hold permissions sufficient for it to carry out its duties to the Company;
- (D) the Investment Manager terminates the appointment of the Investment Adviser;
- (E) the Investment Manager or the Investment Adviser fails to notify the Company of an FCA enquiry or other circumstances in accordance with the Investment Management and Adviser Agreement;
- (F) the Investment Manager or the Investment Adviser breaches any provision of the Investment Management and Adviser Agreement and such breach results in either the listing of the Shares on the premium listing category of the Official List or trading of the Shares on the Main Market of the London Stock Exchange being suspended or terminated, or results in the Company losing its status as, or becoming ineligible for approval as, an investment trust pursuant to section 1158 of the Corporation Tax Act 2010 (as amended); or
- (G) the Company is required by any relevant regulatory authority to terminate the Investment Manager's appointment.

The Company may also terminate the Investment Management and Adviser Agreement with immediate effect if a Key Person Event occurs and is not remedied by the Investment Manager identifying a replacement or replacements approved by the Board (such approval not to be unreasonably withheld or delayed) within 6 months of the date on which the Key Person Event occurs.

11.2.11 In addition, the Investment Manager may terminate the Investment Management and Adviser Agreement with immediate effect if an order has been made or an effective resolution passed for the winding up or liquidation of the Company (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously consented to in writing by the Investment Manager and/or the Investment Adviser).

#### **Liability and indemnity**

11.2.12 The Investment Manager shall not be liable to the Company for any loss, claim, cost, charge and expense, liability or damage arising out of the proper performance by the Investment Manager or the Investment Adviser or their associates, delegates or agents, or the officers, directors or employees of the Investment Manager or its associates, delegates or agents (each, an **"Investment Manager Indemnified Person"**) of its obligations under the Investment Management and Adviser Agreement, unless resulting from the gross negligence, wilful default, fraud or bad faith of that Investment Manager Indemnified Person or a material breach of the Investment Management and Adviser Agreement or any applicable laws and regulations by any Investment Manager Indemnified Person.

11.2.13 The Company shall indemnify each Investment Manager Indemnified Person against all claims by third parties which may be made against such Investment Manager Indemnified Person in connection with the provision of services under the Investment Management and Adviser Agreement except to the extent that the claim is due to the gross negligence, wilful default, fraud or bad faith of that Investment Manager Indemnified Person or a breach of the Investment Management and Adviser Agreement or any applicable laws and regulations by any Investment Manager Indemnified Person.

### **Governing law**

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

## **11.3 Company Secretary Agreement**

11.3.1 The Company and IQ EQ Global (UK) Limited have entered into the Company Secretary Agreement dated 27 January 2020 pursuant to which the Company has appointed IQ EQ Global (UK) Limited as the Company Secretary of the Company.

### **Fees and expenses**

11.3.2 Under the terms of the Company Secretary Agreement, the Company Secretary is entitled to an annual fee of £65,000 (exclusive of any applicable VAT) in consideration of performance of the company secretarial services, such fee being payable quarterly in arrear in equal instalments. The Company Secretary is also entitled to certain variable fees payable for additional services or corporate actions of the Company. If the Company Secretary incurs expenses and disbursements, provided that these are reasonably incurred in relation to the provision of the services under the Company Secretary Agreement, it shall invoice the Company for such amounts.

### **Termination**

11.3.3 Either party may terminate the Company Secretary Agreement:

- (A) by service of 3 months' written notice;
- (B) upon service of written notice if the other party commits a material breach of its obligations under the Company Secretary Agreement (including any payment default) which, in the case of material breach by the Company, the Company has not remedied within 14 days of the notice to the Company requiring the material breach to be remedied; 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; or
- (D) upon service of written notice if the performance of the Company Secretary Agreement ceases to be lawful for any reason.

### **Liability and indemnity**

11.3.4 The Company Secretary Agreement limits the Company Secretary's liability thereunder, save for where the Company Secretary's liability cannot be limited or excluded in accordance with applicable law.

11.3.5 The Company will indemnify and hold harmless the Company Secretary from and against any and all claims, losses, liabilities, damages, costs, expenses (including reasonable legal and internal costs) incurred in connection with the performance of the services under the Company Secretary Agreement, except such as shall arise from the Company Secretary's or any of its delegates or any of their respective directors, officers, employees or agents breach of its obligations under the Company Secretary Agreement or its gross negligence, wilful default, or fraud.

### **Governing law**

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

## **11.4 Depositary Agreement**

11.4.1 The Company and the Investment Manager have entered into the Depositary Agreement with IQ EQ Depositary Company (UK) Limited dated 27 January 2020,



pursuant to which IQ EQ Depositary Company (UK) Limited has been appointed as Depositary to the Company.

- 11.4.2 The Depositary is entitled to receive payment as compensation for the performance of its duties under the Depositary Agreement for all fees as may be agreed upon between the parties from time to time. The Depositary is also entitled to reimbursement of expenses incurred in the performance of its duties under the Depositary Agreement.
- 11.4.3 Either party may terminate the Depositary Agreement upon at least 12 months' notice to the other parties, provided that the termination of the Depositary's appointment may not take effect until a new depositary has been appointed.
- 11.4.4 A party may terminate the Depositary Agreement immediately upon notice if at any time another party:
- (A) becomes subject to bankruptcy, insolvency or similar procedures;
  - (B) ceases to be licensed for its activity under the Depositary Agreement or ceases to have approval(s) by applicable governmental or regulatory institutions that are required for its activities; or
  - (C) materially defaults on its obligations under the Depositary Agreement and such default is not remedied within 30 days upon notice from another party.
- 11.4.5 The Depositary may terminate the Depositary Agreement if, in the course of performing its duties it identifies any irregularity, anomaly, breach or material risk (or potential irregularity, anomaly, breach or material risk) which it escalates under the escalation procedure but remains unresolved at the end of the escalation procedure.
- 11.4.6 The Investment Manager will indemnify and hold harmless the Depositary and its delegates, employees, officers and directors from any and all taxes, charges, expenses (including reasonable legal fees), assessments, claims or liabilities in connection with the performance of the Depositary Agreement, except: (i) such as may arise from their or their agent's, delegate's or any of their respective employees, officers or directors', wilful default, fraud or material breach of the Depositary Agreement; (ii) as imposed by mandatory law; and (iii) in respect of something for which the Depositary is otherwise liable under the Depositary Agreement.
- 11.4.7 The Depositary must not re-use or re-hypothecate any: (i) financial instruments of the Company; or (ii) assets, other than financial instruments or cash, which are held in custody by the Depositary (or a delegate thereof) for the Company.
- 11.4.8 The Depositary may delegate to third parties any of its functions under the Depositary Agreement but may not delegate its oversight or cash monitoring functions under articles 21(9) and (7) of the AIFM Directive.
- 11.4.9 The Depositary Agreement is governed by the laws of England and Wales.

## **11.5 Registrar Agreement**

- 11.5.1 The Company and Computershare Investor Services PLC have entered into the Registrar Agreement dated 27 January 2020, pursuant to which Computershare Investor Services PLC has been appointed as Registrar to the Company.

### **Fees and expenses**

- 11.5.2 Under the terms of the Registrar Agreement, the Registrar is entitled to receive a monthly maintenance fee per Ordinary Shareholder account, subject to a minimum fee of £4,800. The Registrar is also entitled to levy certain charges on a per item basis, and to reimbursement of all reasonable out of pocket expenses incurred in connection with the provision of services under the Registrar Agreement.

### **Termination**

- 11.5.3 Either party may terminate the Registrar Agreement by giving not less than 3 months' notice to the other party after an initial 18 month period.

11.5.4 Further, either party may terminate the Registrar Agreement immediately upon notice if the other party:

- (A) is in persistent or material breach of any term of the Registrar Agreement and has not remedied such breach (if capable of being remedied) within 21 days of receiving notice of the breach and a request for remedy;
- (B) is subject to any of certain insolvency situations; or
- (C) ceases to have the appropriate authorisations which permit it lawfully to perform its obligations under the Registrar Agreement at any time.

#### **Liability and indemnity**

11.5.5 The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liability under the Registrar Agreement is subject to a cap.

#### **Governing law**

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

### **11.6 Receiving Agent Agreement**

11.6.1 The Company and Computershare Investor Services PLC have entered into the Receiving Agent Agreement dated 27 January 2020, pursuant to which Computershare Investor Services PLC has been appointed as Receiving Agent to the Company.

#### **Fees and expenses**

11.6.2 Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a project fee for services provided in respect of the Initial Issue. The Receiving Agent is entitled to a minimum fee of £5,000 plus a fee per form Application Form received and processed.

11.6.3 The Receiving Agent is also entitled to reimbursement at cost of all reasonable and properly incurred out of pocket expenses incurred in connection with the provision of services under the Receiving Agent Agreement.

#### **Liability and indemnity**

11.6.4 The Company has given certain market standard indemnities in favour of the Receiving Agent in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Receiving Agent's liability under the Receiving Agent Agreement is subject to a cap.

#### **Governing law**

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

### **12. INTERMEDIARIES TERMS AND CONDITIONS**

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

#### *Capacity and liability*

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

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

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

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

#### *Application for Ordinary Shares*

A minimum application amount of £100 per Underlying Applicant will apply under the Intermediaries Offer, and thereafter an Underlying Applicant may apply for amounts in £100 increments. There is no maximum limit on the monetary amount that Underlying Applicants may invest. Any application made by investors through any Intermediary is subject to the terms and conditions agreed with each Intermediary.

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

Each Intermediary will be instructed by the Receiving Agent as to the basis on which each Intermediary must allocate Shares to Underlying Applicants who have applied through such Intermediary.

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

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

#### *Fees*

The Intermediaries Terms and Conditions provide that an Intermediary may choose whether or not to be paid a fee in connection with the Intermediaries Offer, subject to the rules of the FCA or any other applicable body, with such fee being payable in cash or through the issuance of additional Ordinary Shares at the Initial Issue Price (as may be agreed between the Company and the relevant Intermediary). Intermediaries must not pay to any Underlying Applicant any of the fees it receives and no Intermediaries are permitted to deduct any fee received from the payment for the Ordinary Shares allocated to it. If an Intermediary wishes to receive a fee in respect of some clients and not in respect of other clients then it must submit two separate Intermediaries Offer Application Forms.

#### *Information and communications*

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

#### *Representations and warranties*

The Intermediaries have given representations and warranties that are relevant for the Intermediaries Offer, and have agreed to indemnify the Company, the Intermediaries Offer Adviser, the Investment Manager, the Investment Adviser and the Receiving Agent against any

loss or claim arising out of any breach by them of the Intermediaries Terms and Conditions or as a result of a breach of any duties or obligations under FSMA or under any rules of the FCA or any applicable laws.

#### *Governing law*

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

### **13. LITIGATION**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), in the 12 months preceding the date of this Prospectus which may have, or have had in the recent past significant effects on the Company's financial position or profitability.

### **14. SIGNIFICANT CHANGE**

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

### **15. WORKING CAPITAL**

The Company is of the opinion that, taking into account the Minimum Net Initial Proceeds, the working capital available to it is sufficient for the present requirements of the Company, that is for at least 12 months from the date of this Prospectus.

### **16. CAPITALISATION AND INDEBTEDNESS**

As at the date of this Prospectus, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness and the Company's issued share capital consists of 1 Ordinary Share and 5,000,000 Redeemable Preference Shares with no legal reserve or other reserves.

### **17. THIRD PARTY INFORMATION AND CONSENTS**

17.1 Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information 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.

17.2 BDO (in its capacity as sponsor) and Cantor Fitzgerald have, respectively, given and not withdrawn their written consent to the inclusion in this Prospectus of their respective names in the form and context in which they appear.

17.3 The Investment Manager and the Investment Adviser have given and not withdrawn their written consent to the inclusion in this Prospectus of their respective names in the form and context in which they appear. The Investment Manager has given and not withdrawn its written consent to the inclusion in this Prospectus of the information and opinions contained in Part II (The Investment Manager, the Investment Adviser and the Investment Strategy), Part III (Market Overview and Current Pipeline) and Part IV (Directors, Management and Administration) of this Prospectus and any other information or opinion related to, or attributed to, it or other Investment Manager Group entities and the references to them in the form and context in which they appear, and have authorised such information and opinions.

### **18. GENERAL**

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

18.2 In accordance with the Prospectus Regulation Rules, the Company will file with the FCA, and make available for inspection by the public, details of the number of Shares issued under this Prospectus. The Company will also notify the issue of the Shares through an RIS announcement.

