

Cabot Square Alternatives Plc

Investment in infrastructure and property

£200 million IPO of CABOT SQUARE ALTERNATIVES PLC

Cabot Square Alternatives PLC has identified the opportunity to create and build Alternative Asset Platforms. The Company will do so by investing directly in a portfolio of infrastructure and property alternative assets (together "Alternative Assets") and in alternative asset managers managing those assets ("Alternative Asset Managers"). The combination of investing in Alternative Assets and their Alternative Asset Managers will create "Alternative Asset Platforms".

HIGHLIGHTS

- **Cabot Square Alternatives PLC** (the "Company" or "ALTS") will be a UK Investment Trust which will provide a new model for investors to access returns from investing in Alternative Assets and in Alternative Asset Managers by creating and building Alternative Asset Platforms
- Target fundraising of **£200 million** via a Placing, Offer for Subscription and Intermediaries Offer
- To be admitted on the **Premium Listing Category** of the Official List and trading on Main Market of the London Stock Exchange
- **Target dividend yield of 5 %** (based on the Issue Price) increasing progressively over time. **Target NAV total return of 8 % - 10 %** (based on the Issue Price) once substantially invested¹
- **Strong pipeline of £500 million of investment opportunities in place with potential to scale to £1 billion plus.** Non-binding heads of terms agreed in relation to renewables and sustainable infrastructure investments. In addition, opportunities in shared ownership, healthcare and education properties are at various stages of due diligence and negotiation
- Alternative Assets could take the form of acquiring **direct interests in infrastructure (including renewable energy) and property alternative assets**, or **specialist debt** secured against infrastructure and property alternative assets
- No geographic restriction for investments, but **focus will be on UK and Europe**
- Targeting 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
- ALTS will be externally managed by Cabot Square Capital LLP (the "Investment Manager"). The Investment Manager will be advised by Cabot Square Alternatives Adviser LLP (the "Investment Adviser"). The Investment Adviser sits within the Investment Manager's group. The **Investment Manager has a 15 year track record of successfully investing in alternative assets and their alternative asset managers. Successful investments include the establishment, development and sale of MedicX (Property) and Equitix (Infrastructure) Alternative Asset Platforms**
- An experienced Board consisting of **Charles (Charlie) Ricketts, Anthony (Tony) Roper and Barbara Powley** has been formed with a mixture of **infrastructure (including renewables), property, investment funds and financial expertise**

WHY INFRASTRUCTURE & PROPERTY?

And not just a single asset type

- ✓ **To generate enhanced returns**
 - Flexibility to allocate investment to the most attractive opportunities over time
 - Ability to invest in Alternative Assets of choice before weight of institutional capital increases prices/reduces returns
- ✓ **Achieve scale benefits at an earlier stage**
 - Only around a third of "Listed Specialist Funds" have scaled to £1 billion or more to date
 - Potential cost benefit of 25-50 bps per annum to Ongoing Charges Ratio
- ✓ **Deliver both income and capital growth**
- ✓ **Diversification improves ability to generate target returns across cycles**

WHY INVEST IN ALTERNATIVE ASSET MANAGERS?

And not just Alternative Assets

- ✓ **Gain proprietary access to scarce attractive Alternative Assets**
- ✓ **Increase operational leverage with Alternative Assets best managed by sector specialists**
- ✓ **Share in value creation from providing Alternative Asset Managers with access to capital**
- ✓ **Further enhance value by attracting additional Third-party AuM fee based income**
- ✓ **Generate potential upside returns from Alternative Asset Manager valuations²**
- ✓ **Better alignment of interests, incentives and succession plans to long term asset ownership**

