

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.

This document comprises a prospectus (the "**Prospectus**") relating to Buffettology Smaller Companies Investment Trust PLC (the "**Company**") prepared in accordance with the Prospectus Regulation and the Prospectus Regulation Rules made under section 73A of FSMA and made available to the public for the purposes of section 85 of FSMA.

This Prospectus has been approved by the FCA of 12 Endeavour Square, London E20 1JN, as competent authority under the Prospectus Regulation. Contact information relating to the FCA can be found at <http://www.fca.org.uk/contact>. 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 or of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in securities.

Potential investors are recommended to seek advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under FSMA if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom, before investing in the Company. Potential investors should also consider the risk factors relating to the Company set out on pages 11 to 18 of this Prospectus.

The Company, whose registered office appears on pages 25 and 62 of this Prospectus, and the Directors, whose names appear on pages 25 and 37 to 38 of this Prospectus, accept responsibility for the information 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 the Prospectus makes no omission likely to affect its import.

Buffettology Smaller Companies Investment Trust PLC

(Incorporated and registered in England and Wales with registered number 12782935 and registered as an investment company under section 833 of the Companies Act 2006 (as amended))

Prospectus relating to the Initial Placing, Offer for Subscription and Intermediaries Offer of up to 250 million Ordinary Shares and the Placing Programme of a number of Ordinary Shares and/or C Shares subject to a maximum of 350 million Shares in aggregate

Sponsor, Financial Adviser, Sole Bookrunner, Stockbroker and Intermediaries Offer Adviser

Investment Manager

Shore Capital

Sanford DeLand

Applications will be made to the Financial Conduct Authority and the London Stock Exchange for all of the Ordinary Shares to be issued in connection with the Initial Issue and for all of the New Ordinary Shares and the C Shares to be issued in connection with the Placing Programme to be admitted to the premium segment of the Official List under Chapter 15 of the Listing Rules and to trading on the Main Market. The International Security Identification Number (ISIN) for any Ordinary Shares admitted to listing and trading is: GB00BMDFG969. The International Security Identification Number (ISIN) for the C Shares to be admitted to trading is: GB00BMBX9F97.

Shore Capital, which is authorised and regulated by the Financial Conduct Authority, is acting exclusively for the Company and for no one else in connection with the issue of Ordinary Shares and C Shares (together "**Shares**") as described in this Prospectus and will not regard any other person (whether or not a recipient of the Prospectus) as its client and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital or for advising any such person in connection with the issue of the Shares as described in this Prospectus, the contents of the Prospectus, or any transaction or arrangement referred to in the Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Shore Capital by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Shore Capital does not make any representation, express or implied, in relation to, nor accept any responsibility whatsoever for the contents of this Prospectus or for any statement made or purported to be made by it or on its behalf in connection with the Company or the Shares. Shore Capital accordingly disclaims all and any liability, whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

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

In connection with the Initial Issue and Placing Programme, Shore Capital and any of its affiliates, acting as investors for its or their own accounts, may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in the Shares and other securities of the Company or related investments in connection with the Initial Issue, Placing Programme or otherwise. Accordingly, references in this Prospectus to Shares being issued, offered, acquired, subscribed or

otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by Shore Capital and any of its affiliates acting as an investor for its or their own account(s).

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

The contents of this Prospectus are not to be construed as legal, financial, business, investment or tax advice. Investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, repurchase or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of, or subscription for Shares. Investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, financial, business, investment, tax, or any other related matters concerning the Company and an investment therein. None of the Company, the AIFM, the Portfolio Manager, SDL Limited or Shore Capital nor any of their respective representatives is making any representation to any offeree or purchaser of Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been taken by the Company or Shore Capital that would permit an offer of the Shares or possession or distribution of this Prospectus or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than in the United Kingdom and in the Republic of Ireland (in the Republic of Ireland, in respect of "professional investors" as defined in the AIFM Directive only).

NOTICE TO PROSPECTIVE INVESTORS IN THE REPUBLIC OF IRELAND: The Company has received the approval of the Central Bank of Ireland to market to professional investors in Ireland pursuant to S.I. No. 257/2013 - European Union (Alternative Investment Fund Managers) Regulations 2013 (as may be amended or supplemented from time to time) which transpose the AIFM Directive into Irish law.

NOTICE TO PROSPECTIVE INVESTORS IN JERSEY: Shares may only be issued pursuant to the Initial Issue and the Placing Programme where such issue is valid in the United Kingdom or Guernsey. This Prospectus is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. Consent under the Control of Borrowing (Jersey) Order 1958 has not been obtained for the circulation of this offer and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company. By accepting this offer each prospective investor in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable evaluation of the offer. Subject to certain exemptions (if applicable), offers for securities in the Company may only be distributed and promoted in or from within Jersey by persons with appropriate registration under the Financial Services (Jersey) Law 1998, as amended. Neither the Company nor the activities of any functionary with regard to the Company are subject to the provisions of the Financial Services (Jersey) Law 1998.

The Shares described in this Prospectus have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or the securities laws of any states of the United States or under any of the relevant securities laws of Canada, Australia, the Republic of South Africa, or Japan or their respective territories or possessions. Accordingly, the Shares may not (unless an exemption from such legislation or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, the Republic of South Africa, or Japan or their respective territories or possessions. The Company will not be registered under the United States Investment Company Act of 1940 (as amended) and investors will not be entitled to the benefits of such legislation. Persons resident in territories other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to apply for, acquire, hold or dispose of the Shares.

In particular, the attention of persons resident in the United States, Canada, Australia, the Republic of South Africa or Japan is drawn to paragraph 17 of Part 9 (*General Information*) of this Prospectus. This Prospectus does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Shares in any jurisdiction in which such offer or solicitation is unlawful.

In relation to the Initial Placing, the Ordinary Shares will be issued to Placees at the Issue Price and no commission will be paid to any third parties that advise investors in respect of such issues under the Initial Placing. In relation to the Placing Programme, the Ordinary Shares and C Shares (as applicable) will be issued fully paid to Placees at the applicable Placing Programme Price and no commission will be paid to any third parties that advise investors in respect of such issues under the Placing Programme.

The publication or delivery of this Prospectus shall not under any circumstances imply that the information contained in this Prospectus is correct as at any time subsequent to the date of this Prospectus or that there has not been any change in the affairs of the Company since that date.

The Prospectus has been drawn up in accordance with the Prospectus Regulation. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdictions.

Without limitation, neither the contents of the Company's or the AIFM's, the Portfolio Manager's or SDL Limited's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's or the AIFM's, the Portfolio Manager's or SDL Limited's website (or any other website) is incorporated into, or forms part of this Prospectus, or has been approved by the FCA.

30 September 2020

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PROSPECTUS REGULATION SUMMARY

1. Introduction, containing warnings

This summary should be read as an introduction to this Prospectus and any decision to invest in Shares should be based on consideration of this Prospectus as a whole by the investor. The investor could lose all or part of its 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 Shares.

The Company is offering securities under the Prospectus pursuant to an initial placing, offer for subscription and intermediaries offer. The securities which the Company intends to issue under the Initial Issue are Ordinary Shares of the Company of £0.01 each, whose ISIN is GB00BMDFG969 and SEDOL is BMDFG96. The securities which the Company intends to issue under the Placing Programme are New Ordinary Shares and/or C Shares of £0.01 each in the capital of the Company, whose ISIN is GB00BMBX9F97 and SEDOL is BMBX9F9.

Buffettology Smaller Companies Investment Trust PLC can be contacted by writing to its registered office, The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF or by calling, within business hours, +44 207 409 0181. The Company can also be contacted through its Company Secretary, JTC (UK) Limited, by writing to JTC (UK) Limited, The Scalpel, 18th Floor, 52 Lime Street, London, England EC3M 7AF, calling, within business hours, +44 207 409 0181 or emailing Buffettology.CoSec@jtcgroup.com. The LEI number is 2549009BORVHFBA94K76.

The Prospectus was approved on 30 September 2020 by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN. Contact information relating to the Financial Conduct Authority can be found at <https://www.fca.org.uk/contact>.

2. Key information on the issuer

2.1 *Who is the issuer of the securities?*

The Company is a public company limited by shares incorporated in England and Wales with an unlimited life under the Act and is domiciled in the United Kingdom. The Company is an investment company under section 833 of the Act. The Company's LEI number is 2549009BORVHFBA94K76.

The articles of association of the Company state that the Company's objects are unrestricted but shall include the object to carry on business as an investment trust. The Company's principal activity is to invest in the securities of companies listed or traded in the United Kingdom with a market capitalisation (at the time of investment) of between £20 million and £500 million.

Pending allotment of the Ordinary Shares pursuant to the Initial Issue, the Company is controlled by SDL Limited. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

The Directors of the Company are:

- Andy Crossley
- Stephanie Eastment
- Stuart Sharp
- Pia Skogstrom

Castlefield and Sanford DeLand will be responsible for the performance of the Portfolio in accordance with the Company's investment policy and the Investment Management Agreement.

Under the Investment Management Agreement, the AIFM and the Company have appointed Castlefield as portfolio manager to the Company and the Company, the AIFM and Castlefield have separately appointed SDL Limited to provide investment services in relation to the Company.

The Company's auditor is BDO LLP of 55 Baker Street, London W1U 7EU.

There is no initial portfolio of investments for the Company to acquire on Admission. Sanford DeLand expects to have substantially invested the proceeds of the Initial Issue within 3 months from the date of Admission, provided that there are favourable market conditions and good pricing opportunities available.

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

No key financial information is included in this document as the Company is yet to commence operations.

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

The attention of investors is drawn to the risks associated with an investment in the Company which, in particular, include the following:

- (a) The Company depends on the diligence, skill and judgment of Sanford DeLand. In the event of a departure of a key SDL Limited employee, there is no guarantee that SDL Limited would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the Company's NAV, revenues and returns to Shareholders.
- (b) The Company will invest in the securities of UK small- and mid-capitalisation companies. Such companies may find it more difficult to overcome periods of economic slowdown or recession. The risk of bankruptcy in respect of such companies (with the attendant losses to investors) is therefore higher. In addition, small- and mid-capitalisation companies are more likely to depend on the management talents of a founder or small group of persons and, if any such persons were to cease to be involved in the management or support of the relevant company, this could have a material adverse impact on their business and prospects and the value of the investment in them made by the Company. In addition, the relatively small market capitalisation of small- and mid-capitalisation companies can make the market in their shares illiquid. Therefore, prices of small and mid-capitalisation companies are often more volatile than prices of larger capitalisation stocks. The Company therefore, may not be able to realise, within a period which investors would otherwise regard as reasonable, its investments and any such realisations that may be achieved may be at a considerably lower price than prevailing indicative market prices.
- (c) The Directors intend to apply to HMRC for, and to conduct the affairs of the Company so as to satisfy the conditions for, approval as an investment trust under Chapter 4 of Part 24 of the CTA. A failure to obtain or maintain HMRC approval as an investment trust, may lead to the Company being subject to corporation tax on its capital profits.

3. **Key Information on the Securities**

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

3.1.1 *Ordinary Shares and/or C Shares*

The Company is targeting an issue of up to 250 million Ordinary Shares pursuant to the Initial Issue comprising the Initial Placing, the Offer for Subscription and the Intermediaries Offer. Ordinary Shares will be issued pursuant to the Initial Issue at the Issue Price of 100p per Ordinary Share.

The Directors are authorised to issue up to 350 million Ordinary Shares and/or C Shares pursuant to the Placing Programme without having to first offer those Ordinary Shares and/or C Shares to existing Shareholders, provided that such number of Ordinary Shares (including New Ordinary Shares) and C Shares issued pursuant to the Initial Issue and the Placing Programme and including the Company's existing subscriber share, may not exceed 350 million Shares, in aggregate. The issue of Ordinary Shares and/or C Shares is at the discretion of the Directors.

The securities which the Company intends to issue under the Initial Issue are Ordinary Shares, whose ISIN is GB00BMDFG969 and SEDOL is BMDFG96. The securities which the Company intends to issue under the Placing Programme are New Ordinary Shares and/or C Shares, whose ISIN is GB00BMBX9F97 and SEDOL is BMBX9F9. Immediately following admission of the Ordinary Shares to be issued pursuant to the Initial Issue to: (i) the premium segment of the Official List; and (ii) trading on the Main Market, becoming effective in accordance with the listing rules made by the FCA under section 73A of FSMA and the admission and disclosure standards of the London Stock Exchange, the Company will have one class of share in issue.

The Ordinary Shares and C Shares are denominated in Sterling. The Ordinary Shares are being offered under the Initial Issue at the price of 100p per Ordinary Share. The Placing Programme Price of the New Ordinary Shares offered under the Placing Programme will be calculated by reference to the last published cum income Net Asset Value of each existing Ordinary Share (other than any Ordinary Shares held in treasury) at the time of issue, together with a premium intended to at least cover the costs and expenses of the placing pursuant to the Placing Programme (including, without limitation, any placing commission), such costs and expenses being estimated to be no more than 1.5 per cent. of the amounts raised.

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

	<i>Nominal value (£)</i>	<i>Number</i>
Management Shares	50,000	50,000

The Management Shares will be paid up in full on Admission.

3.1.2 *Rights attaching to the Ordinary Shares and/or C Shares*

	<i>Ordinary Shares</i>	<i>C Shares</i>
Dividend	The holders of the Ordinary Shares shall be entitled to receive, and to participate in, any dividends which the Company declared, from time to time proportionate to the amounts paid or credited as paid in relation to the Ordinary Shares that they hold, after taking account of any dividends attributable to any C Shares in issue.	The holders of the C Shares shall be entitled to receive, and to participate in, any dividends which the Company declared, from time to time proportionate to the amounts paid or credited as paid in relation to the tranche of C Shares that they hold.
Rights in respect to capital	On a winding-up, provided the Company has satisfied all its liabilities and subject to the rights conferred on any other class of shares in issue at that time to participate in the winding-up, the holders of Ordinary Shares shall be entitled to all the surplus assets of the Company, after taking account of any net assets attributable to any C Shares in issue.	On a winding-up, provided the Company has satisfied all its liabilities and subject to the rights conferred on any other class of shares in issue at that time to participate in the winding-up, the holders of C Shares shall be entitled to all the surplus assets attributable to the relevant tranche of C Shares.
Voting	The Ordinary Shares shall carry the right to receive notice of, attend and vote at General Meetings and on a poll, to one vote for each Ordinary Share held.	The C Shares shall carry the right to receive notice of, attend and vote at General Meetings and on a poll, to one vote for each C Share held.

3.1.3 *Restrictions on the free transferability of Ordinary Shares and C Shares*

There are no restrictions on the free transferability of the Ordinary Shares or the C Shares, subject to compliance with applicable securities laws.

3.1.4 *Dividend policy*

The Company's intention is to look for overall return rather than seeking any particular level of dividend. The Company will comply with the investment trust rules regarding distributable income, meaning that it will not retain an amount greater than the higher of (i) 15 per cent. of the income for the accounting period; (ii) the accumulated revenue losses brought forward from previous accounting periods, provided that the amount the Company may retain does not exceed those losses; and (iii) the amount of income that the Company must retain to comply with any restrictions imposed by law.

Any dividends and distributions will be at the discretion of the Board. Subject to the Act, the Company may, by ordinary resolution, declare dividends to be paid to Shareholders according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.

Subject to the Act, the Board may from time to time pay to the Shareholders such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company, on such dates and in respect of such periods as it thinks fit.

3.2 ***Where will the securities be traded?***

Applications will be made to the Financial Conduct Authority and the London Stock Exchange for all of the Ordinary Shares to be issued in connection with the Initial Issue and for all of the New Ordinary Shares and the C Shares to be issued in connection with the Placing Programme to be admitted to the premium segment of the Official List under Chapter 15 of the Listing Rules and to trading on the Main Market.

3.3 ***What are the key risks specific to the securities?***

The attention of investors is drawn to the risks associated with an investment in the Ordinary Shares and/or the C Shares which, in particular, include the following:

- (a) the Directors are under no obligation to effect repurchases of Ordinary Shares and/or C Shares. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Ordinary Shares and/or C Shares (as the case may be) in the market, which may have limited liquidity;
- (b) as the price of shares in an investment trust is determined by the interaction of supply and demand for those shares in the market, the price of shares may fluctuate and may represent a discount or premium to the net asset value per share; and
- (c) an investor may not get back the amount invested.

4. **Key information on the offer of securities to the public and/or the admission to trading on a regulated market**

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

The Initial Placing will remain open until 12 noon on 23 October 2020, the Offer for Subscription will remain open until 11.00 a.m. on 23 October 2020 and the Intermediaries Offer will remain open until 3.00 p.m. on 23 October 2020. If any aspect of the Initial Issue is extended, the revised timetable will be notified through an announcement through a Regulatory Information Service.

Assuming that the Initial Issue is fully subscribed, and the estimated expenses of the Initial Issue are £4.6 million, the Net Proceeds will be £245.4 million (inclusive of any irrecoverable VAT).

The Placing Programme may be implemented by any placing of Ordinary Shares and/or C Shares pursuant to the Placing Programme.

The costs and expenses of each Subsequent Issue are estimated to be no more than 1.5 per cent. of the amounts raised.

Under the Placing Programme, each New Ordinary Share will be made available to investors at a price calculated by reference to the estimated cum income Net Asset Value of each existing Ordinary Share together with a premium intended to cover the costs and expenses payable by the Company in connection with each Subsequent Issue. Since the New Ordinary Shares will be issued at the Placing Programme Price which includes a premium to the estimated NAV (cum income) per existing Ordinary Share to cover the expenses of each Subsequent Issue of Ordinary Shares, existing Shareholders will experience no dilution on a NAV per Share basis as a result of any issue of New Ordinary Shares and the deduction of any costs and expenses incurred in connection with such Subsequent Issue.

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

By way of illustration, assuming an initial NAV of 100p per Ordinary Share, the Placing Programme Price per New Ordinary Share would be expected to be at least 101.5p, and the expenses borne by the Company would be approximately 1.5p per Ordinary Share. The Placing Programme Price of any C Shares issued pursuant to the Placing Programme will be 100p per C Share and the costs of the relevant issue of such C Shares, which are expected to be no more than 1.5 per cent. of that issue, will be paid out of the proceeds of the issue and accordingly will be borne indirectly by investors in the relevant C Shares.

Assuming that £100 million is raised under the Placing Programme before expenses solely through the issue of New Ordinary Shares, a Placing Programme Price of 100p per New Ordinary Share and costs of the Placing Programme of approximately 1.5 per cent. of the gross proceeds, the gross proceeds would be £100 million, and the net proceeds of the Placing Programme would therefore be £98.5 million.

Assuming that £100 million is raised under the Placing Programme before expenses solely through the issue of C Shares, a Placing Programme Price of 100p per New Ordinary Share and costs of the Placing Programme of approximately 1.5 per cent. of the gross proceeds, the gross proceeds would be £100 million, and the net proceeds of the Placing Programme would therefore be £98.5 million.

The number of Ordinary Shares and/or C Shares available under the Placing Programme is intended to be flexible and should not be taken as an indication of the number of shares to be issued. The Company will make the decision on each individual occasion it wishes to issue shares under the Placing Programme as to whether the Company will issue Ordinary Shares or C Shares. Any issues of such shares will be notified by the Company through an announcement through a Regulatory Information Service and the Website.

The Placing Programme may have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares and/or C Shares over the duration of the Placing Programme. Ordinary Shares and/or C Shares may be issued under the Placing Programme, following the Initial Issue, from 8.00 a.m. on 30 October 2020 until 8.00 a.m. on 29 September 2021.

Applications will be made to the Financial Conduct Authority and the London Stock Exchange for all of the Ordinary Shares to be issued in connection with the Initial Issue and for all of the New Ordinary Shares and the C Shares to be issued in connection with the Placing Programme to be admitted to the premium segment of the Official List under Chapter 15 of the Listing Rules and to trading on the Main Market.

The Initial Issue is conditional, among other things, on:

- (a) the Issue Agreement becoming wholly unconditional in respect of the Initial Issue (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission;
- (b) Initial Admission having become effective on or before 8.00 a.m. on 29 October 2020 or such later time and/or date as the Company and Shore Capital may agree (being not later than 8.00 a.m. on 31 December 2020); and

- (c) the minimum gross proceeds of the Initial Issue, being £100 million (or such lesser amount as the Company, Shore Capital, the Portfolio Manager and SDL Limited may agree) being raised.

Each allotment and issue of New Ordinary Shares and/or C Shares under the Placing Programme, following the Initial Issue, is conditional, among other things, on:

- (a) in the case of New Ordinary Shares, the Placing Programme Price being determined by the Directors;
- (b) Admission of the New Ordinary Shares or C Shares being issued pursuant to such issue;
- (c) the Issue Agreement becoming otherwise unconditional in respect of the relevant issue of New Ordinary Shares and/or C Shares in all respects and not having been terminated on or before the relevant date of Admission; and
- (d) a valid supplementary prospectus being published by the Company if required by the Prospectus Regulation Rules.

4.2 **Why is the Prospectus being produced?**

4.2.1 *Reasons for the Initial Issue and Placing Programme*

Estimated net proceeds

The Initial Issue is intended to raise up to £250 million for investment in accordance with the Company's investment objective and investment policy.

Following the Initial Issue, the Company may wish to issue further Ordinary Shares and/or C Shares to raise up to £350 million under the Placing Programme. The Directors intend to use the net proceeds of any Ordinary Shares and/or C Shares issued under the Placing Programme to acquire investments in accordance with the Company's investment objective and investment policy.

Neither the Initial Issue nor Placing Programme has been underwritten.

Conflicts of interest

The AIFM, the Portfolio Manager, Sanford DeLand, SDL Limited, the Administrator, the Registrar, Shore Capital and any of their members, directors, officers and employees may be involved in other investment activities that may on occasion give rise to conflicts of interest between the duties carried out by them on behalf of the Company and their private interest or other duties. In particular, the AIFM, the Portfolio Manager and Sanford DeLand currently do, and may continue to, provide investment management, investment advice or other services in relation to a number of other companies, funds or accounts that may have similar investment objectives and/or policies, to that of the Company and may receive ad valorem and/or performance-related fees for doing so.

The AIFM maintains and operates organisational, procedural and administrative arrangements and implements policies and procedures designed to manage actual and potential conflicts of interest.

The Portfolio Manager and Sanford DeLand are committed to identifying, monitoring and managing all actual and potential conflicts of interest that can arise, and have a conflicts of interest policy which covers the fair management and resolution of such situations should they arise and which is reviewed on at least an annual basis.

For example, the Portfolio Manager may have conflicts of interest in allocating investments among the Company and other clients and in effecting transactions between the Company and other clients. In instances where the Portfolio Manager chooses to aggregate the Company's investment with other investments from other clients as well as the Company, the Portfolio Manager will allocate investments fairly to all clients in accordance with applicable rules and applicable fair allocation policies. Furthermore, the Portfolio Manager will not aggregate an investment if it is likely to work to the disadvantage of any of its clients involved. Allocations will

be made on the basis of the investment objectives of the Portfolio Manager's clients, as applicable, including the Company in each case.

The Portfolio Manager and Sanford DeLand may take action with respect to such other clients that differs from the actions taken with respect to the Company. The Portfolio Manager will ensure that transactions effected by it or an associate in which it or an associate has, directly or indirectly, a material interest or relationship of any description with another party, are effected on terms which are not materially less favourable to the Company than if the potential conflict had not existed. Employees of the Portfolio Manager and SDL Limited are required to disclose and, in most cases, obtain approval for any outside business interest or employment. Employees that are open to a conflict of interest are paid a basic salary, which is not dependent on business performance. Remuneration and bonus structures are designed so as not to create any incentive for officers, members or employees of the Portfolio Manager to act contrary to their clients' interests.

Subject to the undertakings referred to in the previous paragraph, notwithstanding similar investment objectives, an investment opportunity for the Company may be allocated across all, some, or only one of the Portfolio Manager's clients, dependent on the size of the investment opportunity and the relative opportunity for the Company or other clients. For example, an opportunity for a small investment may not present a meaningful position in a large account and, therefore, may only be allocated to smaller accounts, all other characteristics of the accounts being comparable.

The Directors have satisfied themselves that the AIFM, the Portfolio Manager and Sanford DeLand have procedures in place to address potential conflicts of interest and that, where a conflict arises, the Portfolio Manager will allocate the opportunity on a fair basis and in accordance with the Investment Management Agreement.

PART 1

RISK FACTORS

Any investment in the Company should not be regarded as short-term in nature and involves a degree of risk, including, but not limited to, the risks in relation to the Company and the Shares referred to below. Prospective investors should consider carefully the following risk factors in addition to the other information presented in this Prospectus. If any of the risks described below were to occur, it could have a material effect on the Company's business or financial condition or the results of its operations. Additional risks not currently known to the Company, or that the Company currently believes are not material, may also adversely affect its business, its financial condition and the results of its operations. The value of the Shares could go down due to any of these risk factors, and investors could lose part or all of their investment.

1. Risk relating to the Company

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

The Company was incorporated under the laws of England and Wales on 31 July 2020 and is a newly formed company. As at the date of this Prospectus, the Company has not commenced its activities and has no operating history. As the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective or implement its investment strategy and provide a satisfactory investment return. An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective and that the value of an investment in the Company could decline substantially as a consequence. Any failure by the Company to achieve its investment objective may adversely affect its operations and returns to Shareholders.

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

Reliance on Sanford DeLand, the Portfolio Manager and other third party service providers

The Company has no employees and the Directors have all been appointed on a non-executive basis. Therefore, the Company will be reliant upon Sanford DeLand, the Portfolio Manager and its other third party service providers for the performance of certain functions.

The Board requires each of the Company's service providers to provide services to the Company in compliance with applicable law and regulation. The Board oversees and keeps under review the provision of services by each of the Company's service providers on an ongoing basis. To assist its ability to properly oversee service providers, the Board requires service providers to notify them as soon as reasonably practicable following any material breach of the service providers' contracts with the Company. Whilst steps are therefore taken by the Board to mitigate the risk of failure by service providers to carry out their obligations to the Company in accordance with their applicable duties of care and skill, in the event such a failure occurs, or in the event that a service provider's appointment terminates, there may be an adverse impact on the Company's NAV, revenues and returns to Shareholders.

Control failures, either by the AIFM, the Portfolio Manager, Sanford DeLand or any other of the Company's service providers, may result in operational and/or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations.

Under the Company's proposed management structure, if the AIFM and Castlefield cease to provide portfolio management services, other than in circumstances where Castlefield's portfolio management function is transferred to SDL Limited on the Portfolio Management Novation Date, and assuming that the proposed management structure is to continue, the Company would need to cease actively investing the Portfolio until a replacement portfolio manager was appointed that would agree to appoint Sanford DeLand under similar arrangements to those currently in place between Castlefield and Sanford DeLand. There is no

guarantee that the Company would be able to appoint such an alternative portfolio manager quickly or at all. In the event that it is necessary for the Company to replace Castlefield, or any other third party service provider, it may be that the transition process takes time, increases costs and may adversely affect the Company's NAV, revenues and returns to Shareholders.

The departure of some or all of SDL Limited's investment professionals could prevent the Company from achieving its investment objective

Whilst the Portfolio Manager is responsible for managing the Portfolio pursuant to the Investment Management Agreement, it is reliant on the services of Sanford DeLand in doing so. As a result, if Sanford DeLand was no longer able to provide the services to the Portfolio Manager and the Company this could have a material adverse effect on the performance of the Company's NAV, revenues and returns to Shareholders.

The Company depends on the diligence, skill and judgment of Sanford DeLand. The Company's future success depends on the continued service of these individuals, who are not obliged to remain employed by SDL Limited, nor in the absence of being employed by SDL Limited, contractually bound to perform services for the Portfolio Manager, and on SDL Limited's ability to strategically recruit, retain and motivate new talented personnel. Whilst SDL Limited endeavours to ensure that the principal members of its management team are suitably incentivised, the retention of key members of its team cannot be guaranteed. In the event of a departure of a key SDL Limited employee, there is no guarantee that SDL Limited would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the Company's NAV, revenues and returns to Shareholders. Events impacting but not entirely within SDL Limited's control, such as its financial performance, it being acquired or making acquisitions or changes to its internal policies and structures could in turn affect its ability to retain key personnel. If key personnel of SDL Limited were to depart or if SDL Limited was unable to recruit individuals with similar experience and calibre, Sanford DeLand may not be able to provide services to the requisite level expected or required by the Company. This could have a material adverse effect on the performance of the Company's NAV, revenues and returns to Shareholders.

There can be no assurance that the Directors will be able to find a replacement manager if SDL Limited resigns

Pursuant to the terms of the Investment Management Agreement and following the Portfolio Management Novation Date, SDL Limited may resign by giving the Company not less than 6 months' written notice. If SDL Limited were to resign, it may be difficult to locate a successor to the role. If a successor cannot be found, the Company may not have the resources it considers necessary to manage the Portfolio or to make investments appropriately and, as result there may be a material adverse effect on the performance of the Company's NAV, revenues and returns to Shareholders.

Key person

The Company is substantially dependent on the services of Sanford DeLand, currently comprising Keith Ashworth-Lord, Andrew Vaughan and Eric Burns for the implementation of the Company's investment policy. The loss of the services of any of these individuals could have an adverse effect on the Company's performance.

Past performance

The past performance of other investments managed by Sanford DeLand cannot be relied on as an indicator of future performance of the Company and the value of an investment in the Company, and the income derived from it, if any, may go down as well as up. There can be no guarantee that the investment objectives of the Company will be met. Therefore, investors may not get back the full value of their investment.

Small-cap and mid-cap companies

The Company aims to predominantly invest in the securities of UK small- and mid-capitalisation companies, at the time of investment.

Small- and mid-capitalisation companies can be expected, in comparison to larger companies, to have less mature businesses, a more restricted depth of management and a higher risk profile. As small- and mid-

capitalisation companies do not generally have the financial strength, diversity and resources of larger companies, they may find it more difficult to overcome periods of economic slowdown or recession. The risk of bankruptcy of many small and mid-capitalisation companies (with the attendant losses to investors) is also higher and it can be more challenging to access publicly available information in respect of small- and mid-capitalisation companies. In addition, small- and mid-capitalisation companies are more likely to depend on the management talents of a founder or small group of persons and, if any such persons were to cease to be involved in the management or support of the relevant company, this could have a material adverse impact on their business and prospects and the value of the investment in them made by the Company.

The relatively small market capitalisation of small- and mid-capitalisation companies can make the market in their shares illiquid. Therefore, prices of small and mid-capitalisation companies are often more volatile than prices of larger capitalisation stocks. Such securities that are not readily tradable, may be difficult for the Company to sell, which may lead to volatility in the market price of the Shares. Investors should not expect that the Company will necessarily be able to realise, within a period which they would otherwise regard as reasonable, its investments and any such realisations that may be achieved may be at a considerably lower price than prevailing indicative market prices. There can therefore be no guarantee that any realisation of an investment will be on a basis which necessarily reflects the valuation of that investment.

Sectoral diversification

Up to 25 per cent. of Gross Asset Value (at the time of investment) can be invested in Portfolio Companies operating in a single Industry Classification Benchmark supersector. Greater concentration of investments in any one industry or sector may result in greater volatility in the value of the Company's investments, and consequently its NAV, and may materially and adversely affect the performance of the Company and returns to Shareholders.

Due diligence

Sanford DeLand's due diligence may not identify all risks and liabilities in respect of an investment.

Before making an investment, the Portfolio Manager and Sanford DeLand, on behalf of the Company, will perform due diligence on the proposed investment. In doing so, they would typically rely in part on information from third parties as a part of this due diligence. To the extent that the Portfolio Manager, Sanford DeLand or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, this may impact on the profitability or valuation of the investment. For example, the Company may acquire an investment with unknown or undiscovered liabilities or investments may be acquired that are not consistent with the Company's strategy and which fail to perform in accordance with projections.

Securities traded on AIM

It is expected that a portion of the Portfolio will comprise companies whose securities are admitted to trading on AIM. AIM securities are not admitted to the Official List. An investment by the Company in securities quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for the securities in which the Company is looking to invest cannot be guaranteed.

Conflicts of interest

The Portfolio Manager (in association with Sanford DeLand and on its own behalf) and the AIFM manages other accounts, vehicles and funds pursuing similar investment strategies to that of the Company. The appointment of the AIFM, the Portfolio Manager and Sanford DeLand is on a non-exclusive basis and it is anticipated that Sanford DeLand, the Portfolio Manager and the AIFM will continue to allocate a significant amount of time managing other Managed Funds. It is expected that the Company may enter into transactions with other Managed Funds as a counterparty when acquiring, disposing of or co-investing in certain investments. Sanford DeLand, SDL Limited, the Portfolio Manager and/or the AIFM and their affiliates may have rendered certain services such as origination or other services for the benefit of previous and/or existing Managed Funds which held or hold an interest in an asset targeted by the Company and in return the relevant entities may have received fees for such services. As a result, Sanford DeLand, SDL Limited,

the Portfolio Manager, the AIFM or another affiliate entity might be subject to a conflict of interest resulting from their previous involvement in relation to such asset.

Additionally, it is probable that other Managed Funds will invest in assets which may be in competition with those invested in by the Company for customers or financing opportunities. Any one of these factors may on occasion give rise to conflicts of interest which the AIFM, the Portfolio Manager and Sanford DeLand will manage in accordance with their policies and procedures relating to conflicts of interest.

In relation to the allocation of investment opportunities, Sanford DeLand, the Portfolio Manager and the AIFM will seek to ensure fair allocations between the Company and other Managed Funds. However, it cannot be assured that such conflicts of interest will always be resolved in a manner that Shareholders perceive to be in their best interest, particularly where Sanford DeLand, the Portfolio Manager and the AIFM needs to balance divergent interests of the Company, other Managed Funds and relating to them generally. In seeking to manage such conflicts, Sanford DeLand, the Portfolio Manager nor the AIFM may not offer the Company the opportunity to invest in all investments that fall within the Company's investment policy, which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Shares.

Currency

Movements in exchange rates could adversely affect the Company's financial performance in respect of investments of the Company that are not denominated in sterling, or which derive significant proportions of their returns in non-sterling currencies. The return to Shareholders will be affected by changes in the value of sterling to those foreign currencies in which certain investments are held or from where they derive their returns.

Brexit

The process of the United Kingdom leaving the European Union may result in severe currency movements, volatility in the UK and global markets and regulatory changes that may adversely affect the Company, the AIFM, the Portfolio Manager, Sanford DeLand, SDL Limited and the Portfolio.

Borrowings

Prospective investors should be aware that, whilst the use of borrowings should enhance the Net Asset Value of the Shares where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. This may further increase the volatility of the market price and Net Asset Value of the Shares.

Delays in deployment of the Net Proceeds

As at the date of this Prospectus, the Company has no investments, and pending deployment of the Net Proceeds intends to invest cash held in cash deposits and money market funds. Interim cash management is likely to yield lower returns than the expected returns from investments. Although the Portfolio Manager expects to be able to deploy the Net Proceeds within 3 months, deployment depends on there being favourable market conditions and the availability of good pricing opportunities. There can therefore be no assurance as to how long it will take for the Company to invest all of the Net Proceeds. To the extent that there is a delay in investing the Net Proceeds, the Company's aggregate return on investments will be reduced.