## **19. ADDITIONAL AIFM DIRECTIVE DISCLOSURES**

### **19.1 AIFM Directive leverage limits**

For the purposes of the AIFM Directive, leverage is required to be calculated using two prescribed methods: (i) the gross method; and (ii) the commitment method; and expressed as the ratio between a fund's total exposure and its NAV.

As measured using the gross method, the level of leverage to be incurred by the Investment Manager on behalf of the Company is not to exceed 25 per cent. of its Gross Asset Value (which is the equivalent of a ratio of no more than 200 per cent.).

As measured using the commitment method, the level of leverage to be incurred by the Investment Manager on behalf of the Company is not to exceed 25 per cent. of its Gross Asset Value (which is the equivalent of a ratio of no more than 200 per cent.).

### **19.2 Liquidity risk management**

There is no right or entitlement attaching to Ordinary Shares or any class of C Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

Liquidity risk for the Company 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, repayment of any debt and the fees payable to the Company's service providers) of the Company as they fall due.

In managing the Company's assets, therefore, the Investment Manager will seek to ensure that the Company holds at all times a portfolio of Investments that is sufficiently liquid to enable it to discharge its payment obligations.

### **19.3 Fair treatment of Shareholders**

Applications will be made for the Ordinary Shares and the C Shares to be issued in connection with the Initial Issue and any Subsequent Placing (as applicable) to be admitted to the premium listing category of the Official List and to trading on the Main Market of the London Stock Exchange. It is not intended that any class of Shares in the Company be admitted to listing in any other jurisdiction. As a company with Shares listed on the FCA's Official List with a premium listing, the Company will be required to treat all Shareholders of a given class equally.

### **19.4 Rights against third party service providers**

The Company is reliant on the performance of third party service providers, including the Investment Manager, the Investment Adviser, BDO, Cantor Fitzgerald, the Company Secretary, the Receiving Agent and the Registrar. Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.

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

The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of FSMA (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of FSMA, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.

### **19.5 Professional liability risks**

The Investment Manager is authorised under the AIFM Directive and is therefore subject to the detailed requirements set out therein in relation to liability risks arising from professional negligence. The Investment Manager will maintain such additional own funds as are sufficient at all times to satisfy the requirements under the AIFM Directive.



**20. UK RULES ON MARKETING OF POOLED INVESTMENTS**

The FCA Rules contains rules restricting the marketing within the UK of certain pooled investments or 'funds', referred to in the FCA Rules as non-mainstream pooled investments to 'ordinary retail clients'. These rules took effect on 1 January 2014. These rules currently do not apply to investment trusts and the Company is accordingly not considered to be an NMPI.

**21. ELIGIBILITY FOR INVESTMENT BY UCITS SCHEMES OR NURS**

The Company has been advised that the Shares should be "transferable securities" and, therefore, should be eligible for investment by UCITS schemes or NURS on the basis that: (i) the Company is a closed-ended investment company incorporated in England and Wales as a public limited company; (ii) the Shares are proposed to be listed on the Official List with a premium listing and to be admitted to trading on the Main Market; (iii) the Shares have equal voting rights; and (iv) the Investment Manager is authorised and regulated as an AIFM by the FCA and, as such, is subject to its rules in the conduct of its investment business. However, the investment manager of a relevant UCITS scheme or NURS should satisfy itself that the Shares are eligible for investment by the relevant UCITS schemes or NURS, including consideration of the factors relating to the relevant UCITS schemes or NURS itself, specified in the Collective Investment Scheme Sourcebook of the FCA Rules.

**22. DOCUMENTS ON DISPLAY**

22.1 The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Herbert Smith Freehills LLP, at Exchange House, Primrose Street, London EC2A 2EG, until the date of Initial Admission:

22.1.1 this Prospectus; and

22.1.2 the Articles.

22.2 In addition, copies of this Prospectus and the constitutional documents of the Company are available, for inspection only, from the National Storage Mechanism ([www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM)) and the Company's website ([www.cabotaltspic.com](http://www.cabotaltspic.com)).

22.3 Further copies of this Prospectus and the constitutional documents of the Company may be obtained, free of charge, from the registered office of the Company as detailed in section 1.4 above and the principal place of business of the Investment Manager as detailed in section 3 above.

## **PART VIII – TERMS AND CONDITIONS OF ANY PLACING**

### **1. INTRODUCTION**

- 1.1 Each person who is invited to and who chooses to participate in the Initial Placing and/or a Subsequent Placing (including individuals, funds or others) (a “**Placee**”) confirms its agreement (whether orally or in writing) to Cantor Fitzgerald to subscribe for (a) Ordinary Shares under the Initial Placing and/or (b) Ordinary Shares and/or C Shares under the relevant Subsequent Placing and that it will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 The Company and/or Cantor Fitzgerald may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a “**Placing Letter**”). The terms of this Part VIII (Terms and Conditions of any Placing) of this Prospectus will, where applicable, be deemed to be incorporated into any such Placing Letters.

### **2. AGREEMENT TO SUBSCRIBE FOR SHARES**

#### **2.1 Conditional on:**

- 2.1.1 in the case of the Initial Placing, Initial Admission occurring and becoming effective by not later than 8:00 a.m. (London time) on 18 February 2020 (or such later date as the Company, the Investment Manager and Cantor Fitzgerald may agree) and, in the case of any Subsequent Placing, the relevant Subsequent Admission occurring and becoming effective by 8:00 a.m. (London time) on such dates as may be agreed between the Company, the Investment Manager and Cantor Fitzgerald prior to the closing of each Subsequent Placing, not being later than the Final Closing Date;
- 2.1.2 the Placing Agreement becoming unconditional in respect of the relevant placing (save for any condition relating to Initial Admission) and not having been terminated on or before the date of Admission of the relevant Shares being issued;
- 2.1.3 in the case of the Initial Placing, Cantor Fitzgerald confirming to the Placees their allocation of Ordinary Shares and, in the case of a Subsequent Placing, Cantor Fitzgerald confirming to the Placees their allocation of Ordinary Shares and/or C Shares (as the case may be);
- 2.1.4 in the case of the Initial Placing, the Minimum Gross Initial Proceeds being raised;
- 2.1.5 in the case of any Subsequent Placing, a valid supplementary prospectus being published by the Company if such is required; and
- 2.1.6 in the case of a Subsequent Placing, the relevant Share Issuance Price being determined by the Directors,

a Placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to it by Cantor Fitzgerald, in the case of the Initial Placing, at the Initial Issue Price or, in the case of a Subsequent Placing, those Ordinary Shares and/or C Shares allocated to it by Cantor Fitzgerald at the applicable Share Issuance 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.

### **3. PAYMENT FOR SHARES**

- 3.1 Ordinary Shares are available under the Initial Placing at an Initial Issue Price of £1.00 per Ordinary Share and Ordinary Shares and/or C Shares will be available under the Share Issuance Programme at the relevant Share Issuance Price.
- 3.2 Participants in the Initial Issue will only be entitled to subscribe for Ordinary Shares in Sterling.
- 3.3 Prospective investors will only be able to subscribe for Ordinary Shares and/or C Shares issued under the Share Issuance Programme in Sterling. The relevant Share Issuance Price will be announced in Sterling, through a Regulatory Information Service announcement as soon as practicable in conjunction with each Subsequent Placing. Fractions of Shares will not be issued.

- 3.4 Each Placee must pay the applicable price for the Shares issued to the Placee in the manner and by the time directed by Cantor Fitzgerald. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Shares shall be rejected and Cantor Fitzgerald may sell all or any of the Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for Cantor Fitzgerald's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Shares on such Placee's behalf.

#### 4. REPRESENTATIONS AND WARRANTIES

By agreeing to subscribe for (i) Ordinary Shares under the Initial Placing; and (ii) Ordinary Shares and/or C Shares under any Subsequent Placing, each Placee which enters into a commitment to subscribe for such Shares will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to agree, represent and warrant to each of the Company, the Investment Manager, the Investment Adviser, BDO and Cantor Fitzgerald (and, in respect of any data protections warranties, to the Company Secretary and the Registrar) that:

- (a) in agreeing to subscribe for (i) the Ordinary Shares under the Initial Placing and/or (ii) Ordinary Shares and/or C Shares under any Subsequent Placing, it is relying solely on this Prospectus and any supplementary prospectus published by the Company prior to Initial Admission and (in the case of any Subsequent Placing) this Prospectus and any supplementary prospectus published prior to the relevant Subsequent Admission, and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Initial Issue, any Subsequent Placing and/or the Share Issuance Programme. It agrees that none of the Company, the Investment Manager, the Investment Adviser, BDO or Cantor Fitzgerald, nor any of their respective officers, agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- (b) the content of this Prospectus and any supplementary prospectus published by the Company is exclusively the responsibility of the Company and its Board (and other persons that accept liability for the whole or part of this Prospectus and any such supplementary prospectus) and apart from the liabilities and responsibilities, if any, which may be imposed on BDO and Cantor Fitzgerald under any regulatory regime, none of BDO, Cantor Fitzgerald nor any person acting on their behalf nor any of their respective affiliates makes any representation, express or implied, or accepts any responsibility whatsoever for the contents of this Prospectus or any supplementary prospectus or for any other statement made or purported to be made by them or on its or their behalf in connection with the Company, the Shares, the Initial Issue, any Subsequent Placing or the Share Issuance Programme;
- (c) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for (i) Ordinary Shares under the Initial Placing and/or (ii) Ordinary Shares and/or C Shares under any 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, the Investment Manager, the Investment Adviser, BDO or Cantor Fitzgerald or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Initial Placing and/or any Subsequent Placing;
- (d) it makes the representations, warranties, undertakings, agreements and acknowledgements set out in this Prospectus, including those set out in the sections entitled "*Overseas Persons and Restricted Territories*" and "*US Representations, Warranties and Undertakings*" in Part V (The Initial Issue and Subsequent Placings under the Share Issuance Programme) of this Prospectus;

- (e) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Shares and it is not acting on a non-discretionary basis for any such person;
- (f) if it is a natural person, such person is not under the age of majority (18 years of age in the United Kingdom) on the date of its agreement to subscribe for: (i) Ordinary Shares under the Initial Placing; or (ii) Ordinary Shares and/or C Shares under any Subsequent Placing and will not be any such person on the date of acceptance of any such agreement to subscribe for: (x) Ordinary Shares under the Initial Placing; or (y) Ordinary Shares and/or C Shares under any Subsequent Placing;
- (g) it agrees that, having had the opportunity to read this Prospectus, it shall be deemed to have had notice of all information and representations contained in this Prospectus, that it is acquiring Shares solely on the basis of this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to Admission and no other information, and that in accepting a participation in the relevant Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for the Shares;
- (h) it acknowledges that no person is authorised in connection with the Initial Placing and/or any Subsequent Placing to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus published by the Company prior to Initial Admission or any Subsequent Admission (as the case may be) and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Manager, the Investment Adviser, BDO or Cantor Fitzgerald;
- (i) 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;
- (j) 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 Ordinary Shares and/or C Shares (as the case may be) may be lawfully offered under that other jurisdiction's laws and regulations;
- (k) if it is a professional investor (as such term is given meaning in the AIFM Directive) resident, domiciled in, or with a registered office in, the EEA, it confirms that the Shares have only been promoted, offered, placed or otherwise marketed to it, and the subscription will be made from, (a) a country outside the EEA; (b) the United Kingdom; or (c) a country in the EEA in which the Investment Manager has confirmed that it has made the relevant notification or applications in that EEA country and are lawfully able to market Shares into that EEA country;
- (l) if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the Shares may otherwise lawfully be offered under such Order and/or is a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook 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, it is a person to whom the Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- (m) if it is a resident in the EEA (other than the United Kingdom), it is a qualified investor within the meaning of the law in the Relevant Member State implementing Article 2 of the Prospectus Regulation, or is a person to whom the Shares may lawfully be marketed under the AIFMD or under the applicable implementing legislation (if any) of that Relevant Member State;
- (n) in the case of any Shares acquired by an investor as a financial intermediary as that term is used in the Prospectus Regulation: (i) such Shares acquired by it in the Initial Placing and/or Subsequent Placing (as the case may be) 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 Regulation, or in circumstances in which the prior consent of Cantor Fitzgerald has been given to the offer or resale; or (ii) where the 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 Regulation as having been made to such persons;
- (o) 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 Ordinary Shares and/or C Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no document is being issued by Cantor Fitzgerald in connection with the Initial Issue and/or the Share Issuance Programme in its capacity as an authorised person under section 21 of FSMA and it may not therefore be subject to the controls which would apply if they were made or approved as a financial promotion by an authorised person;
  - (p) if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Initial Placing, any Subsequent Placing and/or the Share Issuance Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares 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;
  - (q) it acknowledges that the Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Shares under the securities laws of any Restricted Territory and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, into or within any Restricted Territory or in any country or jurisdiction where any action for that purpose is required;
  - (r) if it is a pension fund or investment company, its acquisition of the Shares is in full compliance with applicable laws and regulations;
  - (s) it acknowledges that none of Cantor Fitzgerald or 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 Issue or the Share Issuance Programme or providing any advice in relation to the Initial Issue or the Share Issuance Programme, and its participation in the Initial Placing and/or any Subsequent Placing is on the basis that it is not and will not be a client of Cantor Fitzgerald or any of its respective affiliates and that none of Cantor Fitzgerald or any of its respective affiliates have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Initial Issue or the Share Issuance Programme nor in respect of any representations, warranties, undertaking or indemnities contained in these terms;
  - (t) where it is subscribing for Shares for one or more managed, discretionary or adviser 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 Prospectus and any supplementary prospectus published by the Company prior to Initial Admission or any Subsequent Admission (as the case may be); and (iii) to receive on behalf of each such account any documentation relating to the Initial Placing and/or any Subsequent Placing in the form provided by the Company or Cantor Fitzgerald. It agrees that the provision of this section shall survive any resale of the Shares by or on behalf of any such account;
  - (u) it irrevocably appoints any Director and any director of Cantor Fitzgerald 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 and/or any Subsequent Placing, in the event of its own failure to do so;