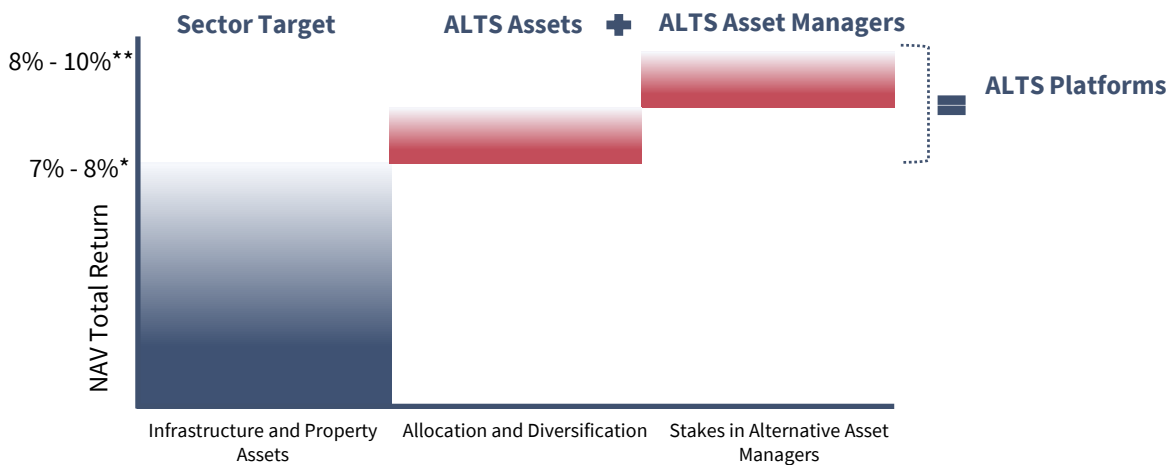
¹ Target dividend of at least 3 pence per share announced for the period from Initial Admission until 31 December 2020. This is not a profit forecast. There can be no assurance that the target can or will be met and should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company or assume that the Company will make any distributions at all and should decide for themselves whether or not the target dividend yield is reasonable or achievable.

² Mean P/E ratio in 2018 for closed end asset managers was 22.9x compared to infrastructure funds 12.2x – Source: Capital IQ



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* Typical target for listed Infrastructure, Renewables, Specialist Property and Asset-backed Debt funds – “Listed Specialist Funds”. ** ALTS target and not a profit forecast

INVESTMENT MANAGER & TRACK RECORD

- During the 15 year period from 2003 to 2018 the Investment Manager invested in a total of 8 Alternative Asset Platforms, which have relevance to the Company’s Investment Policy
- Those transactions were led by Keith Maddin who is a senior partner of the Investment Manager and the lead adviser of the Investment Adviser. The aggregate return on these eight investments has been a 23 % Internal Rate of Return or 2.8 times money multiple (meaning 2.8 UK pounds return for 1.0 UK every pound invested) with £285 million of value created ¹
- In addition to the Investment Manager’s investment, the Alternative Asset Platforms themselves raised an additional £2 billion of institutional investment in listed and unlisted funds to invest in assets by the time they were sold. Today these Alternative Asset Platforms manage c.£7 billion



Premium care homes



Healthcare property



Infrastructure



Self storage



Waste to energy assets



Private rented residential



Offsite manufacturer



Public sector property

THE INVESTMENT ADVISER



Keith Maddin
Lead Adviser

- Leads the Investment Manager’s investments in infrastructure and property Alternate Asset Platforms
- 15 years’ experience of building a number of success Alternative Asset Platforms which at the date of sale collectively managed £2 billion of assets for investors



Alan Pennell
CFO

- Chartered account with 20 years’ experience of real estate investment and operating including 9 years with EY
- Finance Director responsible for leading the finance team of MedicX Fund, a closed ended premium listed real estate investment trust



James Keigher
Investment Director

- Investment director with 12 years’ experience investing in infrastructure and renewables
- A key member of the Infrared Capital Partners team who launched TRIG on the LSE with a £300 million IPO



Dan Lock
Investment Director

- Investment director with 7 years’ experience with FTSE 100 global asset manager Legal & General
- Played key role in setting up and growing L&G’s Shared Ownership and European credit Alternate Asset Platforms

NON-EXECUTIVE BOARD OF DIRECTORS



Charlie Ricketts

Chair of Board, Chair of Management Engagement Comm.



Tony Roper

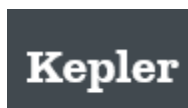
SID, Chair of Risk Comm. & Remuneration Comm.