There is no initial portfolio of investments for the Company to acquire on Admission. Sanford DeLand expects to have substantially invested the proceeds of the Initial Issue within 3 months from the date of Admission, provided that there are favourable market conditions and pricing opportunities.

There can be no assurance that the Portfolio Manager and Sanford DeLand will be successful in implementing the Company's investment objectives

The Company will be dependent upon the Portfolio Manager's and Sanford DeLand's successful implementation of the Company's investment policy and investment strategies and ultimately on its ability to create an investment portfolio capable of generating attractive returns. This implementation in turn will be subject to a number of factors, including market conditions and the timing of investments relative to

market cycles, many of which are beyond the control of the Company and difficult to predict. There can be no assurance that the Company will be successful in sourcing suitable investments or that the Company will make any investments at all.

The Company may face competition from other investment funds and strategic investors

The Company's ability to implement its strategy and achieve its desired returns will depend largely on its ability to identify and invest in suitable investments at satisfactory prices and on satisfactory terms. A growing number of funds and other strategic investors are targeting similar investment opportunities and the Company may face significant competition from such investors. Many of these competitors have greater financial resources than the Company and a greater ability to borrow funds to acquire investments. Competition for attractive investment opportunities could lead to higher prices for such opportunities which could affect the Company's ability to invest on terms which the Portfolio Manager considers attractive. Such conditions may have a material adverse impact on the Company's ability to secure attractive investment opportunities and consequently may have an adverse effect on the Company and the value of the Ordinary Shares.

Market conditions may delay or prevent the Company from making appropriate investments that generate attractive returns

Market conditions may have a negative impact on the Company's ability to identify and execute suitable investments that might generate acceptable returns. As evident during previous market downturns, market conditions have had a significant impact on investment pricing and liquidity levels. Market conditions may also restrict the supply of suitable investments that may generate acceptable returns. Adverse market conditions and their consequences may have material adverse effect on the Company's business, results of operations and cash flows.

Adverse market conditions could have a significant impact on the Company and the value of its investment portfolio

The value of the equity securities in the Company's investment portfolio may fluctuate and there is no guarantee that the amounts invested by the Company will be returned in whole or in part. Such investments entail a certain degree of risk and stock markets may periodically experience short-term volatility as a result of adverse macroeconomic conditions, political instability and uncertainty, epidemics, inflation, adverse weather events, war, terrorism, civil disturbances and other unpredictable factors. The performance of the Company and the value of its investments could be significantly affected by such factors both globally and in the jurisdictions where the Company invests, including in particular the UK, Europe and the United States. Adverse macroeconomic conditions or the materialisation of one or more of the above factors could have a material adverse effect on the Company and the value of the Ordinary Shares.

Epidemics, pandemics, outbreaks of disease and public health issues

The Company's operations and investments, could be materially adversely affected by epidemics, pandemics, outbreaks of disease, and public health issues, such as COVID-19. In particular, COVID-19 has spread rapidly around the world since its initial emergence in December 2019 and has negatively affected (and may continue to negatively affect or materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks). In particular, the COVID-19 outbreak has resulted in significant volatility of the prices of securities admitted to trading on the London Stock Exchange, which could have a material adverse effect on the Company and the value of the Ordinary Shares.

The Company's performance will depend on investment market conditions

If conditions affecting the investment market negatively impact the price at which the Company is able to dispose of its assets, or if the Company suffers a material increase in its operating costs, this may have a material adverse effect on the Company's business and results of operations.

The Company may be forced to dispose of its investments at a time when it will not be able to obtain the best value for its investments

Whilst the Company has an indefinite life, and is under no obligation to sell its investments within a fixed time frame, there can be no assurance that, at the time the Company seeks to dispose of its investments,

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

General

A proportion of the Portfolio may be held in cash from time to time. Such proportion of the Company's assets will be out of the market and will not benefit from positive stock market movements, if any.

2. Risks relating to the Shares

Discount management provisions

Any Share buybacks in the context of the Company's discount management provisions may be satisfied by the available cash or cash equivalent resources of the Company, from borrowings, the realisation of the Company's assets or any combination of these sources of liquidity, at the Directors' discretion. Potential investors should be aware that the Company's investments have limited liquidity and therefore any such returns of capital that depend on the realisation of assets may be deferred and may ultimately generate cash which is less than the valuation of the relevant assets, which may affect the published NAV and/or the market price of the Shares.

The Company's share buyback policy is expressly subject to the Board's discretion and therefore potential investors should not place reliance on share buybacks as a source of potential exit from the Shares.

General risks affecting the Shares

The price of shares in an investment trust is determined by the interaction of supply and demand for its shares in the market as well as the net asset value per share. The share price can therefore fluctuate and may represent a discount or a premium to the net asset value per share. This discount is itself variable as conditions for supply and demand change. This can mean that the Company's share price may go down as well as up and the share price can fall when the NAV per Share rises, or vice versa. There is no guarantee that the market price of the Shares will fully reflect their underlying Net Asset Value.

An investor may not recover the amount originally invested. The Company can offer no assurance that its investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

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

Market liquidity in the shares of investment trusts is frequently inferior to the market liquidity of shares issued by larger companies traded on the London Stock Exchange. Although it is expected that the Shares will be traded on the London Stock Exchange's market for listed securities, it is possible that there may not be a liquid market in the Shares and Shareholders may have difficulty in selling Shares. While the Directors retain the right to effect repurchases of Shares in the manner described in this Prospectus, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors so to act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares in 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. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value or at all.

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

Further issues of Shares

The Directors have been authorised to issue up to 350 million Shares, less any Ordinary Shares that are issued pursuant to the Initial Issue, immediately following Initial Admission without the application of pre-emption rights. If the Directors decide to issue further Shares on a non-pre-emptive basis the proportions of the voting rights held by holders of Ordinary Shares on Initial Admission will be diluted on the issue of such shares as each Share carries the right to one vote. The voting rights may be diluted further on the conversion of any C Shares.

Risks relating to the C Shares

The NAV performance of the C Shares may diverge significantly from that of the Ordinary Shares between the admission of the C Shares to the premium segment of the Official List and to trading on the Main Market and conversion of the C Shares into Ordinary Shares in accordance with the Articles.

Trading liquidity in the C Shares may be lower than in the Ordinary Shares which may affect: (i) a Shareholders' ability to realise some or all of its investments; (ii) the price at which such Shareholder can effect such realisation; and/or (iii) the price at which Shares trade in the secondary market. Accordingly, Shareholders may be unable to realise their investment in C Shares at Net Asset Value per Share or at all.

C Shares will represent interests in a segregated pool of assets and therefore C Shareholders will not, until conversion, have exposure to the Company's existing investments and C Shareholders' returns will be dependent on the deployment of cash raised in a timely manner.

Dividends will be declared on C Shares only in the event that there is material net income available for distribution to the C Shares.

Risks relating to the Exit Opportunity

The Directors intend to deliver a full or partial exit opportunity to Shareholders in the Company within the fifth year and every subsequent third year. Realisations may be satisfied by the assets underlying the relevant Shares being managed on a realisation basis, which is intended to generate cash for distribution as soon as practicable and may ultimately generate cash which is less than the published NAV per relevant Share. In such circumstances the ability of the Company to use its share repurchase and redemption authorities to enable realisations and/or returns of cash to the holders of Realisation Shares will depend not only on the ability of the Portfolio Manager and Sanford DeLand to realise the Portfolio but also upon the availability of retained earnings or any other relevant reserve (and share capital and share premium, in case of a liquidation) which can be used to fund share buybacks and redemptions of the relevant Shares under the Articles. Depending on the number of Shareholders electing to realise their investment, such an exit opportunity may result in the winding-up of the Company. In the event of the winding up of the Company, the amount of the payments available for distribution to Shareholders will depend on the value of the Portfolio at such time. The amount of the payments made to Shareholders may be lower than expected, particularly if market conditions are adverse at such time.

3. Risks relating to regulation and taxation

“Non-complex” investment

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 of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (“**MiFIR**”) (MiFID and MiFIR, together “**MiFID II**”) came into force on 3 January 2018. The Company has been advised that, following the FCA's guidance in its Policy Statement 17/14, its Ordinary Shares should be treated as “non-complex” investments (as defined in MiFID II) but this cannot be guaranteed.

Content of Key Information Document

Investors should be aware that the PRIIPs Regulation requires SDL Limited, as a PRIIP manufacturer, to prepare a Key Information Document in respect of the Ordinary Shares. This KID must be made available to retail investors prior to them making any investment decision and the KID relating to the Ordinary Shares

is available at www.buffettologyIT.co.uk. The content of the Key Information Documents is highly prescriptive, both in terms of the calculations underlying the numbers and the narrative, with limited ability to add further context and explanations, and therefore the KID relating to the Ordinary Shares and the C Shares should be read in conjunction with other material produced by the Company, including this Prospectus and the annual reports which will be available on the Website.

General regulatory risks

The regulatory environment for investment funds and the managers of investment funds is evolving. Any change in the laws and regulations affecting the Company, or in the laws and regulations affecting companies or investment companies incorporated in England and Wales generally or any change in the regulations affecting investment funds or investment fund managers generally may have a material adverse effect on the ability of the Company, the Portfolio Manager, Sanford DeLand, SDL Limited and the AIFM to carry on their respective businesses which in turn could have a material adverse effect on the Company's performance and returns to holders of Shares.

Changes in taxation legislation or the rate of taxation

The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this Prospectus are those currently available to UK resident Shareholders only and their value depends on the individual circumstances of investors. Potential investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effect of an investment in the Company.

Changes in accounting standards

Any change in accounting standards or accounting practice in the UK may adversely affect the value of the Company's assets and liabilities in its books of account or restrict the ability of the Company to pay dividends or distributions and/or buy back Shares.

Investment trust status

It is the intention of the Directors to apply to HMRC for, and to conduct the affairs of the Company so as to satisfy the conditions for, approval as an investment trust under Chapter 4 of Part 24 of the CTA. A failure to obtain or maintain HMRC approval as an investment trust, including as a result of a change in tax law or practice, could result in the Company not being able to benefit from the current exemption for investment trusts from UK tax on chargeable gains and could affect the Company's ability to provide returns to Shareholders. It is not possible to guarantee that the Company will remain a company that is not a close company for UK tax purposes, which is a requirement to obtain and maintain status as an investment trust, as the Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for approval as an investment trust company, will, as soon as reasonably practicable, notify Shareholders of this fact.

4. Risks relating to economic conditions

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, epidemics, political and diplomatic events and trends, tax laws and other factors can substantially and adversely or favourably affect the Company's prospects and the value of the Company's portfolio.

PART 2

IMPORTANT INFORMATION

In assessing an investment in the Company, investors should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, Sanford DeLand, SDL Limited, the Portfolio Manager, the AIFM, Shore Capital or any other person. Neither, the delivery of this Prospectus nor any subscription or purchase of Ordinary Shares and/or C Shares made pursuant to this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained therein is correct at any time subsequent to the date of this Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Shore Capital by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Shore Capital does not make any representation, express or implied, in relation to, nor accept any responsibility whatsoever for the contents of this Prospectus or for any statement made or purported to be made by it or on its behalf in connection with the Company or the Shares. Shore Capital accordingly disclaims all and any liability, whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

1. Regulatory information

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

Prospective investors should consider carefully (to the extent relevant to them) the notices to residents of various countries set out on pages 88 and 108 of this Prospectus.

The actual number of Ordinary Shares to be issued pursuant to the Initial Issue will be determined by the Company and Shore Capital after taking into account demand for the Ordinary Shares and prevailing market conditions. In such event, the information in this Prospectus should be read in light of the actual number of Ordinary Shares to be issued pursuant to the Initial Issue.

Statements made in this Prospectus are based on applicable law and practice currently in force and are subject to changes therein.

2. Investment considerations

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, investment or any other matter.

Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, conversion, transfer or other disposal of Ordinary Shares and/or C Shares;
- any foreign exchange restrictions applicable to the purchase, holding, conversion, transfer or other disposal of Ordinary Shares and/or C Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, conversion, transfer or other disposal of Ordinary Shares and/or C 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. It should be remembered that the price of securities and the income from them can go down as well as up.

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

As past performance of investments managed and monitored by the Portfolio Manager and Sanford DeLand is not necessarily a guide to future performance and the value of an investment in the Company, and the income derived from it, if any, may go down as well as up, there can be no guarantee that the investment objective of the Company will be met. Therefore investors may not get back the full value of their investment.

This Prospectus should be read in its entirety before making any investment in the Ordinary Shares and/or C Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles of Association of the Company which investors should review. Details of where the Articles of Association are displayed can be found in paragraph 4 of Part 9 (*General Information*) of this Prospectus.

3. Intermediaries Offer

The Company consents to the use of this Prospectus by financial intermediaries in connection with any subsequent resale or final placement of securities by financial intermediaries in connection with the Initial Issue only in the UK on the following terms: (i) in respect of the Intermediaries who have been appointed prior to the date of this Prospectus, as listed in paragraph 21 of Part 9 (*General Information*) of this Prospectus, from the date of this Prospectus; and (ii) in respect of Intermediaries who are appointed after the date of this Prospectus, a list of which appears on the Website, from the date on which they are appointed to participate in connection with any subsequent resale or final placement of securities and, in each case, until the closing of the period for the subsequent resale or final placement of securities by financial intermediaries.

The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this Prospectus is given commences on 30 September 2020 and closes at 3.00 p.m. on 23 October 2020, unless closed prior to that date (any such prior closure to be announced via a Regulatory Information Service).

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

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

The Company has not given its consent to the use of this Prospectus for the resale or final placement of Ordinary Shares and/or C Shares by financial intermediaries under the Placing Programme.

Any new information with respect to financial intermediaries known at the time of approval of this Prospectus will be available on the Company's website at www.buffettologyIT.co.uk.

4. 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 the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward looking statements include matters that are not historical facts and include statements regarding the Company's intentions, beliefs or current expectations.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. A number of factors could cause actual results and

developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, the facts described in Part 1 (*Risk Factors*) of this Prospectus.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this Prospectus reflect the Company's view with respect to future events as at the date of this Prospectus and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations and strategy. Save as required by applicable law, or any UK or EU regulatory requirements (including FSMA, MAR, the AIFM Directive, the Prospectus Regulation, the Prospectus Regulation Rules, the Listing Rules, the Takeover Code and the Disclosure Guidance and Transparency Rules) the Company is under no obligation publicly to release the results of any revisions to any forward-looking statements in this Prospectus that may occur due to any change in its exceptions or to reflect events or circumstances after the date of this Prospectus.

Given these uncertainties, investors and prospective investors are cautioned not to place any undue reliance on such forward looking statements and should carefully consider Part 1 (*Risk Factors*) of this Prospectus for a discussion of additional factors that could cause the Company's actual results to differ materially before making any investment decision.

Notwithstanding the foregoing, nothing contained in this Prospectus shall in any way be taken to qualify the working capital statement contained in paragraph 15 Part 9 (*General Information*) of this Prospectus.

5. Presentation of financial information

The Company is newly formed and as at the date of this Prospectus has not commenced operations and has no assets or liabilities, and therefore no statutory financial statements have been prepared as at the date of this Prospectus. All future financial information for the Company is intended to be prepared in accordance with FRS 102 and the SORP. In making an investment decision, prospective investors must rely on their own examination of the Company from time to time and the terms of the Initial Issue or Placing Programme (as applicable).

6. Restrictions on distribution

The distribution of this Prospectus may be restricted by law in certain jurisdictions. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. This Prospectus may not be used for, or in connection with, and does not constitute an offer to sell or issue, or the solicitation of an offer to buy, subscribe or otherwise acquire, Shares in any jurisdiction where it would be unlawful, and in particular, subject to certain limited exceptions is not for release, publication or distribution in whole or in part, directly or indirectly, to U.S. Persons or into the United States, any member state of the EEA (other than any EEA member state, including the United Kingdom, where the Shares are lawfully marketed), Canada, Australia, the Republic of South Africa or Japan, or any of their territories or possessions.

7. Information to distributors

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

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or

other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Initial Issue and the Placing Programme. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Shore Capital will only procure investors who meet the criteria of professional clients and eligible counterparties.

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

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

8. Website Information

Without limitation, neither the contents of the Company's or the AIFM's, the Portfolio Manager's or SDL Limited's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's or the AIFM's, the Portfolio Manager's or SDL Limited's website (or any other website) is incorporated into, or forms part of this Prospectus, or has been approved by the FCA.

9. Governing Law

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

PART 3

EXPECTED TIMETABLE, STATISTICS AND DEALING CODES

1. Expected Timetable of Principal Events

Initial Issue

Publication of the Prospectus	30 September 2020
Placing Opens	30 September 2020
Offer for Subscription opens	30 September 2020
Latest time and date for receipt of completed Application Forms under the Offer for Subscription and payment in full or settlement of the relevant CREST instruction	11.00 a.m. on 23 October 2020
Latest time and date for receipt of Placing orders	12 noon on 23 October 2020
Latest time and date for receipt of completed applications from the Intermediaries in respect of the Intermediaries Offer	3.00 p.m. on 23 October 2020
Announcement of the results of the Initial Issue	8.00 a.m. on 26 October 2020
Initial Admission of the Ordinary Shares and dealings commence	8.00 a.m. on 29 October 2020
CREST accounts credited in respect of Ordinary Shares issued in uncertificated form	as soon as practicable after 8.00 a.m. on 29 October 2020
Certificates despatched in respect of Ordinary Shares issued in certificated form	week commencing 2 November 2020

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

Subsequent Issues under the Placing Programme

Placing Programme opens	30 October 2020
Placing Programme closes	29 September 2021

Notes:

- (1) References to times above and in this Prospectus generally are to London times unless otherwise specified.
- (2) All times and dates in the expected timetable and in this Prospectus may be adjusted by the Company. Any material changes to the timetable will be notified via an RIS.

2. Illustrative Issue Statistics

Initial Issue

Issue price per Ordinary Share	100 p
Estimated net asset value per Ordinary Share on Admission	98 p

Placing Programme

Placing Programme Price per Ordinary Share	Not less than the last published cum income Net Asset Value per Ordinary Shares (other than any Ordinary Shares held in treasury) at the time of issue plus a premium intended to at least cover the costs and expenses of the placing (including, without limitation, any placing commission)
Placing Programme Price per C Share	100p

Dealing Codes

Ordinary Shares

ISIN	GB00BMDFG969
SEDOL	BMDFG96
Ticker	BUFF

C Shares

ISIN	GB00BMBX9F97
SEDOL	BMBX9F9
Ticker	BUFC

Company

LEI	2549009BORVHFBA94K76
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PART 4

DIRECTORS, MANAGEMENT, CUSTODIAN AND ADVISERS

Directors *(all non-executive)*

Andy Crossley (Chair)
Stephanie Eastment
Stuart Sharp
Pia Skogstrom

All of The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF

Registered Office of the Company

The Scalpel
18th Floor
52 Lime Street
London
England
EC3M 7AF

Website of the Company

www.buffettologyIT.co.uk

Investment Services Provider

Sanford DeLand Asset Management Ltd
111 Piccadilly
Manchester
England
M1 2HY
Website: www.sanford-deland.com

AIFM

JTC Global AIFM Solutions Limited
Ground Floor
Dorey Court
Admiral Park
St Peter Port
Guernsey
GY1 2HT
Regulated by the Guernsey Financial Services Commission
Website: <https://www.jtcgroup.com/services/funds/aifmd/>

Portfolio Manager

Castlefield Investment Partners LLP
111 Piccadilly
Manchester
England
M1 2HY
Authorised and Regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000
Website: www.castlefield.com

Custodian

Société General S.A., London Branch
One Bank Street
Canary Wharf
London
England
E14 4SG
Website: www.societegenerale.com

Administrator and Company Secretary

JTC (UK) Limited
The Scalpel
18th Floor
52 Lime Street
London
England
EC3M 7AF
Website: www.jtcgroup.com

Registrar

JTC Registrars (UK) Limited
The Scalpel
18th Floor
52 Lime Street
London
England
EC3M 7AF
Website: www.jtcgroup.com

Receiving Agent

JTC Registrars Limited
Ground Floor
Dorey Court
Admiral Park
St Peter Port
Guernsey
GY1 2HT
Website: www.jtcgroup.com

Sponsor and Financial Adviser

Shore Capital and Corporate Limited
Cassini House
57 St James's Street
London
England
SW1A 1LD

Authorised and Regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000

Sole Bookrunner, Stockbroker and Intermediaries Offer Adviser

Shore Capital Stockbrokers Limited

Cassini House

57 St James's Street

London

England

SW1A 1LD

Authorised and Regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000

Legal Advisers to the Company

Eversheds Sutherland (International) LLP

One Wood Street

London

England

EC2V 7WS

Legal Advisers to Shore Capital

Dentons UK and Middle East LLP

Quartermile One

15 Lauriston Place

Edinburgh

Scotland

EH3 9EP

Auditor and Reporting Accountant

BDO LLP

55 Baker Street

London

England

W1U 7EU

Member firm of the Institute of Chartered Accountants in England and Wales

PART 5

THE COMPANY

1. Introduction

The Company is a newly established, externally managed closed-ended investment company incorporated on 31 July 2020 in England and Wales with registered number 12782935, with an indefinite life and registered as an investment company under section 833 of the Act. The Company intends to carry on business as an investment trust within the meaning of Chapter 4 of part 24 of the CTA. The Company is targeting raising in excess of £100 million through the issue of up to 250 million Ordinary Shares pursuant to the Initial Issue. The Company intends that its Shares will be listed on the premium segment of the Official List and admitted to trading on the Main Market.

The Company is not regulated by the FCA or any other regulatory authority but will, following Initial Admission, be subject to the Listing Rules and the Disclosure Guidance and Transparency Rules. The Listing Rules include a listing principle that a listed company must ensure that it treats all holders of the same class of shares that are in the same position equally in respect of the rights attaching to such shares. The Directors intend, at all times, to conduct the affairs of the Company so as to enable it to qualify as an investment trust for the purposes of Chapter 4 of Part 24 the CTA.

2. Investment objective

The Company's investment objective is to seek to achieve an annual compounding rate of return over the long term, defined as 5-10 years, which is superior to the Numis Smaller Companies plus AIM (Ex Investment Trusts) Index, predominantly through investment in the securities of companies listed or traded in the United Kingdom.

3. Investment policy

The Company intends predominantly to invest in shares issued by companies listed or traded in the United Kingdom with a market capitalisation (at the time of investment) of between £20 million and £500 million.

Investments will be made by applying the methodology of "Business Perspective Investing", which starts from the premise that there is no philosophical distinction between part ownership (i.e. buying shares in a company) and outright ownership (i.e. buying the business in its entirety). In combination, the Company will seek to invest in the securities of companies where such securities can be acquired at a fair price in relation to the estimated intrinsic worth of the business. When making an investment, investee companies are expected to exhibit the following characteristics:

- enduring franchise with pricing power and an Economic Moat;
- consistent operational performance with a proven business model;
- high and sustainable returns on capital employed;
- strong free cash flow;
- a strong balance sheet; and
- managers who are focused on delivering shareholder value.

3.1 Diversification

The Company's approach is to be a long-term investor in its chosen stocks and it is expected that the Portfolio will comprise holdings in between 30 and 50 Portfolio Companies at any given time, although it is possible that the Portfolio may comprise up to a maximum of 60 holdings in Portfolio Companies. The Portfolio will comprise securities representing Sanford DeLand's highest conviction investment ideas within the stated market capitalisation parameters.

The Portfolio will be diversified by industry and sector, although it is unlikely that the Company will invest in early stage technology or biotechnology companies, mining and extraction companies, or companies in the banking and insurance sectors.

3.2 **Investment Restrictions**

The Company will pursue its investment policy as follows:

- the Company can invest up to 10 per cent. of Gross Asset Value (at the time of investment) in any one Portfolio Company;
- the Company can invest up to 25 per cent. of Gross Asset Value (at the time of investment) in Portfolio Companies operating in a single Industry Classification Benchmark supersector;
- the Company will not acquire securities that result in the Company controlling greater than 29.9 per cent. of the voting rights (at the time of investment) of any one Portfolio Company;
- the Company will not invest in any securities that are unlisted at the time of investment; and
- the Company will not invest more than 10 per cent. of Gross Assets, at the time of investment, in other listed closed-ended investment funds.

In the event of any breach of the investment restrictions applicable to the Company, Shareholders will be informed of the remedial actions to be taken by the Company through an RIS announcement.

3.3 **Cash management**

Uninvested cash or surplus capital or assets may be invested on a temporary basis in:

- cash or cash equivalents, namely money market funds (as defined in the 'Guidelines on a Common Definition of European Money Market Funds' published by the Committee of European Securities Regulators (CESR) and adopted by the European Securities and Markets Authority (ESMA)) and other money market instruments (including certificates of deposit, floating rate notes and fixed rate commercial paper of banks or other counterparties having a "single A" or higher credit rating as determined by any internationally recognised rating agency selected by the Board which, may or may not be registered in the EU); and
- any "government and public securities" as defined for the purposes of the FCA Rules,

provided that not more than 20 per cent. of the Gross Asset Value may be so invested, following the deployment of the Net Proceeds.

3.4 **Borrowing Policy**

The Company will not borrow for investment purposes, but may, from time to time, borrow using short-term banking facilities to raise funds for short-term liquidity purposes or for discount management purposes including the purchase of its own shares or to facilitate a realisation of Ordinary Shares pursuant to the Exit Opportunity, provided that the maximum gearing represented by such borrowings shall be limited to 15 per cent. of the Net Asset Value at the time of drawdown of such borrowings. The Company may not otherwise employ leverage. The Company is permitted to provide security to lenders in order to borrow money, which may be by way of mortgages, charges or other security interests or by way of outright transfer or title to the Company's assets. As at the date of this Prospectus, the Company has not incurred any borrowings and has not granted any mortgage, charge or security over or in relation to any of its assets.

3.5 **Efficient portfolio management**

The Company will not use derivatives for the purposes of currency hedging or for any other purpose.

3.6 **Amendment to investment policy**

As required by the Listing Rules, any material change to the investment policy of the Company will be made only with the approval of Shareholders, by ordinary resolution.

4. Investment opportunity

4.1 *Historic Smaller Company Outperformance*

Over the past 65 years, no major asset class in the UK has performed better than smaller companies (*source: NSCI XIC Index*). Using 33 years of actual data plus historical data backdated to 1955, the Numis Smaller Companies Index (ex Investment Trusts) has returned in excess of 14.3 per cent. per annum compared with an annual total return of 11.0 per cent. from the FTSE All-Share. In 2019 alone, the capital return from the NSCI XIC Index was 25.2 per cent. versus 19.2 per cent. for the FTSE All-Share Index. At the start of 2020, the average market capitalisation of the NSCI XIC Index was £375 million (*source: NSCI XIC Index*).

It is the view of Sanford DeLand that the same Business Perspective Investment approach can be applied to smaller companies, defined as those with market capitalisations of between £20 million and £500 million upon investment, as is currently successfully employed by both the flagship CFP SDL UK Buffettology and the CFP SDL Free Spirit® Funds. The funds are currently ranked first and third, respectively, in the IA UK All Companies sector since each of their respective launches.

Smaller companies offer a particularly attractive investment universe for active managers as they tend to be less well researched by traditional broking houses and understood by the investment community, a factor exacerbated by the introduction of MiFID II. Sanford DeLand will use its expertise of Business Perspective Investment gained from running other investment funds, combined with the embedded knowledge and multi-year experience of the investment team in the smaller quoted company market, to make investments capable of returns superior to the Numis Smaller Companies Index plus AIM (ex Investment trusts) over the long term, defined as 5-10 years.

Further, by choosing the structure of a closed-ended investment trust rather than an open-ended fund, many of the liquidity concerns over investment in smaller quoted companies can be addressed. It is the view of Sanford DeLand that permanency of capital should ensure that a truly long-term investment perspective can be adopted thus mitigating liquidity risk in the Company.

4.2 *SDL Extracted Smaller Companies Track Record*

Sanford DeLand does not currently manage or advise a fund which is solely invested in smaller capitalisation stocks. However, the CFP SDL UK Buffettology Fund invested in smaller companies since its inception as part of the all cap approach followed by the fund. Investments in securities in the CFP SDL UK Buffettology Fund have been used to produce a smaller companies extracted track record for illustrative purposes. The CFP SDL UK Buffettology Fund uses the same investment philosophy that the Company will follow. Its investments, which also meet the investment criteria outlined above for the Company (Section 3 – Investment Policy), have been used to produce a smaller companies extracted track record.

This track record has been prepared using the monthly weightings of each company that meets smaller company criteria (i.e. between £20 million and £500 million market capitalisation at the point of initial investment in the relevant company) in the CFP SDL UK Buffettology Fund. Any company meeting this criteria (without exception) has had its performance measured over the relevant time period from its first purchase in the fund. The underlying performances have then been re-weighted to comprise an extracted portfolio with a 90 per cent. weighting to securities and a 10 per cent. cash weighting (as a percentage of fund size). The monthly weightings have then been applied to the total return of each security to form an aggregate total return for the smaller companies track record. Since inception of the CFP SDL UK Buffettology Fund in 2011, a total of 26 companies had market capitalisations of between £20 million and £500 million at the point of initial investment and are therefore included in the extracted portfolio. It should be noted that the Company intends to invest in between 30 and 50 portfolio companies (with a maximum of 60).

The data from this exercise is shown below and compared against the Numis Smaller Companies plus AIM (ex Investment Trusts) index and against other sector comparables.

The data is for illustrative purposes only to highlight the performance of Sanford DeLand's smaller companies investments to date. As with any analysis of this type, it should be noted that past performance and simulated past performance is not a reliable indicator of future results.

In an illustration of this type, which has a concentrated portfolio of investments, the outperformance of a limited number of investments will significantly impact the overall cumulative returns and it should be noted that the extracted track record includes the performance of two investee companies, Games Workshop Group plc and Liontrust Asset Management plc, whose cumulative performance across the time period presented in the data has exceeded 1,000 per cent.

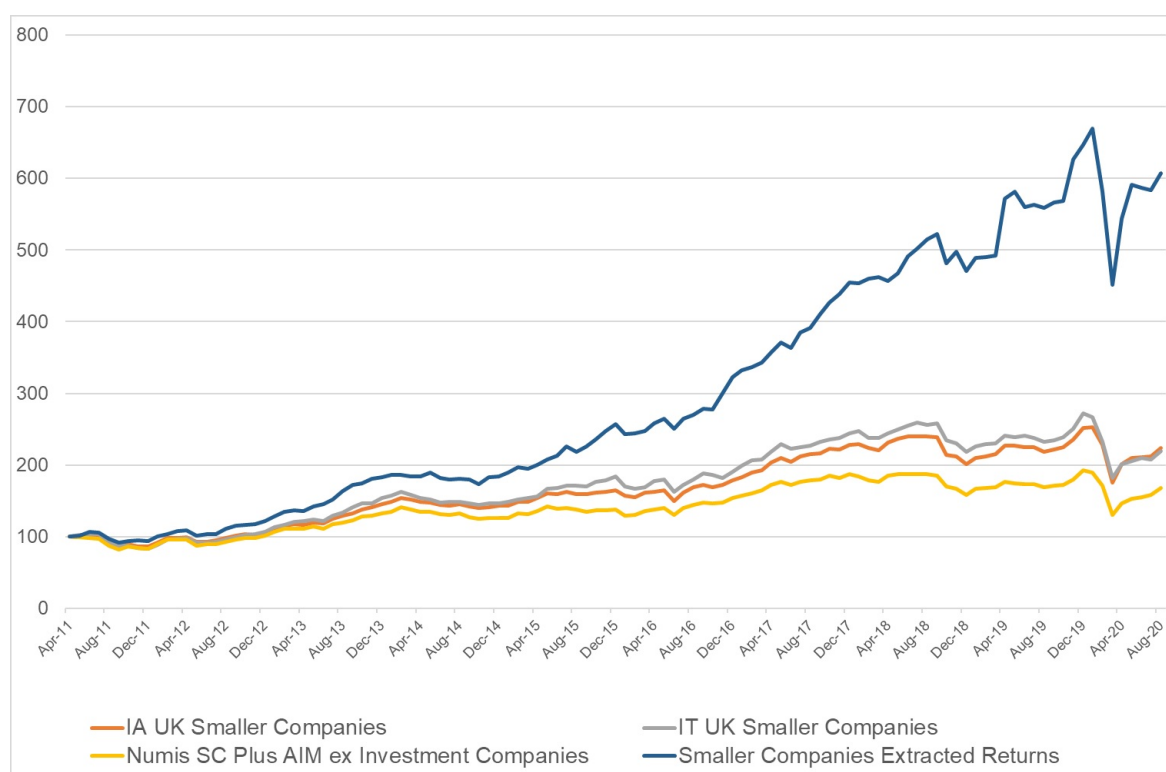
Total return data

	1 year	3 year	5 year	Investment to date
Smaller Companies Extracted Track Record ¹	8.8%	55.0%	177.7%	507.4%
CFP SDL UK Buffettology Fund ²	1.4%	30.5%	85.5%	232.8%
IA UK Smaller ³	2.5%	4.2%	39.7%	121.8%
IT UK Smaller ⁴	-5.6%	-3.2%	28.0%	119.8%
Numis Smaller Companies plus AIM (ex IT) ⁵	-0.3%	-5.8%	22.4%	68.6%
UK IA All Companies ⁶	-8.8%	-5.9%	16.5%	57.0%

Source: Data from 30 April 2011 to 31 August 2020 from FE fundinfo/Trustnet and Sanford DeLand attribution data

- (1) Returns of the extracted track record are presented net of the estimated Ongoing Charges of the Company. However, trading fees and costs are not reflected in the returns presented in the table
- (2) Represents the total return of the CFP SDL UK Buffettology General Income Class
- (3) IA UK Smaller represents the Investment Association UK Smaller Companies Sector
- (4) IT UK Smaller represents the Association of Investment Companies UK Smaller Companies Sector
- (5) Numis Smaller Companies plus AIM (ex Investment Trusts) Index
- (6) UK IA All Companies represents the Investment Association All Companies Sector

Graph Representing Cumulative Return of the Smaller Companies Extracted Track Record – data from 30 April 2011 – 31 August 2020



Source: Data from Financial Express, Numis and Sanford DeLand attribution data. Data represents the total return from 30 April 2011 to 31 August 2020

- (1) “Smaller Companies Extracted Returns” represents the extracted track record as reweighted by a 90:10 securities to cash ratio. This calculation is presented net of the estimated ongoing charges of the Company. However, trading fees and costs are not reflected in returns presented in this graph
- (2) “Numis SC plus AIM ex Investment Companies” represents the Numis Smaller Companies plus AIM (ex Investment Trusts) Index
- (3) IA UK Smaller Companies represents the Investment Association UK Smaller Companies Sector
- (4) IT UK Smaller Companies represents the Association of Investment Companies UK Smaller Companies Sector

5. The smaller company investment universe

The Company will invest in UK-quoted smaller companies, which are defined as having market capitalisations of between £20 million and £500 million at the time of investment. Data from the London Stock Exchange suggests there were approximately 600 such quoted companies (excluding investment trusts) on either the Official List or AIM as at 13 August 2020. The Company will not invest in any securities that are unlisted at the time of investment.

The Company will typically seek to hold up to 10 per cent. of the equity of Portfolio Companies, although it may hold larger or smaller stakes when it deems appropriate. It will not, however, hold more than 29.9 per cent. of the equity of any one Portfolio Company at the time of investment. It is expected that the majority of the investments held in the Portfolio will be constituents of the Numis Smaller Companies Index or quoted on AIM.