- (v) it accepts that if the Initial Placing and/or any Subsequent Placing does not proceed or the conditions to the Sponsor and Placing Agreement are not satisfied or the Shares for which valid applications are received and accepted are not admitted to trading on the Main Market for any reason whatsoever then none of the Company, the Investment Manager, BDO or Cantor Fitzgerald or any of their respective affiliates, 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;
- (w) it and each person or body (including, without limitation, any local authority or the managers of any pension fund) on whose behalf it accepts Shares pursuant to the Initial Placing and/or any Subsequent Placing or to whom it allocates such Shares have the capacity and authority to enter into and to perform their obligations as a Placee of the Shares and will honour those obligations;
- (x) as far as it is aware, save as otherwise disclosed in this Prospectus, it is not acting in concert (within the meaning given in the Takeover Code) with any other person in relation to the Company;
- (y) it acknowledges that the Initial Issue will not proceed if the Minimum Gross Initial Proceeds are not raised and that in such circumstances, any monies received in respect of the Initial Issue will be returned to applicants without interest and at their own risk. Ordinary Shares subscribed for pursuant to the Initial Issue may be allotted if the Minimum Gross Initial Proceeds are raised and the offer conditions are satisfied;
- (z) it acknowledges that it has been notified of the information in respect of the use of its personal data by the Company set out in this Prospectus;
- (aa) it has complied and will comply with all applicable provisions of the Criminal Justice Act 1993 and the Market Abuse Regulation in force in the United Kingdom (or equivalent legislation in any applicable jurisdiction) with respect to anything done by it in relation to the Initial Placing, any Subsequent Placing and/or the Shares;
- (bb) it will (or will procure that its nominee will), if applicable, make notification to the Company of the interest in its Shares in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules as they apply to the Company;
- (cc) (1) it has complied in all material aspects with its data controller obligations under the DP Act and GDPR, and in particular, it has notified any data subject of the Purposes (as defined below) for which personal data will be used and by which parties it will be used and it has provided a copy of the Privacy Notice to such relevant data subjects; and (2) where consent is legally competent and/or required under the DP Act and GDPR, the investor has obtained the consent of any data subject to the Company, the Company Secretary and the 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);
- (dd) in connection with its participation in the Initial Placing and any Subsequent Placing it has observed, has complied with and will comply with all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and countering terrorist financing and that its application is only made on the basis that it accepts full responsibility for any requirement to identify and 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 (2015/849 of the European Parliament and of the EC Council of 20 May 2015 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing) (the **"Money Laundering Directive"**); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or

- incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- (ee) due to anti-money laundering and the countering of terrorist financing requirements, Cantor Fitzgerald and/or the Company may require proof of identity of a Placee and related parties 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 Placee to produce any information required for verification purposes Cantor Fitzgerald and/or the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Cantor Fitzgerald and/or the Company against any liability, loss or cost ensuing due to the failure to process this application, if such information as has been required has not been provided by it or has not been provided on a timely basis;
  - (ff) Cantor Fitzgerald and the Company (and any agent on their behalf) are entitled to exercise any of their rights under the Sponsor and Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them (or any agent acting on their behalf);
  - (gg) the representations, undertakings and warranties contained in this Prospectus are irrevocable. It acknowledges that Cantor Fitzgerald, the Company, the Investment Manager, BDO 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 for Shares are no longer accurate, it shall promptly notify Cantor Fitzgerald and the Company;
  - (hh) where it or any person acting on behalf of it is dealing with Cantor Fitzgerald, any money held in an account with Cantor Fitzgerald 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 Cantor Fitzgerald to segregate such money, as that money will be held by Cantor Fitzgerald under a banking relationship and not as trustee;
  - (ii) any of its clients, whether or not identified to Cantor Fitzgerald, will remain its sole responsibility and will not become clients of Cantor Fitzgerald for the purposes of the rules of the FCA or for the purposes of any statutory or regulatory provision;
  - (jj) it has not and will not offer or sell any Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 102B of FSMA;
  - (kk) it accepts that the allocation of Shares shall be determined by the Company, Cantor Fitzgerald, the Investment Manager and the Investment Adviser in its absolute discretion and that the Company may scale down any Initial Placing or Subsequent Placing commitments for this purpose on such basis as they may determine;
  - (ll) in the event that a supplementary prospectus is required to be produced pursuant to section 87G of FSMA in connection with the Initial Issue and in the event that it chooses to exercise any right of withdrawal pursuant to section 87(Q)(4) of FSMA, such Placee will immediately re-subscribe for the Ordinary Shares previously comprising its Placing commitment;
  - (mm) 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 Subsequent Placing in question; and
  - (nn) if it is acting as a “distributor” (for the purposes of the MiFID II Product Governance Requirements):
    - (A) it acknowledges that the Target Market Assessment undertaken by the Investment Manager and Cantor Fitzgerald 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;

- (B) notwithstanding any Target Market Assessment undertaken by the Investment Manager and Cantor Fitzgerald, it confirms that 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.

## **5. SUPPLY AND DISCLOSURE OF INFORMATION**

If the Company, the Investment Manager, the Investment Adviser, the Registrar, BDO, Cantor Fitzgerald or any of their agents request any information in connection with a Placee's agreement to subscribe for Shares under the Initial Placing or any Subsequent Placing and/or or to comply with any relevant legislation, such Placee must promptly disclose it to them.

## **6. DATA PROTECTION**

- 6.1 Each prospective investor acknowledges and agrees that it has read the Privacy Notice.
- 6.2 For the purposes of this section, the Privacy Notice and other sections of this document, "data controller", "data processor", "data subject", "personal data", "processing", "sensitive personal data" and "special category data" shall have the meanings attributed to them in the DP Act and GDPR and the term "process" shall be construed accordingly.
- 6.3 Information provided by any prospective investor to the Company or the Registrar will be stored both on the Company Secretary's and the Registrar's computer system and manually. It acknowledges and agrees that for the purposes of the DP Act and GDPR the Company and the Registrar are each required to specify the purposes for which they will hold personal data.
- 6.4 Each of the Company and its service providers shall:
  - 6.4.1 be responsible for and control any personal data which it processes in relation to investors or arising out of the matters described in this document;
  - 6.4.2 comply with the DP Act and GDPR and any other data protection legislation applicable to the collection and processing of the personal data; and
  - 6.4.3 take appropriate technical and organisational measures against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, the personal data.
- 6.5 Where personal data is shared by the Placee with the Company or its agents pursuant to this document, the Placee shall ensure that there is no prohibition or restriction which would:
  - 6.5.1 prevent or restrict it from disclosing or transferring the personal data to the relevant recipient;
  - 6.5.2 prevent or restrict the Company or its agents from disclosing or transferring the personal data to relevant third parties, and any of its (or their) employees, agents, delegates and subcontractors (including to jurisdictions outside of the EEA and including the United States), in order to provide the services or services ancillary thereto; or
  - 6.5.3 prevent or restrict the Company and any of its (or their), employees, agents, delegates and subcontractors, from processing the personal data as specified in the Privacy Notice and/or in this document.
- 6.6 If the Placee passes personal data of any of its or its Affiliates' employees, representatives, beneficial owners, agents and subcontractors to the Company or its agents, the Placee warrants that it has provided adequate notice to such employees, representatives, beneficial owners, agents and subcontractors including the detail set out in this section 6 and the Privacy Notice and as required by the DP Act and GDPR relating to the processing by the Company or its agents as applicable of such personal data and to the transfer of such personal data outside the EEA.

- 6.7 If the Placee passes personal data of any of its shareholders, investors or clients to the Company, the Placee warrants that it will provide the Privacy Notice or equivalent wording to such shareholders, investors or clients.
- 6.8 The Placee will also ensure that it has obtained any necessary consents from any of its or its Affiliates', representatives, employees, beneficial owners, agents or subcontractors in order for the Receiving Agent to carry out AML Checks (as defined in the Privacy Notice).
- 6.9 In providing the Company, the Registrar, BDO and Cantor Fitzgerald with information each Placee hereby represents and warrants to the Company, the Registrar, BDO and Cantor Fitzgerald that it has obtained any necessary consents of any data subject whose data it has provided to the Company and the Registrar and their respective associates holding and using their personal data as set out in the Privacy Notice (including, where required, the explicit consent of the data subjects for the processing of any sensitive personal data as set out in the Privacy Notice) and will make the Privacy Notice, for which the Company and the Registrar will process the data, available to all data subjects whose personal data may be shared by it for this purpose.
- 6.10 The Company and the Registrar are each data controllers for the purpose of the DP Act and GDPR and the parties all agree and acknowledge that neither of the Company or the Registrar is or shall be a data processor for any of the others or a joint data controller with any of the others and they will each comply with their obligations under the DP Act and GDPR and the Placee will do nothing that puts the Company or the Registrar in breach of their respective obligations. The Company Secretary is a data processor for the purpose of the DP Act and GDPR and the parties all agree and acknowledge this.

## 7. MISCELLANEOUS

- 7.1 The rights and remedies of BDO, Cantor Fitzgerald, the Company and the Investment Manager 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.
- 7.2 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Initial Placing or any Subsequent Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 7.3 Each Placee agrees to be bound by the Articles (as amended from time to time) once the Shares which the Placee has agreed to subscribe for pursuant to the Initial Placing and/or any Subsequent Placing have been acquired by the Placee. The contract to subscribe for (a) Ordinary Shares under the Initial Placing or Ordinary Shares and/or C Shares under the Share Issuance Programme, or any non-contractual obligations arising under or in connection with the Placing, and the appointments and authorities mentioned in this Prospectus, and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims), will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Manager, the Registrar, BDO and Cantor Fitzgerald, 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 a Placee in any other jurisdiction.
- 7.4 In the case of a joint agreement to subscribe for (a) Ordinary Shares under the Initial Placing or (b) Ordinary Shares and/or C Shares under any 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.
- 7.5 Cantor Fitzgerald and the Company expressly reserve the right to modify the Initial Placing and/or any Subsequent Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined.

- 7.6 The Initial Placing and each Subsequent Placing are each subject to the satisfaction of the conditions contained in the Sponsor and Placing Agreement (which include but are not limited to those set out in section 2 of Part V (The Initial Issue and Subsequent Placings under the Share Issuance Programme of this Prospectus), and such agreement not having been terminated prior to Initial Admission. Cantor Fitzgerald has the right to waive or not to waive any such conditions (save for Initial Admission) or terms and shall exercise that right without recourse or reference to Placees. Further details of the terms of the Sponsor and Placing Agreement are contained in section 11.1 of Part VII (Additional Information on the Company) of this Prospectus.



## PART IX – TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER

The Offer is only being made in the United Kingdom but, subject to applicable law, the Company may also allot Ordinary Shares on a private placement basis to applicants in other jurisdictions. If you are outside the United Kingdom, please see section 9 of this Part IX (Terms and Conditions of Application under the Offer) of this Prospectus for further information.