Barbara Powley

Chair of Audit Comm.

¹ 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



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KEY FEATURES

The Company	<ul style="list-style-type: none"> UK domiciled Closed end Investment Trust To be listed on Premium Listing Category of the Official List 														
Investment Manager & Investment Adviser	<ul style="list-style-type: none"> Cabot Square Capital LLP Cabot Square Alternatives Adviser LLP 														
Target Issue Size & Structure	<ul style="list-style-type: none"> Targeting Initial Issue of £200 million, Issue Price £1.00 per Ordinary Share Placing, Offer for Subscription and Intermediaries Offer After Admission there will be capacity to issue up to 500 million shares under the 12 month Placing Program (including any shares issued under Initial Issue) 														
Investment Objective	<ul style="list-style-type: none"> 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 														
ESG Investing	<ul style="list-style-type: none"> The Investment Manager and Investment Adviser intends to positively and negatively screen, and integrate into the Investment Manager's investment decisions and asset management plans, environmental, social and governance criteria ("ESG") The Company, Investment Manager and Investment Adviser and each of the Alternative Asset Managers that the Company invests in will have ESG Policies based on the UN Principles for Responsible Investing and Sustainable Development Goals 														
Gearing	<ul style="list-style-type: none"> Capped at 25 % of Gross Asset Value (calculated at time of initial drawdown) 														
Target Dividend Yield ¹	<ul style="list-style-type: none"> 5.0 % annum based on the Initial Issue Price with the aim of increasing dividends progressively over time 														
Dividend Frequency	<ul style="list-style-type: none"> Paid quarterly 														
Target NAV Total Return ¹	<ul style="list-style-type: none"> Target NAV total return of 8-10 % per annum based on the Issue Price once substantially invested 														
NAV	<ul style="list-style-type: none"> Quarterly NAVs to be produced, Audited NAVs produced annually 														
Investment Management & Adviser Fee	<p>Adviser Fee (payable quarterly in arrears):</p> <ul style="list-style-type: none"> 1 % of NAV up to £500 million; 0.8 % of NAV between £500 million and £1 billion; 0.7 % of NAV over £1 billion <p>Performance Fee:</p> <ul style="list-style-type: none"> No performance fee payable in first period to 30 September 2020 20 % over 10 % per annum hurdle total return (dividends plus share price) High water mark and no catch up 50 % payable in shares with 18 month lock up Maximum total fees 2 % per annum <p>See Prospectus for full details and definitions.</p>														
External Valuer	<ul style="list-style-type: none"> Duff & Phelps Ltd 														
Governance	<ul style="list-style-type: none"> Independent Board of three non-executive directors Compliant with AIC Corporate Governance Code Audit, Risk, Management Engagement, Remuneration and Nomination Committees in place Tony Roper is Senior Independent non-executive Director 														
Expected Timetable ²	<table> <tr> <td>Prospectus published</td> <td>27 January 2020</td> </tr> <tr> <td>Placing, Offer for Sub & Intermediaries Offer Opens</td> <td>27 January 2020</td> </tr> <tr> <td>Offer for Subscription closes</td> <td>1pm, 12 February 2020</td> </tr> <tr> <td>Intermediaries Offer closes</td> <td>5pm, 12 February 2020</td> </tr> <tr> <td>Placing closes</td> <td>1pm, 13 February 2020</td> </tr> <tr> <td>Results of Issue announced</td> <td>14 February 2020</td> </tr> <tr> <td>Admission</td> <td>18 February 2020</td> </tr> </table>	Prospectus published	27 January 2020	Placing, Offer for Sub & Intermediaries Offer Opens	27 January 2020	Offer for Subscription closes	1pm, 12 February 2020	Intermediaries Offer closes	5pm, 12 February 2020	Placing closes	1pm, 13 February 2020	Results of Issue announced	14 February 2020	Admission	18 February 2020
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² The Company and Cantor Fitzgerald reserve the right to change the timetable at their discretion. Any change in the timetable will be notified.



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