Sanford DeLand will apply strict criteria to the investment selection process, based around Business Perspective Investment as adopted by its existing funds, CFP SDL UK Buffettology Fund and CFP Free Spirit® Fund.

It is anticipated that the investment universe of the Company will comprise no more than 200 companies of interest at inception.

6. Investment Management and Advisory Arrangements

6.1 AIFM

The Company has appointed the AIFM as its alternative investment fund manager pursuant to the AIFM Agreement, the terms of which are set out in more detail below and in paragraph 8.1 of Part 9 (*General Information*) of this Prospectus. The AIFM is a limited liability company and was incorporated on 9 January 2017 with registration number 62964 in the Island of Guernsey with an unlimited life under The Companies (Guernsey) Law, 2008, as amended. It is licensed and regulated by the Guernsey Financial Services Commission under the provisions of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, to conduct certain restricted activities in relation to collective investment schemes and general securities and derivatives.

The AIFM forms a key part of the JTC group's global AIFM service offering. These global services include the core AIFM elements of risk and portfolio management and governance, while also providing full service administration, EU and non-EU AIFM services and associated depositary solutions. The AIFM manages a range of asset classes from listed real estate to open-ended traditional investments. The activities of the AIFM are led by a seasoned board of directors with deep product knowledge and multi-decade experience in the global fund management industry.

The AIFM's duties under the AIFM Agreement include complying with the Company's investment policy and keeping the Company's assets under review. The AIFM is required to provide all such risk management services to the Company as are required by the AIFM Directive, including (i) the implementation of adequate risk management systems to identify, measure, manage and monitor appropriately all risks relevant to the Company's investment strategy and to which the Company is or may be exposed, (ii) ensuring that the risks associated with each investment position of the Company and their overall effect upon the Company's portfolio can be properly identified, measured, managed and monitored on an ongoing basis, including through the use of appropriate stress testing procedures, (iii) advise the Board on the establishment and adjustment of quantitative and qualitative risk limits for the Company, taking into account all relevant risks and (iv) reviewing the risk management systems at least annually and adapting them where necessary.

6.2 **Investment Management Agreement**

The Portfolio Manager and Sanford DeLand will be responsible for the performance of the Portfolio in accordance with the Company's investment policy and the Investment Management Agreement.

Under the Investment Management Agreement, the AIFM and the Company have appointed Castlefield as portfolio manager to the Company and the Company, the AIFM and Castlefield have separately appointed SDL Limited to provide investment services in relation to the Company. Castlefield is a limited liability partnership and was incorporated on 14 August 2002 with registration number OC302833 in England and Wales with unlimited life under the Limited Liability Partnership Act 2000. It is an authorised person for the purposes of the FSMA and is authorised and regulated to carry on investment business in the United Kingdom by the FCA. It's LEI number is 213800QDN1C6AT4FYL97.

Since being established from the management team of the funds arm of a pan-European bank in 2002, Castlefield Investment Partners LLP has been providing discretionary investment manager services to individual and institutional investors, including a number within the charity sector. Castlefield remains part of a group of companies that has expanded to conduct financial advice services to individual investors and authorised corporate director ("**ACD**") services to a number of authorised funds.

Castlefield has appointed Keith Ashworth-Lord, Andrew Vaughan and Eric Burns who are each employed by SDL Limited and are collectively referred to as Sanford DeLand, and seconded to the Portfolio Manager for the purposes of the Portfolio Manager's portfolio management functions under the Investment Management Agreement.

SDL Limited is a private limited company and was incorporated on 22 March 2010 with registration number 07197573 in England and Wales with unlimited life under the Act. SDL Limited is an appointed representative of Castlefield for the purposes of section 39 of FSMA. It is SDL Limited's intention to become authorised by the FCA for managing investments within 12 months following Admission, having submitted the required application to the FCA. Within three months of SDL Limited obtaining such authorisation it will become the Company's portfolio manager in place of Castlefield. There is no guarantee that SDL Limited will become authorised by the FCA for managing investments. If SDL Limited does not become authorised by the FCA for managing investments the Portfolio will continue to be managed by Castlefield and Sanford DeLand in the manner described above.

7. **SDL Limited and the Sanford DeLand team**

7.1 **Overview**

SDL Limited was established in March 2010 by Keith Ashworth-Lord with the aim of managing funds according to the philosophy of Business Perspective Investing, widely acknowledged as one of the most successful long-term investment strategies associated with, in particular, Warren Buffett and other disciples of Benjamin Graham.

Unlike many City asset management firms, over 33 per cent. of SDL Limited's share capital is owned by the directors and staff of the business. SDL Limited has an association with Mary Buffett and David Clark, authors of the seminal 'Buffettology' series of investment books regarding Warren Buffett's investment style.

The key driver of building long term value for shareholders and clients alike is performance. Business Perspective Investors believe that a share is an ownership claim on a business, meaning that business success and investment success go hand in hand.

Since inception, the Sanford DeLand team is proud to have won several industry accolades for its flagship CFP SDL UK Buffettology Fund including Best Smaller UK Growth Fund in the 2015, 2016 and 2017 Money Observer Fund Awards and Best Larger UK Equity Growth Fund in the 2018 and 2019 Money Observer Fund Awards as well as Best Alpha Generation UK Equity at the 2018 RSMR Awards for achieving consistent superior results on behalf of investors.*

To date, Sanford DeLand manages approximately £1.4 billion across two open ended funds, the CFP SDL UK Buffettology Fund and the Free Spirit® Fund.

7.2 **Net asset value total return of the SDL Funds***

	1 year	3 year	5 year	Since inception
CFP SDL UK Buffettology Fund	1.4%	30.5%	85.5%	237.3% ¹
Free Spirit® Fund	18.1%	41.7%	N/A	50.3% ²

1 The CFP SDL UK Buffettology Fund was launched on 28 March 2011.

2 The Free spirit® Fund was launched on 3 January 2017.

Source: Trustnet, as at 31 August 2020

7.3 **Key personnel of SDL Limited**

The investment management team will be led by Keith Ashworth-Lord (Founder and CIO of SDL Limited) assisted by Andrew Vaughan (Investment Manager) and Eric Burns (Chief Analyst).

Keith Ashworth-Lord - (Founder and Chief Investment Officer)

Keith founded SDL Limited in March 2010 with the encouragement of a small group of businessmen who are now shareholders in the company. Prior to this, Keith was a self-employed consultant working with a variety of stockbroking, fund management and private investor clients.

Keith's investment philosophy was cultivated in the 1990s when he discovered the achievements of 'The Superinvestors of Graham-and-Doddsville'. This group of successful investors drew their inspiration from the father of securities analysis, Benjamin Graham. Perhaps the best known of this group are Warren Buffett and his investment partner Charlie Munger who Keith had the privilege of meeting on two separate occasions in Omaha, Nebraska. In addition to Benjamin Graham, the influence of Philip Fisher can be found at work with Buffett and Munger. Studying the works of this group of investors transformed Keith's understanding of investment philosophy and with it, his investment performance. Keith is a Trustnet FE fundinfo Alpha Manager who has maintained a consistently high alpha score over a proven track record in rising and falling markets (source FE fundinfo/Trustnet).

Alex Brotherston - (Chief Executive Officer)

Alex Brotherston has been working in the UK financial services industry for more than 35 years. Most recently, Alex was Head of UK Retail Sales at Franklin Templeton Investments as a result of the acquisition of Rensburg Fund Management, a boutique UK equity fund management company, in January 2011, where he had been CEO.

Andrew Vaughan - (Investment Manager)

Andrew has over 20 years' investment research experience, with a long track record of selecting successful Business Perspective Investments.

Following a background in accountancy, Andrew held a variety of equity research and sales roles in London and the Far East, joining Keith Ashworth-Lord in 2005 as part of the team producing "The Analyst" research publication. He subsequently joined Sanford DeLand in 2017.

Eric Burns - (Chief Analyst)

Eric joined SDL Limited in January 2020 to lead the stock research process for the CFP SDL UK Buffettology Fund and the CFP SDL Free Spirit® Fund. He has over 20 years' experience of UK equity markets as an investment manager and analyst.

Eric was previously an equity analyst at WH Ireland for more than twelve years, latterly as Deputy Head of Institutional Research. He has particular expertise in writing research on smaller quoted companies under £500 million market capitalisation and those traded on AIM. He has been shortlisted in the Analyst of the Year category at the UK SmallCap Awards on several occasions and won the award in 2015.

* Past performance is not necessarily indicative of future results, and there can be no assurance that the Company will achieve comparable results or that the Company will be able to implement its investment strategy or achieve its investment objective.

He is a Chartered Fellow of the Chartered Institute for Securities and Investment and sits on the Regional Advisory Group of the London Stock Exchange for Yorkshire and the North East.

7.4 Investment approach

There is no initial portfolio of investments for the Company to acquire on Admission. The Company will acquire its Portfolio following Sanford DeLand's investment approach, which is described in paragraphs 7.4 to 7.7 of Part 5 (*The Company*) of this Prospectus. Sanford DeLand expects to have substantially invested the proceeds of the Initial Issue within 3 months from the date of Admission, provided that there are favourable market conditions and good pricing opportunities available.

Sanford DeLand will source investment opportunities according to its principles of:

- Business Perspective Investing – the premise that there is no philosophical distinction between part ownership and outright ownership of a business; and
- Valuation – an excellent business bought at a fair price makes an excellent investment.

A rigid investment process is used to select a shortlist of companies for investment consideration that must exhibit a majority or all of the following characteristics:

- they are an enduring franchise with pricing power and an Economic Moat;
- they have consistent operational performance with a proven business model;
- they have high returns on capital employed;
- they have strong free cash flow;
- they exhibit a strong balance sheet; and
- they have management that is focused on delivering shareholder value.

The application of the above investment criteria will naturally limit the number of potential investment opportunities and it is accordingly envisaged that the Portfolio will be concentrated, generally comprising holdings in between 30 and 50 Portfolio Companies at any given time, although it is possible that the Portfolio may comprise up to a maximum of 60 holdings in Portfolio Companies.

The Company is unlikely to invest in loss-making early stage technology or biotech companies, mining and extraction companies or companies engaged in the banking and insurance sectors. The Company will retain the right to invest in IPOs where suitably attractive opportunities exist.

7.5 Business Perspective Investing

Business Perspective Investors start from the premise that there is no philosophical distinction between part ownership and outright ownership of a business. In assessing a potential new investment, the focus is therefore on identifying enduring long-term factors such as business and economic strengths rather than transient factors such as near-term earnings and analysts' share price targets.

The Sanford DeLand Business Perspective Investing (BPI) research process is divided into two separate phases: 1) understanding the business and the economic forces exerting themselves upon it and 2) assessing a fair valuation to pay for the business. No trade-off is made between business quality and valuation, meaning that a candidate for investment will only proceed to stage two and an assessment of fair valuation if it has satisfied stage one with regard to business quality. It will only proceed to actual investment if the price at which its shares are available in the stock market is at or below Sanford DeLand's assessment of fair valuation.

It can be expected that a relatively small number of companies will pass stage one of the process and that even fewer will pass the combination of stages one and two. Companies that do not meet stage one criteria for business quality are rejected. Companies that meet stage one criteria but where the current market price is above the assessment of fair valuation will join a watchlist. They will either remain on the watchlist indefinitely or will proceed to actual investment should a fall in share price bring market valuation down into line with the assessment of fair valuation.

Stage one – quality of business

The process seeks to identify businesses that generate high returns on equity capital, strong free cash flow and whose future operating performance and financial performance is predictable with a high degree of certainty. This stage is broken-down into three sub-stages:

- **Business analysis:** the business is analysed to understand the customer proposition and to identify strong products or services that sell on their desirability and value to the customer rather than on low price. Recurring revenues from e.g. licensing agreements, subscription models, royalty streams and non-discretionary purchases can be indicative of embedded customer relationships.
- **Economic analysis:** the process here seeks to understand the sustainability of the high returns on capital that the business currently achieves. Assessments are made of the competitive landscape, the scope for new entrants, product or service substitution or obsolescence and price disruption. Economic Moats that may protect the business from these threats are identified and may include brands, intellectual property, customer switching costs, network effects and business process or locality advantages.
- **Financial analysis:** financial performance is assessed by reference to growth and profitability, return on capital, cash generation and debt, and capital allocation by management. The process involves reviewing annual reports for typically at least ten years and extracting data which is used to populate a set of models that is proprietary to Sanford DeLand.

Stage two – valuation

In assessing fair valuation, the focus is on free cash generation. This is the cash that would potentially be available to the 100 per cent. owner after adequate re-investment in the business. Anticipated future free cash flows are discounted back using a required rate of return that is set at a demanding level, thereby establishing a margin of safety within the assessment of fair valuation.

Portfolio construction and management

The Business Perspective Investment process supports concentrated investment portfolios and low portfolio turnover. There is a preference for running with and adding to winners, rather than reducing them or taking profits. There is an aversion to sell businesses once acquired and to support businesses facing operational challenges which Sanford DeLand considers, on revisiting the investment case, to be transient in nature. This is supported by a disciplined sell process designed to ensure that evidence of any fundamental deterioration in business quality is acted upon swiftly.

The Business Perspective Investment process can result in portfolios with zero exposure to entire sectors where Sanford DeLand concludes that quality of business criteria are not being met. Portfolios will typically comprise an appropriate cash balance in order to permit the purchase of companies on the watchlist when market price opportunities arise.

7.6 Investment screening

The initial process of identifying companies suitable for investment will involve screening the eligible universe of company investments available with particular focus upon growth and profitability, returns on capital employed, free cash flow and balance sheet strength. In addition, the presence of barriers to entry, pricing power and the durability of the franchise will be prime considerations. Lastly, the actions of management, particularly with regard to their record of rational capital allocation will be taken into account. Only then will an assessment of valuation be made to determine whether an investment is made or the company remains on a watch list for future investment consideration.

7.7 Investment monitoring and investment horizon

By its very nature, Business Perspective Investment requires a very long term time horizon, which, for the avoidance of doubt, means 5-10 years at the very least. The ideal holding period is forever and it should be noted that the implied holding period of Sanford DeLand's flagship fund, the CFP SDL UK Buffettology Fund, based on portfolio turnover in the twelve months to 31 July 2020, is more than 25 years.

Ongoing monitoring of Portfolio Companies will be undertaken by Sanford DeLand and will include continual financial modelling and analysis, conversations with Portfolio Companies' management as and when appropriate and Portfolio Company visits. In the event that the investment thesis appears impaired, this will result in a review of whether the investment should be sold. There are two main sell disciplines. One is that something has changed materially for the worse with respect to, among other things, the Portfolio Company's prospects, its markets, management or regulatory environment. The second is that the initial investment analysis is flawed and a mistake has been made. It is highly unlikely that a decision to sell an investment will be made on grounds of an apparent temporary overvaluation of its share price. It should be noted that the Company will not be required to sell any investment which subsequently either decreases in value to below £20 million or increases in value to above the £500 million market capitalisation cut-offs for new investments.

7.8 Approach to responsible investing

Sanford DeLand's overriding investment approach is Business Perspective Investing and one of the key assessments made as part of the Business Perspective Investing process is how sustainable the Sanford DeLand believes the investee company is. Early on in this process, is a key question: "is this a company Sanford DeLand expects to be around, in more or less its current form, in 20 years' time?". If the answer is "no", Sanford DeLand will not invest.

There are a number of factors that feed into Sanford DeLand's assessment of sustainability. First, they will look at the markets the company serves: are they long-term in nature; are they growing or declining; and what are the risks posed by changes in habits or perception of these markets? For instance, the SDL Funds do not hold shares in the Oil & Gas or Mining sectors.

Secondly, Sanford DeLand looks at how investee companies behave in relation to their markets: are they perceived as good operators; do they have strong competitive positions; are they using their market position for the benefit of all stakeholders?

Finally, in terms of corporate governance, Sanford DeLand considers how the executive management of investee companies behave: do they act with the eye of business owners, not just managers? Sanford DeLand have considered a number of potential investee companies that have otherwise met the investment criteria only to fall at this important hurdle. As manager of holdings in investee companies, Sanford DeLand are regularly used as a sounding board on executive remuneration packages. They place great value on company directors having their interests aligned with shareholders and take issue with overly generous salary packages or equity option packages that are not subject to appropriate performance hurdles. Sanford DeLand will use their vote at general meetings to make known their opposition to overly generous awards. Whilst Sanford DeLand is not prescriptive in Board composition either by gender or ethnicity, they do expect our companies to build a balance of experience with the best people available, irrespective of their background.

8. Directors

The Directors, all of whom are non-executive and all of whom are independent of Sanford DeLand and the Portfolio Manager, are responsible for the determination of the investment policy of the Company and the supervision of the implementation of such policy. The Board currently consists of:

Andrew (Andy) Crossley – *(Chair and Independent Non-executive Director) (age 57)*

For over twenty years Andy was a UK small company fund manager, primarily at Invesco Perpetual, managing investment trusts and open ended vehicles. In 2011 he moved to the sell side, initially as Head of ECM/Syndicate at Peel Hunt and subsequently as the Managing Director of Stockdale Securities Limited. Stockdale was sold to Shore Capital in 2019 and Andy left full time broking once the integration was successfully concluded. He was a director and Chairman of the Audit Committee of Baronsmead VCT plc from 1999 to 2012 and since 2015 has been a non-executive director and Chairman of Audit and Risk at City of London Group plc, an AIM quoted SME lending business which is in the process of obtaining a banking licence from the Prudential Regulation Authority. He is a member of the London Stock Exchange's AIM Advisory Group and is Chair of the Quoted Companies Alliance Primary Markets Expert Group. He is a member of the Investment Advisory Committee of the Nexus Scale Up Fund (an EIS investment vehicle).

Stephanie Eastment – *(Audit Committee Chair and Independent Non-executive Director) (age 60)*

Stephanie was Head of Specialist Funds Company Secretariat and Accounts at Invesco Perpetual, where she had worked since 1996 specialising in the asset management industry with particular focus on investment trusts. Her career spans over 30 years working in the financial services sector at Invesco, UBS and Wardley Investment Services International and she started her career at KPMG. She is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Institute of Chartered Secretaries and Administrators and a member of the Technical Committee of the Association of Investment Companies. She is currently a non-executive director and audit committee chair of Murray Income Trust plc, Impax Environmental Markets plc and Herald Investment Trust plc and an independent non-executive director of RBS Collective Investment Funds Limited.

Stuart Sharp – *(Independent Non-executive Director) (age 67)*

A Scottish solicitor by training, Stuart commenced a 30 year career in the investment industry in 1980 at Aberdeen Trust (later to become Aberdeen Asset Management). He joined BWD Rensburg's unit trust business (latterly Rensburg Fund Management) in 1991 to run two funds; as a founding member of the investment team he was at various times responsible for funds in the Equity Income, Equity & Bond and Smaller Companies sectors and he was Investment Director there for over 10 years. Following retirement from fund management in 2012, Stuart founded his own consultancy to provide specialist investment counsel to Family Offices, High Net Worth investors and Charitable Foundations.

Pia Skogstrom – *(Independent Non-executive Director) (age 45)*

Pia Skogstrom is Head of UK Wealth Management Business Development at LGT Capital Partners (U.K.) Limited, where she is responsible for all aspects of marketing listed and UCITS funds to UK wealth managers and select institutional investors. Prior to joining LGT Capital Partners, Ms. Skogstrom was head of investor relations at KGR Capital, a specialist fund of hedge fund manager that was acquired by LGT Capital Partners in 2008. Before joining KGR Capital, Ms. Skogstrom worked for Integrated Asset Management, a global fund of hedge fund manager, and prior to that spent four years in the technology venture capital sector.

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

9. Administrator and Company Secretary

JTC (UK) Limited is a private limited company incorporated on 9 October 2001 with registered number 04301763 in England and Wales with unlimited life under the Act. It is an established administrator whose ultimate parent company is quoted on the London Stock Exchange and is an independent, award winning provider of fund, corporate and private wealth services to institutional and private clients.

JTC (UK) Limited has been appointed as the administrator and company secretary of the Company. JTC will provide the day to day administration of the Company and will be responsible for the Company's general administrative functions, such as the calculation and publications of the Net Asset Value, maintenance of the Company's accounting records and ensuring that the Company complies with its continuing obligations as an investment trust. JTC will also provide the company secretarial functions required by the Act.

The secretarial services to be provided by the Administrator will include overseeing production of the Company's annual and half-yearly reports, assisting with regulatory compliance and providing support to the Board's corporate governance process and its continuing compliance under the Listing Rules and the Disclosure Guidance and Transparency Rules. In addition, the Administrator will be responsible for liaising with the Company and its service providers in relation to the payment of any dividends, as well as general secretarial functions required by the Act (including but not limited to the maintenance of the Company's statutory books).

Details of the Administration Agreement are set out in paragraph 8.1 of Part 9 (*General Information*) of this Prospectus.

10. Custodian

Société Générale S.A., London Branch has been appointed as Custodian for the Company under the Custody Agreement, a summary of which is set out in paragraph 8.3 of Part 9 (General Information) of this Prospectus. The Custodian is a credit institution incorporated in France acting through its London Branch registered in England under number BR 000021 on 25 January 1993 with unlimited life under the laws of France. The Custodian is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (the French Prudential Control and Resolution Authority) and regulated by the Autorité des marchés financiers (the French financial markets regulator) and the Prudential Regulation Authority (the “PRA”) and subject to limited regulation by the FCA and the PRA with reference number 486423. It’s LEI number is O2RNE8IBXP4R0TD8PU41.

11. Registrar

JTC Registrars (UK) Limited, as Registrar, is responsible for the maintenance of the register of members and for the transfer and settlement of Ordinary Shares and/or C Shares as applicable.

Details of the Registrar Agreement are set out in paragraph 8.5 of Part 9 (*General Information*) of this Prospectus.

12. Fees And Expenses

12.1 Formation and initial expenses

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

The Issue Expenses are not expected to exceed two per cent. of the Gross Proceeds, equivalent to £5 million (inclusive of any irrecoverable VAT) assuming the Initial Issue is fully subscribed. The costs will be deducted from the Gross Proceeds. The Company will not charge investors any separate costs or expenses in connection with the Initial Issue. Assuming that the Initial Issue is fully subscribed, and the estimated expenses of the Initial Issue are £4.6 million, the Net Proceeds will be £245.4 million (inclusive of any irrecoverable VAT).

12.2 Ongoing annual expenses

The Company will also incur ongoing annual expenses which will include fees paid to the AIFM and other service providers as described above in addition to other expenses which are currently expected to amount to 0.96 per cent. of Net Asset Value per annum (excluding all costs associated with making and realising investments) assuming a Net Asset Value on Initial Admission of £245.4 million.

13. Governing law

The agreement between Shareholders and the Company for the acquisition of Shares under the Initial Issue and for the acquisition of New Ordinary Shares and/or C Shares under the Placing Programme is governed by English law and, by purchasing Shares, Shareholders agree that the courts of England have exclusive jurisdiction to settle any disputes. All communications in connection with the purchase of Shares will be in English.

14. Capital structure

14.1 Share capital and duration

The Company’s share capital structure immediately following the Initial Issue will consist of Ordinary Shares and Management Shares. The Ordinary Shares and the Management Shares will be in registered form and may be held in certificated or in uncertificated form.

The Company may issue further New Ordinary Shares and/or C Shares pursuant to the Placing Programme. Details of the Placing Programme, including the circumstances in which New Ordinary Shares and C Shares may be issued are set out in Part 7 (*Placing Programme*) of this Prospectus.

The Company does not have a fixed winding-up date.

14.2 **Further issues of Shares**

Under the Articles further issues of Shares, of whatever class, for cash will be subject to pre-emption rights conferred on existing Shareholders, save to the extent these rights have been disapplied by a special resolution of the Company. The Directors currently have authority to issue further Shares on a non pre-emptive basis, provided that the number of Ordinary Shares (including New Ordinary Shares) and C Shares issued pursuant to the Initial Issue and Placing Programme may not exceed 350 million Shares in aggregate and further Ordinary Shares will only be issued at prices representing not less than their prevailing NAV per Ordinary Share. The current authority will extend until the date of the first AGM expected to be held in June 2022. Further details of the Placing Programme and the Directors' intentions concerning the issue of New Ordinary Shares and/or C Shares under the Placing Programme are set out in Part 7 (*Placing Programme*) of this Prospectus.

The proceeds of the issue of Ordinary Shares and/or C Shares will be used in accordance with the Company's investment objective and policy, as described in paragraphs 2 and 3 of this Part 5 (*The Company*).

The Directors only intend to use their authority to issue New Ordinary Shares under the Placing Programme in the event that the Ordinary Shares trade at a premium to Net Asset Value and, consequently, the authority may be used in order to reduce any premium over NAV at which the Company may be trading or to raise additional capital for investment in accordance with the Company's investment policy. As a consequence further issues of Ordinary Shares will be made under the Placing Programme, entirely at the Directors' discretion in respect of an aggregate number of New Ordinary Shares equal to 350 million, less any Ordinary Shares issued under the Initial Issue or C Shares issued under the Placing Programme, and only at prices (net of issue costs) that represent a premium to the last published cum income Net Asset Value per Ordinary Share (other than any Ordinary Shares held in treasury) and, therefore will not have a dilutive effect on the NAV of the Ordinary Shares then in issue.

The Directors currently intend to seek annual renewal of the authority to issue Ordinary Shares and/or C Shares on a non-pre-emptive basis from Shareholders in respect of an aggregate number of Ordinary Shares and/or C Shares equal to up to 20 per cent. of Shares or such other number as the Shareholders at a General Meeting shall approve.

New Ordinary Shares and C Shares issued under the Placing Programme may be issued under this Prospectus provided that it is updated by a supplementary prospectus (if required) under section 87G of FSMA. The Prospectus Regulation Rules currently allow for the issue of shares representing, over a period of twelve months less than 20 per cent. of the number of shares of the same class already admitted to trading on the same regulated market without the requirement for a prospectus to be published, provided that such issue is not made by way of an offer of the Company's securities to the public without the requirement for a prospectus to be published.

Should the Board wish to issue New Ordinary Shares or C Shares in excess of the amount which it is authorised to allot, further authorities will be sought at an appropriate time by convening a General Meeting for this purpose. It is expected that this Prospectus will remain valid for twelve months from the date hereof, subject to the requirement under the Prospectus Regulation Rules to the publication of supplementary prospectuses to disclose any significant changes in the financial or trading position of the Company.

15. Discount management

15.1 *Share buybacks*

The Directors have the authority to purchase in the market up to 14.99 per cent. of the aggregate number of Ordinary Shares in issue immediately following Initial Admission. This authority will expire at the conclusion of the Company's first AGM or if earlier, 18 months from the date on which the resolution conferring the authority was passed. The Directors intend to seek annual renewal of this authority from Shareholders, once their existing authority has expired or at each AGM. Whether the Company purchases any such Shares, and the timing and the price paid on any such purchase, will be at the discretion of the Directors, subject to compliance with the Act, the Listing Rules and the Disclosure Guidance and Transparency Rules. Shares which are bought back may be cancelled or held in treasury. It is the current intention of the Directors to hold any Shares which have been bought back in treasury. Any purchase of Shares may be satisfied by available cash or cash equivalent resources of the Company, from borrowings, the realisation of the Company's assets or any combination of those sources of liquidity, at the Directors' discretion. Shares held in treasury may be sold by the Company at prices equal to or above the prevailing Net Asset Value per Ordinary Share.

At the date of this Prospectus, the Company does not hold any Shares in treasury.

15.2 *Exit Opportunity*

During the fifth year following Admission and every third year thereafter, the Board intends to provide Shareholders with an opportunity to elect to realise the value of all or some of their Ordinary Shares at the applicable Net Asset Value per Ordinary Share less costs (the "**Exit Opportunity**"). The making and the exact timing of the Exit Opportunity within the fifth year and every subsequent third year will be at the discretion of the Board, in consultation with Sanford DeLand, and not at the option of Shareholders. The mechanism will be subject to applicable law and regulations and any other requirements of the Articles, and will otherwise be dependent on various factors including the number of Shareholders seeking to participate in the Exit Opportunity, the liquidity of the Portfolio at the time of the Exit Opportunity and/or the demand for Shares from other investors at the time of the Exit Opportunity. The Directors will consider the most efficient and cost effective mechanism for providing the Exit Opportunity. Mechanisms may include, but are not limited to, placings in the market, purchases out of the proceeds of a new issue of Shares, share buy backs, a redemption process or tender offers (some of which may include realisation pools) or the liquidation of the Company. In all circumstances, the Board will seek to safeguard the interests of both continuing Shareholders and those electing to realise their investment with a view to minimising any reduction in the overall size of the Company or any impact on the Portfolio.

16. Dividend policy

The Company will comply with the investment trust rules regarding distributable income, meaning that it will not retain an amount greater than the higher of (i) 15 per cent. of the income for the accounting period; (ii) the accumulated revenue losses brought forward from previous accounting periods, provided that the amount the Company may retain does not exceed those losses; and (iii) the amount of income that the Company must retain to comply with any restrictions imposed by law.

Any dividends and distributions will be at the discretion of the Board. Subject to the Act, the Company may, by ordinary resolution, declare dividends to be paid to Shareholders according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.

Subject to the Act, the Board may from time to time pay to the Shareholders such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company, on such dates and in respect of such periods as it thinks fit.

17. Corporate governance

17.1 Compliance

The Board is committed to high standards of corporate governance and intends to obtain membership of the AIC following Initial Admission and as such, intends to comply with the AIC Code or as otherwise may be disclosed from time to time. The AIC Code addresses all the principles set out in the Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to listed investment companies. By reporting against the AIC Code the Company meets its obligations in relation to the Corporate Governance Code.

The AIC Code is available on the AIC's website, www.theaic.co.uk. The Corporate Governance Code is available on the Financial Reporting Council's website, www.frc.org.uk.

17.2 Internal audit

As the Company delegates to third parties its day-to-day operations and has no employees, the Board has determined that there are no requirements for an internal audit function. The Board will review annually whether a function equivalent to an internal audit is needed and it intends to monitor its systems of internal controls in order to provide assurance that they operate as intended.

17.3 Board independence, composition and tenure

The Board currently consists of 4 non-executive Directors. It is chaired by Andy Crossley who is responsible for its leadership and for ensuring its effectiveness in all aspects of its role. The Board will meet at least four times a year and will receive full information about the Company's investment performance, assets, liabilities and other relevant information in advance of Board meetings. The Directors' biographical details, set out in paragraph 8 of this Part 5 (*The Company*), demonstrate a breadth of investment, commercial and professional experience. Stuart Sharp has been designated as the Senior Independent Director, who can act as a sounding board for the Chair and also acts as an intermediary for the other Directors when necessary. The Directors will review their independence annually.

Directors' shall stand for election by shareholders at the first AGM after their appointment, and at every AGM thereafter.

The Chair will regularly review the training and development needs of each Director. Any Director may resign in writing to the Board at any time.

The Board will also receive regular briefings from, amongst others, the Company's auditor regarding any proposed developments or changes in laws or regulations that could affect the Company and/or the Directors.

17.4 Audit Committee

The Audit Committee will meet at least twice per year. It comprises the entire Board including the Chair and is chaired by Stephanie Eastment. The Audit Committee is responsible for the review of the annual report and the half year report, the nature and scope of the external audit and the findings therefrom, and the terms of appointment of the auditors, including their remuneration, independence and the provision of any non-audit services by them.

The Audit Committee will review the need for non-audit services and authorise such on a case by case basis.

The Audit Committee will meet representatives of the Administrator, the AIFM, the Portfolio Manager, SDL Limited and their compliance officers who will report as to the proper conduct of business in accordance with the regulatory environment in which the Company and the Administrator operate. The Company's auditor will also attend the Audit Committee at its request and report on its work procedures, the quality and effectiveness of the Company's accounting records and its findings in relation to the Company's statutory audit. The Company will meet with the auditor, without representatives of the Administrator, the AIFM, the Portfolio Manager or SDL Limited being present, at least once a year.

17.5 Management Engagement Committee

The Management Engagement Committee will meet at least once per year. It comprises the entire Board and is chaired by Stuart Sharp. The Management Engagement Committee is responsible for the regular review of the terms of the AIFM Agreement, the Investment Management Agreement, the Administration Agreement, the Custody Agreement and other service providers' agreements and the performance of the AIFM, the Portfolio Manager, SDL Limited, the Administrator and the Custodian and also the Company's other service providers.

17.6 Nomination Committee

The Company's Nomination Committee consists of all of the Directors and is chaired by Andy Crossley. The Nomination Committee will meet at least once a year or more often if required. Its principal duties will be to advise the Board on succession planning bearing in mind the balance of skills, diversity, knowledge and experience existing on the Board and will make recommendations to the Board in this regard. The Nomination Committee advises the Board on its balance of relevant skills, experience, gender, race, ages and length of service of the Directors serving on the Board. All appointments to the Board will be made in a formal and transparent manner.

17.7 Remuneration Committee

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

17.8 Policy on Directors' fees

The aggregate fees of the Directors will not exceed £500,000 per annum. There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for non-executive directors. The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

17.9 Directors' letters of appointment

It is the Board's policy that none of the Directors has a service contract. The terms of the Directors' appointment provide that they will retire and be subject to election at the first AGM after their appointment and at every AGM thereafter. Those terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office.

18. Profile of typical investors

The typical investors for whom the Shares are intended are institutional investors, professional investors, professionally advised retail investors and non-advised retail investors who are capable themselves of evaluating the merits and risks of an investment in the Company and who have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment. Such investors may wish to consult an independent financial adviser prior to investing in the Shares.

19. Non-mainstream pooled investment products

The Company intends to conduct its affairs so that its Shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products ("NMPI") because they are shares in an investment trust.

FCA Policy Statement 17/14 indicates that the Shares may be deemed "non-complex" for the purposes of MiFID II where they meet the requirements of Article 57 of the MiFID II delegated regulation of 25 April 2016. The Directors consider that the requirements will be met in relation to the Shares and that accordingly, the Shares should be considered "non-complex" for the purposes of MiFID II.

20. Taxation

A summary of certain limited aspects of UK taxation applicable to the Company and Shareholders is contained in Part 8 (*UK Tax*) of this Prospectus. If any potential investor is in any doubt about the tax consequences of his/her acquiring, holding, disposing or conversion of Shares, he/she should seek advice from his/her own independent professional advisers.

21. Financial information

21.1 *Financial reports*

The audited annual financial statements of the Company will be drawn up in pounds Sterling and prepared in accordance with FRS 102 and the SORP. Financial statements prepared by the Company in accordance with FRS 102 and the SORP will include a statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows, related notes and any additional information that the Board deems appropriate or that is required by applicable law.

The Company's annual report and financial statements will be prepared up to 31 December each year and it is expected that copies will be sent to Shareholders within four months of the year-end. The Company's annual accounting reference date is 31 December and the Company's first accounting period will end on 31 December 2021. The first AGM following Admission is expected to be held in June 2022.

Shareholders will also receive an unaudited half year report covering the six months to 30 June each year which is expected to be despatched within three months of that date. The Company's first unaudited half year report will cover the period running from the Company's incorporation to 31 December 2020, and thereafter in respect of the period to 30 June.