### 1. INTRODUCTION

- 1.1 If you apply for Ordinary Shares under the Offer, you will be agreeing with the Company, the Registrar and the Receiving Agent to the terms and conditions of the application set out below (the “**Terms and Conditions**”). Potential investors should note the section entitled “*Notes on how to complete the Application Form for the Offer*” set out at the back of Appendix 1 to this Prospectus.
- 1.2 The Application Form may also be used to subscribe for Ordinary Shares on such other terms and conditions as may be agreed in writing between the applicant and the Company.

### 2. OFFER TO SUBSCRIBE FOR ORDINARY SHARES

- 2.1 Your application must be made on the Application Form attached at Appendix 1 to this Prospectus or as may be otherwise published by the Company. Any application may be rejected in whole or in part at the sole discretion of the Company.
- 2.2 By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:
  - (a) offer to subscribe for such number of Ordinary Shares at the Initial Issue Price as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum of £1,000, or such smaller number for which such application is accepted, and thereafter in multiples of £1,000) on the terms, and subject to the conditions, set out in this Prospectus, including these Terms and Conditions of Application under the Offer, and the Articles;
  - (b) agree that in respect of any Ordinary Shares for which you wish to subscribe under Application under the Offer, you will submit payment in Sterling;
  - (c) agree that, in consideration of the Company agreeing that it will not, prior to the date of Initial Admission, Offer any Ordinary Shares to any person other than by means of the procedures referred to in this Prospectus, your application may not be revoked (subject to any legal right to withdraw your application which arises as a result of any supplementary prospectus being published by the Company subsequent to the date of the Offer and prior to Initial Admission) and that this section 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;
  - (d) undertake to pay the amount specified in Box 1 (being the Initial Issue Price multiplied by the number of Ordinary Shares applied for) 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 the 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 not constitute an acceptance of your application under the Offer and shall be in its absolute discretion and on the basis that you indemnify the Company, the Receiving Agent, Cantor Fitzgerald and their respective affiliates 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 party, 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, in your favour, or electronic transfer to the account the original remittance was sent from as

- set out in section 4 of your Application Form at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);
- (e) agree that where on your Application Form a request is made for Ordinary Shares to be deposited into 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 applicant(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 Cantor Fitzgerald 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 in your Application Form;
  - (f) agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to section (e) 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 section (e) above (and any monies returnable to you) may be retained by the Receiving Agent:
    - (i) pending clearance of your remittance;
    - (ii) pending investigation of any suspected breach of the warranties contained in section 4 below or any other suspected breach of these Terms and Conditions of Application under the Offer; or
    - (iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of applicable anti-money laundering requirements,
 and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
  - (g) agree that, where an electronic transfer of a sum exceeding the Sterling equivalent of €15,000 is being made by CHAPS, you will supply your bank statement to show from where the sources of the funds have been sent;
  - (h) agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
  - (i) 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 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 on which the payment accompanying the application was first drawn without interest and at your risk;
  - (j) agree that you are not, and are not applying on behalf of a person who is, engaged in money laundering, drug trafficking or terrorism;
  - (k) undertake to ensure that, in the case of an Application Form 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;
  - (l) undertake to pay interest at the rate described in section 3.3 below if the remittance accompanying your Application Form is not honoured on first presentation;

- (m) 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 section (e) above, to deliver the number of Ordinary Shares for which your application is accepted into CREST, and/or to return any monies returnable by cheque in your favour without interest and at your risk;
  - (n) confirm that you have read and complied with section 9 of Part IX (Terms and Conditions of Application under the Offer) of this Prospectus;
  - (o) agree that all subscription payments will be processed through a bank account in the name of "CIS PLC re: Cabot Square Alternatives Offer Application Account" opened by the Receiving Agent and designated in Sterling;
  - (p) agree that your Application Form is addressed to the Company and the Receiving Agent;
  - (q) 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);
  - (r) agree that any application may be rejected in whole or in part at the sole discretion of the Company; and
  - (s) acknowledge that the Initial Issue will not proceed if the conditions set out in section 4 below are not satisfied.
- 2.3 In addition to the Application Form, you must also complete and deliver an appropriate Common Reporting Standard self-certification form.
- 2.4 Any application may be rejected in whole or in part at the sole discretion of the Company.
- 3. ACCEPTANCE OF YOUR OFFER**
- 3.1 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) for Shares by either: (a) notifying the FCA through a Regulatory Information Service announcement of the basis of allocation (in which case the acceptance will be on that basis); or (b) by notifying acceptance to the Company.
- 3.2 The basis of allocation will be agreed between the Company, the Investment Manager, the Investment Adviser and Cantor Fitzgerald. The right is reserved notwithstanding the basis as may have been agreed to reject in whole or in part and/or scale back any application on such basis as such parties may agree. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application under the Offer 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 the Offer. The Company and Receiving Agent reserve the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received otherwise than in accordance with these Terms and Conditions of Application under the Offer.
- 3.3 The Receiving Agent 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 Company 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 Company plus 2 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.
- 3.4 Payments must be in Sterling and paid by electronic bank transfer (CHAPS) in accordance with section 3.5 below, or delivery versus payment in accordance with section 3.6 below.

- 3.5 For applicants sending subscription monies by electronic bank transfer, payment must be made for value by no later than 1:00 p.m. on 12 February 2020. Applicants wishing to make an electronic payment should contact the Receiving Agent by email at [OFSpaymentqueries@computershare.co.uk](mailto:OFSpaymentqueries@computershare.co.uk) stating "Cabot Square OFS" in the subject line to request full bank details. Applicants will be provided with a unique reference number which must be used when making the payment.
- 3.6 Should you wish to apply for Shares by delivery versus payment method ("**DVP**"), you will need to match your instructions to the Receiving Agent's Participant Account RA68 by no later than 1:00 p.m. on 14 February 2020, allowing for the delivery and acceptance of your Shares to your CREST account against payment of the Initial Issue Price in the relevant currency through the CREST system upon the relevant settlement date, following the CREST matching criteria set out in the Application Form.
- 3.7 The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than the minimum subscription.

#### **4. CONDITIONS**

- 4.1 The contracts created by the acceptance of applications (in whole or in part) under the Offer will be conditional upon:
- 4.1.1 Initial Admission occurring by 8:00 a.m. (London time) on 18 February 2020 (or such other date, not being later than the Long Stop Date, as the Company and Cantor Fitzgerald may agree);
  - 4.1.2 the Minimum Gross Initial Proceeds being raised; and
  - 4.1.3 the Sponsor and Placing Agreement not having been terminated in accordance with its terms.
- 4.2 In circumstances where these conditions are not fully met, the Offer will not proceed. If the Company and the Investment Manager (in consultation with Cantor Fitzgerald) decide to reduce the amount of the Minimum Gross Initial Proceeds or otherwise waive the condition referred to in section 4.1 above, the Company will be required to publish a supplementary prospectus. Any number of Shares subscribed for pursuant to an Issue may be allotted if the Minimum Gross Initial Proceeds are raised and the offer conditions referred to above are satisfied.
- 4.3 You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other rights you may have.

#### **5. 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 and after the deduction of any applicable bank charges by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

#### **6. REPRESENTATIONS AND WARRANTIES**

By completing an Application Form, you:

- (a) undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application under the Offer and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) warrant, in connection with your application, that you have complied with the laws of all requisite territories or jurisdictions, 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 and that you have not taken any action or omitted to take any action which will result in the Company, the Investment Manager, the Investment Adviser, BDO, Cantor Fitzgerald, or the Receiving Agent or any of their respective affiliates, officers, agents or employees, acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction in connection with the Offer or your application;
- (c) confirm that in making an application you are not relying on any information or representations in relation to the Company and the Ordinary Shares other than those contained in this Prospectus and any supplementary prospectus published by the Company prior to Initial Admission (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this Prospectus, any such supplementary prospectus or any part thereof shall have any liability for any such other information or representation;
  - (d) agree that, having had the opportunity to read this Prospectus, you shall be deemed to have had notice of all information and representations contained herein;
  - (e) make the representations, warranties, undertakings, agreements and acknowledgements set out in this Prospectus, including (unless otherwise expressly agreed with the Company) those set out in the sections entitled “*Overseas Persons and Restricted Territories*” and “*US Representations, Warranties and Undertakings*” in Part V (The Initial Issue and Subsequent Placings under the Share Issuance Programme) of this Prospectus;
  - (f) acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus published by the Company prior to Initial Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Manager, the Investment Adviser, BDO, Cantor Fitzgerald, or the Receiving Agent or any of their respective affiliates;
  - (g) warrant that you are not under the age of 18 on the date of your application;
  - (h) agree that all documents and monies sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application payments to be sent to you, may be sent to you at your address (or, in the case of joint applicants, the address of the first-named applicant) as set out in your Application Form;
  - (i) confirm that you have reviewed the restrictions contained in section 9 of this Part IX (Terms and Conditions of Application under the Offer) of this Prospectus and warrant that you (and any person on whose behalf you apply) comply or have complied with the provisions therein;
  - (j) acknowledge that you have been notified of the information in respect of the use of your personal data by the Company set out in this Prospectus;
  - (k) represent and warrant to the Company, the Registrar and the Company Secretary that: (1) you have complied in all material aspects with its data controller obligations under the DP Act and GDPR, and in particular, you have notified any data subject of the Purposes (as defined below) for which personal data will be used and by which parties it will be used and you have provided a copy of the Privacy Notice to such relevant data subjects; and (2) where consent is legally competent and/or required under the DP Act and GDPR, you have obtained the consent of any data subject to the Company, the Company Secretary and the 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);
  - (l) 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 of members of the Company;

- (m) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer and any non-contractual obligations arising in connection therewith 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;
- (n) irrevocably authorise the Company, the Investment Manager, the Investment Adviser, Cantor Fitzgerald 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, the Investment Manager, the Investment Adviser, Cantor Fitzgerald and/or the Receiving Agent to execute any documents required therefor and to enter your name on the register of members of the Company;
- (o) agree to provide the Company with any information which the Company, the Investment Manager, the Investment Adviser, Cantor Fitzgerald or 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 anti-money laundering requirements;
- (p) warrant that you: (i) are either (a) highly knowledgeable and experienced in business and financial matters as to be capable of evaluating the merits and risks of an investment in the Ordinary Shares; or (b) are a professionally advised retail investor who has been advised of the merits and risks of an investment in the Ordinary Shares; (ii) fully understand the risks associated with such investment; and (iii) are able to bear the economic risk of your investment in the Company and are currently able to afford the complete loss of such investment;
- (q) warrant that as far as you are aware, save as otherwise disclosed to the Company, BDO and Cantor Fitzgerald, you are not acting in concert (within the meaning given in the Takeover Code) with any other person in relation to the Company and it is not a related party of the Company for the purposes of the Listing Rules (to the extent to which the Company voluntarily complies with these);
- (r) agree that each of the Receiving Agent and Cantor Fitzgerald are acting for the Company in connection with the Offer and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or be responsible to you for providing the protections afforded to their customers;
- (s) warrant that the information contained in your Application Form is true and accurate;
- (t) agree that if you request that Ordinary Shares are issued to you on a date other than the date of 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;
- (u) acknowledge that the KID prepared by the Investment Manager pursuant to the PRIIPs Regulation can be provided to you in paper or by means of a website, but that where you are applying under the Offer directly and not through an adviser or other intermediary, unless requested in writing otherwise, the lodging of an Application Form represents your consent to being provided the KID via the website at [www.cabotaltspc.com](http://www.cabotaltspc.com), or on such other website as has been notified to you. Where your application is made on an advised basis or through another intermediary, the terms of your engagement should address the means by which the KID will be provided to you; and

- (v) confirm that if you are applying on behalf of someone else you will not, and will procure that none of your affiliates will, circulate, distribute, publish or otherwise issue (or authorise any other person to issue) any document or information in connection with the Initial Issue, or make any announcement or comment (whether in writing or otherwise) which states or implies that it has been issued or approved by or prepared in conjunction with the Company or any person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof or which contains any untrue statement of material fact or is misleading or which omits to state any material fact necessary in order to make the statement therein misleading.

## 7. MONEY LAUNDERING

7.1 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 from any person lodging an Application Form (the “**holder**”) and may further 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 an electronic payment; 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 in the despatch of documents.