Information on performance, holdings and investment activity will be prepared and published monthly by SDL Limited in the form of a factsheet to be made available on the Website.

In accordance with the AIFM Directive, the AIFM will ensure that the following information in relation to the Portfolio is published in the Company's annual report and audited accounts:

- (a) the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;
- (b) any new arrangements for managing the liquidity of the Company;
- (c) the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks;
- (d) any changes to the maximum level of leverage which the AIFM may employ on behalf of the Company as well as any right of the re-use of collateral or any guarantee granted under the leveraging arrangement. The Company will, in addition, notify Shareholders of any such changes, rights or guarantees without undue delay by issuing an announcement via an RIS; and
- (e) the total amount of leverage employed by the Company.

21.2 *Annual running expenses*

In addition to management, advisory, administration and secretarial fees referred to in Part 9 (*General Information*) of this Prospectus, the Company will pay all other fees and expenses incurred in the operation of its business including, without limitation:

- (a) Directors' fees and expenses;
- (b) fees and expenses for the custodian, registrar, corporate broker, legal, auditing and other professional services;
- (c) any borrowing costs;
- (d) the ongoing costs of maintaining the listing of the Ordinary Shares and the C Shares (where relevant) on the premium segment of the Official List and their continued admission to trading on the Main Market;

- (e) NAV publication costs;
- (f) directors and officers insurance premiums;
- (g) promotional expenses (including membership of any industry bodies, including the AIC and marketing initiatives approved by the Board); and
- (h) costs of printing the Company's financial reports and posting them to Shareholders.

Assuming that the Initial Issue is fully subscribed, the Company's total ongoing operational costs (excluding management fees, brokerage and other transaction charges and taxes and any borrowing costs) are estimated in the first year after Initial Admission to amount to not more than approximately 0.3 per cent. per annum of the Company's estimated Net Asset Value on Initial Admission.

Shareholders do not bear any fees, charges and expenses directly, other than any fees, charges and expenses incurred as a consequence of acquiring, transferring, redeeming or otherwise selling Shares.

21.3 **Allocation of ongoing costs**

Interest expenses will be recognised within 'finance costs' in the Statements of Comprehensive Income using the effective interest rate method. All other expenses will be recognised in the Statements of Comprehensive Income in the period in which they are incurred (on an accruals basis).

21.4 **NAV calculations and valuation policy**

The Administrator is responsible for calculating the NAV per Share. The unaudited NAV per Share is calculated on each Dealing Day (on a cum-income basis) and is announced to an RIS. The NAV is calculated in accordance with FRS 102, the SORP and the guidelines published by the AIC.

The Board may determine that the Company shall temporarily suspend the determination of the Net Asset Value per Share when the prices of any investments owned by the Company cannot be promptly, accurately or without undue expenditure, ascertained. Any suspension in the calculation of the Net Asset Value will be notified to Shareholders through a Regulatory Information Service as soon as practicable after such suspension occurs.

The Net Asset Value of the Company will be calculated on the basis of the bid prices of the Company's underlying investments or a lower figure if, in the reasonable opinion of the Portfolio Manager, the underlying investment is worth less than the bid price. If trading in an underlying investment held by the Company is suspended, the last available bid price of that investment will be used to calculate the Net Asset Value unless the Portfolio Manager believes another value is a better representation of the fair value of the investment. In the event the Portfolio ever comprises investments which are not quoted securities, such investments will be priced at a value which, in the opinion of the Portfolio Manager, represents a fair and reasonable price.

The Company may delay public disclosure of the Net Asset Value to avoid prejudice to its legitimate interests, provided that such delay would not be likely to mislead the public and the Company has put in place appropriate measures to ensure confidentiality of that information.

22. **Conflicts of interest**

The AIFM, the Portfolio Manager, Sanford DeLand, SDL Limited, the Administrator, the Registrar, Shore Capital and any of their members, directors, officers and employees may be involved in other investment activities that may on occasion give rise to conflicts of interest between the duties carried out by them on behalf of the Company and their private interest or other duties. In particular, the AIFM, the Portfolio Manager and Sanford DeLand currently does, and may continue to, provide investment management, investment advice or other services in relation to a number of other companies, funds or accounts that may have similar investment objectives and/or policies, to that of the Company and may receive ad valorem and/or performance-related fees for doing so.

The Portfolio Manager and Sanford DeLand are committed to identifying, monitoring and managing all actual and potential conflicts of interest that can arise, and have a conflicts of interest policy which covers the fair

management and resolution of such situations should they arise and which is reviewed on at least an annual basis.

For example, the Portfolio Manager may have conflicts of interest in allocating investments among the Company and other clients and in effecting transactions between the Company and other clients. In instances where the Portfolio Manager chooses to aggregate the Company's investment with other investments from other clients as well as the Company, the Portfolio Manager will allocate investments fairly to all clients in accordance with applicable rules and applicable fair allocation policies. Furthermore, the Portfolio Manager will not aggregate an investment if it is likely to work to the disadvantage of any of its clients involved. Allocations will be made on the basis of the investment objectives of the Portfolio Manager's clients, as applicable, including the Company in each case.

The Portfolio Manager and Sanford DeLand may take action with respect to such other clients that differs from the actions taken with respect to the Company. The Portfolio Manager will ensure that transactions effected by it or an associate in which it or an associate has, directly or indirectly, a material interest or relationship of any description with another party, are effected on terms which are not materially less favourable to the Company than if the potential conflict had not existed. Employees of the Portfolio Manager and SDL Limited are required to disclose and, in most cases, obtain approval for any outside business interest or employment. Employees that are open to a conflict of interest are paid a basic salary, which is not dependent on business performance. Remuneration and bonus structures are designed so as not to create any incentive for officers, members or employees of the Portfolio Manager to act contrary to their client's interests.

Subject to the undertakings referred to in the previous paragraph, notwithstanding similar investment objectives, an investment opportunity for the Company may be allocated across all, some, or only one of the Portfolio Manager's clients, dependent on the size of the investment opportunity and the relative opportunity for the Company or other clients. For example, an opportunity for a small investment may not present a meaningful position in a large account and, therefore, may only be allocated to smaller accounts, all other characteristics of the accounts being comparable.

The Directors have satisfied themselves that the AIFM, the Portfolio Manager and Sanford DeLand have procedures in place to address potential conflicts of interest and that, where a conflict arises, the Portfolio Manager will allocate the opportunity on a fair basis and in accordance with the Investment Management Agreement.

23. MAR and the Disclosure Guidance and Transparency Rules

As a company whose shares will be admitted to trading on a regulated market, the Company will comply with all of the provisions of MAR and the Disclosure Guidance and Transparency Rules which are applicable to it. The Directors have adopted a share dealing code that is compliant with the Market Abuse Regulation. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors and other persons discharging managerial responsibilities.

The Disclosure Guidance and Transparency Rules provide that certain persons (including Shareholders) must notify the Company if the proportion of the Company's voting rights which they then hold directly or indirectly as a shareholder or through a direct or indirect holding of certain financial instruments reaches, exceeds or falls below thresholds of three per cent., four per cent., five per cent., six per cent., seven per cent., eight per cent., nine per cent. and 10 per cent. and each one per cent. thereafter up to 100 per cent.

PART 6

THE INITIAL ISSUE (INITIAL PLACING, OFFER FOR SUBSCRIPTION AND INTERMEDIARIES OFFER)

1. Introduction

The Initial Issue consists of a placing and an offer for subscription of up to 250 million Ordinary Shares in aggregate which are being issued at 100p per Ordinary Share. Investors will not be charged a fee in addition to their payment of the Issue Price in order to subscribe for Ordinary Shares, as the Issue Expenses will be met out of the proceeds of the Initial Issue. The Issue Expenses are therefore an indirect charge to investors. The Initial Issue constitutes the initial opportunity to purchase Ordinary Shares in the Company. The total number of Ordinary Shares issued under the Initial Placing, Offer for Subscription and Intermediaries Offer will be determined by the Company, Shore Capital and SDL Limited after taking into account demand for the Ordinary Shares and prevailing economic and market conditions, subject to a maximum of 250 million Ordinary Shares.

The Initial Placing, Offer for Subscription and Intermediaries Offer are conditional amongst other things on:

- (a) the Issue Agreement having become unconditional in all respects (save for the condition relating to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission;
- (b) Initial Admission becoming effective not later than 8.00 a.m. on 29 October 2020 or such later time and/or date as Shore Capital and the Company may agree, (being not later than 8.00 a.m. on 31 December 2020); and
- (c) the Minimum Gross Proceeds being raised.

If any of these conditions are not met, the Initial Issue will not proceed and an announcement to that effect will be made via a Regulatory Information Service. Further details of the Issue Agreement are set out in paragraph 8.4 of Part 9 (*General Information*) of this Prospectus.

Neither the Initial Placing, the Offer for Subscription nor the Intermediaries Offer is underwritten. The decision whether to proceed with the Initial Issue will be at the absolute discretion, and subject to the agreement, of the Directors, Shore Capital and SDL Limited.

Further details on the conditions to the Initial Placing, Offer for Subscription and Intermediaries Offer are set out below.

2. The Initial Placing

Up to 250 million Ordinary Shares are available to be placed on behalf of the Company at the Issue Price to raise £250 million before expenses.

The Directors have agreed to participate in the Initial Placing by subscribing for a total of 105,000 Ordinary Shares at the Issue Price. The Directors are not proposing to apply for Ordinary Shares under the Offer for Subscription.

The terms and conditions of application under the Initial Placing and the Placing Programme are set out in Part 10 (*Terms and Conditions of Application under the Initial Placing and the Placing Programme*) of this Prospectus.

Placees will receive a contract note following closing of the Initial Placing and prior to Initial Admission of the Ordinary Shares notifying them of the number of Ordinary Shares they will receive. Dealings in the Ordinary Shares issued pursuant to the Initial Placing will not be permitted prior to Admission.

3. The Offer for Subscription

Ordinary Shares are also being made available to the public in the United Kingdom (other than certain overseas investors) through the Offer for Subscription at 100p per Ordinary Share payable in full on application.

Applications under the Offer for Subscription must be for a minimum of 1,000 Ordinary Shares (representing a subscription price of £1,000) and thereafter in multiples of 100 Ordinary Shares. The Directors may, in their absolute discretion, after taking into account the demand for Ordinary Shares under the Initial Placing and Offer for Subscription and economic and market conditions, waive the minimum initial subscription requirement in respect of any particular application under the Offer for Subscription. Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted.

The Ordinary Shares will be a qualifying investment for the stocks and shares component of an ISA, provided they are acquired by an ISA plan manager through an offer to the public (such as the Offer for Subscription) or in the market, but not through the Initial Placing. Any person wishing to apply for Ordinary Shares under the Offer for Subscription through an ISA should contact their ISA manager as soon as possible.

The terms and conditions of application under the Offer for Subscription are set out in Part 11 (*Terms and Conditions of Application under the Offer for Subscription*) of this Prospectus. The procedure for applying for Ordinary Shares under the Offer for Subscription and an application form for use under the Offer for Subscription can be found in the Appendix to this Prospectus.

Payment must be made by electronic interbank transfer (CHAPS). No interest will be paid on payments made before they are due.

Payment by electronic interbank transfer (CHAPS) must be accompanied by a personalised payment reference number which may be obtained by contacting JTC Registrars (UK) Limited by email at registrars@jtcgroup.com. Payment by CHAPS must come from a personal account in the name of the individual investor where they have sole or joint title to the funds (the account name should be the same as that shown on the Application Form).

Completed Application Forms indicating that a CHAPS payment for the full amount has been made must be returned, by hand or post to JTC Registrars (UK) Limited, The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF, United Kingdom so as to be received by no later than 11:00 a.m. on 23 October 2020 at which time and date the Offer for Subscription will close. The Directors may, with the prior approval of SDL Limited and Shore Capital, alter such date by shortening or lengthening the offer period under the Offer for Subscription. The Company will notify investors of any such change through the publication of a notice through a Regulatory Information Service. All documents sent through the post will be sent at the risk of the sender.

If the Offer for Subscription does not become unconditional, no Ordinary Shares will be issued pursuant to the Initial Issue and all moneys will be returned to the bank or other account on which the remittance accompanying the application was drawn, or from which any electronic interbank transfer (CHAPS) was made, without interest and at the risk of the applicant as soon as practicable following the lapse of the Offer for Subscription.

4. Intermediaries Offer

Investors may also subscribe for Ordinary Shares at the Issue Price of 100p per Ordinary Share pursuant to the Intermediaries Offer. Only the Intermediaries' retail investor clients in the United Kingdom are eligible to participate in the Intermediaries Offer. Investors may apply to any one of the Intermediaries to be accepted as their client.

No Ordinary Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom. A minimum application of £1,000 per Underlying Applicant will apply. Allocations to Intermediaries will be determined solely by Shore Capital (following consultation with the Company and SDL Limited).

An application for Ordinary Shares in the Intermediaries Offer means that the Underlying Applicant agrees to acquire the Ordinary Shares applied for at the Issue Price. Each Underlying Applicant must comply with

appropriate money laundering checks required by the relevant Intermediary and all other laws and regulations applicable to their agreement to subscribe for Ordinary Shares. Where an application is not accepted or there are insufficient Ordinary Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the Underlying Applicant as required and all such refunds shall be made without interest. The Company, Shore Capital and SDL Limited accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions which regulate, among other things, the conduct of the Intermediaries Offer on market standard terms and provide for the payment of a commission and/or fee (to the extent permissible by the rules of the FCA) to Intermediaries from the Intermediaries Offer Adviser acting on behalf of the Company if such Intermediary elects to receive a commission and/or fee. Pursuant to the Intermediaries Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant that they are not located in, and are not acting on behalf of anyone located in, the United States, Canada, Australia, Japan or the Republic of South Africa and are not acting on behalf of anyone located in the United States.

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

The Intermediaries Terms and Conditions provide for the Intermediaries to have an option (where the payment of such commission and/or fee is not prohibited) to be paid a commission and/or fee by the Intermediaries Offer Adviser (acting on behalf of the Company) where they have elected to receive such commission and/or fee in respect of the Ordinary Shares allocated to and paid for by them pursuant to the Intermediaries Offer.

5. Dealings and settlement

Applications will be made to the Financial Conduct Authority and the London Stock Exchange for all of the Ordinary Shares to be issued in connection with the Initial Issue to be admitted to the premium segment of the Official List under Chapter 15 of the Listing Rules and to trading on the Main Market. It is expected that Initial Admission will occur and that dealing in the Ordinary Shares will commence on 29 October 2020.

Subject to the Initial Issue becoming unconditional, the Ordinary Shares will be issued on 29 October 2020, fully paid and in registered form, and may be delivered into CREST or in certificated form. Applicants under the Offer for Subscription wishing to have their Ordinary Shares delivered to a CREST stock account in their own name, which is expected to take place on 29 October 2020, should include their CREST details in section 4 of the Application Form. Temporary documents of title will not be issued pending the despatch of definitive certificate for Ordinary Shares issued in certificated form, which is expected to take place in the week commencing 2 November 2020. Dealings in the Ordinary Shares issued pursuant to the Initial Issue will not be permitted prior to Initial Admission. Subsequent to Initial Admission, dealings in Ordinary Shares in advance of the crediting of the relevant CREST accounts or the issue of share certificates will be at the risk of the person concerned.

When admitted to trading, the Ordinary Shares will be registered with ISIN number GB00BMDFG969 and SEDOL number BMDFG96.

6. Announcements regarding the Initial Placing, Offer for Subscription and Intermediaries Offer

The results of the Initial Placing, Offer for Subscription and Intermediaries Offer and the basis of allocation are expected to be announced by the Company through a Regulatory Information Service on or around 26 October 2020 and, in any event, prior to Initial Admission.

7. Conditions of the Initial Issue

The Initial Issue is conditional on, among other things, (i) the Issue Agreement not being terminated in accordance with its terms at any time prior to Initial Admission; (ii) Initial Admission occurring by 8.00 a.m. on 29 October 2020 (or such later date as the Company and Shore Capital may agree, being in any event not later than 8.00 a.m. on 31 December 2020); and (iii) the Minimum Gross Proceeds (or such lesser amount as the Company, Shore Capital, the Portfolio Manager and SDL Limited may agree) being raised.

If any of these conditions are not met, the Initial Issue will not proceed and an announcement to that effect will be made via a Regulatory Information Service.

The issue of Ordinary Shares pursuant to the Initial Placing, Offer for Subscription and Intermediaries Offer will be revoked if Initial Admission has not occurred by 8.00 a.m. on 29 October 2020 (or such later date as the Company and Shore Capital may agree, being in any event not later than 8.00 a.m. on 31 December 2020) or, if earlier, on the date on which the Initial Issue ceases to be capable of becoming conditional. Any such revocation will be announced by the Company through a Regulatory Information Service as soon as practicable after the Company has become aware of the occurrence of the event that has resulted in such revocation.

In the event that the Initial Issue does not proceed for whatever reason, all moneys will be returned to the bank or other account on which the remittance accompanying the application was drawn, or from which any electronic interbank transfer (CHAPS) was made, without interest and at the risk of the applicant.

8. Scaling back

The Directors are authorised to issue up to 250 million Ordinary Shares pursuant to the Initial Issue. To the extent that applications under the Initial Placing, Offer for Subscription and Intermediaries Offer are made for more than 250 million Ordinary Shares, those applications will be scaled back on such basis as Shore Capital may determine (in consultation with the Company).

To the extent that the subscription monies received by the Company in relation to any application for Ordinary Shares through the Initial Placing, Offer for Subscription and Intermediaries Offer exceed the aggregate value, at the Issue Price, of the Ordinary Shares issued pursuant to such application, the balance of such sum will be returned to the bank or other account on which the remittance accompanying the application was drawn, or from which any electronic interbank transfer (CHAPS) was made, without interest and at the risk of the applicant.

9. Costs of the Initial Issue

Assuming that the Initial Issue is fully subscribed, and the estimated expenses of the Initial Issue are £4.6 million, the Net Proceeds will be £245.4 million (inclusive of any irrecoverable VAT).

10. Use of proceeds

The Initial Issue and the Placing Programme is intended to raise money for investment in accordance with the Company's investment policy.

11. Money laundering

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the United Kingdom, the Company and its agents, the Administrator, the Registrar, the Receiving Agent, the AIFM, Shore Capital, the Portfolio Manager or SDL Limited may require evidence of the identity of each investor in connection with any application for Ordinary Shares, including further identification of the applicant(s) before any Ordinary Shares are issued.

Each of the Company and its agents, including the Administrator, the Registrar, the Receiving Agent, the AIFM, the Portfolio Manager, SDL Limited or Shore Capital reserves the right to request such information as is necessary to verify the identity of a Shareholder or prospective Shareholder and (if any) the underlying beneficial owner or prospective beneficial owner of a Shareholder's Ordinary Shares. In the event of delay or failure by the Shareholder or prospective Shareholder to produce any information required for verification purposes, the Directors, in consultation with the Company's agents, including the Administrator, the

Registrar, the Receiving Agent, the AIFM, the Portfolio Manager, SDL Limited and Shore Capital may refuse to accept a subscription for Ordinary Shares.

12. U.S. purchase and transfer restrictions

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the AIFM, the Portfolio Manager or SDL Limited.

The Company has elected to impose the restrictions described below on the issue and on the future trading of the Ordinary Shares so that the Company will not be required to register the offer and sale of the Ordinary Shares under the Securities Act, so that the Company will not have an obligation to register as an investment company under the Investment Company Act and related rules and to address certain ERISA, Tax Code, FATCA and other considerations. These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the Ordinary Shares to trade such securities. Due to the restrictions described below, potential investors in the United States and U.S. Persons are advised to consult legal counsel prior to making any offer, resale, exercise, pledge or other transfer of the Ordinary Shares. The Company and its agents will not be obligated to recognise any resale or other transfer of the Ordinary Shares made other than in compliance with the restrictions described below.

13. Restrictions due to lack of registration under the Securities Act and Investment Company Act restrictions

The Ordinary 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 the Ordinary Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons. There will be no public offer of the Ordinary Shares in the United States. Subject to certain exceptions, the Ordinary Shares are being offered and sold only outside the United States to persons who are not U.S. Persons in reliance on the exemption from registration provided by Regulation S under the Securities Act.

Moreover, the Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act. The Ordinary Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S under the Securities Act (i) to a person outside the United States and not known by the transferor to be a U.S. Person, by pre-arrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

14. General

Subject to their statutory right of withdrawal pursuant to section 87(Q)(4) of FSMA, in the event of the publication of a supplementary prospectus, applicants under the Offer for Subscription and Intermediaries Offer may not withdraw their applications for Ordinary Shares.

Investors under the Offer for Subscription wishing to exercise statutory withdrawal rights pursuant to section 87(Q)(4) of FSMA after the publication of a supplementary prospectus must do so by lodging written notice of withdrawal by post or by hand (during normal business hours only) to JTC Registrars (UK) Limited by emailing registrars@jtcgroup.com so as to be received no later than four Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received after expiry of such period will not constitute a valid withdrawal.

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

PART 7

PLACING PROGRAMME

1. Introduction

The Company has made arrangements under which the Board has discretion to issue under the Placing Programme up to 350 million New Ordinary Shares and/or C Shares, provided that such number of Ordinary Shares (including New Ordinary Shares) and C Shares issued pursuant to the Initial Issue and the Placing Programme and including the Company's existing subscriber share, which is to be transferred to a Placée pursuant to the Initial Placing, may not exceed 350 million Shares in aggregate implemented by any placing of Ordinary Shares and/or C Shares pursuant to the Placing Programme. The Placing Programme is intended to be flexible and may have a number of closing dates in order to provide the Company with the ability to issue New Ordinary Shares and/or C Shares over a period of time. The Placing Programme is intended to satisfy market demand for the Ordinary Shares and to raise further money for investment in accordance with the Company's investment policy.

2. Background to and reasons for the Placing Programme

The Company will have the flexibility to issue further Ordinary Shares or C Shares on a non pre-emptive basis where there appears to be reasonable demand for Ordinary Shares in the market, for example if the Ordinary Shares trade at a premium to their Net Asset Value per Ordinary Share. In addition, as any New Ordinary Shares issued under the Placing Programme will be issued at a price not less than the last published cum income Net Asset Value per Ordinary Share (other than any Ordinary Shares held in treasury), nor more than the best offer price per Ordinary Share as quoted on the London Stock Exchange at the time that the proposed issue is agreed, as determined by the Directors, an issue of New Ordinary Shares under the Placing Programme may be used by the Company to reduce any premium over NAV at which its Shares may be trading.

The number of Ordinary Shares and/or C Shares available under the Placing Programme is intended to be flexible and should not be taken as an indication of the number of shares to be issued. The Company will make the decision on each individual occasion it wishes to issue shares under the Placing Programme as to whether the Company will issue Ordinary Shares or C Shares.

It is expected that the Board will issue C Shares rather than New Ordinary Shares in circumstances where there is substantial investor demand such that an issue of New Ordinary Shares would have the potential to harm the Company's existing investors by causing them to be invested in a large amount of cash following a fundraise, which could potentially take a prolonged period of time to invest, which would adversely impact the Net Asset Value per Ordinary Share. The assets representing the net proceeds of an issue of C Shares would be accounted for as a separate pool, and the C Shares would bear a proportionate share of the Company's costs and expenses, until such pool is substantially invested in accordance with the Company's investment policy, following which the C Shares would be converted into New Ordinary Shares based on the respective NAV per Share.

For the purposes of assessing the conversion date of an issue of C Shares into New Ordinary Shares, a separate pool underlying an issue of C Shares will be deemed to have been substantially invested when at least 90 per cent. (or such other percentage as the Directors determine) of the pool has been invested.

The C Shares will carry voting rights at General Meetings. The detailed terms of the C Shares are set out in paragraph 4 of Part 9 (*General Information*) of this Prospectus.

Shareholder authority to issue further Ordinary Shares and/or C Shares on a non-pre-emptive basis was granted on 11 September 2020. In utilising its discretion under the Placing Programme and seeking such authorities in the future the Directors intend to take into account relevant factors, including the desirability of limiting the premium to Net Asset Value 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 additional Ordinary Shares at a high premium to NAV per Ordinary Share.

3. Benefits of the Placing Programme

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

- (a) maintain the Company's ability to issue New Ordinary Shares or C Shares, so as to better manage the premium at which the Ordinary Shares may trade to NAV per Ordinary Share;
- (b) enhance the NAV per Ordinary Share of existing Ordinary Shares through new share issuance of New Ordinary Shares at a premium of at least 1.5 per cent. to the last published cum income NAV per Ordinary Share;
- (c) grow the Company, thereby spreading operating costs over a larger capital base which should reduce the total expense ratio; and
- (d) improve liquidity in the market for the Ordinary Shares.

Assuming that 100 million New Ordinary Shares are issued under the Placing Programme, raising £100 million at a Placing Programme Price of 100p per New Ordinary Share and assuming that £100 million are raised pursuant to the Initial Issue before expenses, a Shareholder holding shares representing 5 per cent. of the Company's issued Ordinary Share capital following the Initial Issue, who does not participate in the Placing Programme, would, following the completion of the Placing Programme, hold shares representing approximately 2.5 per cent. of the Company's issued Ordinary Share capital.

4. The Placing Programme

The Placing Programme will open on 30 October 2020 and will close on 29 September 2021. The maximum number of New Ordinary Shares and/or C Shares to be issued pursuant to the Placing Programme will be equal in aggregate to 350 million Shares, provided that such number of Ordinary Shares (including New Ordinary Shares) and C Shares issued pursuant to the Initial Issue and the Placing Programme may not exceed 350 million Shares. No New Ordinary Shares will be issued at a discount to the Net Asset Value per Ordinary Share at the time of the relevant allotment. The Company will not issue any New Ordinary Shares at a discount of 10 per cent. or more to the middle market price of the Ordinary Share at the relevant time without further Shareholder approval.

The issue of New Ordinary Shares or C Shares under the Placing Programme is at the discretion of the Directors. Subsequent Issues may take place at any time prior to the closing date of the Placing Programme. An announcement of each issue under the Placing Programme will be released through an RIS. It is anticipated that dealings in the New Ordinary Shares or C Shares, as applicable, will commence approximately three Business Days after their issue. Whilst it is expected that all New Ordinary Shares and C Shares (as applicable) issued pursuant to the Placing Programme will be issued in uncertificated form, if any New Ordinary Shares or C Shares are issued in certificated form it is expected that share certificates will be despatched within ten Business Days after the relevant issue date.

Payment for any New Ordinary Shares issued under the Placing Programme should be made in accordance with settlement instructions provided to Placees by Shore Capital.

The minimum subscription pursuant to the Placing Programme is intended to be £25,000. There is no maximum subscription.

The Placing Programme is not being underwritten and, as at the date of this Prospectus, the actual number of New Ordinary Shares and/or C Shares to be issued under the Placing Programme is not known. The number of New Ordinary Shares and/or C Shares available under the Placing Programme should not be taken as an indication of the number of New Ordinary Shares and/or C Shares finally to be issued.

So far as the Directors are aware as at the date of this Prospectus, no major Shareholders or Directors intend to make a commitment for New Ordinary Shares or C Shares under the Placing Programme.

Applications will be made to the Financial Conduct Authority and the London Stock Exchange for all of the New Ordinary Shares and the C Shares to be issued in connection with the Placing Programme to be admitted to the premium segment of the Official List under Chapter 15 of the Listing Rules and to trading on the Main Market. All New Ordinary Shares and C Shares issued pursuant to the Placing Programme will be issued conditionally on such Subsequent Admission occurring. This Prospectus has been published in

order to obtain Subsequent Admission to the Official List of any New Ordinary Shares issued pursuant to the Placing Programme. This will include any New Ordinary Shares issued under the Directors' existing authority to issue Ordinary Shares and/or C Shares on a non-pre-emptive basis after the date of this Prospectus. Should the Board wish to issue New Ordinary Shares or C Shares in excess of the amount for which it is then authorised to issue, further authorities may be sought at an appropriate time by convening a General Meeting for this purpose.

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

The C Shares issued pursuant to the Placing Programme:

- (a) will not be entitled to any dividends payable in respect of the Ordinary Shares but on their conversion into New Ordinary Shares they will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the conversion of the C Shares);
- (b) will be entitled to any dividends payable in respect of the pool of assets attributable to the relevant C Shares. It is intended that dividends will be declared on the C Shares only in the event that there is material net income available for distribution to the C Shares, but the level of dividends (if any) declared on the C Shares will depend on the actual timing and terms of the deployment of the relevant C Share issue proceeds. In the event that any net income attributable to the C Shares is not distributed as dividend, such net income will be included in the value of the C Shares when calculating their entitlement for New Ordinary Shares upon their conversion.

The Placing Programme will be suspended at any time when the Company is unable to issue New Ordinary Shares and/or C Shares pursuant to the Placing Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion.

In the event that there are any significant matters affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus and prior to the termination of the Placing Programme, the Company will publish a supplementary prospectus. Any supplementary prospectus published by the Company will give details of the significant change(s) or the significant new matter(s). In the event that the Company is required to publish a supplementary prospectus prior to any Admission, applicants who have applied for New Ordinary Shares under any Subsequent Placing shall have at least two clear Business Days following the publication of the relevant supplementary prospectus within which to withdraw in its entirety their offer to acquire New Ordinary Shares in the relevant Subsequent Placing. The right to withdraw an application to acquire New Ordinary Shares in the relevant Subsequent Placing in these circumstances will be available to all investors in the relevant Subsequent Placing. If the application is not withdrawn within the stipulated period, any offer to apply for Ordinary Shares in the relevant Subsequent Placing will remain valid and binding.

5. Conditions

Each allotment and issue of New Ordinary Shares and/or C Shares under the Placing Programme following the Initial Issue, is conditional, among other things, on:

- (a) in the case of New Ordinary Shares, the Placing Programme Price being determined by the Directors as described below;
- (b) Admission of the New Ordinary Shares or C Shares being issued pursuant to such issue;
- (c) the Issue Agreement becoming otherwise unconditional in respect of the relevant issue of New Ordinary Shares and/or C Shares in all respects and not having been terminated on or before the date of such Admission; and
- (d) a valid supplementary prospectus being published by the Company if such is required by the Prospectus Regulation Rules.

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

6. Calculation of the Placing Programme Price

The Placing Programme Price of the New Ordinary Shares will be calculated by reference to the last published cum income Net Asset Value of each existing Ordinary Share (other than any Ordinary Shares held in treasury) at the time of issue together with a premium intended to at least cover the costs and expenses of the placing pursuant to the Placing Programme (including, without limitation, any placing commission), such costs and expenses being estimated to be no more than 1.5 per cent. of the amounts raised. Purchasers of New Ordinary Shares therefore bear the costs and expenses (including any applicable taxes) of the relevant Subsequent Placing. The Directors will determine the Placing Programme Price on the basis described above so as to cover the costs and expenses of each placing of New Ordinary Shares under the Placing Programme and thereby avoid any dilution of the Net Asset Value of the existing Ordinary Shares held by Shareholders. By way of illustration, assuming an initial NAV of 100p per Ordinary Share, the Placing Programme Price per New Ordinary Share would be expected to be at least 101.5p, and the expenses borne by the Company would be approximately 1.5p per Ordinary Share.

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

The Placing Programme Price of any C Shares issued pursuant to the Placing Programme will be 100p per C Share and the costs of the relevant issue of such C Shares, which are expected to be no more than 1.5 per cent. of that issue, will be paid out of the proceeds of the issue and accordingly will be borne indirectly by investors in the relevant C Shares.

The net proceeds of the Placing Programme is dependent on the number of New Ordinary Shares and/or C Shares issued pursuant to the Placing Programme and the applicable Placing Programme Price of any New Ordinary Shares issued.

Where New Ordinary Shares or C Shares are issued, the total assets of the Company will increase by that number of New Ordinary Shares or C Shares issued multiplied by the applicable Placing Programme Price. It is not expected that there will be any material impact on the earnings and Net Asset Value per Ordinary Share, as the net proceeds resulting from any issue under the Placing Programme are expected to be invested in investments consistent with the investment objective and investment policy of the Company and the Placing Programme Price of the New Ordinary Shares is expected to represent a modest premium to the then prevailing Net Asset Value per Ordinary Share.

Fractions of New Ordinary Shares or C Shares will not be issued.

7. Voting dilution

If 100 million New Ordinary Shares or C Shares are issued pursuant to the Placing Programme, assuming the Initial Issue has been subscribed as to 100 million Ordinary Shares, there would be a dilution of approximately 50 per cent. in Shareholders' voting control of the Company immediately after the Initial Issue (and prior to the conversion of any C Shares). The voting rights may be further diluted on conversion of any C Shares depending on the applicable conversion ratio. However, it is not anticipated that there will be any dilution in the NAV per Ordinary Share as a result of any subsequent issue under the Placing Programme.

8. Settlement

Payment for New Ordinary Shares and C Shares issued under the Placing Programme will be made through CREST or through Shore Capital, in any such case in accordance with settlement instructions to be notified to Placees by Shore Capital. In the case of those subscribers not using CREST, monies received by and held in account by or on behalf of Shore Capital will not be held as client money within the meaning of the relevant provisions of the FCA Rules, which therefore will not require Shore Capital to segregate such money, as that money will be held by Shore Capital under a banking relationship and not as trustee.

To the extent that any placing commitment is rejected in whole or in part, any monies received will be returned to the bank or other account on which the remittance accompanying the application was drawn, or from which any electronic interbank transfer (CHAPS) was made, without interest at the risk of the Placee.

9. Costs of the Placing Programme

The costs and expenses of each Subsequent Issue are estimated to be no more than 1.5 per cent. of the amounts raised.

Under the Placing Programme, each New Ordinary Share will be made available to investors at a price calculated by reference to the estimated cum income Net Asset Value of each existing Ordinary Share together with a premium intended to cover the costs and expenses payable by the Company in connection with each Subsequent Issue. Since the New Ordinary Shares will be issued at the Placing Programme Price which includes a premium to the estimated NAV (cum income) per existing Ordinary Share to cover the expenses of each Subsequent Issue of Ordinary Shares, existing Shareholders will experience no dilution on a NAV per Share basis as a result of any issue of New Ordinary Shares and the deduction of any costs and expenses incurred in connection with such Subsequent Issue.

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

By way of illustration, assuming an initial NAV of 100p per Ordinary Share, the Placing Programme Price per New Ordinary Share would be expected to be at least 101.5p, and the expenses indirectly borne by the Company would be approximately 1.5p per Ordinary Share. The Placing Programme Price of any C Shares issued pursuant to the Placing Programme will be 100p per C Share and the costs of the relevant issue of such C Shares, which are expected to be no more than 1.5 per cent. of that issue, will be paid out of the proceeds of the issue and accordingly will be borne indirectly by investors in the relevant C Shares.

Assuming that £100 million is raised under the Placing Programme before expenses solely through the issue of New Ordinary Shares, a Placing Programme Price of 100p per New Ordinary Share and costs of the Placing Programme of approximately 1.5 per cent. of the gross proceeds, the gross proceeds would be £100 million, and the net proceeds of the Placing Programme would therefore be £98.5 million.

Assuming that £100 million is raised under the Placing Programme before expenses solely through the issue of C Shares, a Placing Programme Price of 100p per New Ordinary Share and costs of the Placing Programme of approximately 1.5 per cent. of the gross proceeds, the gross proceeds would be £100 million, and the net proceeds of the Placing Programme would therefore be £98.5 million.

10. Use of proceeds

The net proceeds of the Placing Programme will be invested by the Portfolio Manager and Sanford DeLand on behalf of the Company in accordance with the Company's published investment policy.

11. Scaling back

In the event of oversubscription of a subsequent issue of New Ordinary Shares and/or C Shares under the Placing Programme, applications will be scaled back at Shore Capital's discretion (in consultation with the Company).

12. Money laundering

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the United Kingdom, the Company and its agents, the Administrator, the AIFM, the Registrar, the Receiving Agent, the Portfolio Manager, SDL Limited or Shore Capital may require evidence of the identity of each investor in connection with any application for New Ordinary Shares, including further identification of the applicant(s) before any New Ordinary Shares are issued.

Each of the Company and its agents, including the Administrator, the AIFM, the Registrar, the Receiving Agent, the Portfolio Manager, SDL Limited or Shore Capital reserves the right to request such information as is necessary to verify the identity of a Shareholder or prospective Shareholder and (if any) the underlying beneficial owner or prospective beneficial owner of a Shareholder's Ordinary Shares. In the event of delay or failure by the Shareholder or prospective Shareholder to produce any information required for verification purposes, the Directors, in consultation with the Company's agents, including the Administrator, the AIFM, the Registrar, the Receiving Agent, the Portfolio Manager, SDL Limited or Shore Capital may refuse to accept a subscription for New Ordinary Shares.

13. U.S. purchase and transfer restrictions

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the AIFM, the Portfolio Manager or SDL Limited.

The Company has elected to impose the restrictions described below on the issue and on the future trading of the New Ordinary Shares so that the Company will not be required to register the offer and sale of the New Ordinary Shares under the Securities Act, so that the Company will not have an obligation to register as an investment company under the Investment Company Act and related rules and to address certain ERISA, Tax Code, FATCA and other considerations. These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the New Ordinary Shares to trade such securities. Due to the restrictions described below, potential investors in the United States and U.S. Persons are advised to consult legal counsel prior to making any offer, resale, exercise, pledge or other transfer of the New Ordinary Shares. The Company and its agents will not be obligated to recognise any resale or other transfer of the New Ordinary Shares made other than in compliance with the restrictions described below.

14. Restrictions due to lack of registration under the Securities Act and Investment Company Act restrictions

The Ordinary Shares and the C 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 the Ordinary Shares and the C Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons. There will be no public offer of the Ordinary Shares or the C Shares in the United States. Subject to certain exceptions, the Ordinary Shares and the C Shares are being offered and sold only outside the United States to persons who are not U.S. Persons in reliance on the exemption from registration provided by Regulation S under the Securities Act.

Moreover, the Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act. The Ordinary Shares and the C Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S under the Securities Act (i) to a person outside the United States and not known by the transferor to be a U.S. Person, by pre-arrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

PART 8

UK TAX

The information below is a general, non-exhaustive guide based on current UK law and HMRC practice, both of which are subject to change (potentially with retrospective effect). It summarises the tax position of the Company and of Shareholders who are UK resident (except where indicated) and hold Shares as investments and who are not subject to special UK tax treatment by virtue of their status. It does not constitute legal or tax advice. In particular, the tax legislation of the Shareholder's or potential investor's country of domicile or residence and of the Company's country of incorporation may have an impact on income received from the Ordinary Shares and/or C Shares.

The comments apply only to Shareholders who are the beneficial owners of their Shares. 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.

Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the UK, are recommended to take professional advice.

1. The Company

The Company will apply to HMRC for approval as an investment trust. It is the intention of the Directors to conduct the Company's affairs so that it qualifies to receive approval as an investment trust and continues to be approved by satisfying the conditions necessary for it to be eligible as an investment trust under Chapter 4 of Part 24 of the CTA and the Investment Trust (Approved Company) (Tax) Regulations 2011 (as amended). Neither SDL Limited nor the Directors can guarantee that this approval will be granted or maintained. The following comments are made on the basis that the Company is approved as an investment trust and that the approval is maintained.

As an investment trust the Company will be generally exempt from UK tax on capital gains realised on the disposal of investments, including in certain circumstances interest-paying securities and derivatives, held within it.

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. Other (non-dividend) income received by the Company will, after deduction of allowable management fees and any other allowable costs, normally be subject to corporation tax at 19 per cent.

Income arising from overseas investments may be subject to foreign withholding taxes at varying rates, but double taxation relief may be available.

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.

2. Shareholders

All distributions are paid without the deduction of any UK tax and without any tax credit attached. Shareholders in the UK and other countries may be liable to account for tax in respect of their distributions to the tax authority in their country of residence. The following comments refer only to the tax liabilities of UK resident Shareholders and to UK withholding tax.

2.1 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.

2.2 Dividends - companies

The statements in the following 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 the current rate of 19 per cent.

2.3 **Tax on 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 £12,300 for the tax year 2020/2021. 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.

3. **ISAs and SIPPs**

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 2020/2021).

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.

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

4. **Stamp duty reserve tax (SDRT) and stamp duty**

The issue of Ordinary Shares and/or C Shares under the Initial Placing and/or the Placing Programme (whether in certificated form or not) will not give rise to SDRT or stamp duty.

Subsequent transfers of Shares will generally incur a stamp duty (or SDRT for Shares held through CREST) charge for the buyer of 0.5 per cent. of the transaction value (rounded up to the nearest £5).

Deposits into CREST (where there is no transfer of beneficial owner or consideration paid) will generally not be subject to SDRT or stamp duty.

5. Reporting requirements

Under legislation implementing the UK's obligations under various intergovernmental agreements relating to the automatic exchange of information in order to combat tax evasion and to improve international tax compliance (including but not limited to agreements regarding the OECD's global standard for automatic and multilateral exchange of information between tax authorities, known as the "Common Reporting Standard", but not including the US Foreign Account Tax Compliance Act as the Company will be listed) the Company may be required to collect and report information about Shareholders and their investments to HMRC, including information to verify their identity and tax residence. When requested to do so by the Company or its agent, Shareholders must provide information to be passed on to HMRC, and, by them, to any relevant overseas tax authorities.

On request from HMRC the Company must provide details of interest distributions and recipients.

PART 9

GENERAL INFORMATION

1. Responsibility

The Company, whose registered office appears in paragraph 2.1.3 of this Part 9 (*General Information*), and the Directors accept responsibility for the information 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 the Prospectus makes no omission likely to affect its import. All of the Directors accept responsibility accordingly.

2. The Company

2.1 Incorporation

- 2.1.1 The Company was incorporated in England and Wales on 31 July 2020 with registered number 12782935 as a public company limited by shares under the Act. The Company is registered as an investment company under section 833 of the Act. The Company's LEI is 2549009BORVHFBA94K76. The Company has an unlimited life.
- 2.1.2 As a listed investment company, the Company will not be regulated as a collective investment scheme by the FCA. However, from Initial Admission, the Ordinary Shares will be admitted to listing on the premium segment of the Official List and to trading on the Main Market. The principal legislation under which the Company operates is the Act. The Company will also be subject to the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Takeover Code, the Market Abuse Regulation and the rules of the London Stock Exchange. The Company is domiciled in England and Wales. The Company is an alternative investment fund pursuant to the AIFM Directive.
- 2.1.3 The address of the registered office and principal place of business of the Company is The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF, with telephone number +44 207 409 0181 and email address Buffettology.CoSec@jtcgroup.com.
- 2.1.4 The Company has no employees and most of its day-to-day activities are delegated to third parties.
- 2.1.5 The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of Chapter 4 of Part 24 of the CTA and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the key conditions that must be met for approval by HMRC for any given accounting period as an investment trust are that:
- 2.1.5.1 all or substantially all of the business of the Company is investing its funds in shares, land or other assets with the aim of spreading investment risk and giving members the benefit of the results of the management of its funds;
 - 2.1.5.2 the Company is not a close company at any time during the accounting period for which approval is sought;
 - 2.1.5.3 the Company is resident in the UK throughout that accounting period;
 - 2.1.5.4 the Company's ordinary share capital is admitted to trading on a regulated market (as defined in FSMA) throughout the accounting period; and
 - 2.1.5.5 the Company must not retain in respect of the accounting period an amount greater than the higher of: (i) 15 per cent. of its income for the period; and (ii) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount

equal to or greater than the higher of the amounts mentioned in (i) and (ii) above, it may retain an amount equal to the amount of such losses.

2.2 **Financial information**

2.2.1 As at the date of this Prospectus, the Company has not commenced operations and no financial statements in respect of the Company have been made up.

2.2.2 The Company has no subsidiary or parent undertakings, associated companies and neither owns nor leases any premises.

3. **Share capital**

3.1 On incorporation, the issued share capital of the Company was £50,000 represented by 50,000 Management Shares of nominal value of £1.00 each, which were subscribed for by SDL Limited.

3.2 Set out below is the issued share capital of the Company as at the date of this Prospectus:

	<i>Nominal value (£)</i>	<i>Number</i>
Management Shares	50,000	50,000

To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under Section 761 of the Act, on 31 July 2020, 50,000 Management Shares were allotted to SDL Limited against its irrevocable undertaking to pay £1.00 in cash for each such share on or before the date of Admission (unless Admission does not become effective, in which case SDL Limited undertook to pay up or procure payment of, one quarter of the nominal value of all such shares in cash and the balance on demand thereafter). The Management Shares will be paid up in full on Admission.

3.3 Set out below is the issued share capital of the Company as it will be immediately following the Initial Issue (assuming that the Initial Issue is subscribed as to £100 million):

	<i>Nominal value (£)</i>	<i>Number</i>
Ordinary Shares	1,000,000	100,000,000
Management Shares	50,000	50,000

All Ordinary Shares and Management Shares will be fully paid.

3.4 By ordinary and special resolutions of the Company passed on 11 September 2020:

3.4.1 the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £2.5 million pursuant to the Initial Issue, such authority to expire immediately following Initial Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired;

3.4.2 the Directors were generally empowered (pursuant to sections 570 of the Act) to allot Ordinary Shares pursuant to the authority referred to in paragraph 3.4.1 above as if section 561 of the Act did not apply to any such allotment, such power to expire immediately following Initial Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power had not expired;

3.4.3 the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot up to 350 million Ordinary Shares and/or C Shares in aggregate, following Initial Admission, provided that such number of

Ordinary Shares (including New Ordinary Shares) and C Shares issued pursuant to the Initial Issue and the Placing Programme may not exceed 350 million Shares in aggregate, such authority to expire at the conclusion of the first AGM of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares and/or C Shares in pursuance of such an offer or agreement as if such authority had not expired;

- 3.4.4 the Directors were generally empowered (pursuant to section 570 and 573 of the Act) to allot Ordinary Shares and/or C Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in paragraph 3.4.3 above as if section 561 of the Act did not apply to any such allotment or sale, such power to expire at the conclusion of the first AGM of the Company, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired;
 - 3.4.5 the Company was authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares, provided that the maximum number of Ordinary Shares authorised to be purchased is 14.99 per cent. of the issued Ordinary Shares immediately following Initial Issue. The minimum price which may be paid for an Ordinary Share is £0.01. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of: (a) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made; and (b) that stipulated by the regulatory technical standards adopted by the EU pursuant to the Market Abuse Regulation from time to time. Such authority will expire on the earlier of the conclusion of the first AGM of the Company and 10 March 2022, save that the Company may contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase its Ordinary Shares in pursuance of such contract;
 - 3.4.6 the Directors were authorised to declare and pay all dividends of the company as interim dividends and for the last dividend referable to a financial year not to be categorised as a final dividend that is subject to shareholder approval; and
 - 3.4.7 the Company was authorised to call a General Meeting other than an AGM on not less than 14 clear days' notice.
- 3.5 The provisions of section 561 of the Act (which, to the extent not disapplied pursuant to section 570 or section 573 of the Act, confer on Shareholders rights of pre-emption in respect of the allotment or sale of equity securities for cash) shall apply to any unissued share capital of the Company, except to the extent disapplied by the resolutions referred to in paragraphs 3.4.2 and 3.4.4 above.
- 3.6 The Directors are entitled to exercise all powers of the Company to issue Shares in the Company under the Articles and are expected to resolve to do so prior to Initial Admission in respect of the Ordinary Shares to be issued pursuant to the Initial Issue.
- 3.7 As at the date of this Prospectus:
- 3.7.1 no subscriptions, issues or options are to be given by the Company, or are already existing, in respect of any securities of the Company, including any that have a prior right over the Ordinary Shares to a distribution of the profits or assets of the Company;
 - 3.7.2 no shares which do not represent capital have been issued by the Company and remain outstanding;
 - 3.7.3 no shares are held by or on behalf of the Company in treasury or otherwise;

- 3.7.4 no convertible securities, exchangeable securities or securities with warrants have been issued by the Company and remain outstanding; and
- 3.7.5 save in connection with the Initial Issue there are no acquisition rights and/or obligations over any of the Company's authorised but unissued capital and no undertakings to increase the Company's capital.
- 3.8 Since the Company's incorporation, save for the Management Shares issued to SDL Limited referred to in paragraph 3.1 of this Part 9 (*General Information*), no share or loan capital of the Company has been issued or, save in connection with the Initial Issue, agreed to be issued.

4. Articles of Association

A summary of the main provisions of the Articles is set out below.

4.1 Objects

The Articles state that the Company's objects are unrestricted but shall include the object to carry on business as an investment trust.

4.2 Variation of rights

Subject to the provisions of the Act, if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. At every such separate General Meeting the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (but at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum). At such separate General Meeting, any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him.

4.3 Alteration of share capital

The Company may by ordinary resolution:

- 4.3.1 consolidate and divide all or any of its share capital into shares of larger nominal value than is fixed by its constitution or was fixed by the resolution creating the existing shares;
- 4.3.2 sub-divide its existing shares, or any of them, into shares of smaller nominal value than its existing shares; and
- 4.3.3 determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, be given a preference, advantage, restriction or disadvantage as regards dividends, capital or voting.

4.4 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).

4.5 Rights of holders of Ordinary Shares to make Realisation Elections

Where the Company makes available to Shareholders the opportunity to do so during the Election Period, Shareholders shall be entitled to make a Realisation Sale Election on such basis as the Company shall notify the Shareholders before or at the time that the Company sends to Shareholders a reminder notice in accordance with the Articles.

Unless the Company makes available to Shareholders a Realisation Sale Election as aforesaid Shareholders shall be entitled to serve a Realisation Share Election during the Election Period. A Realisation Share Election shall be an instruction sent by a Shareholder during the Election Period requesting that all or part of the Ordinary Shares held by that Shareholder be redesignated as Realisation Shares.

A Realisation Sale Election shall be an instruction sent by a Shareholder during the Election Period requesting that all or part of the Ordinary Shares held by a Shareholder shall be placed out in the market by the Company's broker, redeemed, repurchased or purchased out of the proceeds of a Realisation Issue or purchased under a tender offer by a market maker and if not so redeemed or purchased shall be converted into Realisation Shares.

The Company will send the holders of Ordinary Shares a reminder of their right to make a Realisation Election on the Company prior to the Reorganisation Date.

Ordinary Shares held by Shareholders who do not submit a Realisation Election will remain Ordinary Shares.

A Realisation Election once given shall be irrevocable, unless the Board agrees otherwise.

Subject to the aggregate Net Asset Value of the Ordinary Shares held by Shareholders who do not submit Realisation Elections in respect of Continuing Ordinary Shares being less than an amount determined by the Directors in their sole discretion, Ordinary Shares the holders of which have made a Realisation Share Election (where applicable) or any Ordinary Shares the holders of which have made Realisation Sale Elections but which are not placed out in the market by the Company's broker, redeemed, repurchased or purchased out of the proceeds of a Realisation Issue or purchased under a tender offer by a market maker will be redesignated as Realisation Shares and the Portfolio will be split into two separate and distinct Pools namely the Continuation Pool comprising the assets attributable to the Continuing Ordinary Shares and the Realisation Pool comprising the assets attributable to the Realisation Shares (which assets will be managed in accordance with an orderly realisation programme with the aim of making progressive returns of cash to holders of Realisation Shares as soon as practicable) with effect from the Reorganisation Date. The Board shall divide and allocate the assets and liabilities of the Company on a Reorganisation Date in the following manner:

- 4.5.1 The assets of the Company, or on any Reorganisation Date (a "**Subsequent Reorganisation Date**") on which Realisation Shares ("**Preceding Realisation Shares**") redesignated with effect from a preceding Reorganisation Date are still in issue, the assets attributable to the Ordinary Shares in issue immediately before the Subsequent Reorganisation Date, shall be divided as at the opening of business on a Reorganisation Date into two pools which will be accounted for as two separate sub-portfolios, being respectively the Continuation Pool and the Realisation Pool. Each of the Company's holdings of investments (excluding assets attributable to holders of Preceding Realisation Shares) shall be split between the Continuation Pool and the Realisation Pool *pro rata* as nearly as practicable to the numbers of Ordinary Shares and Realisation Shares (excluding any Preceding Realisation Shares) respectively in existence immediately following the Realisation and the remainder of the assets and liabilities (excluding assets and liabilities attributable to holders of Preceding Realisation Shares) being apportioned to the Continuation Pool. Assets and liabilities shall be allocated between the Continuation Pool and the Realisation Pool in such manner as in the Board's opinion best achieves the objective of splitting the Company's assets fairly between the Continuation Pool and the Realisation Pool.
- 4.5.2 Costs and expenses of the realisation of assets comprising the Realisation Pool will be attributed to the Realisation Pool and the costs and expenses of reorganising the Company's assets into the Continuation Pool and the Realisation Pool (including without limitation the preparation and publication of any prospectus or other publication which may be required in connection with such reorganisation) may be apportioned as between the Continuation Pool and the Realisation Pool in the proportion that the Board in its sole discretion deems fair and reasonable. In particular, the Board may increase the proportion of cash to be allocated to a particular Pool if they consider it would be equitable to both the holders of Realisation Shares and the holders of Ordinary Shares to do so, or if they determine it is

necessary or desirable to retain cash for the Company's working capital purposes, they may decrease the proportion of cash to be so allotted and the Board may choose an alternative allocation, or subsequently rebalance the Pools, in respect of non-cash assets if they consider a *pro rata* allocation to be impracticable or that to do so would be equitable to both holders of Realisation Shares and the holders of Ordinary Shares.

Ordinary Shares which are redesignated as Realisation Shares will not rank for any dividend or other distribution declared, paid or made on the Ordinary Shares after their redesignation.

The Board is authorised to cause the Company to repurchase, redeem, convert or otherwise acquire and hold all or any Realisation Shares in such manner and on such terms as the Board may, subject to the Act, determine. The price of shares purchased by the Company may be paid out of the share capital, share premium or retained earnings to the fullest extent permitted under the Act.

A certificate for new Realisation Shares will be sent within two months of the Reorganisation Date to each holder without charge, with a new certificate for any balance of Ordinary Shares comprised in the surrendered certificate.

Existing Certificates for Ordinary Shares that have been redesignated will cease to be valid.

If one or more Realisation Elections are duly made and the Net Asset Value of the Continuing Ordinary Shares is less than an amount as determined by the Directors in their sole discretion, no Ordinary Shares will be realised or redesignated as Realisation Shares and the Portfolio will not be split into the Continuation Pool and the Realisation Pool and with effect from the Reorganisation Date, the investment objective and investment policy of the Company will be to realise the Company's assets on a timely basis with the aim of making progressive returns of cash to Shareholders as soon as practicable. The Directors will seek to liquidate the Company's assets as efficiently and at as much value as is possible.

The Board may make such alterations to any timetable and procedures as set out in the Articles as it in its absolute discretion considers appropriate to give effect to the intent of the Realisation provisions.

4.6 ***Rights of Continuing Ordinary Shares in the event that Ordinary Shares are converted to Realisation Shares, are as follows:***

As to dividends

All profits of the Company, available for distribution by way of dividend and/or distribution from time to time and forming part of or derived from the Continuation Pool (including accumulated revenue reserves forming part of the Continuation Pool) and resolved to be distributed shall be distributed to the holders of the Ordinary Shares by way of dividends and/or distributions.

As to capital

On a return of assets on a winding up of the Company, the Ordinary Shares carry a right to a return of the nominal amount paid up in respect of such Ordinary Shares and a right to share, *pari passu* and in proportion to the number of Ordinary Shares held, in the surplus assets of the Company remaining in the Continuation Pool after payment of the nominal amount paid up on the Ordinary Shares and after payment of all liabilities attaching to the Continuation Pool and any excess of those liabilities over the amount of the assets in the Continuation Pool will be paid out of the assets in the Realisation Pool.

As to voting

Subject to any terms as to voting upon which any new Ordinary Shares may be issued, or may for the time being be held, and to the provisions of the Articles, each holder of Ordinary Shares shall be entitled to receive notice of, attend and vote at general meetings and shall have one vote for each Ordinary Share held save that at any time when Realisation Shares are in issue, holders of Ordinary Shares shall not, unless required by the Listing Rules, be entitled to vote on any resolution proposed at any general meeting of the Company to give effect to the provisions summarised in paragraph 4.7 below.

As to class rights

Other than with respect to the Realisation, or if the Company is wound up pursuant to the Articles, separate approval of the holders of Ordinary Shares as a class must be obtained in respect of any proposals which would modify, alter or abrogate the rights attaching to the Ordinary Shares including for these purposes any resolution to wind up the Company, or to approve a reconstruction or takeover of the Company or any material change to the investment policy applicable to the Continuation Pool, in which circumstances the prior approval of the holders of Ordinary Shares as a class is required by the passing of a resolution at a separate class meeting.

4.7 **Rights of Realisation Shares, are as follows:**

As to dividends

All profits of the Company available for distribution by way of dividend and/or distribution from time to time and forming part of or derived from the Realisation Pool (including accumulated revenue reserves by way of dividend forming part of the Realisation Pool), and resolved to be distributed shall be distributed to the holders of Realisation Shares and, for the avoidance of doubt Ordinary Shares which are redesignated as Realisation Shares will not rank for any dividend declared or paid on the Ordinary Shares after their redesignation.

As to capital

On a return of assets on a winding up of the Company, the Realisation Shares carry a right to a return of the nominal amount paid up in respect of such Realisation Shares and a right to share, *pari passu* and in proportion to the number of Realisation Shares held, in the surplus assets of the Company remaining in the Realisation Pool after payment of the nominal amount paid up on the Realisation Shares and after payment of all liabilities attaching to the assets in Realisation Pool and any excess of those liabilities over the amount of the assets in Realisation Pool will be paid out of the assets in the Continuation Pool.

As to voting

The holders of Realisation Shares shall, subject to any terms on which any new Realisation Shares may be issued, or may for the time being be held, and to the provisions of the Articles, receive notice of, attend and vote at general meetings and shall have one vote for each Realisation Share held, provided that they may not vote on any proposed resolutions other than any resolution proposed at any general meeting of the Company at any time at which Realisation Shares are listed on the premium segment of the Official List (a) to give effect to the provisions summarised in paragraph 4.6, and on any such resolution those holders of Realisation Shares who vote in favour of such resolution shall be deemed to have collectively one more vote than the number of votes required for such resolution to be duly passed as an ordinary or special resolution of the Company (as the case may require), and (b) in respect of any matter prescribed by the Listing Rules as requiring approval of the Shareholders of the Company.

As to class rights

Other than with respect to the Realisation, separate approval of the holders of Realisation Shares as a class must be obtained in respect of any proposals which would modify, alter or abrogate the rights attaching to the Realisation Shares including for these purposes (a) any resolution to wind up the Company, or to approve a takeover of the Company or any material change to the investment policy applicable to the Realisation Pool and (b) any proposal to issue or create Realisation Shares other than pursuant to Realisation elections (in respect of any Reorganisation Date), in which circumstances the prior approval of the holders of Realisation Shares as a class is required by the passing of a resolution at a separate class meeting.

As to the proceeds of the realisation of assets comprised in the Realisation Pool

The cash received by the Company as a result of the realisation of assets comprised in the Realisation Pool will be returned to the holders of Realisation Shares as soon as practicable through any of the following means or a combination thereof, at the discretion of the Directors: capital distributions and/or share repurchases and/or tender offers and/or a redemption process. For the purpose of giving effect to this provision the Board is authorised subject to the provisions of the Articles, to

cause the Company to repurchase, redeem, convert or otherwise acquire and hold all or any Realisation Shares in such manner and on such terms as the Board may, subject to the Act, determine. The price of shares purchased by the Company may be paid out of the share capital, share premium, retained earnings or any other source to the fullest extent permitted under the Act.

4.8 **Dividends**

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the Shareholders but no dividends shall exceed the amount recommended by the Directors. The Directors may pay interim dividends, or dividends payable at a fixed rate, if it appears to them that they are justified by the profits of the Company available for distribution. If the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

Subject to the Act and the rights of persons (if any) entitled to shares with preferential or special rights as to dividend, all dividends shall be paid *pro rata* 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 from 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.

4.9 **Voting rights**

Subject to any rights or restrictions attached to any shares, on a show of hands every Shareholder present in person has one vote, every proxy present who has been duly appointed by a Shareholder entitled to vote has one vote and every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to. On a poll every Shareholder (whether present in person or by proxy or by corporate representative) has one vote for every share of which he is the holder. A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. In the case of joint holders, the vote of the person whose name appears before the names of the other joint holder(s) on the Register in respect of the share and who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders.

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 him unless all amounts presently payable by him in respect of that share have been paid.

4.10 **Transfer of shares**

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. A share in uncertificated form may be transferred by means of the relevant electronic system concerned.

The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share in certificated form or uncertificated form (subject to the Articles) which is not fully paid or on which the Company has a lien provided that this would not prevent dealings in the Shares of that class from taking place on an open and proper basis on the London Stock Exchange.

In addition, the Board may refuse to register a transfer of Shares if (i) in the case of certificated Shares (a) it is in respect of more than one class of Shares, (b) it is in favour of more than four joint transferees or (c) it is delivered for registration to the registered office of the Company or such other place as the Board may decide and is not accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require.

The Board may decline to register a transfer of an uncertificated share which is traded through the CREST UK system in accordance with the CREST Regulations where, in the case of a transfer to joint holders, the number of joint holders to whom uncertificated shares is to be transferred exceeds four.

If the Directors refuse to register or authorise the registration of a transfer of a share, they shall send notice of refusal to the transferee together with reasons for the refusal as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company or its registrar.

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.

4.11 ***Distribution of assets on a winding-up***

If the Company is wound up, with the sanction of a special resolution, the liquidator may divide among the Shareholders in specie or kind the whole or any part of the assets of the Company and for that purpose may value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders. With the like sanction, the liquidator may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Shareholders as he may determine, but no Shareholder shall be compelled to accept any shares or other securities upon which there is a liability.

4.12 ***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, fails to provide the information requested in a notice given to him under section 793 of the Act by the Company in relation his interest in shares (the “**Default Shares**”) within the period of compliance specified in the notice (being not less than 14 days from the date of the service of the notice) and where the default shares represent at least 0.25 per cent. of their class, sanctions shall apply unless the Directors determine otherwise. 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 or any separate meeting of the holders of any class 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 shares and the restriction of the transfer of those shares.

4.13 ***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 on such shares have become payable and no cheque for amounts payable in respect of such shares has been presented and no warrant has been effected and no communication has been received by the Company from the Shareholder or person concerned.

4.14 ***Appointment of Directors***

Unless the Company determines otherwise by ordinary resolution, the Company must have not less than two and not more than ten Directors.

Subject to the Articles, the Company may by ordinary resolution appoint a person who is willing to act as, 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, and is permitted by law to do so, to be a Director, either to fill a vacancy or as an additional Director. A person appointed as a Director by the other Directors is required to retire at the Company’s next AGM and shall then be eligible for reappointment.

At each annual general meeting all the Directors will retire from office and be eligible for re-election.

A Director who retires at an AGM may, if willing to continue to act, be elected or re-elected at that meeting. If he is elected or re-elected he is treated as continuing in office throughout. If he or she is not elected or re-elected, he or she shall remain in office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place.

The office of a Director shall be vacated:

- 4.14.1 if he resigns his office by giving written notice signed by him sent to or deposited at the Company's registered office or tendered at a meeting of the Board;
- 4.14.2 if a registered medical practitioner who is treating him gives a written opinion to the Company that he has become mentally or physically incapable of acting as a director and may remain so for more than 3 months;
- 4.14.3 he is suffering from mental or physical ill health and the Directors resolve at a meeting of the Directors that his office be vacated;
- 4.14.4 if he absents himself from meetings of the Board for a consecutive period of 6 months without permission of the Directors and the Board resolves that his office shall be vacated;
- 4.14.5 if he becomes bankrupt or applies for an interim order pursuant to section 253 of the Insolvency Act 1986 or enters into any voluntary arrangement within the definition contained in that section or has an interim receiver appointed under section 286 of the Act;
- 4.14.6 if he is prohibited by law from being a Director or ceases to be a Director by the Act;
- 4.14.7 if he is removed from office by written notice signed by all of the other Directors; or
- 4.14.8 if the Company by ordinary resolution shall declare that he shall cease to be a Director.

4.15 ***Powers of Directors***

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 ordinary resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company.

Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

4.16 ***Borrowings***

The Board on behalf of the Company may exercise all the powers of the Company to borrow or raise money, to mortgage or charge its undertaking, property, assets and uncalled capital and to issue debentures and other securities, and to give security whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.17 ***Voting at board meetings***

No business shall be transacted at any meeting of the Directors unless a quorum is present and the quorum may be fixed by the Directors; 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 himself a Director shall, if his appointor is not present, be counted in the quorum.

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 have a second or casting vote.

4.18 ***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 his interest arises only because the case falls within certain limited categories specified in the Articles.

4.19 **Directors' interests**

Subject to the provisions of the Statutes and provided that the Director has disclosed to the other Directors the nature of any interest of his, a Director, notwithstanding his office, 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, any body corporate in which the Company is interested.

4.20 **Indemnity**

Subject to the provisions of the Statutes, the Company may indemnify any person who is a director, alternate director, former director, secretary or other officer of the Company (other than an auditor) of the Company, against any liability whether in connection with any negligence, default, breach of duty or breach of trust by him in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director of the Company or any associated company. The Directors may purchase and maintain, at the cost of the Company, insurance for any person who is a director, alternate director, former director, secretary, or other officer of the Company or an associated company in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as director, alternate director, secretary or officer.

4.21 **General meetings**

In the case of the AGM, twenty-one clear days' notice at the least shall be given to all the members and to the auditors. All other General Meetings shall also be convened by not less than fourteen clear days' notice in writing to all the members.

No business other than the appointment of the chair of the meeting shall be transacted at any meeting unless a quorum is present. One person where there is only a single member of the Company and two persons where there is more than one member of the Company 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.

A Shareholder is entitled to appoint another person as his proxy to exercise all or any of his 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 held by him. 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 such 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 prevent a Shareholder from attending and voting at the meeting or at any adjournment of it.

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.

A poll on a resolution may be demanded at a General Meeting before or on the declaration of the result of the show of hands by the chairmen or those members entitled under the Act to demand a poll.

4.22 **C Shares and Deferred Shares**

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

4.22.1 The following definitions apply for the purposes of this paragraph 4.22 only:

“**Calculation Date**” means the earliest of the:

- (a) close of business on the date to be determined by the Directors occurring not more than 10 Business Days after the day on which the Portfolio Manager and SDL Limited shall have given notice to the Directors that at least 90 per cent. of the Net Proceeds (or such other percentage as the Directors, the Portfolio Manager and SDL Limited may agree) shall have been invested; or
- (b) close of business on the date falling 12 calendar months after the allotment of the C Shares or if such a date is not a Business Day the next following Business Day; or
- (c) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent;

“**Conversion**” means conversion of the C Shares into Ordinary Shares and Deferred Shares in accordance with paragraph 4.22.7;

“**Conversion Date**” means the close of business on such Business Day as may be selected by the Directors falling not more than 10 Business Days after the Calculation Date;

“**Conversion Ratio**” is the ratio of the net asset value per C Share to the net asset value per Ordinary Share, which is calculated as:

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

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

$$\mathbf{B} = \frac{\mathbf{F} - \mathbf{C} - \mathbf{I} - \mathbf{G} + \mathbf{D} + \mathbf{J}}{\mathbf{H}}$$

Where:

C is the aggregate of:

- (a) the value of the investments of the Company attributable to the C Shares of the relevant class, calculated by reference to the Directors’ belief as to an appropriate current value for those investments on the Calculation Date in accordance with any valuation policy adopted by the Company from time to time; and
- (b) the amount which, in the Directors’ opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company attributable to the relevant class of C Shares (excluding the investments valued under (i) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature), calculated in accordance with any valuation policy adopted by the Company from time to time;

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

E is the number of C Shares of the relevant class in issue on the Calculation Date;

F is the aggregate of:

- (a) the value of all the investments of the Company, calculated by reference to the Directors’ belief as to an appropriate current value for those investments on the Calculation Date in accordance with any valuation policy adopted by the Company from time to time; and

(b) the amount which, in the Directors' opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company (excluding the investments valued under (i) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature), calculated in accordance with any valuation policy adopted by the Company from time to time;

G is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company on the Calculation Date (including the amounts of any declared but unpaid dividends);

H is the number of Ordinary Shares in issue on the Calculation Date (excluding any Ordinary Shares held in treasury);

I is the aggregate of:

(a) the value of the investments of the Company attributable to all other class(es) of C Shares in issue other than the class of C Shares as referred to in C above (the "**Other Class(es) of C Shares**"), calculated by reference to the Directors' belief as to an appropriate current value for those investments on the Calculation Date in accordance with any valuation policy adopted by the Company from time to time; and

(b) the amount which, the Directors' opinion, fairly reflect, on the Calculation Date, the value of the current assets of the Company attributable to the Other Class(es) of C Shares (excluding the investments valued under (i) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature), calculated in accordance with any valuation policy adopted by the Company from time to time; and

J is the amount (to the extent not otherwise deducted from the assets attributable to the Other Class(es) of C Shares) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the Other Class(es) of C Shares on the Calculation Date,

provided that the Directors shall make such adjustments to the value or amount of A and B as the Auditors shall report to be appropriate having regard among other things, to the assets of the Company immediately prior to the date on which the Company first receives the Net Proceeds relating to the relevant class of C Shares and/or to the reasons for the issue of the relevant class of C Shares;

"Deferred Shares" means deferred shares of £0.01 each in the capital of the Company arising on Conversion, which have limited rights to capital and income;

"Existing Ordinary Shares" means the Ordinary Shares in issue immediately prior to Conversion;

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

"Net Proceeds" means the net cash proceeds of the issue of the C Shares (after deduction of those commissions and expenses relating thereto and payable by the Company).