7.2 Without prejudice to the generality of this section 7, verification of the identity of holders and payors will be required if the value of the Ordinary Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (or the Sterling equivalent).

7.3 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 the holder.

7.4 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.

7.5 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).

7.6 If the amount being subscribed exceeds €15,000 (or the Sterling equivalent) you should endeavour to have the declaration contained in Section 5 of the Application Form signed by an appropriate firm as described in that section. If you cannot have that declaration signed and the amount being subscribed exceeds €15,000 (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.

7.7 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 United Kingdom 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 the Receiving Agent at Computershare Investor Services PLC, The Pavillions, Bridgwater Road, Bristol BS13 8AE. To confirm the acceptability of any written assurance referred to above, or in any other case, the applicant should call the Receiving Agent on 0370 707 1322 (UK) or if calling from overseas on + 44 370 707 1322. Lines are open 8:30 a.m. to 5:30 p.m. (London time) Monday to Friday (Business Days only). Calls may be recorded and randomly monitored for security and training purposes. Please note that the Receiving Agent cannot provide advice on the merits of the Initial Issue nor give any financial, legal or tax advice.

- 7.8 The Receiving Agent may undertake electronic searches for the purposes of verifying your identity. To do so the Receiving Agent may verify the details against your identity, but may also request further proof of your identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund payment) until such verification of identity is completed to its satisfaction.

## **8. DATA PROTECTION**

- 8.1 Each prospective investor acknowledges and agrees that it has read the Privacy Notice.
- 8.2 For the purposes of this section, the Privacy Notice and other sections of this document, “data controller”, “data processor”, “data subject”, “personal data”, “processing”, “sensitive personal data” and “special category data” shall have the meanings attributed to them in the DP Act and GDPR and the term “process” shall be construed accordingly.
- 8.3 Information provided by it to the Company or the Registrar will be stored both on the Company Secretary’s and the Registrar’s computer system and manually. It acknowledges and agrees that for the purposes of the DP Act and GDPR the Company and the Registrar are each required to specify the purposes for which they will hold personal data.
- 8.4 Each of the Company and its service providers shall:
- (a) be responsible for and control any personal data which it processes in relation to investors or arising out of the matters described in this document;
  - (b) comply with the DP Act, GDPR and any other data protection legislation applicable to the collection and processing of the personal data; and
  - (c) take appropriate technical and organisational measures against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, the personal data.
- 8.5 Where personal data is shared by each prospective investor with the Company or its agents pursuant to this document, each prospective investor shall ensure that there is no prohibition or restriction which would:
- (a) prevent or restrict it from disclosing or transferring the personal data to the relevant recipient;
  - (b) prevent or restrict the Company or its agents from disclosing or transferring the personal data to relevant third parties, and any of its (or their) employees, agents, delegates and subcontractors (including to jurisdictions outside of the EEA and including the USA), in order to provide the services or services ancillary thereto; or
  - (c) prevent or restrict the Company and any of its (or their), employees, agents, delegates and subcontractors, from processing the personal data as specified in the Privacy Notice and/or in this document.
- 8.6 If each prospective investor passes personal data of any of its or its Affiliates’ employees, representatives, beneficial owners, agents and subcontractors to the Company or its agents, each prospective investor warrants that it has provided adequate notice to such employees, representatives, beneficial owners, agents and subcontractors including the detail set out in this section 8 and the Privacy Notice and as required by the DP Act and GDPR relating to the processing by the Company or its agents as applicable of such personal data and to the transfer of such personal data outside the EEA.

- 8.7 If each prospective investor passes personal data of any of its shareholders, investors or clients to the Company, each prospective investor warrants that it will provide the Privacy Notice or equivalent wording to such shareholders, investors or clients.
- 8.8 Each prospective investor will also ensure that it has obtained any necessary consents from any of its or its Affiliates', representatives, employees, beneficial owners, agents or subcontractors in order for the Receiving Agent to carry out AML Checks (as defined in the Privacy Notice).
- 8.9 In providing the Company, the Registrar, the Receiving Agent, BDO and Cantor Fitzgerald with information each prospective investor hereby represents and warrants to the Company, the Registrar, the Receiving Agent, BDO and Cantor Fitzgerald that it has obtained any necessary consents of any data subject whose data it has provided to the Company and the Registrar and their respective associates holding and using their personal data as set out in the Privacy Notice (including, where required, the explicit consent of the data subjects for the processing of any sensitive personal data as set out in the Privacy Notice) and will make the Privacy Notice, for which the Company and the Registrar will process the data, available to all data subjects whose personal data may be shared by it for this purpose.
- 8.10 The Company and the Registrar are each data controllers for the purpose of the DP Act and GDPR and the parties all agree and acknowledge that none of the Company or the Registrar is or shall be a data processor for any of the others or a joint data controller with any of the others and they will each comply with their obligations under the DP Act and GDPR and each prospective investor will do nothing that puts the Company or the Registrar in breach of their respective obligations. The Company Secretary is a data processor for the purpose of the DP Act and GDPR and the parties all agree and acknowledge this.

## 9. OVERSEAS PERSONS

**The attention of potential investors who are not resident in, or who are not citizens of, the United Kingdom is drawn to this section 9.**

- 9.1 The offer of Ordinary Shares under the Offer to persons who are resident in, or citizens of, countries other than the United Kingdom ("**Overseas Persons**") may be affected by the law 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 subscribe for Ordinary Shares under the Offer. It is the responsibility of all Overseas Persons receiving this Prospectus and/or wishing to subscribe to the Ordinary Shares under the Offer, to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities required to be observed and paying any issue, transfer or other taxes due in such territory.
- 9.2 No person receiving a copy of this Prospectus in any territory other than the United Kingdom may treat the same as constituting an offer or invitation, unless in the relevant territory such an offer can lawfully be made to such person without compliance with any further registration or other legal requirements.
- 9.3 Unless otherwise expressly agreed with the Company, persons (including, without limitation, custodians, nominees and trustees) receiving this Prospectus should not distribute or send it to US Persons or in or into the United States, Australia, Canada, Japan, New Zealand or South Africa, their respective territories or possessions or any other jurisdiction, or to any other person, where to do so would or might contravene local securities laws or regulations.
- 9.4 None of the Ordinary Shares have been or will be registered under the laws of Australia, Canada, Japan, New Zealand, or the Republic of South Africa. If you subscribe for Ordinary Shares pursuant to the Offer you will, be deemed to represent and warrant to the Company that you are not a resident of Australia, Canada, Japan, New Zealand, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of Canada (or any political subdivision) or Australia or Japan or New Zealand or the Republic of South Africa and that you are not subscribing for such Ordinary Shares for the account or benefit of any resident of Australia, Canada, Japan, New Zealand 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 Australia, Canada, Japan, New Zealand or the Republic of South Africa or to any

person resident in Australia, Canada, Japan, New Zealand or the Republic of South Africa. No Application Form will be accepted if it shows the applicant, payor or a holder having an address in Australia, Canada, Japan, New Zealand or the Republic of South Africa.

- 9.5 The Company has not been and will not be registered under the Investment Company Act and as such investors will not be entitled to the benefits of the Investment Company Act. The Shares have not been and will not be registered under the 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, pledged, delivered, assigned or otherwise or transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, any US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act. In connection with an Issue, subject to certain exceptions, offers and sales of the Shares will be made only outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the Securities Act. There has been and will be no public offer of the Shares in the United States.
- 9.6 This Prospectus does not constitute, or purport to include the information required of, a disclosure document under Chapter 6D of the Corporations Act or a product disclosure statement under Chapter 7 of the Corporations Act and will not be lodged with the Australian Securities and Investments Commission. No offer of shares is or will be made in Australia pursuant to this document, except to a person who is: (i) either a “sophisticated investor” within the meaning of section 708(8) of the Corporations Act or a “professional investor” within the meaning of section 9 and section 708(11) of the Corporations Act; and (ii) a “wholesale client” for the purposes of section 761G(7) of the Corporations Act (and related regulations) who has complied with all relevant requirements in this respect, or another person who may be issued shares without requiring a disclosure document. If any shares are issued, they may not be offered for sale (or transferred, assigned or otherwise alienated) to investors in Australia for at least 12 months after their issue, except in circumstances where disclosure to investors is not required under Part 6D.2 of the Corporations Act.
- 9.7 The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares pursuant to the Offer 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.

## **10. MISCELLANEOUS**

- 10.1 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.
- 10.2 The rights and remedies of the Company, the Investment Manager, BDO, Cantor Fitzgerald and the Receiving Agent under these Terms and Conditions of Application under the Offer 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.
- 10.3 The Company reserves the right to shorten or extend the closing time and/or date of the Offer from 1:00 p.m. (London time) on 12 February 2020 (provided that if the closing time is extended this Prospectus remains valid at the closing time as extended). The Company will notify investors of any relevant changes via a Regulatory Information Service.
- 10.4 The Company may terminate the Offer, in its absolute discretion, at any time prior to Initial Admission. If such right is exercised, the Offer will lapse and any monies will be returned to you as indicated at your own risk and without interest.
- 10.5 The dates and times referred to in these Terms and Conditions of Application under the Offer may be altered by the Company, including but not limited to so as to be consistent with the Sponsor and Placing Agreement (as the same may be altered from time to time in accordance with its terms).
- 10.6 Save where the context requires otherwise, terms used in these Terms and Conditions of Application under the Offer bear the same meaning as used elsewhere in this Prospectus.



## PART X – DEFINITIONS

<b>“Accounting Date”</b>	30 September 2020 and 30 September in each year thereafter or such other date as the Company may determine or, in the case of the final Accounting Period, the date when the winding-up of the Company is completed
<b>“Accounting Period”</b>	a period ending on and including an Accounting Date and beginning at Initial Admission for the first Accounting Period and on the day following the last day of the preceding Accounting Period thereafter
<b>“Act”</b>	the UK Companies Act 2006, as amended
<b>“Adjusted NAV”</b>	the NAV as at the end of the Accounting Period, adjusted to add back any accruals for Management Fee or Performance Fee in respect of such Accounting Period
<b>“Admission”</b>	the admission of the Shares issued pursuant to an Issue to the premium listing category of the Official List and to trading on the Main Market of the London Stock Exchange
<b>“AIC”</b>	the Association of Investment Companies
<b>“Affiliate”</b>	an affiliate of, or person affiliated with, a specified person, including a person that directly, or indirectly through one or more intermediate holding companies, controls or is controlled by, or is under common control with, the person specified
<b>“AIC Code”</b>	the 2019 AIC Code of Corporate Governance, as revised or updated from time to time
<b>“AIFM”</b>	an alternative investment fund manager, within the meaning of the AIFM Directive
<b>“AIFM Directive”</b>	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No. 1095/2010; the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
<b>“Alternative Asset”</b>	has the meaning set out in section 3 of Part I (Information on the Company) of this Prospectus
<b>“Alternative Asset Manager”</b>	a manager of Alternative Assets in which the Company has invested or proposes to invest
<b>“Alternative Asset Platform”</b>	the combination of Alternative Assets and an Alternative Asset Manager managing such Alternative Assets that the Company has invested in
<b>“Application Form”</b>	the application form on which applicants may apply for Shares to be issued pursuant to the Offer, as set out in Appendix 1 to this Prospectus
<b>“Articles”</b>	the articles of association of the Company, as amended from time to time
<b>“Audit Committee”</b>	the committee of this name established by the Board and having the duties described in the subsection entitled “ <i>Audit Committee</i> ” in section 9 of Part IV (Directors, Management and Administration) of this Prospectus
<b>“AuM”</b>	assets under management

<b>“BDO”</b>	BDO LLP, a limited liability partnership incorporated in England and Wales with registered number OC305127, whose registered office is at 55 Baker Street, London, W1U 7EU
<b>“Board”</b>	the board of Directors of the Company, including any duly constituted committee thereof
<b>“Business Day”</b>	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
<b>“Category A Key Person”</b>	each of Keith Maddin and Alan Pennell, and such other person as may be approved by the Company for these purposes (such approval not to be unreasonably withheld or delayed)
<b>“Category B Key Person”</b>	each of James Keigher and Dan Lock, and such other person as may be approved by the Company for these purposes (such approval not to be unreasonably withheld or delayed)
<b>“C Share”</b>	a redeemable ordinary share of £0.01 in the capital of the Company issued and designated as a “C Share” of such class (denominated in such currency) as the Directors may determine in accordance with the Articles, and having such rights and being subject to such restrictions as are contained in the Articles, which will convert into Ordinary Shares in accordance with the Articles
<b>“C Share Surplus”</b>	has the meaning given in section 6.2.23 of Part VII (Additional Information on the Company) of this Prospectus
<b>“C Shareholder”</b>	a holder of C Shares
<b>“Cantor Fitzgerald”</b>	Cantor Fitzgerald Europe, a private unlimited company incorporated in England and Wales on 24 May 1990 with registered number 2505767, whose registered office is at One Churchill Place, Canary Wharf, London, E14 5HU
<b>“Cash and Cash Equivalents”</b>	has the meaning given in the subsection entitled “ <i>Cash Management</i> ” in section 3 of Part I (Information on the Company) of this Prospectus
<b>“certificated” or “in certificated form”</b>	not in uncertificated form
<b>“Chair”</b>	the chair of the Board
<b>“CHAPS”</b>	Clearing House Automated Payment System
<b>“COD”</b>	Commercial Operations Date
<b>“Common Reporting Standard”</b>	the global standard for the automatic exchange of financial information between tax authorities developed by the OECD
<b>“Company Secretary”</b>	IQ EQ Global (UK) Limited, incorporated in England and Wales with registered number 08919926, whose registered office is at 4 <sup>th</sup> Floor, 45 Monmouth Street, London, WC2H 9DG, or such other entity as may be appointed as the Company’s company secretary from time to time
<b>“Company Secretary Agreement”</b>	the agreement dated 27 January 2020 between the Company and IQ EQ Global (UK) Limited summarised in section 11.3 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Company” or “ALTS”</b>	Cabot Square Alternatives plc, a public limited company incorporated in England and Wales on 7 October 2019 with registered number 12247083, whose registered office is at 4 <sup>th</sup> Floor, 45 Monmouth Street, London, WC2H 9DG

<b>“Conversion”</b>	has the meaning given in section 6.2.23 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Conversion Calculation Date”</b>	has the meaning given in section 6.2.23 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Conversion Date”</b>	has the meaning given in section 6.2.23 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Conversion Ratio”</b>	has the meaning given in section 6.2.23 of Part VII (Additional Information on the Company) of this Prospectus
<b>“CREST”</b>	the relevant system as defined in the CREST Regulations in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations), in accordance with which securities may be held in uncertificated form
<b>“CREST Account”</b>	an account in CREST
<b>“CREST Regulations”</b>	the UK Uncertificated Securities Regulations 2001 (SI No. 2001/3755), as amended
<b>“Current Pipeline”</b>	the current pipeline of prospective Investments which has been identified by the Investment Manager and the Investment Adviser as being suitable for investment by the Company
<b>“Default Shares”</b>	has the meaning given in section 6.2.11 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Depositary”</b>	IQ EQ Depositary Company (UK) Limited, incorporated in England and Wales with registered number 05830789, whose registered office is at 2 London Bridge, London, SE1 9RA
<b>“Depositary Agreement”</b>	the agreement dated 27 January 2020, between the Company, the Investment Manager and the Depositary summarised in section 11.4 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Directors”</b>	the directors of the Company
<b>“Disclosure Guidance and Transparency Rules”</b>	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
<b>“Disposal”</b>	has the meaning given in section 8.4.5 of Part VII (Additional Information on the Company) of this Prospectus
<b>“DP Act”</b>	the UK Data Protection Act 2018, as amended
<b>“DVP”</b>	the delivery versus payment method
<b>“EEA”</b>	the European Economic Area
<b>“ERISA”</b>	the US Employee Retirement Income Security Act of 1974, as amended, and the applicable regulations thereunder
<b>“ESG”</b>	environmental, social and governance criteria, being the three factors that investors consider in connection with a company's ethical impact and sustainable practices
<b>“EU”</b>	the European Union
<b>“Euro” or “€”</b>	the lawful currency of the Eurozone of the EU
<b>“Excess Total Return”</b>	<p>“A” multiplied by “B”, where:</p> <p>“A” is the difference between the Share Price and the higher of: (a) the Performance Hurdle; and (b) the High Watermark; and</p> <p>“B” is the weighted average of the number of Ordinary Shares in issue (excluding any Ordinary Shares held in treasury) at the end of each day during that Accounting Period</p>

<b>“Exchange Act”</b>	the US Securities Exchange Act of 1934, as amended
<b>“FATCA”</b>	Sections 1471 to 1474 of the US Tax Code, known as the US Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such US Tax Code sections and any applicable IGA or information exchange agreement and related statutes, regulations, rules and other guidance thereunder)
<b>“FCA” or “Financial Conduct Authority”</b>	the Financial Conduct Authority of the United Kingdom
<b>“FCA Rules”</b>	the rules and guidance set out in the FCA Handbook of Rules and Guidance from time to time
<b>“FFI”</b>	foreign financial institution, as defined in FATCA
<b>“First Full Accounting Period”</b>	the Accounting Period commencing on 1 October 2020
<b>“Final Closing Date”</b>	the earliest of (i) 26 January 2021; (ii) the date on which all of the Shares available for issue under the Share Issuance Programme have been issued; and (iii) such other date as may be agreed between BDO, Cantor Fitzgerald and the Company (such agreed date to be announced through a Regulatory Information Service announcement)
<b>“Final Period”</b>	has the meaning given in the subsection entitled “ <i>Management Fees</i> ” in section 7 of Part IV (Directors, Management and Administration) of this Prospectus
<b>“Firm”</b>	has the meaning given in section 7.7 of Part IX (Terms And Conditions of Application Under the Offer) of this Prospectus
<b>“Force Majeure Circumstance”</b>	has the meaning given in section 6.2.23 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Forward-funding” or “Forward-fund”</b>	has the meaning given in the Investment Policy
<b>“FSMA”</b>	the UK Financial Services and Markets Act 2000, as amended
<b>“Further Investment Opportunities”</b>	has the meaning given in the subsection entitled “ <i>Further Investment Opportunities</i> ” in section 3 of Part III (Market Overview and Current Pipeline) of this Prospectus
<b>“GDPR”</b>	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), and its implementing and delegated acts, as amended
<b>“General Offer”</b>	a general offer for the issued share capital of the Company made in accordance with the Takeover Code
<b>“Gross Asset Value”</b>	the value of the gross assets of the Company, being the sum of all Investments held in the Company’s portfolio, together with any Cash and Cash Equivalents.
<b>“Gross Initial Proceeds”</b>	the gross proceeds of the Initial Issue, being the number of Ordinary Shares issued multiplied by the Initial Issue Price
<b>“Gross Issue Proceeds”</b>	the gross proceeds of any Issue other than the Initial Issue, being the number of Shares issued under the relevant Subsequent Placing multiplied by the relevant Share Issuance Price
<b>“High Watermark”</b>	the higher of: (i) the Initial Issue Price; and (ii) the Share Price as at the end of the most recent Accounting Period in respect of which a

	Performance Fee was paid; provided that if the amount of Performance Fee actually paid in respect of such Accounting Period had been capped as described earlier, the High Watermark shall be such lower amount as would have resulted in the Performance Fee entitlement being equal to the amount of Performance Fee which was actually paid pursuant to the cap
<b>“HMRC”</b>	HM Revenue & Customs
<b>“holder”</b>	has the meaning given in section 7.1 of Part IX (Terms And Conditions of Application Under the Offer) of this Prospectus
<b>“IFRS”</b>	International Financial Reporting Standards
<b>“IGA”</b>	intergovernmental agreement
<b>“Independent Valuer”</b>	Duff & Phelps of The Shard, 32 London Bridge Street London, SE1 9SG
<b>“Initial Admission”</b>	Admission of the Ordinary Shares to be issued pursuant to the Initial Issue, which is expected to take place on or around 18 February 2020
<b>“Initial Expenses”</b>	the commissions, costs and expenses of the Company that are necessary for the establishment of the Company, the Initial Issue and Initial Admission
<b>“Initial Investment Period”</b>	the period commencing on Initial Admission and ending on the date which is 18 months thereafter
<b>“Initial Issue”</b>	the Initial Placing, the Offer and the Intermediaries Offer
<b>“Initial Issue Price”</b>	£1.00 per Ordinary Share
<b>“Initial Period”</b>	has the meaning given in the subsection entitled “ <i>Management Fee</i> ” in section 7 of Part IV (Directors, Management and Administration) of this Prospectus
<b>“Initial Placing”</b>	the first Placing of Ordinary Shares under the Share Issuance Programme, which forms part of the Initial Issue and is expected to close on or around 13 February 2020
<b>“Initial Shareholder”</b>	Cabot Square Capital LLP
<b>“Initial Target Dividend”</b>	has the meaning given in section 5 of Part I (Information on the Company) of this Prospectus
<b>“Initial Term”</b>	has the meaning given in section 11.2.9 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Intermediaries Offer Application Form”</b>	the application form on which an applicant may apply for Ordinary Shares to be issued pursuant to the Intermediaries Offer
<b>“Intermediaries Offer Adviser” or “Kepler”</b>	Kepler Partners LLP, a limited liability partnership incorporated in England and Wales with registered number OC334771, whose registered office is at 9/10 Savile Row, London, W1S 3PF
<b>“Intermediaries Offer”</b>	the offer for subscription of Ordinary Shares at the Initial Issue Price made through intermediaries, comprised in the Initial Issue as further described in section 3 of Part V (The Initial Issue and Subsequent Placings under the Share Issuance Programme) of this Prospectus
<b>“Intermediaries Terms and Conditions”</b>	the terms and conditions of the Intermediaries Offer
<b>“Intermediary”</b>	a financial intermediary that is appointed by the Intermediaries Offer Adviser to offer Ordinary Shares to retail investors under the



	Offer for Subscription, and references to “Intermediaries” shall be construed accordingly
<b>“Investment Adviser”</b>	Cabot Square Alternatives Adviser LLP, a limited liability partnership incorporated in England and Wales with registered number OC429645, whose registered address is at One, Connaught Place, London, W2 2ET
<b>“Investment Company Act”</b>	the US Investment Company Act of 1940, as amended
<b>“Investment Management and Adviser Agreement”</b>	the agreement dated 27 January 2020, between the Company, the Investment Manager and the Investment Adviser summarised in section 11.2 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Investment Manager Associate”</b>	the Investment Manager, the Investment Adviser, any other member of the Investment Manager’s Group and, in each case, its officers, directors, partners, members, supervisory board members, employees, agents and consultants
<b>“Investment Manager Group”</b>	the Investment Manager and its Affiliates
<b>“Investment Manager Indemnified Person”</b>	has the meaning given in section 11.2.13 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Investment Manager”</b>	Cabot Square Capital LLP, a limited liability partnership incorporated in England and Wales with registered number OC318397, whose registered address is at One, Connaught Place, London, W2 2ET
<b>“Investment Objective”</b>	the Company’s published investment objective as set out in section 3 of Part I (Information on the Company) of this Prospectus
<b>“Investment Policy”</b>	the Company’s published investment policy as set out in section 3 of Part I (Information on the Company) of this Prospectus
<b>“Investments”</b>	the portfolio of assets in which the Company is invested from time to time
<b>“IRR”</b>	internal rate of return
<b>“IRS”</b>	the US Internal Revenue Service
<b>“ISA”</b>	an individual savings account approved in the UK by HMRC
<b>“ISIN”</b>	International Securities Identification Number
<b>“Issue”</b>	an issue of Shares pursuant to a Placing, the Offer or the Intermediaries Offer (or a combination), made in connection with the Initial Issue or any Subsequent Placing
<b>“Issue Date”</b>	has the meaning given in section 6.2.23(A) of Part VII (Additional Information on the Company) of this Prospectus
<b>“Issue Price”</b>	the Initial Issue Price or the relevant Share Issuance Price, as applicable
<b>“JVs”</b>	joint venture investments
<b>“Key Person Event”</b>	the dismissal, suspension, resignation or receipt of a formal notice of the intention to resign, or the death of either: <ul style="list-style-type: none"> <li>(A) both the Category A Key Persons; or</li> <li>(B) Keith Maddin (or any replacement for Keith Maddin previously approved by the Company) and a majority or, where there are two or fewer Category B Persons, all of the Category B Key Persons</li> </ul>

<b>“KID”</b>	key information document in accordance with the PRIIPS Regulation
<b>“LEI”</b>	legal entity identifier
<b>“Listing Rules”</b>	the listing rules made by the FCA under Part VI of FSMA
<b>“Lock-up Period”</b>	has the meaning given in section 8.4.5 of Part VII (Additional Information on the Company) of this Prospectus
<b>“London Stock Exchange”</b>	London Stock Exchange plc, a limited liability company registered in England and Wales with registered number 02075721, whose registered office is at 10 Paternoster Square, London, EC4M 7LS
<b>“Long Stop Date”</b>	31 March 2020
<b>“Main Market”</b>	London Stock Exchange’s main market for listed securities
<b>“Management Engagement Committee”</b>	the committee of this name established by the Board and having the duties described in the subsection entitled “ <i>Management Engagement Committee</i> ” in section 9 of Part IV (Directors, Management and Administration) of this Prospectus
<b>“Management Fee”</b>	has the meaning given in the subsection entitled “ <i>Management Fee</i> ” in section 7 of Part IV (Directors, Management and Administration) of this Prospectus
<b>“Manager Platforms”</b>	has the meaning given in section 2 of Part II (The Investment Manager, the Investment Adviser and the Investment Strategy) of this Prospectus
<b>“Market Abuse Regulation” or “MAR”</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, and its implementing and delegated acts, as amended
<b>“MedicX Fund”</b>	MedicX Fund Limited
<b>“Member State” or “EEA State”</b>	any state within the EEA
<b>“Memorandum”</b>	the memorandum of association of the Company, as amended from time to time
<b>“MiFID II”</b>	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”)
<b>“MiFID II Product Governance Requirements”</b>	has the meaning given in the subsection entitled “ <i>Target Market Assessment</i> ” in the section entitled “Important Notices” of this Prospectus
<b>“Minimum Gross Initial Proceeds”</b>	the minimum Gross Initial Proceeds required for the Initial Issue to proceed, being £100 million
<b>“Minimum Net Initial Proceeds”</b>	the minimum Net Initial Proceeds required for the Initial Issue to proceed, being £98 million
<b>“Money Laundering Directive”</b>	Directive 2015/849/EU of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing

<b>“Money Laundering Regulations”</b>	the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI No. 2017/692), as amended
<b>“NAV” or “Net Asset Value”</b>	the value of all assets of the Company, including cash, less liabilities to creditors (including provisions for such liabilities) determined in accordance with the Company’s accounting policies, applicable accounting standards and the Company’s constitution
<b>“Net Initial Proceeds”</b>	the net proceeds of the Initial Issue, being the Gross Initial Proceeds less the Initial Expenses
<b>“Net Issue Proceeds”</b>	the net proceeds of any Subsequent Placing, being the Gross Issue Proceeds less the Subsequent Expenses of such Subsequent Placing
<b>“New Ordinary Shares”</b>	has the meaning given in section 6.2.23(A) of Part VII (Additional Information on the Company) of this Prospectus
<b>“Nomination Committee”</b>	the committee of this name established by the Board and having the duties described in the subsection entitled “ <i>Nomination Committee</i> ” in section 9 of Part IV (Directors, Management and Administration) of this Prospectus
<b>“Non-Qualified Holder”</b>	has the meaning given in section 6.2.14(G) of Part VII (Additional Information on the Company) of this Prospectus
<b>“NURS”</b>	a non-UCITS retail scheme, being a fund authorised by the FCA that is neither a UCITS Scheme nor a qualified investor scheme
<b>“OECD”</b>	the Organisation for Economic Co-operation and Development
<b>“Offer”</b>	the offer for subscription of Ordinary Shares at the Initial Issue Price pursuant to the Initial Issue
<b>“Official List”</b>	the official list maintained by the FCA
<b>“Ordinary Share Surplus”</b>	has the meaning given in section 6.2.23 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Ordinary Shareholder”</b>	a holder of Ordinary Shares
<b>“Ordinary Shares”</b>	ordinary shares of £0.01 each in the capital of the Company issued and designated as “Ordinary Shares” of such class (denominated in such currency) as the Directors may determine in accordance with the Articles and having such rights and being subject to such restrictions as are contained in the Articles
<b>“Overseas Persons”</b>	persons who are resident in, or who are citizens of, or who have registered addresses in, territories other than the UK
<b>“Performance Fee”</b>	has the meaning given in section 7 of Part IV (Directors, Management and Administration) of this Prospectus
<b>“Performance Hurdle”</b>	the Initial Issue Price increased at a rate of 10 per cent. per annum, compounded annually, from Initial Admission until the end of the relevant Accounting Period
<b>“Performance Share Amount”</b>	has the meaning given in section 7 of Part IV (Directors, Management and Administration) of this Prospectus
<b>“PFIC”</b>	passive foreign investment company
<b>“Phoenix”</b>	has the meaning given in section 3 of Part III (The Current Pipeline and Further Investment Opportunities) of this Prospectus
<b>“Placee”</b>	a person subscribing for Shares under any Placing

<b>“Placing”</b>	a conditional placing of Shares described in this Prospectus, on the terms and subject to the conditions set out in the Sponsor and Placing Agreement and Part V (The Initial Issue and Subsequent Placings under the Share Issuance Programme) of this Prospectus
<b>“Placing Letter”</b>	has the meaning given in section 1.2 of Part VIII (Terms and Conditions of any Placing) of this Prospectus
<b>“PRIIPs Regulation”</b>	Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) and its implementing and delegated acts
<b>“Prospectus”</b>	this document
<b>“Prospectus Regulation Rules”</b>	the prospectus regulation rules made by the FCA under Part VI of FSMA
<b>“Prospectus Regulation”</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
<b>“PSP Adjustments”</b>	adjustments to the Share Price in order to: (i) include the gross amount of any dividends (on a total return basis) paid in respect of an Ordinary Share since Initial Admission; (ii) include the gross amount of any other distributions (on such basis as may be agreed between the Company and the Investment Manager, acting reasonably and in good faith, when making such distribution) paid in respect of an Ordinary Share since Initial Admission; and (iii) make such adjustments to take account of any C Share issuance as are agreed between the Company, the Investment Manager, acting reasonably and in good faith, at the time of such C Share issuance
<b>“Purposes”</b>	the purposes set out in the Company's privacy notice which is available for consultation on the Company's website <a href="http://www.cabotaltspc.com">www.cabotaltspc.com</a>
<b>“PV”</b>	photovoltaics
<b>“Receiving Agent”</b>	Computershare Investor Services PLC, a public limited company incorporated in England and Wales with registered number 3498808, whose registered office is at The Pavilions, Bridgwater Road, Bristol, BS13 8AE, or such other entity as may be appointed as the Company's receiving agent from time to time
<b>“Receiving Agent Agreement”</b>	the agreement dated 27 January 2020 between the Company and the Receiving Agent summarised in section 11.6 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Redeemable Preference Shares”</b>	5,000,000 redeemable preference shares of £0.01 each having the rights as set out in the Articles issued to the Investment Manager on or shortly after the incorporation of the Company and to be cancelled following Initial Admission at the same time as the Company's share premium account with the approval of the courts of England and Wales
<b>“Register”</b>	the register of members of the Company
<b>“Registrar”</b>	Computershare Investor Services PLC, a public limited company incorporated in England and Wales with registered number 3498808, whose registered office is at The Pavilions, Bridgwater Road, Bristol, BS13 8AE, or such other entity as may be appointed as the Company's registrar from time to time

<b>“Registrar Agreement”</b>	the agreement dated 27 January 2020 between the Company and the Registrar summarised in section 11.5 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Regulation S”</b>	Regulation S under the Securities Act
<b>“Regulatory Information Service” or “RIS”</b>	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
<b>“Relevant Member State”</b>	each EEA state which is bound by the Prospectus Regulation
<b>“Reporting FI”</b>	an FFI that is resident in the UK under the IGA
<b>“Restricted Territory”</b>	Australia, Canada, Japan, New Zealand or the Republic of South Africa
<b>“RHP”</b>	Registered Social Housing Provider
<b>“Risk Committee”</b>	the committee of this name established by the Board and having the duties described in the section entitled “Risk Committee” in Part IV (Directors, Management and Administration) of this Prospectus
<b>“Rome I”</b>	Regulation (EC) No 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations
<b>“Rosewood”</b>	has the meaning given in section 3 of Part III (The Current Pipeline and Further Investment Opportunities) of this Prospectus
<b>“RTB”</b>	has the meaning given in section 3 of Part III (The Current Pipeline and Further Investment Opportunities) of this Prospectus
<b>“SDRT”</b>	UK stamp duty reserve tax
<b>“SEC”</b>	the US Securities and Exchange Commission
<b>“Securities Act”</b>	the US Securities Act of 1933, as amended
<b>“SEDOL”</b>	Stock Exchange Daily Official List
<b>“Senior Independent Director” or “SID”</b>	the role of this name established by the Board and having the duties described in the subsection entitled “ <i>Senior Independent Director</i> ” in section 9 of Part IV (Directors, Management and Administration) of this Prospectus
<b>“Service Standard”</b>	has the meaning given in section 11.2.6 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Share Issuance Price”</b>	any price other than the Initial Issue Price at which Shares are issued pursuant to the Share Issuance Programme
<b>“Share Issuance Programme”</b>	the Initial Issue and the proposed programme of Subsequent Placings to be carried out by Cantor Fitzgerald on behalf of the Company pursuant to the Sponsor and Placing Agreement
<b>“Share Price”</b>	the average of the middle market quotations of an Ordinary Share for the one month period ending on the last Business Day of the relevant Accounting Period (which shall be adjusted as appropriate: (i) to include any dividend declared but not paid where the Ordinary Shares are quoted ex such dividend at any time during that month; (ii) for the PSP Adjustments; and (iii) to exclude any dividend paid in respect of the Ordinary Shares during that month (solely to the extent required to avoid any double counting resulting from the adjustment referred to in limb (i) of the definition of PSP Adjustments))
<b>“Shareholder”</b>	a holder of Shares in the capital of the Company



<b>“Shares”</b>	Ordinary Shares and/or C Shares (or both), in each case as the context requires
<b>“SIPP”</b>	self-invested personal pension
<b>“SPE”</b>	special purpose entity, including, but not limited to, companies limited by shares or guarantee, unlimited companies, other corporate entities, trusts, partnerships, limited partnerships and limited liability partnerships
<b>“specialist debt”</b>	a type of investment proposed to be made by the Company in Alternative Assets, taking the form of specialist debt secured against infrastructure and property Alternative Assets
<b>“Sponsor and Placing Agreement”</b>	the agreement dated 27 January 2020 between the Company, the Directors, the Investment Manager, the Investment Adviser, BDO, Kepler and Cantor Fitzgerald summarised in section 11.1 of Part VII (Additional Information on the Company) of this Prospectus
<b>“SSAS”</b>	a small self-administered scheme
<b>“Sterling”, “£” or “GBP”</b>	pounds sterling, the lawful currency of the UK
<b>“Subscription Shares”</b>	has the meaning given in section 8.4.4 of Part VII (Additional Information on the Company) of this Prospectus
<b>“Subsequent Admission”</b>	Admission of new Shares issued pursuant to a Subsequent Placing
<b>“Subsequent Expenses”</b>	has the meaning given in section 4.2 of Part V (The Initial Issue and Subsequent Placings under the Share Issuance Programme) of this Prospectus
<b>“Subsequent Placing”</b>	any Placing of Shares pursuant to the Share Issuance Programme, other than the Initial Placing
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers
<b>“Takeover Panel”</b>	the UK Panel on Takeovers and Mergers
<b>“Target Dividend”</b>	has the meaning given in section 5 of Part I (Information on the Company) of this Prospectus
<b>“Target NAV Total Return”</b>	has the meaning given in section 5 of Part I (Information on the Company) of this Prospectus
<b>“Termination Date”</b>	the effective date of termination of the Investment Manager and Adviser Agreement
<b>“Terms and Conditions”</b>	the terms and conditions set out in Part IX (Terms and Conditions of Application under the Offer) of this Prospectus
<b>“Tetragon”</b>	Tetragon Financial Group Limited
<b>“Third Party Funds”</b>	has the meaning given in section 2 of Part I (Information on the Company) of this Prospectus
<b>“Track Record Platforms”</b>	has the meaning given in section 2 of Part II (The Investment Manager, the Investment Adviser and the Investment Strategy) of this Prospectus
<b>“UCITS Directive”</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended
<b>“UCITS Scheme”</b>	an authorised fund authorised by the FCA in accordance with the UCITS Directive

<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UK Corporate Governance Code” or “UK Code”</b>	the United Kingdom Corporate Governance Code as published by the UK Financial Reporting Council, as amended
<b>“uncertificated” or “uncertificated form”</b>	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
<b>“Underlying Applicant”</b>	a subscriber for Ordinary Shares pursuant to the Intermediaries Offer
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>“US Person”</b>	a “U.S. Person” as defined under Regulation S, and references to <b>“US Persons”</b> shall be construed accordingly
<b>“US Plan Assets Regulations”</b>	the regulations promulgated by the US Department of Labor at 29 CFR 2510.3-101, as modified under section 3(42) of ERISA
<b>“US Tax Code”</b>	the US Internal Revenue Code of 1986, as amended
<b>“Volcker Rule”</b>	Section 13 of the US Bank Holding Company Act of 1956, as amended, and Regulation VV (12 C.F.R. Section 248) promulgated thereunder by the Board of Governors of the Federal Reserve System

## APPENDIX 1 – APPLICATION FORM FOR CABOT SQUARE ALTERNATIVES PLC

Please send this completed form by post to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received no later than 1:00 p.m. on 12 February 2020.

FOR OFFICIAL USE ONLY

Log No.

The Company may 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.

**Important:** Before completing this form, you should read the Prospectus dated 27 January 2020, including Part IX (Terms and Conditions of Application Under the Offer) of the Prospectus, and the section entitled “Notes on How to Complete the Application Form For the Offer” at the end of this form.

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

**To: Cabot Square Alternatives plc and the Receiving Agent**

### 1. APPLICATION

I/We the person(s) detailed in section 2A below offer to subscribe the amount shown in Box 1 above for Ordinary Shares subject to the “Terms and Conditions of Application Under the Offer” set out in Part IX (Terms and Conditions of Application Under the Offer) of the Prospectus dated 27 January 2020 and subject to the articles of association of the Company in force from time to time.

### 2A. 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:
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Address (in full):
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	Postcode:
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Designation (if any):
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2:	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:
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Address (in full):
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	Postcode:
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Designation (if any):
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3:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
		Postcode:
Designation (if any):		
4:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
		Postcode:
Designation (if any):		

**2B. DETAILS OF CREST ACCOUNT 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 2A.

**(BLOCK CAPITALS)**

CREST Participant ID: 

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CREST Member Account ID: 

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### 3. SIGNATURE(S): ALL HOLDERS MUST SIGN

By completing section 3 below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part IX (Terms and Conditions of Application Under the Offer) of the Prospectus and to have given the warranties, representations and undertakings set out therein.

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:	

### 4. SETTLEMENT

Please tick the relevant box confirming your method of payment

#### 4A. CHEQUE / BANKER'S DRAFT ☐

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 number of Ordinary Shares shown in Box 1 made payable to "CIS PLC re: Cabot Square Alternatives plc OFS Acceptance A/C" and crossed "A/C payee only". Cheques and banker's payments must be drawn in Sterling on an account at a bank branch in the United Kingdom and must bear a United Kingdom bank sort code number in the top right hand corner. If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp.

#### 4B. ELECTRONIC BANK TRANSFER ☐

If you are subscribing for Ordinary Shares and sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 1:00 p.m. on 12 February 2020. Please contact Computershare Investor Services PLC (stating 'CABOT SQUARE OFS') by email to OFSpaymentqueries@computershare.co.uk for full bank details. You will be provided with a unique reference number which must be used when making the payment.

Please enter below the sort code of the bank and branch you will be instructing to make such payment for value by 1:00 p.m. on 12 February 2020, together with the name and number of the account to be debited with such payment and the branch contact details.

Sort Code:	Account Number:
Account Name:	Bank Name and Address:





#### 4C. SETTLEMENT BY DELIVERY VERSUS PAYMENT ("DVP") ☐

Only complete this section if you choose to settle your application within CREST (i.e. by DVP).

Please indicate the CREST Participant ID from which the DEL message will be received by the Receiving Agent for matching, which should match that shown in section 2B above, together with the relevant Member Account ID.

##### (BLOCK CAPITALS)

CREST Participant ID: 

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CREST Member Account ID: 

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You or your settlement agent/custodian's CREST Account must allow for the delivery and acceptance of Shares to be made against payment at the Initial Issue Price per Ordinary Share, following the CREST matching criteria set out below:

Trade Date:	8:00 a.m. on 14 February 2020
Settlement Date:	as soon as practicable after 8:00 a.m. on 18 February 2020
Company:	Cabot Square Alternatives plc
Security Description:	Ordinary Shares of £0.01
SEDOL:	BJ0LR71
ISIN:	GB00BJ0LR715

Should you wish to settle by DVP, you will need to match your instructions to the Receiving Agent's Participant account RA68 by no later than 1:00 p.m. on 14 February 2020.

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

#### 5. RELIABLE INTRODUCER DECLARATION

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 6 of this form.

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

##### DECLARATION:

##### To the Company and the Receiving Agent

With reference to the holder(s) detailed in section 2A, all persons signing at section 3, and the payor identified in section 6 if not also a holder (collectively the "**subjects**"), WE HEREBY DECLARE:

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

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:



## 6. IDENTITY INFORMATION

If the declaration in section 5 cannot be signed and the value of your application is greater than EUR 15,000 (or the Sterling equivalent), please enclose with the Application Form the documents mentioned below, as appropriate. Please also tick the relevant box to indicate which documents you have enclosed, all of which will be returned by the Receiving Agent to the first named applicant.

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

Holders				Payor
1	2	3	4	

Tick here for documents provided

### A. For each holder being an individual, enclose:

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

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### B. For each holder being a company (a “holder company”), enclose:

- (1) a certified copy of the certificate of incorporation of the holder company; and
- (2) the name and address of the holder company's principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (3) a statement as to the nature of the holder company's business, signed by a director; and
- (4) a list of the names and residential addresses of each director of the holder company; and
- (5) for each director provide documents and information similar to that mentioned in A above; and
- (6) a copy of the authorised signatory list for the holder company; and

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- (7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (a "**beneficiary company**"), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

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

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

- (1) a certified copy of the certificate of incorporation of that beneficiary company; and
- (2) a statement as to the nature of that beneficiary company's business signed by a director; and
- (3) the name and address of that beneficiary company's principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (4) a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

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- E. If the payor is not a holder and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 5 of the notes on how to complete this form, below), enclose:**

- (1) if the payor is a person, for that person the documents mentioned in A(1) to (4); or
- (2) if the payor is a company, for that company the documents mentioned in B(1) to (7); and
- (3) an explanation of the relationship between the payor and the holder(s).

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



## 7. CONTACT DETAILS

To ensure the efficient and timely processing of this application, please enter below the contact details of a person whom the Receiving Agent may contact with all enquiries concerning this application. Ordinarily, this contact person should be the person signing in section 3 on behalf of the first named holder. If no contact details are provided in this section 7 but a regulated person is identified in section 5, the Receiving Agent will contact the regulated person. If no contact details are provided in this section 7 and no regulated person is named in section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:

E-mail address:

Contact address:

Postcode:

Telephone No:

Fax No:



## NOTES ON HOW TO COMPLETE THE APPLICATION FORM FOR THE OFFER

**HELP DESK:** If you have a query concerning completion of the Application Form please call the Receiving Agent on 0370 707 1322 or from outside the UK on +44 370 707 1322.

### 1. APPLICATION

Fill in (in figures) in Box 1 the number of Ordinary Shares that you wish to subscribe for at the Initial Issue Price per Ordinary Share, which is £1.00 per Share. The amount being subscribed for must be a minimum of £1,000, and thereafter in multiples of £1,000.

Financial intermediaries who are investing on behalf of clients should make separate applications in respect of each client or, if making a single application for more than one client, should 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) and/or from any commission arrangements.

### 2A. HOLDER DETAILS

Fill in (in block capitals) the full name and address of each holder. Applications may only be made by persons aged 18 years or over.

In the case of joint holders, only the first named holder may bear a designation reference, and the address given for the first named holder 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 at section 3.

### 2B. CREST

If you wish your Ordinary Shares to be deposited in a CREST Account in the name of the holders given in section 2A, you should enter the details of that CREST Account in section 2B. 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.

### 3. SIGNATURE

All holders named in section 2A must sign section 3 and insert the date of signature. 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 (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. A copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

### 4. SETTLEMENT

#### (a) Cheque/banker's draft

Payments must be made by cheque or banker's draft in Sterling 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 these companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner.

Cheques must be drawn on the personal account of the individual investor (i.e. an account in respect of which the individual has sole or joint title to the funds) and should be made payable to "CIS PLC re: Cabot Square Alternatives plc OFS Acceptance A/C". 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 confirmed the name of the account holder by stamping and endorsing the



cheque/banker's draft to such effect. The account name should be the same as that shown on the Application Form.

**(b) Electronic bank transfers**

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 12 February 2020. Applicants wishing to make a CHAPS payment should request full bank details from the Receiving Agent by email to [OFSpaymentqueries@computershare.co.uk](mailto:OFSpaymentqueries@computershare.co.uk) (stating 'CABOT SQUARE OFS'). Applicants will be provided with a unique reference number which must be used when making the payment.

**(c) CREST settlement**

The Company will apply for the Ordinary Shares issued pursuant to the Offer in uncertificated form to be enabled for CREST transfer and settlement with effect from the date of Initial Admission (the "**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 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 the Receiving Agent to match to your CREST Account, the Receiving Agent will deliver your Ordinary Shares in certificated form (provided that payment has been made in terms satisfactory to the Company).

The right is reserved to issue your Ordinary Shares in certificated form if the Company, having consulted with the Receiving Agent, considers 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 of the facilities and/or system operated by the Receiving Agent in connection with CREST.

The person named for registration purposes in your Application Form (which term shall include the holder of the relevant CREST Account) must be: (i) the person procured by you to subscribe for or acquire the relevant Ordinary Shares; or (ii) yourself; or (iii) a nominee of any such person or yourself, as the case may be. Neither the Receiving Agent nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. The Receiving Agent, on behalf of the Company, will input a DVP instruction into the CREST system according to the booking instructions provided by you in your Application Form. The input returned by you or your settlement agent/custodian of a matching or acceptance instruction to the Receiving Agent's CREST input will allow the delivery of your Ordinary Shares to your CREST Account against payment of the Initial Issue Price per Ordinary Share through the CREST system upon the Settlement Date.

By returning the Application Form, you agree that you will do all things necessary to ensure that your, or your settlement agent/custodian's, CREST Account allows for the delivery and acceptance of Ordinary Shares to be made prior to 8:00 a.m. on 18 February 2020 against payment of the Initial Issue Price per Ordinary Share. Failure by you to do so will result in you being charged interest at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in Sterling plus 2 per cent. per annum.

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

Trade Date:	8:00 a.m. on 14 February 2020
Settlement Date:	as soon as practicable after 8:00 a.m. on 18 February 2020
Company:	Cabot Square Alternatives plc
Security Description:	Ordinary Shares of £0.01
SEDOL:	BJ0LR71
ISIN:	GB00BJ0LR715

Should you wish to settle by DVP, you will need to match your instructions to the Receiving Agent's Participant account RA68 by no later than 1:00 p.m. on 14 February 2020.

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

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

## **5. RELIABLE INTRODUCER DECLARATION**

Applications will be subject to the United Kingdom’s verification of identity requirements. This means that you must provide the verification of identity documents listed in section 6 of the Application Form unless the declaration in section 5 is completed and signed by a firm acceptable to the Receiving Agent. In order to ensure that your application is processed in a timely manner and efficiently, you are strongly advised to have a suitable firm complete and sign the declaration in section 5.

## **6. IDENTITY INFORMATION**

Applicants need only consider section 6 if the declaration in section 5 cannot be completed. However, even if the declaration in section 5 has been completed and signed, the Receiving Agent reserves the right to request of you the identity documents listed in section 6 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 might be rejected or revoked. Where certified copies of documents are provided 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.

## **7. CONTACT DETAILS**

To ensure the efficient and timely processing of this application, please enter below the contact details of a person whom the Receiving Agent may contact with all enquiries concerning this application. Ordinarily, this contact person should be the person signing in section 3 on behalf of the first named holder. If no contact details are provided in this section 7 but a regulated person is identified in section 5, the Receiving Agent will contact the regulated person. If no contact details are provided in this section 7 and no regulated person is named in section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

## **INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS**

Completed Application Forms should be returned together with payment in full in respect of the application either by post to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH, or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH, so as to be received no later than 1:00 p.m. on 12 February 2020.

If you post your Application Form you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.