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

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

- (a) the Deferred Shares (to the extent that any are in issue and extant) shall entitle the holders thereof to a cumulative annual dividend at a fixed rate of one per cent. of the nominal amount thereof, the first such dividend (adjusted *pro rata temporis*) (the “**Deferred Dividend**”) being payable on the date six months after the Conversion Date on which such Deferred Shares were created (the “**Relevant Conversion Date**”) and on each anniversary of such date payable to the holders thereof on the register of members on that date as holders of Deferred Shares but shall confer no other right, save as provided herein, on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date six months after the Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of members of the Company as holders of Deferred Shares on that date. It should be noted that given the proposed repurchase of the Deferred Shares as described below, it is not expected that any dividends will accrue or be paid on such shares;
- (b) the C Shareholders shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of net assets attributable to the C Shares and from income received and accrued which is attributable to the C Shares;
- (c) a holder of Management Shares shall be entitled (in priority to any payment of dividend on any other class of share) to a fixed cumulative preferential dividend of 0.01 per cent. per annum on the nominal amount of the Management Shares held by him, such dividend to accrue annually and to be payable in respect of each accounting reference period of the Company within 21 days of the end of such period;
- (d) the Ordinary Shares shall confer the right to dividends declared in accordance with the Articles;
- (e) the Ordinary Shares into which C Shares shall convert shall rank *pari passu* with the Existing Ordinary Shares for dividends and other distributions made or declared by reference to a record date falling after the Calculation Date; and
- (f) no dividend or other distribution shall be made or paid by the Company on any of its shares (other than any Deferred Shares for the time being in issue) between the Calculation Date and the Conversion Date relating to such C Shares (both dates inclusive) and no such dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).

4.22.3 The holders of the Ordinary Shares, the Management Shares, the C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights as to capital:

- (a) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) at a time when any C Shares are for the time being in issue and prior to the Conversion Date relating to such C Shares, be applied (after having deducted therefrom an amount equivalent to (C-D) in respect of each class of C Shares in issue using the methods of calculation of C and D given in the definition of Conversion Ratio set out above save that the “**Calculation Date**” shall be such date as the liquidator may determine, which amount attributable to each class shall be applied amongst the C Shareholders of such class *pro rata* according to the nominal capital paid up on their holdings of C Shares), first, amongst the holders of Management Shares *pro rata* according to the nominal capital paid up on their holdings of Management Shares and, second, amongst the existing holders of Ordinary Shares *pro rata* according to the nominal capital paid up on their holdings of Existing Ordinary Shares provided however that the holders of the Management Shares shall only receive an amount up to the capital paid up on such Management Shares and the Management Shares shall not confer the right to participate in any surplus remaining following payment of such amount; and

- (b) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) at a time when no C Shares are for the time being in issue be applied as follows:
 - (i) first, if there are Deferred Shares in issue, in paying to the deferred shareholders £0.01 in aggregate in respect of every 1,000,000 Deferred Shares (or part thereof) of which they are respectively the holders; and
 - (ii) secondly, the surplus shall be divided, first, amongst the holders of Management Shares *pro rata* according to the nominal capital paid up on their holdings of Management Shares and, second, amongst the holders of Ordinary Shares *pro rata* according to the nominal capital paid up on their holdings of Ordinary Shares provided however that the holders of the Management Shares shall only receive an amount up to the capital paid up on such Management Shares and the Management Shares shall not confer the right to participate in any surplus remaining following payment of such amount.

4.22.4 As regards voting:

- (a) The Ordinary Shares and the C Shares shall carry the right to receive notice of and to attend and vote at any General Meeting. The voting rights of holders of C Shares will be the same as those applying to holders of Existing Ordinary Shares as set out in the Articles as if the C Shares and Existing Ordinary Shares were a single class.
- (b) The Deferred Shares and the Management Shares shall not carry any right to receive notice of nor to attend or vote at any General Meeting unless, in the case of the Management Shares, no other shares are in issue at that time.

4.22.5 The following shall apply to the Deferred Shares:

- (a) the C Shares shall be issued on such terms that the Deferred Shares arising upon Conversion (but not the Ordinary Shares arising on Conversion) may be repurchased by the Company in accordance with the terms set out herein;
- (b) immediately upon Conversion, the Company shall repurchase all of the Deferred Shares which arise as a result of Conversion for an aggregate consideration of £0.01 for every 1,000,000 Deferred Shares and the notice referred to in paragraph 4.22.7 below shall be deemed to constitute notice to each C Shareholder (and any person or persons having rights to acquire or acquiring C Shares on or after the Calculation Date) that the Deferred Shares shall be repurchased immediately upon Conversion for an aggregate consideration of £0.01 for each holding of 1,000,000 Deferred Shares. On repurchase, each Deferred Share shall be treated as cancelled in accordance with section 706 of the Act without further resolution or consent; and
- (c) the Company shall not be obliged to: (i) issue share certificates to the deferred shareholders in respect of the Deferred Shares; or (ii) account to any deferred shareholder for the repurchase moneys in respect of such Deferred Shares.

4.22.6 For so long as any C Shares are for the time being in issue, until Conversion of such C Shares and without prejudice to its obligations under applicable laws the Company shall:

- (a) procure that the Company's records, bank and custody accounts shall be operated so that the assets attributable to the C Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to each class of C Shares in issue;
- (b) allocate to the assets attributable to the C Shares such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the Net Proceeds and the Calculation Date relating to such C Shares (both dates inclusive) as the Directors consider to be attributable to the C Shares; and

- (c) give or procure the giving of appropriate instructions to the portfolio manager to manage the Company's assets so that such undertakings can be complied with by the Company.

4.22.7 A class of C Shares for the time being in issue shall be sub-divided and converted into Ordinary Shares and Deferred Shares on the Conversion Date in accordance with the following provisions of this paragraph 4.22.7:

- (a) the Directors shall procure that as soon as reasonably practicable and in any event within one month of the Calculation Date:
 - (i) the Conversion Ratio as at the Calculation Date and the numbers of Ordinary Shares and Deferred Shares to which each C Shareholder shall be entitled on Conversion shall be calculated; and
 - (ii) the Auditors shall be requested to confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of H in paragraph 4.22.1.
- (b) The Directors shall procure that, as soon as practicable following such confirmation and in any event within one month of the Calculation Date, a notice is sent to each C Shareholder advising such C Shareholder of the Conversion Date, the Conversion Ratio and the numbers of Ordinary Shares and Deferred Shares to which such C Shareholder will be entitled on Conversion.
- (c) On conversion each C Share shall automatically subdivide into 10 conversion shares of £0.01 each and such conversion shares of £0.01 each shall automatically convert into such number of Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:
 - (i) the aggregate number of Ordinary Shares into which the same number of conversion shares of £0.01 each are converted equals the number of C Shares in issue on the Calculation Date multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary Share); and
 - (ii) each conversion share of £0.01 which does not so convert into an Ordinary Share shall convert into one Deferred Share.
- (d) The Ordinary Shares and Deferred Shares arising upon 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 Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any Ordinary Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).
- (e) Forthwith upon Conversion, the share certificates relating to the C Shares shall be cancelled and the Company shall issue to each former C Shareholder new certificates in respect of the Ordinary Shares which have arisen upon Conversion to which he is entitled. Share certificates in respect of the Deferred Shares will not be issued.
- (f) The Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders.

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

- (a) no allotment or issue will be made of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the allotment or issue of further C Shares; and
 - (b) no resolution of the Company shall be passed to wind-up the Company.
- 4.22.9 For the avoidance of doubt but subject to the rights or privileges attached to any other class of shares, the previous sanction of a special resolution of the holders of Existing Ordinary Shares and C Shares, as described above, shall not be required in respect of:
- (a) the issue of further Ordinary Shares ranking *pari passu* in all respects with the Existing Ordinary Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Existing Ordinary Shares by the issue of such further Ordinary Shares); or
 - (b) the sale of any shares held as treasury shares (as such term is defined in section 724 of the Act) in accordance with sections 727 and 731 of the Act or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).

5. The Takeover Code

5.1 Mandatory bid

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

- 5.1.1 a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- 5.1.2 a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

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

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

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

5.2 **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 the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the 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) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

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

5.3 **Prohibition on frustrating actions**

Pursuant to Rule 21.1 of the Takeover Code, where the offeree board has received an approach or has reason to believe an offer might be imminent, the board of the offeree company must not, without shareholder consent first being obtained in general meeting:

- 5.3.1 take any action which may result in any offer or *bona fide* possible offer being frustrated; or the shareholders of the offeree company being denied the opportunity to decide on the merits of any offer or *bona fide* possible offer; or
- 5.3.2 amongst other matters, issue any shares, or issue or grant any options in respect of unissued shares, or create any securities carrying rights of conversion into shares, or sell or dispose of any asset of a material amount, or enter into contracts otherwise than in the ordinary course of business.

6. **Valuation policy**

The Administrator is responsible for calculating the NAV per Share. The unaudited NAV per Share will be calculated on each Dealing Day (on a cum-income basis) and is announced to an RIS. The NAV is calculated in accordance with paragraph 21.4 of Part 5 (*The Company*) of this Prospectus.

All of the Company's investments are listed and are valued at the closing prices. Valuations of NAV per Share will be suspended only in any circumstances in which the underlying data necessary to value the investments of the Company cannot readily or without undue expenditure be obtained or for regulatory reasons. Any such suspension will be announced to an RIS.

7. **Interests of Directors, major shareholders and related party transactions**

7.1 **Directors' interests**

- 7.1.1 As at the date of this Prospectus, none of the Directors nor their immediate families and related trusts and (insofar as is known to them or could with reasonable diligence be ascertained by them) persons connected (within the meaning of section 96B of FSMA (as amended by the Financial Services and Markets Act 2000 (Amendment) Regulations 2009)) with the Directors had any interests in the share capital of the Company.

- 7.1.2 No Director of the Company has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company which was effected by the Company since its incorporation.
- 7.1.3 No share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.
- 7.1.4 There are no outstanding loans granted by the Company to any of the Directors nor is any guarantee provided by the Company for the benefit of any of the Directors.

The Directors intend to subscribe for the following number of Ordinary Shares under the Initial Placing:

<i>Director</i>	<i>Ordinary Shares</i>
Andy Crossley	50,000
Stephanie Eastment	20,000
Stuart Sharp	25,000
Pia Skogstrom	10,000

7.2 **Directors' contracts with the Company**

All the Directors of the Company are non-executive. It is the Board's policy that none of the Directors has a service contract. The terms of their appointment provide that a Director may be removed without notice and that no compensation will be due on leaving office.

Conditional upon Initial Admission, the Directors will be entitled to aggregate annual remuneration (excluding expenses) payable and benefits in kind granted as follows:

<i>Director</i>	<i>Fees</i>
Andy Crossley	£33,000
Stephanie Eastment	£30,000
Stuart Sharp	£25,000
Pia Skogstrom	£25,000
Total	£113,000

The aggregate amount of remuneration (excluding expenses) payable and benefits in kind granted to the Directors for the current financial period ending 31 December 2020 is estimated to be approximately £18,800.

The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. There is no amount set aside or accrued by the Company in respect of contingent or deferred compensation payments or any benefits in kind payable to the Directors.

Each of the Directors is engaged under a letter of appointment with the Company and does not have a service contract with the Company. Under the terms of their appointment, each Director is required to retire and be subject to election at the first AGM after their appointment and at every AGM held thereafter. Those terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office.

7.3 **Directors' other interests**

Over the five years preceding the date hereof, the Directors have held the following directorships (apart from their directorships' of the Company) and/or partnerships:

	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
Andy Crossley	City of London Group plc	Stockdale Securities Limited
Stephanie Eastment	Herald Investment Trust plc	–
	Impax Environmental Markets plc	–
	Murray Income Trust plc	–
	RBS Collective Investments Funds Limited	–
Stuart Sharp	–	–
Pia Skogstrom	–	–

As at the date of this Prospectus, there are no potential conflicts of interest between any of the Directors' duties to the Company and their private interests and/or other duties. There are no lock-up provisions regarding the disposal by any of the Directors of any Ordinary Shares.

7.4 **The Directors in the five years before the date of this Prospectus:**

- 7.4.1 do not have any convictions in relation to fraudulent offences;
- 7.4.2 have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- 7.4.3 do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

The Company shall maintain directors' and officers' liability insurance on behalf of the Company at the expense of the Company.

7.5 **Major Shareholders**

The Company shall issue a notice requiring disclosure of an interest in shares of 3 per cent. or more of the issued share capital of the Company and the Disclosure Guidance and Transparency Rules provide that certain persons (including shareholders) must notify the Company if the proportion of the Company's voting rights which they then hold directly or indirectly as a shareholder or through a direct or indirect holding of certain financial instruments reaches, exceeds or falls below thresholds of 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent. and 10 per cent. and each 1 per cent. thereafter up to 100 per cent.

As at the date of this Prospectus there are no persons known to the Company who, directly or indirectly, will be interested in 3.0 per cent. or more of the Company's issued share capital or voting rights on Initial Admission.

As at the date of this Prospectus the Company is not aware of any person who will directly or indirectly, jointly or severally, exercise or could exercise control over the Company. The Company is not aware of any arrangement, the operation of which may at a subsequent date result in a change of control of the Company.

Major shareholders will not have any different voting rights from other shareholders.

7.6 **Related party transactions**

As at the date of this Prospectus, save for the Directors' appointment letters and the Investment Management Agreement the Company is not a party to, nor has any interest in, any related party transaction (as defined in the standards adopted according to the Regulation (EC) No. 1606/2002).

The Directors have agreed to invest £105,000, in aggregate pursuant to the Initial Issue.

8. **Material contracts**

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the Company is a party or which contains any provision under which the Company has any obligation or entitlement which is material to it at the date of this Prospectus.

8.1 **AIFM Agreement and the Investment Management Agreement**

The Company has entered into the AIFM Agreement with the AIFM under which the AIFM has been appointed to act as the Company's alternative investment fund manager in accordance with applicable provisions of the AIFM Directive, with overall responsibility for the portfolio management of the Company, providing alternative investment fund manager services, ensuring compliance with the requirements of the AIFM Directive, subject to the overall supervision of the Directors in accordance with the policies laid down by the Directors from time to time and the investment restrictions referred to in the AIFM Agreement.

The AIFM Agreement provides that the Company will pay to the AIFM the following fees:

A basic fee calculated at the rate of 0.03 per cent. of the Net Asset Value of the Company up to £200 million and 0.02 per cent. of the Net Asset Value of the Company in excess of £200 million, such fee being payable quarterly in arrears and subject to a minimum annual fee of £50,000.

Other significant non-routine work not specified in the AIFM Agreement may be charged for on a time spent basis.

The AIFM Agreement is terminable by any of the parties to them on six months' written notice, provided that no such notice may be given until the second anniversary of Admission. The AIFM Agreement may be terminated by either party on written notice to the other party immediately if (i) Initial Admission does not take place, (ii) if the AIFM ceases to maintain its licence from the GFSC to perform its services under the AIFM Agreement, (iii) a party commits a material breach of any obligation that it has under the AIFM Agreement and does not remedy that breach within 30 days of receipt of notice from the non-breaching party, (iv) a party is the subject of insolvency proceedings or (v) if the continued performance of the AIFM Agreement ceases to be lawful.

The AIFM has, and shall maintain, the necessary expertise and resources to supervise the Portfolio Manager and SDL Limited's tasks effectively.

Under the Investment Management Agreement, the AIFM and the Company have appointed Castlefield as portfolio manager to the Company and the Company, the AIFM and Castlefield have separately appointed SDL Limited to provide investment services in relation to the Company. It is expected that SDL Limited shall become the Portfolio Manager in place of Castlefield on the last day of the month after the month in which SDL Limited obtains authorisation by the FCA for managing investments. There is no guarantee that SDL Limited will become authorised by the FCA for managing investments. If SDL Limited does not become authorised by the FCA for managing investments the Portfolio will continue to be managed by Castlefield and Sanford DeLand, as described above.

The Investment Management Agreement provides that the Portfolio Manager will be paid a fee at the rate of 0.065 per cent. per annum of the net asset value of the Shares in issue (excluding treasury shares) and SDL Limited will be paid a fee at the rate of 0.585 per cent. per annum of the net asset value of the Shares in issue (excluding treasury shares). These fees shall accrue on a daily basis and be payable monthly in arrears. The Portfolio Manager and SDL Limited shall each invoice the AIFM for their respective fees (calculated as set out above) and the AIFM will, in turn, charge these fees to

the Company, as an expense incurred by the AIFM in relation to the investment management services that it provides to the Company. In the event that Castlefield ceases to be the Portfolio Manager and SDL Limited becomes the Portfolio Manager in its place (in accordance with the terms of the Investment Management Agreement) the Portfolio Manager will be paid a fee at the rate of 0.65 per cent. per annum of the net asset value of the Shares in issue (excluding treasury shares).

The Investment Management Agreement is terminable by the Company or the AIFM or the Portfolio Manager (subject, prior to the Portfolio Management Novation Date, to the prior written consent of SDL Limited having been obtained, which may not be unreasonably withheld or delayed) on six months' written notice provided that no such notice may be given until the second anniversary of Admission.

The Investment Management Agreement may be terminated by the Company and the AIFM or by the AIFM alone immediately on written notice if the Portfolio Manager or SDL Limited is in material breach of the Investment Management Agreement (and where such breach is capable of remedy, it has not been remedied within 30 days of being given notice of the breach), is the subject of insolvency proceedings or is guilty of wilful misfeasance, gross negligence, a material breach of applicable law or fraud, as finally determined by a court or government body of competent jurisdiction, which determination is not subject to appeal. The Investment Management Agreement may also be terminated by the Portfolio Manager (subject, prior to the Portfolio Management Novation Date, to the prior written consent of SDL Limited having been obtained) on written notice where the AIFM or the Company is in material breach of the Investment Management Agreement (and where such breach is capable of remedy, it has not been remedied within 30 days of being given notice of the breach).

The Company may, in addition, terminate the Investment Management Agreement with immediate effect on written notice if any two or more of Keith Ashworth-Lord, Andrew Vaughan and Eric Burns (or such other persons that the Company agrees in writing be treated as key persons from time to time) cease to be involved in managing the Portfolio and are not replaced within 90 days by alternative portfolio managers approved by the Company in writing (provided such approval may not be unreasonably withheld or delayed).

Neither Castlefield, SDL Limited nor their respective partners, officers, managers, representatives, employees, agents and the legal representatives of any of them shall be liable for any loss to the Company or the AIFM arising from any act or omission of any kind in the course of or in connection with the services provided by Castlefield and SDL Limited under the Investment Management Agreement, except to the extent that such loss is due to the gross negligence, wilful malfeasance, material breach of applicable law or fraud of Castlefield, SDL Limited or their members, officers, employees, agents or delegates.

The Company shall indemnify Castlefield, SDL Limited and their respective partners, officers, managers, representatives, employees, agents and the legal representatives of any of them against all losses of any kind, including claims by third parties which may be made against Castlefield and SDL Limited in connection with their services under the Investment Management Agreement, except to the extent that the losses are due to the gross negligence, wilful malfeasance, material breach of applicable law or fraud of Castlefield, SDL Limited and their respective partners, officers, managers, representatives, employees, agents and the legal representatives of any of them.

8.2 **Administration Agreement**

The Company is a party to an Administration Agreement with JTC (UK) Limited dated 28 September 2020 pursuant to which the Administrator provides day-to-day administration of the Company and acts as company secretary and administrator to the Company including maintaining accounts, preparing the annual and half-yearly reports of the Company and calculating the Net Asset Value.

For the provision of administration services under the Administration Agreement, the Administrator is entitled to receive an annual fee of £60,000 based on the Net Asset Value of the Company of up to £100 million and an ad valorem fee of 0.04 per cent. on the Net Asset Value of the Company in excess of £100 million. In respect of its role as company secretary, the Administrator is entitled to receive an annual fee of £60,000. The Administrator will charge an initial set-up fee of £20,000 for

support relating to the IPO. Additional fees will be payable by the Company to the Administrator in respect of any Board, committee or procedural meetings, in addition to the quarterly Board meetings and annual general meetings of the Company, that may be held from time to time. The Company will also reimburse the Administrator for disbursements and reasonable out of pocket expenses properly incurred by the Administrator on behalf of the Company, provided that the Administrator will be required to seek prior approval in relation to any single expense in excess of £500. All fees charged by the Administrator are charged exclusive of VAT. All annual fees charged by the Administrator will be subject to an annual increase by reference to the U.K. Retail Price Index prevailing at that time applied *pro rata* on an annual basis.

The Administration Agreement may be terminated by either party serving the other party with 6 months' written notice, or immediately in certain circumstances, including (i) in the event of the winding up of (other than a voluntary liquidation for the purpose of a reconstruction or amalgamation under terms previously approved in writing by the other parties) or such party is unable to pay its debts or if an administrator or receiver is appointed, (ii) if either party commits any material breach of the provisions of the Administration Agreement and shall, if capable of remedy, not have remedied the same within 30 days after receipt of notice served requiring it to be remedied (in such cases such right of termination lies with the non-defaulting party), or (iii) if the continued performance of the Administration Agreement for any reason ceases to be lawful.

The Administrator will generally not be liable for any loss or damages incurred or suffered by the Company or any shareholder of the Company as a result of the proper performance by the Administrator of its obligations and duties under the Administration Agreement in the absence of its negligence, fraud, bad faith, wilful misconduct, breach of the Administration Agreement or wilful default. The Administrator will indemnify the Company against any loss, damage, claims, costs and expenses suffered or incurred by or made against the Company or any shareholder of the Company arising out of or in connection with such bad faith, negligence, wilful default, wilful misconduct, breach of the Administration Agreement or fraud on the part of the Administrator or any of its delegates or any of their respective directors, officers, employees or agents.

The Administrator will indemnify the Company against any loss, damage, claims, costs and expenses suffered or incurred by or made against the Company arising out of or in connection with the bad faith, negligence, wilful default, wilful misconduct, breach of this Agreement or fraud on the part of the Administrator or any of its delegates or any of their respective directors, officers, employees or agents.

The Company will indemnify the Administrator against all actions, proceedings, claims, costs, demands and reasonable expenses which may be brought against, or suffered or incurred by the Administrator by reason of the proper performance by the Administrator of its duties under the Administration Agreement, otherwise than as a result of some act by the Administrator or any of its delegates or their respective directors, officers, employees or agents of negligence, fraud, bad faith, wilful misconduct or wilful default, breach of its obligations under the Administration Agreement, or in respect of any liability or breach of any duties or obligations which the Administrator may have under any statute, governmental decree or order, or rules or regulations made pursuant to the same or rules and/or code of conduct of any professional or regulatory body or association of which the Administrator is a member on the part of the Administrator.

Provided its ability to perform its obligations under the Administration Agreement is not impaired, the Administrator is entitled to render similar services to others without accounting to the Company for its profits.

8.3 **Custody Agreement**

The Custody Agreement between the Company and the Custodian dated 28 September 2020, pursuant to which the Custodian is appointed as the Company's custodian for the purposes of the AIFM Directive. The Custodian shall open and maintain in its books and records one or more securities accounts for the custody and safekeeping of the securities forming the Portfolio. The Custodian shall either hold the securities directly or at its sub-custodians.

Under the terms of the Custody Agreement, the Custodian is entitled to be paid an annual fee charged as a percentage of the gross value of the securities held directly with the Custodian, as well as other fees in respect of particular services that may be provided by the Custodian from time to time, as well as exceptional changes affecting the Company. The Custodian will be entitled to be reimbursed for all disbursements paid directly by the Custodian to third parties on an actual cost basis.

The Custody Agreement provides for the Custodian to be indemnified by the Company against any liability or loss suffered or incurred as a result of or in connection with the performance of its duties under the Custody Agreement and any related costs and expenses reasonably incurred in defending any proceedings, in each case, other than as a result of the fraud, negligence, or wilful default or by the breach of the standard of required care set out in the Custody Agreement on the part of the Custodian.

In accordance with the terms of the Custody Agreement, the Custodian may appoint sub-custodians and/or depositories to safekeep the Company's securities. The Custodian must exercise reasonable care and diligence in selecting, appointing, monitoring and periodically reviewing a sub-custodian in light of applicable law and prevailing rules, practices procedures and circumstances in the relevant market. The liability of the Custodian shall in principle not be affected by any delegation to a sub-custodian that safekeeps securities that are UK listed.

The applicable sub-custodians as at the date of this Prospectus who might be relevant for the purposes of holding the Company's investments are:

<i>Country</i>	<i>Name of sub-custodian</i>	<i>Regulator</i>
United Kingdom	HSBC Bank plc	Financial Conduct Authority and Prudential Regulation Authority

The Custodian shall not be liable to the Company for any loss or liability incurred by the Company in the absence of the Custodian's negligence, fraud, wilful misconduct or material breach of the Custody Agreement, provided that the Custodian will indemnify the Company for any losses incurred by the Company as a direct result of the negligence, fraud, wilful misconduct or material breach of the Custody Agreement. Indirect and/or consequential damages are excluded.

The Custody Agreement is terminable by the Company or the Custodian giving to the other parties not less than three months' written notice although in certain circumstances (e.g. the insolvency of a party or if a party is no longer permitted to perform its obligations under applicable law) the Custody Agreement may be terminated forthwith by the non-defaulting party.

8.4 **Issue Agreement**

In connection with the Initial Issue and the Placing Programme, the Company, the AIFM, Castlefield, SDL Limited, Shore Capital, LGBR and the Directors entered into the Issue Agreement on 30 September 2020. The Issue Agreement is conditional on, among other things, Initial Admission taking place on 29 October 2020 or such later date (not being later than 8.00 a.m. on 31 December 2020) as the Company, SDL Limited and Shore Capital may agree.

The principal terms of the Issue Agreement are as follows:

- 8.4.1 Shore Capital has agreed, as agent of the Company, to use its reasonable endeavours to procure (i) Placees to subscribe for Ordinary Shares under the Initial Placing at the Issue Price; and (ii) Placees to subscribe for New Ordinary Shares and/or C Shares pursuant to Subsequent Placings at the applicable Placing Programme Price;
- 8.4.2 LGBR has agreed, as agent of the Company, to use its reasonable endeavours to procure (i) Placees to subscribe for Ordinary Shares under the Initial Placing at the Issue Price; and (ii) Placees to subscribe for New Ordinary Shares and/or C Shares pursuant to Subsequent Placings at the applicable Placing Programme Price, respectively through LGBR's sales and distribution network of professional clients;

- 8.4.3 the Initial Placing and the Placing Programme are not being underwritten;
- 8.4.4 the Company has, provided the Issue Agreement becomes unconditional, agreed to pay Shore Capital a corporate finance fee in respect of the Initial Issue. In addition, each of Shore Capital and LGBR are entitled to be paid a commission by the Company in consideration for its services in relation to the Initial Issue based on the value of Ordinary Shares issued pursuant to the Initial Issue and they are each also entitled to receive a commission based on the value of any Shares issued pursuant to any Subsequent Issues;
- 8.4.5 the Company has agreed to pay all of the properly incurred costs and expenses of and incidental to the Initial Issue and related arrangements together with any applicable VAT;
- 8.4.6 the Company has given certain warranties to Shore Capital as to the accuracy of the information in this Prospectus and as to other matters relating to the Company. Each of the AIFM, Castlefield and SDL Limited have also given certain warranties on a several basis to Shore Capital as to certain information in this Prospectus and as to itself;
- 8.4.7 The Company (following Initial Admission) and SDL Limited (prior to Initial Admission) has given an indemnity to each of Shore Capital and LGBR in respect of any losses or liabilities incurred which arise out of or are in connection with the Initial Issue or Placing Programme, provided that the same will not have been finally judicially determined by a court of competent jurisdiction to have resulted from the fraud, negligence or wilful default of such indemnified person or a contravention by such indemnified person of applicable law or regulation or where such indemnity is prohibited by law or legal requirement; and
- 8.4.8 Shore Capital may at any time before Admission terminate the Issue Agreement in certain circumstances, including for breach of the warranties referred to above.

8.5 **Registrar's Agreement**

The Registrar's Agreement dated 28 September 2020 between the Company and the Registrar whereby the Registrar has agreed to provide registrar services to the Company. The fees payable to the Registrar are based on the number of transactions plus properly incurred expenses, subject to an annual basic fee being the higher of £6,000 per annum, or £2,500 per register per annum or part thereof, or £2.00 per shareholder per register per annum or part thereof. The Registrar's Agreement contains certain standard indemnities from the Company in favour of the Registrar and from the Registrar in favour of the Company. The Registrar's liabilities under the Registrar's Agreement are subject to a financial limit.

8.6 **Receiving Agent Agreement**

The receiving agent agreement is dated 28 September 2020 between the Company and the Receiving Agent whereby the Receiving Agent has agreed to act as Receiving Agent to the Offer for Subscription. The fees payable to the receiving agent are based on the number of applications received and are subject to a minimum fee of £7,500. The agreement contains certain standard indemnities from the Company in favour of the Receiving Agent and from the Receiving Agent in favour of the Company. The Receiving Agent's liability under the agreement is subject to a financial limit.

9. **Litigation**

There have been no governmental, legal or arbitration proceedings and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this Prospectus which may have, or have had, in the recent past, a significant effect on the financial position or profitability of the Company.

10. **Significant change in the financial position or financial performance**

As at the date of this Prospectus, there has been no significant change in the financial position or financial performance of the Company since 31 July 2020, the date of its incorporation.

11. Significant gross change

Where Ordinary Shares or C Shares are issued under the Initial Issue or the Placing Programme, the total assets of the Company will increase by that number of Ordinary Shares or C Shares, as applicable, multiplied by the applicable Issue Price or Placing Programme Price. It is not expected that there will be any material impact on the earnings and Net Asset Value per Ordinary Share, as the net proceeds resulting from any issue under the Placing Programme are expected to be invested in investments consistent with the investment objective and policy of the Company and, in the case of an issue of New Ordinary Shares, the Placing Programme Price will always represent a premium to the last published cum income Net Asset Value per Ordinary Shares (other than Ordinary Shares held in treasury) at the time of that issue.

12. Third party information and consents

The AIFM, the Portfolio Manager and SDL Limited have each given and not withdrawn their written consent to the inclusion in this Prospectus of references to their name.

Shore Capital Stockbrokers Limited, as sole bookrunner, stockbroker and intermediaries offer adviser in relation to the Intermediaries Offer and Shore Capital and Corporate Limited as sponsor and financial adviser, have each given and not withdrawn their written consent to the inclusion in this Prospectus of references to their name.

Certain information contained in this Prospectus has been sourced from third parties under appropriate licence agreements allowing the publication of data from such third parties and where such third party information has been referenced in the Prospectus, the source of that information has been disclosed. Such information has been accurately reproduced and, as far as the Company and SDL Limited are able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

13. General

The Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

No application is being made for the Shares to be dealt with in or on any stock exchange or investment exchange other than the London Stock Exchange's main market.

The publication or delivery of this Prospectus shall not under any circumstances imply that the information contained in this Prospectus is correct as at any time subsequent to the date of this Prospectus or that there has not been any change in the affairs of the Company since that date.

As at the date of the Prospectus the Company has no subsidiaries.

14. Auditor

The auditor of the Company is BDO LLP, at 55 Baker Street, London W1U 7EU. BDO LLP is a member firm of the Institute of Chartered Accountants in England and Wales.

15. Working capital

In the Company's opinion, taking into account the Minimum Net Proceeds, the working capital available to it will be sufficient for its present requirements, that is for at least 12 months following the date of this Prospectus.

16. Capitalisation and indebtedness

Details of capitalisation are set out in paragraph 3 of this Part 9 (*General Information*). As at the date of this Prospectus, the Company had no guaranteed and unguaranteed, secured and unsecured indebtedness, and there have been no material changes to the Company's capitalisation from the date of incorporation to the date of this Prospectus.

17. Overseas investors

If you receive a copy of this Prospectus in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, unless otherwise agreed with the Company in circumstances where the Company is satisfied that this will not breach applicable law and regulation. It is your responsibility, if you are outside the United Kingdom and wish to make an application for Shares, to satisfy yourself that you have fully observed the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. The Company reserves the right, in its absolute discretion, to reject any application received from outside the United Kingdom.

Without limiting the above, the Shares may not be offered, sold or delivered, directly or indirectly, within Canada, Australia, the Republic of South Africa, Japan or in the United States except in reliance on, or in a transaction not subject to, the registration requirements under the Securities Act or other relevant legislation. If you subscribe for Shares you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company and its agents that you are not in Canada, Australia, the Republic of South Africa, Japan or the United States. No application will be accepted if it bears an address in Canada, Australia, the Republic of South Africa, Japan or the United States or appears to have been posted from Canada, Australia, the Republic of South Africa, Japan or the United States or otherwise where there is cause to believe you are in Canada, Australia, the Republic of South Africa, Japan or the United States.

18. Fair treatment of investors

The AIFM has established procedures, arrangements and policies to ensure compliance with the principles more particularly described in the AIFM Directive relating to the fair treatment of investors. The principles of treating investors fairly include, but are not limited to:

- 18.1 acting in the best interests of the Company and of the Shareholders;
- 18.2 ensuring that the investment decisions taken for the account of the Company are executed in accordance with the Company's investment policy and objective and risk profile;
- 18.3 ensuring that the interests of any group of Shareholders are not placed above the interests of any other group of Shareholders;
- 18.4 ensuring that fair, correct and transparent pricing models and valuation systems are used for the Company;
- 18.5 preventing undue costs being charged to the Company and Shareholders;
- 18.6 taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of Shareholders; and
- 18.7 recognising and dealing with complaints fairly.

The AIFM maintains and operates organisational, procedural and administrative arrangements and implements policies and procedures designed to manage actual and potential conflicts of interest.

19. AIFM Directive disclosures

- 19.1 The Company is categorised as an EEA AIF for the purposes of the AIFM Directive and its AIFM is a non-EEA AIFM. Accordingly, the AIFM is required to make certain disclosures to prospective investors prior to their investment in the Company, in accordance with Article 23 of the AIFM Directive. An explanation of where each of these disclosures may be found in this Prospectus (or of the non-applicability to the Company of certain of these disclosures) is set out in this paragraph 19.
- 19.2 Part 5 (*The Company*) of this Prospectus contains a description of the investment policy, strategy and objectives of the Company, the types of assets in which the Company may invest, the techniques

it may employ, any applicable investment restrictions and the procedures by which the Company may change its investment strategy or the Company's investment policy.

- 19.3 Part 5 (*The Company*) of this Prospectus also contains a description of the circumstances in which the Company may use leverage, the types and sources of leverage permitted, restrictions on the use of leverage and the maximum level of leverage which the Company is permitted to employ. There are no collateral or reuse arrangements in place in respect of the Portfolio.
- 19.4 The key risks associated with the investment policy, strategy, objectives and techniques of the Company and with the use of leverage by the Company are contained in Part 1 (*Risk Factors*) of this Prospectus.
- 19.5 The Company is not a fund of funds and so there is no master AIF for the purposes of the AIFM Directive, nor will there be any underlying funds.
- 19.6 A description of the main legal implications of the contractual relationship entered into for the purpose of investment in the Company, including information on jurisdiction and applicable law, is contained in Parts 10 (*Terms and Conditions of Application under the Initial Placing and the Placing Programme*) and 11 (*Terms and Conditions of Application under the Offer for Subscription*) of this Prospectus and in the Intermediaries Booklet. In particular, the Initial Issue and the Placing Programme is governed by English law and subject to the jurisdiction of English courts, the same law and jurisdiction under which the Company is established. While the UK remains a Member State of the EU, a foreign judgment obtained in an EU member state will be recognised and enforced in England under either:
- 19.6.1 Regulation (EU) 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters; or
- 19.6.2 Regulation (EC) 805/2004 on creating a European Enforcement Order for uncontested claims, provided the judgment has been certified as a European Enforcement Order.
- Under the UK legislation enacting the “**Withdrawal Agreement**” (meaning the agreement between the United Kingdom and the EU under Article 50(2) of the Treaty on the European Union which sets out the arrangements for the United Kingdom's withdrawal from the EU (as that agreement is modified from time to time in accordance with any provision of it)), a foreign judgment obtained in an EU Member State will be recognised and enforced in England under the same EU laws as referred to in paragraphs 19.6.1 and 19.6.2 above until 31 December 2020. Following that date the UK will unilaterally accede to the Hague Convention on Choice of Courts Agreements 2005 (the “**Hague Convention**”) which applies between the EU member states, Montenegro, Denmark, Mexico and Singapore and provides for the recognition of foreign judgments in respect of contracts which contain an exclusive jurisdiction clause. The Hague Convention does not, however, extend to contracts containing non-exclusive jurisdiction clauses, which typically permit the more dominant party to the contract to sue in the court of their choice while restricting the right of the less dominant party to the courts of a single country. The UK has also applied to rejoin the Lugano Convention 2007 which would permit for the recognition of judgments based on contracts under the laws of member states regardless of whether the contract contains an exclusive or a non-exclusive choice of law clause in the states that are parties to that convention (i.e. EU member states and Iceland, Norway and Switzerland). However, each member of the Lugano Convention (EU, Iceland, Norway and Switzerland) has a veto on the accession of new members and UK accession may not occur on 1 January 2021, for some time thereafter or at all.
- 19.7 Details of the identities of the AIFM, the Portfolio Manager, SDL Limited, the Custodian, Auditors and other service providers to the Company, their duties to the Company and investors' rights (exercised through the Company) are contained in Part 5 (*The Company*) and in this Part 9 (*General Information*) of this Prospectus.
- 19.8 Absent a direct contractual relationship between a particular Shareholder and the Company and/or any of its service providers, including, without limitation, the AIFM, the Portfolio Manager, SDL Limited, the Custodian and the Auditors, Shareholders will have no direct rights against such persons.

- 19.9 The provisions of AIFM Directive concerning professional indemnity insurance or additional own funds to cover professional negligence risk do not apply to the AIFM. Nevertheless, the AIFM has the benefit of professional indemnity and directors' and officers' liabilities insurance cover.
- 19.10 The AIFM delegates portfolio management to the Portfolio Manager. Save as aforesaid, the AIFM, the Portfolio Manager and the Custodian are responsible for their own work and there will be no delegation of AIFM's management functions or the Custodians safekeeping functions, as applicable for the purposes of Article 23(1)(f) of the AIFM Directive.
- 19.11 A description of the Company's valuation procedures and of the pricing methodology for valuing assets, which includes the methods that will be used in valuing hard-to-value assets, is contained in Part 5 (*The Company*) of this Prospectus.
- 19.12 The Company is a closed-ended investment company and there are therefore no redemption rights. However, the Shares are to be admitted to listing on the premium segment of the Official List and to trading on the Main Market and will be freely transferable save as described in this Prospectus. As regards liquidity risk management, a description of the discount management mechanisms which may be employed by the Company is contained in Part 5 (*The Company*) of this Prospectus, although it should be noted that the Directors' exercise of these rights is entirely discretionary.
- 19.13 A description of all fees, charges and expenses and of the maximum amounts thereof (to the extent that this can be assessed) which are borne by the Company and thus indirectly by investors is contained in this Part 9 (*General Information*) of this Prospectus. There are no expenses charged directly to investors by the Company.
- 19.14 As its Shares are to be admitted to listing on the premium segment of the Official List and to trading on the Main Market, the Company will be required to comply with, among other things, the relevant provisions of the Listing Rules, Disclosure Guidance and Transparency Rules and the Takeover Code, all of which operate to ensure a fair treatment of investors. As at the date of this Prospectus, no investor has obtained preferential treatment or the right to obtain preferential treatment.
- 19.15 Since the Company was incorporated on 31 July 2020 and has not yet commenced operations, no financial statements or Net Asset Value figures have been published by the Company. No historical performance information is available as the Company has no operating history.
- 19.16 The procedure and conditions for the issue and sale of Shares is contained in Part 6 (*The Initial Issue (Initial Placing, Offer for Subscription and Intermediaries Offer)*), Part 7 (*Placing Programme*), Part 10 (*Terms and Conditions of Application under the Initial Placing and the Placing Programme*), Part 11 (*Terms and Conditions of Application under the Offer for Subscription*) of this Prospectus and in the Intermediaries Booklet.
- 19.17 The Company has not engaged the services of any prime broker.
- 19.18 The Custody Agreement prohibits the transfer or reuse by the Custodian of the Company's assets.
- 19.19 The information required under paragraphs 4 and 5 of Article 23 of the AIFM Directive will be disclosed to investors in the Company's audited annual report.
- 19.20 If there are any material changes to any of the information referred to in this paragraph 19, such changes will be notified in the Company's audited annual report, in accordance with Articles 23 of the AIFM Directive.

20. Availability of Prospectus

A copy of this Prospectus will be available for inspection at The National Storage Mechanism which is located at <https://www.fca.org.uk/markets/primary-markets/regulatory-disclosures/national-storage-mechanism> and for as long as Shares are available for issue under this Prospectus, copies of this Prospectus are available for collection, free of charge from the offices of the Administrator, unless the registered office has been closed as a result of the circumstances surrounding the COVID-19 epidemic. The Prospectus will also be available on the Company's website – www.buffettologyIT.co.uk.

21. Intermediaries

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

- AJ Bell Securities
- Equiniti Financial Services Ltd
- iDealing.com Ltd
- Interactive Investor Services Limited
- Jarvis Investment Management
- PrimaryBid Ltd.
- Hargreaves Lansdown

Any new information with respect to financial intermediaries unknown at the date of this Prospectus will be notified via a Regulatory Information Service.

22. Documents on display

Copies of the following documents will be available on the Company's website (www.buffettologyIT.co.uk) and for inspection between 9.00 a.m. and 5.00 p.m. on any day (Saturdays, Sundays and public holidays excepted) at the Company's registered office, The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF, unless the registered office has been closed as a result of the circumstances surrounding the COVID-19 pandemic, from the date of this Prospectus until the Placing Programme closes:

22.1 this Prospectus dated 29 September 2020;

22.2 the Articles; and

22.3 the material contracts referred to in paragraph 8 of this Part 9 (*General Information*) of the Prospectus.

PART 10

TERMS AND CONDITIONS OF APPLICATION UNDER THE INITIAL PLACING AND THE PLACING PROGRAMME

1. Introduction

Participation in the Initial Placing and/or any Subsequent Placing is only available to persons who are invited to participate by Shore Capital. These terms and conditions apply to persons making an offer to subscribe for Ordinary Shares and/or C Shares under the Initial Placing and/or any Subsequent Placing.

Each Placee which confirms its agreement to Shore Capital to subscribe for Ordinary Shares and/or C Shares under the Initial Placing and/or any Subsequent Placing, as the case may be, will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or Shore Capital may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) see(s) fit and/or may require any such Placee to execute a separate placing letter ("**Placing Letter**").

Subject to the paragraph above, the commitment to acquire Ordinary Shares and/or C Shares under the Initial Placing and/or a Subsequent Placing will be orally agreed with Shore Capital as agent for the Company and further evidenced in a contract note (a "**Contract Note**") or placing confirmation (a "**Placing Confirmation**") or subscription letter. The terms herein will, where applicable, be deemed to be incorporated into such Contract Note or Placing Confirmation.

References in these terms and conditions to the Ordinary Shares should be construed as references to the New Ordinary Shares where the context permits.

2. Agreement to Subscribe for Ordinary Share/C Shares

Subject to and conditional on:

- (a) in respect of the Initial Placing, Initial Admission of Ordinary Shares occurring and becoming effective by 8.00 a.m. (London time) on or prior to 29 October 2020 (or such later time and/or date, not being later than 8.00 a.m. on 31 December 2020, as the Company and Shore Capital may agree) and in respect of a Subsequent Placing, the Subsequent Admission of Ordinary Shares or C Shares as the case may be subscribed in a Subsequent Placing by a Placee under the Placing Programme occurring not later than 8.00 a.m. on such other date as may be agreed between the Company and Shore Capital prior to the closing of each placing under the Placing Programme, not being later than 28 October 2021;
- (b) the Issue Agreement becoming otherwise unconditional in all respects and not having been terminated on or before 8.00 a.m. on the date of Admission of the relevant Ordinary Shares or C Shares;
- (c) Shore Capital confirming to the Placees their allocation of Ordinary Shares or C Shares, as applicable;
- (d) the terms and conditions herein and the terms and conditions set out in the Placing Letter and accompanying form of confirmation (if any);
- (e) in the case of the Initial Placing, the Minimum Gross Proceeds being raised;
- (f) in the case of any Subsequent Placing, a valid supplementary prospectus being published by the Company if such is required;
- (g) in the case of any Subsequent Placing, the relevant Placing Programme Price being determined by the Directors,

a Placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares or C Shares allocated to it by Shore Capital at the Issue Price or the applicable Placing Programme Price, as the case may be.

If any of the conditions set out in the Issue Agreement are not fulfilled or, where permitted, waived to the extent permitted by law or regulation in accordance with the Issue Agreement, or the Issue Agreement is terminated in accordance with its terms, the relevant placing will lapse and the Placee's rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

In the event that the Company, in consultation with Shore Capital, wishes to waive condition (e) referred to above, the Company will be required to publish a supplementary prospectus (including a working capital statement based on a revised minimum gross proceeds figure).

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

Each Placee undertakes to pay the Issue Price or the Placing Programme Price, as applicable, for the Ordinary Shares or C Shares issued to the Placee in the manner and by the time directed by Shore Capital. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Ordinary Shares and/or C Shares may, at the discretion of Shore Capital either be rejected or accepted. Where the application is accepted by Shore Capital, the Placee shall be deemed hereby to have appointed Shore Capital or any nominee of Shore Capital as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Ordinary Shares or C Shares (as applicable) in respect of which payment shall not have been made as directed, and to retain from the proceeds for Shore Capital's own account the amount owed by the Placee plus any interest due and the Placee shall indemnify Shore Capital and its respective affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales.

A sale of all or any of such Ordinary Shares or C Shares shall not release the relevant Placee from the obligation to make such payment for relevant Ordinary Shares or C Shares to the extent that Shore Capital or its nominee has failed to sell such Ordinary Shares or C Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, exceeds the Issue Price or the applicable Placing Programme Price.

4. Representations and Warranties

By agreeing to subscribe for Ordinary Shares or C Shares, each Placee which enters into a commitment to subscribe for such Ordinary Shares or C Shares will (for itself and any person(s) procured by it to subscribe for Ordinary Shares or C Shares and any nominee(s) for any such person(s)) be deemed to represent and warrant to each of the Company, the AIFM, the Portfolio Manager, SDL Limited, the Registrar and Shore Capital that:

- (a) in agreeing to subscribe for Ordinary Shares under the Initial Placing or Ordinary Shares and/or C Shares under a Subsequent Placing, it is relying solely on this Prospectus and any supplementary prospectus issued by the Company prior to Admission and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Ordinary Shares, the C Shares, the Initial Placing and/or a Subsequent Placing. It agrees that none of the Company, the AIFM, the Portfolio Manager, SDL Limited, Shore Capital or the Registrar, nor any of their respective officers, agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- (b) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares under the Initial Placing or Ordinary Shares and/or C Shares under a Subsequent Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the AIFM, the Portfolio Manager, SDL Limited, Shore Capital or the Registrar or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of

any territory or jurisdiction outside the United Kingdom in connection with the Initial Placing and/or a Subsequent Placing;

- (c) it has carefully read and understands this Prospectus and has had the opportunity to read the Key Information Document each in its entirety and acknowledges that it shall be deemed to have notice of all information and representations contained in this Prospectus and the Key Information Document and is acquiring Ordinary Shares or C Shares on the terms and subject to the conditions set out in this Part 10 (*Terms and Conditions of Application under the Initial Placing and the Placing Programme*) and the Articles as in force at the date of Admission of the Ordinary Shares or C Shares and agrees that in accepting a participation in the Initial Placing and/or any Subsequent Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for the Ordinary Shares and/or C Shares;
- (d) it has the power and authority to subscribe for Ordinary Shares under the Initial Placing and/or Ordinary Shares and/or C Shares under any Subsequent Placing and to execute and deliver all documents necessary for such subscription.
- (e) it has not relied on Shore Capital or any person affiliated with Shore Capital in connection with any investigation of the accuracy of any information contained in this Prospectus and it has relied on its own investigation with respect to the Ordinary and/or C Shares and the Company in connection with its investment decision;
- (f) the content of this Prospectus is exclusively the responsibility of the Company and its Directors and neither Shore Capital nor any person acting on its behalf nor any of its affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Initial Placing and/or a Subsequent Placing based on any information, representation or statement contained in this Prospectus or otherwise, provided that Shore Capital's liability shall not be excluded to the extent that it is responsible or liable under FSMA or the regulatory regime established thereunder;
- (g) it acknowledges that no person is authorised in connection with the Initial Placing and/or a Subsequent Placing to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus issued by the Company prior to the date of admission of the relevant Ordinary Shares or C Shares and, if given or made, any information or representation must not be relied upon as having been authorised by Shore Capital, the Company, the AIFM, the Portfolio Manager or SDL Limited;
- (h) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- (i) it accepts that none of the Ordinary Shares or C Shares have been or will be registered under the laws of the United States, Canada, Australia, the Republic of South Africa, or Japan. Accordingly, neither the Ordinary Shares nor the C Shares may be offered, sold, issued or delivered, directly or indirectly, within any of the United States, Canada, Australia, the Republic of South Africa, or Japan unless an exemption from any registration requirement is available;
- (j) if it is within the United Kingdom, it is a Director and/or 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 is a person to whom the Ordinary Shares or the C 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, that it is a person to whom the Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations and the Company is satisfied that such offer will not breach applicable law and regulation;
- (k) in the case of any Ordinary Shares or C Shares acquired by a Placee as a financial intermediary as that term is used in Article 5(2) of the Prospectus Regulation (i) the Ordinary Shares or C Shares acquired by it in the Initial Placing and/or a Subsequent Placing 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 Shore Capital has been given to the offer or resale; or (ii) where Ordinary Shares or C Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Ordinary Shares or C Shares to it is not treated under the Prospectus Regulation as having been made to such persons;

- (l) if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Initial Placing and/or any Subsequent Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares or C Shares pursuant to the Initial Placing and/or the relevant Subsequent Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Ordinary Shares or C 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;
- (m) 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 Ordinary Shares or C Shares and it is not acting on a non-discretionary basis for any such person;
- (n) if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for Ordinary Shares under the Initial Placing and/or Ordinary Shares and/or C Shares under a Subsequent Placing and will not be any such person on the date any such agreement to subscribe under the Initial Placing or a Subsequent Placing is accepted;
- (o) it has complied with and will comply with all applicable provisions of the Criminal Justice Act 1993 and the regulation (EU) No. 596/2016 of the European Parliament and of the Council of 16 April 2014 on market abuse with respect to anything done by it in relation to the Initial Placing and any Subsequent Placing and/or the Ordinary Shares and/or the C Shares;
- (p) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials concerning the Initial Issue and/or a Subsequent Placing, the Ordinary Shares or the C Shares to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- (q) it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading "United States Purchase and Transfer Restrictions" in paragraph 5, below;
- (r) it acknowledges that neither Shore Capital nor any of its affiliates nor any person acting on its behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing and/or a Subsequent Placing or providing any advice in relation to the Initial Placing and/or a Subsequent Placing and participation in the Initial Placing and/or a Subsequent Placing is on the basis that it is not and will not be a client of Shore Capital and that Shore Capital does not have any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Initial Placing and/or a Subsequent Placing nor in respect of any representations, warranties, undertaking or indemnities otherwise required to be given by it in connection with its application under the Initial Placing and/or a Subsequent Placing;
- (s) it acknowledges that where it is subscribing for Ordinary Shares or C Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Ordinary Shares or C Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus (including these terms and conditions of application under the Initial Placing and the Placing Programme); and (iii) to receive on behalf of each such account any documentation relating to the Initial Placing and/or a Subsequent Placing in the form provided by the Company and/or Shore Capital. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares or C Shares by or on behalf of any such account;
- (t) if it is acting as a "distributor" (for the purposes of the MiFID II Product Governance Requirements):
 - (i) it acknowledges that the Target Market Assessment undertaken by SDL Limited and Shore Capital does not constitute: (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) 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 C Shares and

- each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and/or C Shares and determining appropriate distribution channels;
- (ii) notwithstanding any Target Market Assessment undertaken by SDL Limited and Shore Capital, 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 Ordinary Shares and/or C Shares and that it has considered the compatibility of the risk/reward profile of such Ordinary Shares and/or C Shares with the end target market; and
 - (iii) it acknowledges that the price of the Ordinary Shares and the C Shares may decline and investors could lose all or part of their investment; the Ordinary Shares and the C Shares offer no guaranteed income and capital protection cannot be guaranteed on the Ordinary Shares or on the C Shares; and an investment in the Ordinary Shares or in the C Shares is compatible only with investors who do not need a guaranteed capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom,
 - (u) it irrevocably appoints any director of the Company and any director of Shore Capital 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 Ordinary Shares or C Shares for which it has given a commitment under the Initial Placing and/or a Subsequent Placing, in the event of its own failure to do so;
 - (v) it accepts that if the Initial Placing and/or a Subsequent Placing does not proceed or the conditions to the Issue Agreement are not satisfied or the Ordinary Shares or C Shares for which valid applications are received and accepted are not admitted to listing on the premium segment of the Official List or trading on the Main Market for any reason whatsoever then none of Shore Capital or the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
 - (w) in connection with its participation in the Initial Placing and/or a Subsequent Placing it has observed all relevant legislation and regulations, in particular (but without limitation) Money Laundering Legislation and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2017 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2014/849/EC 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 or terrorist financing); or (iii) subject to the Money Laundering Regulations 2017, the Proceeds of Crime Act 2002 and the Terrorism Act 2000, in each case, as amended; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Legislation;
 - (x) it acknowledges that due to anti-money laundering and the countering of terrorist financing requirements, Shore Capital and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Shore Capital and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Shore Capital and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it;
 - (y) it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002;
 - (z) it acknowledges and agrees that it has been informed that, pursuant to the General Data Protection Regulation 2016/679 (the “**DP Legislation**”) the Company and/or the Registrar may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company’s privacy notice, which is available for review on the Company’s website

www.buffettologyIT.co.uk (the “**Privacy Notice**”), including for the purposes set out below (collectively, the “**Purposes**”), being to:

- (i) process its personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with its holding of Ordinary Shares and/or C Shares, including processing personal data in connection with credit and anti-money laundering checks on it;
 - (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares and/or C Shares;
 - (iii) comply with the legal and regulatory obligations of the Company and/or the Registrar; and
 - (iv) process its personal data for internal administration;
- (aa) it acknowledges that in order to meet the Purposes, it will be necessary for the Company and the Registrar to provide personal data to:
- (i) third parties located either within, or outside of the EEA, if necessary for the Registrar to perform its functions, or when it is necessary for its legitimate interests, and in particular in connection with the holding of Ordinary Shares and/or C Shares; or
 - (ii) its affiliates, the Company (in the case of the Registrar), the AIFM, the Portfolio Manager or SDL Limited and their respective associates, some of which may be located outside of the EEA;
- (bb) it acknowledges that any sharing of personal data by the Company or the Registrar with other parties will be carried out in accordance with the DP Legislation and as set out in the Company's Privacy Notice;
- (cc) it acknowledges that by becoming registered as a holder of Ordinary Shares and/or C Shares a person becomes a data subject (as defined in the DP Legislation). In providing the Registrar with information, each Placee hereby represents and warrants to the Registrar that it has (i) notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company's Privacy Notice and any other data protection notice which has been provided by the Company and/or the Registrar; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Registrar and their respective associates 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 set out above in this paragraph (cc));
- (dd) it acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where it is a natural person he or she has read and understood the terms of the Company's Privacy Notice.
- (ee) it acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where it is not a natural person it represents and warrants that:
- (i) it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account it may act or whose personal data will be disclosed to the Company as a result of it agreeing to subscribe for Ordinary Shares and/or C Shares; and
 - (ii) it has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company;
- (ff) it acknowledges that where it acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she shall, in respect of the personal data he/she processes in relation to or arising in relation to the Initial Placing and/or any Subsequent Placing:
- (i) comply with all applicable data protection legislation;
 - (ii) take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
 - (iii) if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and

- (iv) it shall immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), loss (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by it to comply with the provisions set out above.
- (gg) it acknowledges that Shore Capital and the Company are entitled to exercise any of their rights under the Issue Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- (hh) the representations, undertakings and warranties contained in this Prospectus including these terms and conditions of application under the Initial Placing and the Placing Programme are irrevocable. It acknowledges that Shore Capital, the Company, the AIFM, the Portfolio Manager, SDL Limited and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Ordinary Shares or C Shares are no longer accurate, it shall promptly notify Shore Capital and the Company;
 - (ii) where it or any person acting on behalf of it is dealing with Shore Capital, any money held in an account with Shore Capital 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 provisions of the FCA Rules which therefore will not require Shore Capital to segregate such money, as that money will be held by Shore Capital under a banking relationship and not as trustee;
- (jj) any of its clients, whether or not identified to Shore Capital, will remain its sole responsibility and will not become clients of Shore Capital for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- (kk) it accepts that the allocation of Ordinary Shares or C Shares shall be determined by Shore Capital in its absolute discretion but in consultation with the Company and that Shore Capital may scale down any placing commitments for this purpose on such basis as it may determine;
- (ll) time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares or C Shares and to comply with its other obligations under the Initial Placing and/or a Subsequent Placing;
- (mm) it is capable, or the underlying client(s) in the case of applications on behalf of professionally-advised investors are capable themselves, of evaluating the merits and risks of an investment in the Company and have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment;
- (nn) it authorises Shore Capital to deduct from the total amount subscribed under the Initial Placing or a Subsequent Placing (as applicable), the aggregate fees and commissions (if any) calculated at the rate (agreed with the Company) payable on the number of Ordinary Shares or C Shares allocated under the Initial Placing or a Subsequent Placing (as applicable);
- (oo) its commitment to acquire Ordinary Shares and/or C Shares will be agreed orally with Shore Capital and that a Contract Note or Placing Confirmation will be issued by Shore Capital as soon as possible thereafter. That oral confirmation will constitute an irrevocable, legally binding Placing Commitment upon that person (who at that point will become a Placee) in favour of the Company and Shore Capital to purchase and/or subscribe for the number of Ordinary Shares and/or C Shares allocated to it at the Issue Price or the relevant Placing Programme Price on the terms and conditions set out in herein and, as applicable, in the Contract Note or Placing Confirmation. Except with the consent of Shore Capital, such oral Placing Commitment will not be capable of variation or revocation after the time at which it is made;
- (pp) it acknowledges and understands that the Company may be required to comply with UK provisions implementing international regimes for the automatic exchange of information to improve tax compliance (including FATCA, the CRS and DAC 6) and that the Company will comply with requirements to provide information directly or indirectly to Her Majesty's Revenue & Customs tax

authority which may be passed on to other relevant tax authorities. You agree to furnish any information and documents the Company may from time to time request, including but not limited to information required; and

- (qq) its allocation of Ordinary Shares and/or C Shares under the Initial Placing and any Subsequent Placing will be evidenced by the Contract Note or Placing Confirmation, as applicable, confirming: (a) the number of Ordinary Shares and/or C Shares that such Placee has agreed to purchase and/or subscribe for; (b) the aggregate amount that such Placee will be required to pay for such Ordinary Shares and/or C Shares; and (iii) settlement instructions to pay Shore Capital as agent for the Company. The terms herein will be deemed to be incorporated into that Contract Note or Placing Confirmation.

The Company, the AIFM, the Portfolio Manager, SDL Limited, the Registrar, Shore Capital and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

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

5. United States purchase and transfer restrictions

By participating in the Initial Placing and/or a Subsequent Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Ordinary Shares or C Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the AIFM, the Portfolio Manager, SDL Limited, the Registrar and Shore Capital that:

- (a) it is not a U.S. Person, is not located within the United States and is acquiring the Ordinary Shares or C Shares in an offshore transaction meeting the requirements of Regulation S under the Securities Act and it is not acquiring the Ordinary Shares or C Shares for the account or benefit of a U.S. Person;
- (b) it acknowledges that the Ordinary Shares and C 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 or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or an exemption from registration under the Securities Act;
- (c) it acknowledges that the Company has not registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act;
- (d) unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or C Shares or any beneficial interest therein constitutes or will constitute the assets of (i) an “**employee benefit plan**” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “**plan**” as defined in Section 4975 of the Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Tax Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Tax Code, its purchase, holding, and disposition of the Ordinary Shares or C Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- (e) that if any Ordinary Shares or C Shares offered and sold pursuant to Regulation S under the Securities Act are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

“BUFFETTOLOGY SMALLER COMPANIES INVESTMENT TRUST PLC (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN

AND WILL NOT BE REGISTERED UNDER THE 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. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS.”

- (f) if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares or C Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- (g) it is purchasing the Ordinary Shares or C 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 Ordinary Shares or C Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;
- (h) it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or C Shares or interests therein at any time as to such person's status under U.S. federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under U.S. securities laws to transfer such Ordinary Shares or C Shares or interests in accordance with the Articles;
- (i) it acknowledges and understands that the Company is required to comply with UK law and regulation implementing various intergovernmental agreements relating to the automatic exchange of information for international tax compliance (“**Exchange of Information Requirements**”). It agrees to furnish any information and documents, which the Company may from time to time request for the purpose of compliance with the Exchange of Information Requirements;
- (j) it further consents to allowing and authorising the Company to disclose and supply any information, forms or documentation to HMRC (who may, if required, in turn pass it on to the tax authorities of any other relevant jurisdiction) and, to the extent relevant it shall procure that the beneficial owner of the Ordinary Shares provides such consent and authorisation to the Company in respect of any such information forms or documents relating to it;
- (k) it is entitled to acquire the Ordinary Shares or C Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares or C Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the AIFM, the Portfolio Manager, SDL Limited, Shore Capital or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Initial Placing and/or any Subsequent Placing or its acceptance of participation in the Initial Placing and/or any Subsequent Placing;
- (l) it has received, carefully read and understands this Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the Ordinary Shares and/or C Shares to within the United States or to any U.S. Persons, nor will it do any of the foregoing; and
- (m) if it is acquiring any Ordinary Shares or C Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

The Company, the AIFM, the Portfolio Manager, SDL Limited, the Registrar, Shore Capital and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

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

6. Supply and disclosure of information

If Shore Capital, the Registrar, the AIFM, the Portfolio Manager, SDL Limited or the Company or any of their agents request any information about a Placee's agreement to subscribe for Ordinary Shares or C Shares under the Initial Placing and/or a Subsequent Placing, such Placee must promptly disclose it to them.

7. Return of application moneys

If any application is not accepted in whole, or is accepted in part only (as a result of any scaling back of any part of an application), or if any contract created by acceptance does not become unconditional, the application moneys or, as the case may be, the balance of the amount paid on application will be returned to the bank or other account on which the remittance accompanying the application was drawn, or from which any electronic interbank transfer (CHAPS) was made, without interest and at the risk of the applicant. In the meantime, application moneys will be retained by the Receiving Agent in a separate account.

8. Money laundering

Each Placee acknowledges and agrees that:

- (a) it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("**Money Laundering Regulations**") and any other applicable law concerning the prevention of money laundering (together, the "**Money Laundering Legislation**") and, if it is making payment on behalf of a third party, that:
 - (i) satisfactory evidence has been obtained and recorded by it to verify the identity of the third party;
 - and (ii) arrangements have been entered into with the third party to obtain from the third party copies of any identification and verification data immediately on request as required by the Money Laundering Legislation and, in each case, agrees that pending satisfaction of such obligations, definitive certificates (or allocation under the CREST system) in respect of the Ordinary Shares and/or C Shares comprising the Placee's allocation may be retained at the discretion of Shore Capital; and
- (b) due to anti-money laundering requirements and the countering of terrorist financing requirements, Shore Capital and/or the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Shore Capital and/or the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify Shore Capital and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it or has not been provided on a timely basis.

9. Miscellaneous

The rights and remedies of Shore Capital, the AIFM, the Portfolio Manager, SDL Limited and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally his nationality.

On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Initial Placing and/or a 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.

Each Placee agrees to be bound by the Articles once the Ordinary Shares or C Shares which the Placee has agreed to subscribe for pursuant to the Initial Placing and/or a Subsequent Placing, have been acquired by the Placee. The contract to subscribe for Ordinary Shares or C Shares under the Initial Placing and/or a Subsequent 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 Shore Capital, the Company, the AIFM, the Portfolio Manager, SDL Limited and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Ordinary Shares or C Shares under the Initial Placing and/or a Subsequent Placing, references to a **"Placee"** in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

Shore Capital and the Company expressly reserve the right to modify the Initial Placing and/or a Subsequent Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Initial Placing and/or any Subsequent Placing is subject to the satisfaction of the conditions contained in the Issue Agreement and the Issue Agreement not having been terminated. Further details of the terms of the Issue Agreement are contained in paragraph 8.4 of Part 9 (*General Information*) of this Prospectus.

PART 11

TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

1. Introduction

If you apply for Ordinary Shares under the Offer for Subscription, you will be agreeing with the Company, Shore Capital and the Receiving Agent as set out in this Part 11 (*Terms and Conditions of Application under the Offer for Subscription*).

Applications under the Offer for Subscription must be for Ordinary Shares with a minimum subscription amount of £1,000 and thereafter in multiples of £100 or such lesser amount as the Company may determine (at its discretion). Multiple applications will be accepted.

2. Terms and conditions for Applicants using the Offer for Subscription Application Form

2.1 Offer to acquire Ordinary Shares under the Offer for Subscription

Your application must be made on the Application Form set out at the Appendix of this Prospectus or otherwise published by the Company. By completing and delivering an Application Form, you, as the applicant, and, if you complete an Application Form on behalf of another person or a corporation, that person or corporation:

- (a) offer to subscribe for the Ordinary Shares specified in Box 1 of your Application Form (or such lesser number for which your application is accepted) at the Issue Price per Share on the terms, and subject to the conditions, set out in this Prospectus (including this Part 11 (*Terms and Conditions of Application under the Offer for Subscription*)) and the Articles;
- (b) agree that in respect of any Ordinary Shares for which you wish to subscribe under the Offer for Subscription you will submit payment in Sterling;
- (c) agree that, in consideration of the Company and Shore Capital agreeing that they will not, prior to Admission, offer for subscription 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 this Prospectus and Prior to Admission) and that this paragraph (c) shall constitute a collateral contract between you, the Company and Shore Capital 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 of 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 have any Ordinary Shares applied for in uncertificated form credited to a CREST account or to receive a share certificate for any Ordinary Shares applied for in certificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Company and the Receiving Agent 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 issue such Ordinary Shares and may issue them to some other person(s), in which case you will not be entitled to any refund or payment in respect thereof (other than the refund to you at your risk of any proceeds of the remittance, once honoured, which accompanied your Application Form, without interest);
- (e) agree that the crediting to a CREST account of any Ordinary Shares in uncertificated form to which you may become entitled may be delayed by, and that any share certificate in respect of any Ordinary Shares in certificated form to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled and monies returnable 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 subparagraphs 2.6(a), 2.6(g), 2.6(k) or 2.6(m) of this Part 11 (*Terms and Conditions of Application under the Offer for Subscription*) or any other suspected breach of the terms and conditions of application set out in this Part 11 (*Terms and Conditions of Application under the Offer for Subscription*); or
- (iii) pending any verification of identity which is, or which the Company, Shore Capital or the Receiving Agent considers may be, required for the purposes of their respective money laundering obligations under the Money Laundering Legislation and any other regulations applicable thereto,

and any interest accruing on such retained monies shall accrue to and for the sole benefit of the Company;

- (f) agree, on the request of the Company, Shore Capital and/or the Receiving Agent, to disclose promptly in writing to them such information as the Company, Shore Capital and/or the Receiving Agent may request in connection with your application, including, without limitation, satisfactory evidence of identity to ensure compliance with Money Laundering Legislation, and authorise the Company, Shore Capital and the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- (g) agree that, if evidence of identity satisfactory to the Company, and/or the Receiving Agent is not provided to the Receiving Agent within a reasonable time in the opinion of Shore Capital, the Company following a request therefor, the Company or Shore Capital may terminate the agreement with you to issue Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been issued to you may be re-issued and your application monies will be returned to the bank or other account on which the remittance accompanying the application was drawn, or from which any electronic interbank transfer (CHAPS) was made, without interest and at your risk;
- (h) agree that you are not applying on behalf of a person engaged in money laundering;
 - (i) 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 certificate by a solicitor or notary) is enclosed with your Application Form;
- (j) undertake to pay interest at a rate of 4 per cent. per annum above the then published bank base rate of a clearing bank selected by the Receiving Agent, if the remittance accompanying your Application Form is not honoured on first presentation;
- (k) authorise the Receiving Agent to credit the CREST account specified in section 2B of the Application Form with the number of Ordinary Shares for which your application is accepted or, if that section is not completed, send a definitive certificate in respect of the number of Ordinary Shares for which your application is accepted by post to your address (or that of the first-named applicant) as set out in your Application Form;
- (l) agree that, in the event of any difficulties or delays in the admission of the Ordinary Shares to CREST or the use of CREST in relation to the Initial Issue, the Company and Shore Capital may agree that all of the Ordinary Shares should be issued in certificated form;
- (m) acknowledge and agree that you have been informed that, pursuant to the General Data Protection Regulation 2016/679 (the “**DP Legislation**”) the Company and/or the Registrar may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company’s privacy notice, which is available for review on the Company’s website www.buffettologyIT.co.uk (the “**Privacy Notice**”), including for the purposes set out below (collectively, the “**Purposes**”), being to:

- (i) process its personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with its holding of Ordinary Shares and/or C Shares, including processing personal data in connection with credit and anti-money laundering checks on it;
- (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares and/or C Shares;
- (iii) comply with the legal and regulatory obligations of the Company and/or the Registrar; and
- (iv) process its personal data for internal administration;

2.2 **Acceptance of Applications**

- (a) In respect of those Ordinary Shares for which your application has been received and is not rejected, acceptance of your application shall be constituted, at the election of the Company, or Shore Capital on behalf of the Company either:
 - (i) by notifying the London Stock Exchange of the basis of allocation (in which case the acceptance will be on that basis); or
 - (ii) by notifying acceptance thereof to the Receiving Agent.
- (b) The basis of allocation will be determined by the Company in consultation with Shore Capital. The right is reserved notwithstanding the basis so determined to reject in whole or in part and/or scale down any application. The right is also reserved to treat as valid any application not complying fully with these Terms and Conditions of Application under the Offer for Subscription 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 it in some other manner to apply in accordance with the terms and conditions of application in this Part 11 (*Terms and Conditions of Application under the Offer for Subscription*). The Company reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received through the post after 11.00 a.m. on 23 October 2020.
- (c) The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than 1,000 Ordinary Shares, or applications which are more than 1,000 but not a multiple of 100 thereafter.
- (d) Multiple applications are liable to be rejected. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.
- (e) Payment by CHAPS must be accompanied by a personalised payment reference number which may be obtained by contacting the Receiving Agent directly by email at registrars@jtcgroup.com for full bank details or telephone the Shareholder helpline for further information on 01481 711301. The Receiving Agent will then provide you with a unique reference number which must be used when sending payment.
- (f) Applicants choosing to settle via CREST (i.e. by delivery versus payment (“**DVP**”)), will need to match their instructions to the Receiving Agent's participant account 7RA80 by no later than 11.00 a.m. on 23 October 2020, allowing for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price, following the CREST matching criteria set out in the Application Form.

2.3 **Conditions**

The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:

- (a) Admission occurring and becoming effective by 8.00 a.m. on 29 October 2020 (or such later time or date, not being later than 8.00 a.m. on 31 December 2020, as the Company and Shore Capital may agree);
- (b) the Issue Agreement referred to in paragraph 8.4 of Part 9 (*General Information*) of this Prospectus becoming unconditional and the obligations of Shore Capital thereunder not being terminated prior to Admission; and
- (c) the minimum gross proceeds of the Initial Issue, being £100 million (or such lesser amount as the Company, Shore Capital, the Portfolio Manager and SDL Limited may agree) being raised.

2.4 **Governing Law**

- (a) Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes therein.
- (b) You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

2.5 **Return of application moneys**

If any application is not accepted in whole, or is accepted in part only (as a result of any scaling back of any part of an application), or if any contract created by acceptance does not become unconditional, the application moneys or, as the case may be, the balance of the amount paid on application will be returned to the bank or other account on which the remittance accompanying the application was drawn, or from which any electronic interbank transfer (CHAPS) was made, without interest at your risk. In the meantime, application moneys will be retained by the Receiving Agent in a separate account.

2.6 **Warranties**

By completing an Application Form, you:

- (a) 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 or corporation and that such other person or corporation will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in this Part 11 (*Terms and Conditions of Application under the Offer for Subscription*) and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) confirm that, in making an application, you are relying solely on this Prospectus and any supplementary prospectus issued by the Company prior to Admission of the Ordinary Shares issued pursuant to the Initial Issue and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Ordinary Shares and/or the Initial Issue. You agree that none of the Company, the AIFM, the Portfolio Manager, SDL Limited, Shore Capital or the Registrar, nor any of their respective officers, agents employees, will have any liability for any other information or representation. You irrevocably and unconditionally waive any rights you may have in respect of any other information or representation;
- (c) acknowledge that the Key Information Document prepared by SDL Limited 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 for Subscription 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 Key Information Document via the website at www.buffettologyIT.co.uk, 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 Key Information Document will be provided to you;

- (d) acknowledge that Shore Capital nor any person acting on its behalf nor any of its affiliates are responsible for or shall have any liability for any information published by or on behalf of the Company and will not be liable for any decision to participate in the Offer for Subscription based on any information, representation or statement contained in the Prospectus or otherwise;
- (e) agree that, having had the opportunity to read the Prospectus and the Key Information Document, it shall be deemed to have had notice of all information and representations concerning the Company and the Ordinary Shares contained therein;
- (f) acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus issued by the Company prior to Admission of the Ordinary Shares issued pursuant to the Initial Issue and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Shore Capital, the AIFM, SDL Limited or the Portfolio Manager;
- (g) warrant that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, Shore Capital, the AIFM, the Portfolio Manager, SDL Limited or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer for Subscription in respect of your application;
- (h) warrant that you are not under the age of 18 on the date of your application;
 - (i) warrant that the information contained in the Application Form is true and accurate;
- (j) agree that all documents and moneys sent by post to, by or on behalf of the Company, Shore Capital or the Receiving Agent will be sent at your risk and, in the case of documents and returned moneys 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;
- (k) 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;
- (l) warrant that you are not applying as, or as nominee or agent of, a person who is or may be a person mentioned in any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipt and clearance services);
- (m) confirm that you have reviewed the restrictions contained in paragraph 2 of this Part 11 (*Terms and Conditions of Application under the Offer for Subscription*) and warrant to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions in that paragraph;
- (n) acknowledge and understand that the Company may be required to comply with UK provisions implementing international regimes for the automatic exchange of information to improve tax compliance (including FATCA, the CRS and DAC 6) and that the Company will comply with requirements to provide information directly or indirectly to Her Majesty's Revenue & Customs tax authority which may be passed on to other relevant tax authorities. You agree to furnish any information and documents the Company may from time to time request, including but not limited to information required; and
- (o) agree that you are capable, or the underlying client(s) in the case of applications on behalf of professionally-advised investors are capable themselves, of evaluating the merits and risks of an investment in the Company and have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment.

2.7 **Money laundering**

You agree that, in order to ensure compliance with the Money Laundering Legislation and any other regulations applicable thereto the Company and/or the Receiving Agent may, at its/their absolute discretion, require verification of identify from any person lodging an Application Form who either:

- (a) tenders payment by way of telegraphic transfer or similar electronic means from, an account in the name of another person or persons (in which case verification of your identity may be required); or
- (b) appears to the Receiving Agent to be acting on behalf of some other person (in which case verification of or identity of any persons on whose behalf you appear to be acting may be required).

Failure to provide the necessary evidence or identity may result in application(s) being rejected or delays in the despatch of documents or CREST accounts being credited.

Without prejudice to the generality of this Part 11 (*Terms and Conditions of Application under the Offer for Subscription*), verification of the identity of applicants will be required if the value of the Ordinary Shares applied for, whether in one or more applications, exceeds EUR 15,000 (or the Sterling equivalent). If the amount you wish to subscribe for Ordinary Shares, whether in one or more applications, exceeds EUR 15,000 (or the Sterling equivalent) you must ensure that section 6.A, 6.B., or 6.C. (as appropriate) of the Application Form is completed.

2.8 **Overseas Investors**

The attention of investors who are not resident in, or citizens of, countries other than the United Kingdom is drawn to paragraph (a) to (d) below:

- (a) The offer of Ordinary Shares under the Offer for Subscription to persons who are resident in, or citizens of, countries other than the United Kingdom, 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 for Subscription. It is the responsibility of all such persons receiving this Prospectus and/or wishing to subscribe for Ordinary Shares under the Offer for Subscription, 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 requiring to be observed and paying any issue, transfer or other taxes due in such territories.
- (b) 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 to him, unless in the relevant territory such an offer can lawfully be made to it without compliance with any further registration or other legal requirements and the Company is satisfied that such offer or invitation will not breach applicable law and regulation.
- (c) Persons (including, without limitation, nominees and trustees) receiving this Prospectus should not distribute or send it to any U.S. Person or in or into the United States, Canada, Australia, the Republic of South Africa, or Japan, their respective territories or possessions or any other jurisdiction where to do so would or might contravene local securities laws or regulations.
- (d) The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares pursuant to the Offer for Subscription 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.

2.9 **Miscellaneous**

- (a) To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer for Subscription.
- (b) The rights and remedies of the Company, Shore Capital and the Receiving Agent, pursuant to this Part 11 (*Terms and Conditions of Application under the Offer for Subscription*) 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.

- (c) The Company reserves the right to delay the closing time of the Offer for Subscription from 11.00 a.m. on 23 October 2020 by giving notice to the London Stock Exchange. In this event, the revised closing time will be published in such manner as Shore Capital, in consultation with the Company, determines subject and having regard, to the Prospectus Regulation Rules and any requirements of the London Stock Exchange.
- (d) The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission of the Ordinary Shares issued under the Initial Issue. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned to the bank or other account on which the remittance accompanying the application was drawn, or from which any electronic interbank transfer (CHAPS) was made, without interest at your risk.
- (e) You agree that Shore Capital is acting for the Company in connection with the Initial Issue and for no-one else and that Shore Capital will not treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or otherwise in relation to the Offer for Subscription.
- (f) You authorise the Receiving Agent, Shore Capital or any person authorised by it or the Company, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by you into your name(s) and authorise any representatives of the Receiving Agent or Shore Capital to execute and/or complete any document required therefor.
- (g) You agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription and any non-contractual obligations arising under or in connection therewith shall be governed by and construed in accordance with English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company, Shore Capital or the Receiving Agent to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances and contracts in any other manner permitted by law or in any court of competent jurisdiction.
- (h) The dates and times referred to in this Part 11 (*Terms and Conditions of Application under the Offer for Subscription*) may be altered by the Company so as to be consistent with the Issue Agreement (as the same may be altered from time to time in accordance with its terms).
 - (i) Save where the context requires otherwise, terms used in this Part 11 (*Terms and Conditions of Application under the Offer for Subscription*) bear the same meaning as where used elsewhere in this Prospectus.

2.10 **Joint applicants**

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

If you do wish to apply jointly, you may do so with up to three other persons. Sections 2 and 4 of the Application Form must be completed by one applicant. All other persons who wish to join in the application must complete and sign section 3 of the Application Form.

Another person may sign on behalf of any joint applicant if that other person is duly authorised to do so under a power of attorney. The original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) must be enclosed for inspection. Certificates and other correspondence will be sent to the address set out in the first paragraph of the Application Form.

2.11 **Contact telephone number**

Insert in section 7 of the Application Form a daytime contact telephone number, including subscriber toll dialling (STD), (and, if different, from the person named in section 2 of the Application Form, the name of the person to contact) in the case of any queries regarding your application.

2.12 **Verification of identity**

Sections 5 and 6 of the Application Form only applies if the Ordinary Shares which you are applying for, whether in one or more applications, exceeds EUR 15,000 (or the Sterling equivalent). If section 6 applies to your application, you must ensure that section 6.A., 6.B., 6.C or 6.D (as appropriate) is completed.

(a) *Professional adviser or intermediary*

You should complete section 5 of the Application Form if you are a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA or, if outside the United Kingdom, another appropriately authorised independent financial adviser acting on behalf of a client.

(b) *Applicant identity information*

Section 6 of the Application Form need only be completed where the amount you wish to subscribe for the Ordinary Shares, whether in one or more applications, exceeds EUR 15,000 (or the Sterling equivalent) and section 5 of the Application Form can be completed.

Notwithstanding that the declaration set out in section 5 of the Application Form has been completed and signed, the Receiving Agent, Shore Capital and the Company reserve the right to request of you the identity documents listed in section 6 of the Application Form and/or to seek verification of identity of each holder and payer (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 requested in section 6 of the Application Form, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

(c) *Instructions for delivery of completed Application Forms*

The completed Application Form should be returned, by post to JTC Registrars (UK) Limited, The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF or (during normal business hours only) by hand, so as to be received by no later than 11.00 a.m. on 23 October 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 11.00 a.m. on 23 October 2020 may be rejected and returned to the first-named applicant. If you have a query concerning completion of the Application Form please call the Receiving Agent on 01481 711301 or from outside the UK on +44 1481 711301.

PART 12

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the expressions as set out below shall bear the following meanings:

Act	Companies Act 2006, as amended from time to time;
Administrator	JTC (UK) Limited;
Administration Agreement	the administration agreement between the Company and the Administrator, a summary of which is set out in paragraph 8.2 of Part 9 (<i>General Information</i>) of this Prospectus;
Admission	the date on which admission of the Shares issued pursuant to the Initial Issue or, if the context so requires, of the New Ordinary Shares or C Shares issued pursuant to the Placing Programme to listing on the premium segment of the Official List and to trading on the Main Market becomes effective;
AGM	an annual general meeting of the Company;
AIC	the Association of Investment Companies;
AIC Code	the Association of Investment Companies' Code of Corporate Governance, as amended from time to time;
AIF	alternative investment fund, as defined in the AIFM Directive;
AIFM	JTC Global AIFM Solutions Limited;
AIFM Agreement	the management agreement between the Company and the AIFM, a summary of which is set out in paragraph 8.1 of Part 9 (<i>General Information</i>) of this Prospectus;
AIFM Directive	The Alternative Investment Fund Managers Directive (2011/61/EU);
Application Form	the application form for use in connection with the Offer for Subscription set out in the Appendix to this Prospectus;
Articles or Articles of Association	the articles of association of the Company, a summary of which is set out in paragraph 4 of Part 9 (<i>General Information</i>) of this Prospectus;
Audit Committee	the audit committee of the of the Company as described in paragraph 17.4 of Part 5 (<i>The Company</i>) of this Prospectus;
Auditor	BDO LLP;
Board or Directors	the directors of the Company whose names are set out in the paragraph headed " Directors " in paragraph 8 of Part 5 (<i>The Company</i>) of this Prospectus;
Business Days	any day on which the London Stock Exchange is open for business and banks are open for business in London (excluding Saturdays and Sundays);
Business Perspective Investing	the premise that there is no philosophical distinction between part ownership and outright ownership of a business;

C Shares	non-redeemable C shares of £0.01 each in the capital of the Company having the rights and restrictions set out in paragraph 4 of Part 9 (<i>General Information</i>) of this Prospectus;
Castlefield	Castlefield Investment Partners LLP;
Company	Buffettology Smaller Companies Investment Trust PLC;
Continuation Pool	the pool of cash, assets and liabilities allocated to the holders of Continuing Ordinary Shares when other Ordinary Shares are redesignated as Realisation Shares pursuant to Realisation Elections;
Continuing Ordinary Shares	Ordinary Shares held by Shareholders who do not submit Realisation Elections in respect of those Ordinary Shares before any Reorganisation Date;
Corporate Governance Code	the UK Corporate Governance Code as published by the Financial Reporting Council from time to time;
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755);
CRS	the OECD common reporting standard;
CTA	Corporation Tax Act 2010, as amended;
Custodian	Société Générale S.A., London Branch;
Custody Agreement	the custody agreement between the Company and the Custodian, a summary of which is set out in paragraph 8.3 of Part 9 (<i>General Information</i>) of this Prospectus;
DAC 6	the EU Directive on Administrative Cooperation in the field of taxation (2011/16) as amended by the EU Directive 2018/822;
Dealing Day	a day on which the London Stock Exchange is open for business;
Default Shares	the meaning given to it in paragraph 4 of Part 9 (<i>General Information</i>) of this Prospectus;
Disclosure Guidance and Transparency Rules	the Disclosure Guidance and Transparency Rules made by the FCA under section 72 of FSMA;
Economic Moat	a term used by Warren Buffett to describe businesses that have the characteristic of being able to consistently earn excess returns on their capital without that return being competed away to the cost of capital;
Election Period	the period beginning and ending before the Reorganisation Date to be determined by the Directors in their sole discretion, which shall be at least 20 Business Days before the Reorganisation Date;
ERISA	the United States Employee Retirement Income Security Act of 1974, as amended;

EU or European Union	the European Union first established by the treaty made at Maastricht on 7 February 1992;
Euroclear	Euroclear UK & Ireland Limited (a company incorporated in England and Wales with registered number 02878738, being the operator of CREST);
European Economic Area or EEA	the European Union, Iceland, Norway and Liechtenstein;
Exit Opportunity	has the meaning given to it in paragraph 15.2 of Part 5 (<i>The Company</i>) of this Prospectus;
FATCA	the US Foreign Account Tax Compliance Act;
FCA	the Financial Conduct Authority;
FCA Rules	the handbook of rules and guidance of the FCA, as amended;
FRS 102	the Financial Reporting Standard applicable in the UK and Republic of Ireland;
FSMA	Financial Services and Markets Act 2000;
General Meeting	a general meeting of the Company;
Gross Asset Value	the value of the gross assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time;
Gross Proceeds	the Issue Price multiplied by the number of Ordinary Shares for which subscribers have been procured pursuant to the Initial Issue, excluding any applications for Ordinary Shares, which have been scaled back in accordance with the procedure described in paragraph 8 of Part 6 (<i>The Initial Issue</i>);
HMRC	Her Majesty's Revenue and Customs;
Industry Classification Benchmark	a system for assigning all public companies to appropriate subsectors of specific industries;
Initial Admission	Admission of the Ordinary Shares issued pursuant to the Initial Issue;
Initial Issue	the issue of Ordinary Shares pursuant to the Initial Placing, the Offer for Subscription and the Intermediaries Offer at the Issue Price;
Initial Placing	the conditional placing of Ordinary Shares by Shore Capital at the Issue Price pursuant to the Issue Agreement;
Intermediaries	the entities listed in paragraph 21 of Part 9 (<i>General Information</i>) of this Prospectus together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus and " Intermediary " shall mean any one of them;
Intermediaries Booklet	the booklet entitled "Buffettology Smaller Companies Investment Trust PLC: Information for Intermediaries" and containing, among other things, the Intermediaries Terms and Conditions;
Intermediaries Offer	the offer of Ordinary Shares by the Intermediaries;

Intermediaries Offer Adviser	Shore Capital Stockbrokers Limited;
Intermediaries Terms and Conditions	the terms and conditions agreed between the Intermediaries Offer Adviser, the Company, SDL Limited and the Intermediaries in relation to the Intermediaries Offer and contained in the Intermediaries Booklet;
Investment Company Act	the United States Investment Company Act of 1940, as amended;
Investment Management Agreement	the investment management agreement between the Company, the AIFM, Castlefield and SDL Limited, a summary of which is set out in paragraph 8.1 of Part 9 (<i>General Information</i>) of this Prospectus;
ISA	an investment plan for the purposes of chapter 3 of Part 6 of the Income Tax (Trading and Other Income) Act 2005 and the Individual Savings Account Regulations 1998 (SI 1998/1870), as amended;
Issue Agreement	the conditional issue agreement between the Company, the AIFM, Castlefield, LGBR, SDL Limited, Shore Capital and the Directors, details of which are set out in paragraph 8.4 of Part 9 (<i>General Information</i>) of this Prospectus;
Issue Expenses	the costs, commissions, fees and expenses incidental to the formation of the Company and the Initial Issue which will be borne by the Company and paid on or around Initial Admission;
Issue Price	100p per Ordinary Share;
Key Information Document or KID	the key information document dated on or around the date of this Prospectus relating to the Company produced pursuant to the PRIIPs Regulation, as amended from time to time;
LGBR	LGBR Capital London Limited;
Listing Rules	the Listing Rules made by the FCA under section 73A of FSMA;
London Stock Exchange	London Stock Exchange plc (a company registered in England and Wales with registered number 2075721);
Main Market	the main market of the London Stock Exchange for listed securities;
Managed Funds	funds, finance vehicles or accounts managed or advised by a member or members of each of the AIFM, Sanford DeLand and the Portfolio Manager and the other companies in their respective groups for the purposes of section 606 of CTA;
Management Engagement Committee	the management engagement committee of the Company as described in paragraph 17.5 of Part 5 (<i>The Company</i>) of this Prospectus;
Management Shares	non-redeemable preference shares of £1.00 each in the capital of the Company held, at the date of this document, by SDL Limited;
Market Abuse Regulation or MAR	the Market Abuse Regulation (EU) No. 596/2014;
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“ MiFID ”) and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial

	instruments and amending Regulation (EU) No 648/2012 (“ MiFIR ”, and together with MiFID, “ MiFID II ”);
MiFID II Product Governance Requirements	the meaning given in Part 2 (<i>Important Information</i>) of this Prospectus;
Minimum Gross Proceeds	the minimum gross proceeds of the Initial Issue, being £100 million;
Minimum Net Proceeds	the Minimum Gross Proceeds less the costs and expenses of the Initial Issue;
Money Laundering Legislation	all relevant legislation and regulations relating to money laundering and terrorist financing;
Net Asset Value or NAV	in relation to an Ordinary Share, its net asset value, in relation to Ordinary Shares the net asset value per Ordinary Share multiplied by the number of shares of that class in issue (excluding, for the avoidance of doubt, any Ordinary Shares held in treasury), in relation to a C Share, its net asset value, in relation to C Shares the net asset value per C Share multiplied by the number of shares of that class in issue (excluding for the avoidance of doubt, any C Shares held in treasury) and in relation to the Company, the net asset value of the Company as a whole, in each case calculated in accordance with the Company’s normal reporting policies from time to time;
Net Proceeds	the Gross Proceeds less the Issue Expenses;
New Ordinary Shares	the new Ordinary Shares to be issued pursuant to the Placing Programme or arising upon conversion of any C Shares issued pursuant to the Placing Programme;
Nomination Committee	the nomination committee of the Company as described in paragraph 17.5 of Part 5 (<i>The Company</i>) of this Prospectus;
Offer for Subscription	the offer for subscription to the public in the UK for Ordinary Shares on the terms and subject to the conditions set out in this document;
Official List	the Official List maintained by the FCA pursuant to Part VI of FSMA;
Ordinary Shares	redeemable ordinary shares of £0.01 each in the capital of the Company;
Panel	the UK Panel on Takeovers and Mergers;
Placee	any investor with whom Shares are placed by Shore Capital, as agent of the Company, pursuant to the Initial Placing or the Placing Programme, as the context requires;
Placing Programme	the proposed programme of placings in the period from 30 October 2020 to 29 September 2021 of an aggregate number of New Ordinary Shares and/or C Shares equal in aggregate to 350 million less the number of Ordinary Shares issued under the Initial Issue as described in this document;
Placing Programme Price	in the case of New Ordinary Shares, such price at which the New Ordinary Shares will be issued to placees under the Placing Programme, being the last published cum income Net Asset Value per Ordinary Share at the time that the proposed issue is agreed as shall be determined by the Directors in accordance with paragraph 6 of Part 7 (<i>Placing Programme</i>) of this Prospectus,

	plus a premium intended to at least cover the associated issue costs and in the case of C Shares, 100p per C Share;
Preceding Realisation Shares	has the meaning given in paragraph 4.5.1 of Part 9 (<i>General Information</i>) of this Prospectus;
Pools	the Continuation Pool and the Realisation Pool;
Portfolio Company	any body corporate, association, partnership or other collective investment scheme in respect of which the Company holds or will hold securities;
Portfolio	the Company's portfolio of assets;
Portfolio Management Novation Date	the date on which SDL Limited becomes the Portfolio Manager under the Investment Management Agreement as described in paragraph 8.1 of Part 9 (<i>General Information</i>) of this Prospectus;
Portfolio Manager	before the Portfolio Management Novation Date, Castlefield and from and including the Portfolio Management Novation Date, SDL Limited;
PRIPs Regulation	Regulation EU No. 1286/2014 on Key information documents for packaged retail and insurance-based products;
Prospectus	this prospectus;
Prospectus Regulation	EU Regulation 2017/1129 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;
Prospectus Regulation Rules	the Prospectus Regulation Rules made by FCA under section 73A of FSMA;
Realisation	the reorganisation of the Portfolio into two separate pools of assets in accordance with Realisation Elections made in accordance with the Articles;
Realisation Election	a Realisation Sale Election or a Realisation Share Election;
Realisation Issue	an issue of new Ordinary Shares made for the purposes of or including financing the repurchase of Ordinary Shares in relation to which Realisation Sale Elections may be made in accordance with the Articles;
Realisation Pool	the pool of cash, assets and liabilities to be created by the Directors and allocated to the holders of Realisation Shares in accordance with the Articles;
Realisation Sale Election	an instruction sent by a holder of Ordinary Shares during the Election Period in accordance with the Articles requesting that all or part of the Ordinary Shares held by such holder be placed out in the market by the Company's broker, redeemed, repurchased or purchased out of the proceeds of a Realisation Issue or purchased under a tender offer or by a market maker and if not so purchased shall be converted into Realisation Shares;
Realisation Shares	redeemable ordinary realisation shares of £0.01 each in the capital of the Company;

Realisation Share Election	an instruction sent by a holder of Ordinary Shares during the Election Period in accordance with the Articles requesting that all or part of the Ordinary Shares held by such holder be redesignated as Realisation Shares with effect from the Reorganisation Date;
Receiving Agent	JTC Registrars Limited;
Receiving Agent's Agreement	the receiving agent's agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 8.6 of Part 9 (<i>General Information</i>) of this Prospectus;
Registrar	JTC Registrars (UK) Limited;
Registrar's Agreement	the registrar's agreement between the Company and the Registrar, a summary of which is set out in paragraph 8.5 of Part 9 (<i>General Information</i>) of this Prospectus;
Regulatory Information Service or RIS	a regulatory information service that is on the list of regulatory information services maintained by the FCA;
Remuneration Committee	the remuneration committee of the Company as described in paragraph 17.7 of Part 5 (<i>The Company</i>) of this Prospectus;
Reporting Accountant	BDO LLP;
Reorganisation Date	the date to be determined by the Directors in their sole discretion, which is to fall in the fifth year following the initial admission of the Ordinary Shares to listing on the premium segment of the Official List and to trading on the Main Market and in every third year thereafter;
Sanford DeLand or Investment Manager	investment professionals employed by SDL Limited and seconded to the Portfolio Manager for the purposes of the Portfolio Manager's portfolio management functions under the Investment Management Agreement;
SDL Funds	The CFP SDL UK Buffettology Fund and the SDL Free Spirit Fund®;
SDL Limited or Investment Services Provider	Sanford DeLand Asset Management Limited;
Securities Act	the United States Securities Act of 1933, as amended;
Senior Independent Director	the senior independent director of the Company as elected from time to time;
Shareholder	holder of Shares;
Shares	Ordinary Shares and/or C Shares;
Shore Capital	Shore Capital and Corporate Limited and/or Shore Capital Stockbrokers Limited, as the context requires, the Company sponsor, financial adviser, sole bookrunner, stockbroker and intermediaries offer adviser;
SIPP	self-invested personal pension;
SORP	the Statement of Recommended Practice for Financial Statements of Investment Trust Companies issued by the Association of Investment Trust Companies as amended from time to time;

SSAS	small self-administered pension scheme;
Statutes	the Act as amended and every other statute for the time being in force concerning companies and affecting the Company;
Subsequent Admission	Admission of Ordinary Shares and/or C Shares issued pursuant to the Placing Programme;
Subsequent Issue	any placing, open offer, offer for subscription and/or intermediaries offer of Ordinary Shares and/or C Shares pursuant to the Placing Programme;
Subsequent Placing	any placing of Ordinary Shares and/or C Shares pursuant to the Placing Programme described in this Prospectus;
Subsequent Reorganisation Date	has the meaning given in paragraph 4.5.1 of Part 9 (<i>General Information</i>) of this Prospectus;
Takeover Code	the City Code on Takeovers and Mergers, as amended from time to time;
Target Market Assessment	the meaning given in Part 2 (<i>Important Information</i>) of this Prospectus;
Tax Code	the US Internal Revenue Code of 1986, as amended;
Underlying Applicants	investors who wish to acquire Ordinary Shares under the Intermediaries Offer who are clients of any Intermediary;
United States or U.S.	the United States of America, its possessions or territories, any State of the United States of America and the district of Columbia or any area subject to its jurisdiction or any political subdivision thereof;
U.S. Person	a US person as defined by Regulation S of the Securities Act;
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland;
Website	www.buffettologyIT.co.uk .

In this Prospectus, unless specified, all references to sterling, pounds or £ are to United Kingdom pounds sterling and all references to “p” are to United Kingdom pence sterling.

In this Prospectus any reference to:

- any EU directive, EU regulation, EU decision, EU tertiary legislation or provision of the EEA agreement (an **"EU Matter"**) which forms or is to form part of domestic law by application of the European Union (Withdrawal) Act 2018 shall be read on and after the expiry of the transition period as a reference to that EU Matter as it forms (by virtue of the European Union (Withdrawal) Act 2018) part of domestic law and as modified by domestic law from time to time;
- any EU Matter which has effect in domestic law by application of the UK legislation enacting the **"Withdrawal Agreement"** (meaning the agreement between the United Kingdom and the EU under Article 50(2) of the Treaty on the European Union which sets out the arrangements for the United Kingdom's withdrawal from the EU (as that agreement is modified from time to time in accordance with any provision of it)) shall be read during the transition period as a reference to an EU Matter as it has effect in domestic law with any relevant modifications as set out in such legislation; and
- any EU entity shall be read on and after the expiry of the transition period as a reference to the UK institution, authority or body to which its functions were transferred,

and for the purposes of this paragraph, (i) “**domestic law**” shall have the meaning given in the European Union (Withdrawal) Act 2018; (ii) “**transition period**” means the transition or implementation period provided for by Part 4 of the Withdrawal Agreement; and (iii) any other words and expressions shall, unless the context otherwise provides, have the meanings given in the European Union (Withdrawal) Act 2018.

APPENDIX

BUFFETTOLOGY SMALLER COMPANIES INVESTMENT TRUST PLC (the “Company”)

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

All applicants must complete the Application Form.

Applications should be returned so as to be received no later than 11.00 a.m. (London time) on 23 October 2020

HELP DESK: If you have a query concerning completion of the Application Form please call the Receiving Agent on 01481 711301 or from outside the UK on +44 1481 711301.

1. APPLICATION

Fill in (in figures) in Box 1 the number of Ordinary Shares you wish to subscribe for at the Issue Price being 100 pence per Ordinary Share. The number being subscribed for must be a minimum of £1,000 and thereafter in multiples of 100 Ordinary Shares. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made.

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 or over. In the case of joint holders only the first named may bear a designation reference and the address given for the first named will be entered as the registered address for the holding on the share register and used for all future correspondence. A maximum of four joint holders is permitted. All holders named must sign the Application Form at section 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 enter in section 2B the details of that CREST account. 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. 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 bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

4. SETTLEMENT

(a) *Electronic Bank Transfers*

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by no later than 11.00 a.m. on 23 October 2020. Applicants wishing to make a CHAPS payment should contact the JTC Registrars (UK) Limited by email at registrars@jtcgroup.com for full bank details. Applicants will be provided with a unique reference number which must be used when making the payment.

(b) **CREST Settlement**

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

The Application Form in the Appendix 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, Receiving Agent will deliver your Ordinary Shares in certificated form provided payment has been made in terms satisfactory to the Company.

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

The person named for registration purposes in your Application Form (which term shall include the holder of the relevant CREST account) must be: (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 our CREST input will then allow the delivery of your Ordinary Shares to your CREST account against payment of the 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 you 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 29 October 2020 against payment of the 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:	26 October 2020
Settlement Date:	29 October 2020
Company:	BUFFETTOLOGY SMALLER COMPANIES INVESTMENT TRUST PLC
Security Description:	Ordinary Shares of £0.01 each
SEDOL:	BMDFG96
ISIN:	GB00BMDFG969

Should you wish to settle DVP, you will need to match your instructions to the Receiving Agent’s participant account 7RA80 by no later than 1.00 p.m. on 28 October 2020.

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

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

5. RELIABLE INTRODUCER DECLARATION

Applications will be subject to the UK's verification of identity requirements. This will involve you providing the verification of identity documents listed in section 6 of the Application Form UNLESS you can have the declaration provided at section 5 of the Application Form given and signed by a firm acceptable to the Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in section 5 of the Application Form completed and signed by a suitable firm.

6. IDENTITY INFORMATION

Applicants need only consider section 6 of the Application Form if the declaration in section 5 cannot be completed. Notwithstanding that 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 originally 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 of 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 your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in section 5, the Receiving Agent will contact the regulated person. If no details are entered here 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 THE DELIVERY OF COMPLETED APPLICATION FORMS

Completed Application Forms should be returned, by hand or post to JTC Registrars (UK) Limited, The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF, United Kingdom so as to be received no later than 11.00 a.m. on 23 October 2020, together with payment in full in respect of the application. If you post your Application Form you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.

Scanned Application Forms in advance of originals will be accepted and should be emailed to: registrars@jtcgroup.com.

APPENDIX – OFFER FOR SUBSCRIPTION APPLICATION FORM

Please send this completed form by post or by hand (during normal business hours) to JTC Registrars (UK) Limited, The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF, United Kingdom so as to be received no later than 11.00 a.m. (London time) on 23 October 2020. Scanned copies emailed to: registrars@jtcgroup.com will be accepted in advance of originals by post.

The Directors may, with the prior approval of Shore Capital, 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 30 September 2020 and the Terms and Conditions of Application under the Offer for Subscription set out in the Prospectus and accompanying notes to this form.

To: Buffettology Smaller Companies Investment Trust PLC and the Receiving Agent

FOR OFFICIAL USE ONLY

Log No.

Box 1 (minimum of £1,000 and in multiples of £100 thereafter)

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 for Subscription set out in the Prospectus dated 30 September 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:

Address (in full):

Postcode	Designation (if any):
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2	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:

Address (in full):

Postcode	Designation (if any):
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3	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:

Address (in full):

Postcode	Designation (if any):
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4	Mr, Mrs, Ms or Title:	Forenames (in full):
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Surname/Company name:

Address (in full):

Postcode	Designation (if any):
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2B. CREST ACCOUNT DETAILS INTO WHICH ORDINARY SHARES ARE TO BE DEPOSITED (IF APPLICABLE)

Only complete this section if Ordinary Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in Section 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 box 3 below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part 11 (*Terms and Conditions of Application under the Offer for Subscription*) 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 style="width: 30px; height: 20px; vertical-align: middle;" type="checkbox"/>	Affix Company Seal here:	

4. SETTLEMENT

Please tick the relevant box confirming your method of payment

4A. 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 11.00 a.m. on 23 October 2020. Please contact JTC Registrars (UK) Limited by email at registrars@jtcgroup.com 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 the value by 11.00 a.m. on 23 October 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:

4B. SETTLEMENT BY DELIVERY VERSUS. PAYMENT (DVP)

Only complete this section if you choose to settle your application within CREST, that is delivery versus payment (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 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 Ordinary Shares to be made against payment at the Issue Price per Ordinary Share, following the CREST matching criteria set below:

Trade Date:	26 October 2020
Settlement Date:	29 October 2020
Company:	BUFFETTOLOGY SMALLER COMPANIES INVESTMENT TRUST
Security Description:	Ordinary Shares of £0.01 each
SEDOL:	BMDFG96
ISIN:	GB00BMDFG969

A.11.4.1 PR

Should you wish to settle DVP, you will need to match your instructions to JTC Registrars (UK) Limited's Participant account 7RA80 by no later than 1.00 p.m. on 28 October 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 you/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 to its own country to operation of “know your customer” and anti-money laundering regulations 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 have undertaken identity checks on each of them within the last two years and we undertake to immediately provide to you copies of such checks on demand;
- 4. we confirm the accuracy of the names and residential/business address(es) of the holder(s) given at section 2A;
- 5. having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares mentioned; and
- 6. where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

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

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 €15,000 (or the sterling equivalent), please enclose with that 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.

Holders				Payor
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Tick here for documents provided

In accordance with internationally recognised standards for the prevention of money laundering, the documents and information set out below must be provided:

A. For each holder being an individual enclose:

- (1) an original or an originally certified clear photocopy of a current passport which bears both a photograph and the signature of the person; and
- (2) an original or an originally certified copy of one of the following documents, which is no more than 3 months old and which purports 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 dates 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.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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B. For each holder being a company (a “holder company”) enclose:

- (1) an originally 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) an originally signed statement as to the nature of the holder company’s business, signed by a director; and
- (4) an originally certified list of the names and residential addresses of each director of the holder company; and
- (5) for each director provide originally certified documents and information similar to that mentioned in A above; and
- (6) an originally certified copy of the most recent authorised signatory list for the holder company; and
- (7) an originally certified list of the names and residential/registered address of each ultimate beneficial owner interested in more than 10 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 (hereinafter 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.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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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 documents and information similar to that mentioned in A(1) to (4).

D. For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:

- (1) an originally certified copy of the certificate of incorporation of that beneficiary company; and
- (2) an originally signed 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) an originally certified list of the names and residential/registered address of each beneficial owner owning more than 10 per cent. of the issued share capital of that beneficiary company.

E. If the payor is not a holder and is not a bank providing its own banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) 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 originally signed detailed explanation of the relationship between the payor and the holder(s) and the rationale for funds being remitted from a third party.

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 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 details are provided here but a regulated person is identified in section 5, the Receiving Agent will contact the regulated person. If no details are entered here 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:

