THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this document, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000, as amended (''FSMA'') if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This document comprises a prospectus (the ''Prospectus'') relating to BioPharma Credit PLC (the ''Company''), in connection with the admission of Shares in the Company to the Specialist Fund Segment, prepared in accordance with the prospectus rules of the Financial Conduct Authority (the ''FCA'') made pursuant to section 73A of FSMA (the ''Prospectus Rules''). This Prospectus has been approved by the FCA and has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules. This document also constitutes a listing document for the purposes of seeking admission of the Shares to the Official List of The Channel Islands Securities Exchange Authority Limited (the ''CISEA'').

The Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio.

Application will be made to the London Stock Exchange and the CISEA for the entire share capital of the Company, in issue and to be issued in connection with the Issue (the ''**Shares**''), to be admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange (the ''**Specialist Fund Segment**'') and to listing and trading on the Official List of the CISEA. It is not intended that any class of Shares in the Company be admitted to listing in any other jurisdiction. In this Prospectus, the Placing, the Offer, the PL Subscription, any Additional Subscriptions and the issue of Shares in connection with the acquisition of the Seed Assets (the ''**Initial Acquisition**'') are together referred to as the ''**Issue**''. It is expected that (i) Initial Admission will become effective and dealings for normal settlement in the Shares issued in connection with the Initial Admission will commence on 27 March 2017; and (ii) Subsequent Admission will become effective and dealings for normal settlement in the Shares issued in connection with the Subsequent Admission will commence on no later than 30 March 2017.

This document includes particulars given in compliance with the listing rules of the CISEA for the purpose of giving information with regard to the issuer. The Directors, whose names appear on page 61, accept full responsibility for the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading

The Specialist Fund Segment securities are not admitted to the Official List of the FCA. Therefore the Company has not been required to satisfy the eligibility criteria for admission to listing on the Official List and is not required to comply with the FCA's Listing Rules. The London Stock Exchange has not examined or approved the contents of this document.

BioPharma Credit PLC

(Incorporated in England and Wales with registered no.10443190 and registered as an investment company under section 833 of the Companies Act 2006)

Issue of up to 881.1 million Shares in connection with the acquisition of Seed Assets, each at US$1.00 per Share and admission to trading on Specialist Fund Segment of the Main Market of the London Stock Exchange and to listing and trading on the Official List of the CISEA

Global Coordinators and Bookrunners

Goldman Sachs International **J.P. Morgan Cazenove**

The Company and each of the Directors whose name appears on page 61 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Pharmakon Advisors L.P. (''**Investment Manager**'') accepts responsibility for the information and opinions contained in Part II (Investment Opportunity), Part III (Seed Assets), Part V (The Investment Manager) and Part X (Additional Information on the RPS Borrower) of this Prospectus and any other information or opinion related to or attributed to it, RP Management LLC (''**Royalty Pharma**'') or any other Affiliate of the Investment Manager. To the best of the Investment Manager's knowledge, which

has taken all reasonable care to ensure that such is the case, the information and opinions contained in this Prospectus related to or attributed to it, Royalty Pharma or any Affiliate of the Investment Manager are in accordance with the facts and does not omit anything likely to affect the import of such information or opinions.

Goldman Sachs International ("**GSI**") and J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove) ("**JPMC**" and together with GSI, the "**Joint Bookrunners**") are authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority and are acting exclusively for the Company and for no one else in connection with the Issue and Admission and will not be responsible to anyone (whether or not a recipient of this Prospectus) other than the Company for providing the protections afforded to clients of the Joint Bookrunners or for affording advice in relation to the Issue and Admission, the contents of this Prospectus or any matters referred to herein. Neither of the Joint Bookrunners is responsible for the contents of this Prospectus. This does not exclude any responsibilities which either of the Joint Bookrunners may have under FSMA or the regulatory regime established thereunder.

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

The Offer will remain open until 1:00 pm on 16 March 2017 and the Placing will remain open until 11:00 am on 22 March 2017. Persons wishing to participate in the Offer should complete the Application Form set out in Appendix 1 to this Prospectus. To be valid, Application Forms must be completed and returned with the appropriate remittance so as to reach Capita Asset Services by post, or by hand (during business hours only), to Capita Asset Services as soon as possible, and in any event by no later than 1:00 pm on 16 March 2017.

The actual number of Shares to be issued pursuant to the Issue will be determined by the Company, the Investment Manager and the Joint Bookrunners after taking into account the demand for the Shares and prevailing economic market conditions. The Company does not envisage making an announcement regarding the amount to be raised in the Issue or the number of Shares to be issued until determination of the number of Shares to be issued and allotted, unless required to do so by law. Further details of the Issue and how the number of such Shares is to be determined are contained in Part VII (Issue Arrangements) of this Prospectus.

The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and as such investors will not be entitled to the benefits of the Investment Company Act. The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, any "US persons" as defined in Regulation S under the Securities Act ("**US Persons**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act. In connection with the Placing and Offer, subject to certain exceptions, offers and sales of the Shares will be made only outside the United States in "offshore transactions" to non-US Persons pursuant to Regulation S under the Securities Act. In connection with the Initial Acquisition, the issue of Shares will be made only (i) outside the United States in "offshore transactions" to non-US Persons pursuant to Regulation S under the Securities Act; and (ii) in the United States, or to US Persons, only to persons who are both "qualified purchasers" as defined in the Investment Company Act ("**Qualified Purchasers**") and "accredited investors" as defined in Rule 501 of Regulation D under the Securities Act ("**Accredited Investors**") pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the Shares in the United States.

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

The Investment Manager may engage in trading instruments subject to US Commodity Futures Trading Commission ("**CFTC**") jurisdiction (collectively, "commodity interests") for the Company. The Investment

Manager will be exempt from registration as a commodity pool operator (''**CPO**'') with the CFTC because the Investment Manager has filed a notice of exemption from registration pursuant to Rule 4.13(a)(3). The Investment Manager will comply with CFTC Rule 4.13(a)(3) either: (a) by not committing more than 5 per cent. of the liquidation value of the Company's portfolio, directly or indirectly, to establish commodity interest positions, whether entered into for *bona fide* hedging purposes or otherwise; or (b) where the aggregate net notional value of the Company's commodity interest positions does not exceed 100 per cent. of the Company's liquidation value. Consequently, the Investment Manager is not required to provide Shareholders with a disclosure document or certified annual report meeting the requirements of the CFTC rules otherwise applicable to registered CPOs. This Prospectus has not been, and is not required to be, filed with the CFTC, and the CFTC has not reviewed or approved this Prospectus and the offering of Shares.

The Shares may not be acquired by: (i) investors using assets of: (A) an ''employee benefit plan'' as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (''**ERISA**'') that is subject to Title I of ERISA; (B) a ''plan'' as defined in Section 4975 of the United States Internal Revenue Code of 1986, as amended (the ''**US Tax Code**''), including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include ''plan assets'' by reason of investment by an ''employee benefit plan'' or ''plan'' described in preceding clause (A) or (B) in such entity pursuant to the US Plan Assets Regulations; or (ii) a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code (collectively, ''**Benefit Plan Investors**''), unless its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of ERISA, Section 4975 of the US Tax Code or any such substantially similar law. Each investor acquiring Shares other than pursuant to the BioPharma III GP Subscription Agreement or the RPS Investor Subscription Agreement but including in any secondary transactions on the Specialist Fund Segment or the Channel Islands Securities Exchange shall be deemed by such acquisition to represent that it is not a Benefit Plan Investor.

In addition, the Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Investors may be required to bear the financial risks of their investment in the Shares for an indefinite period of time. Any failure to comply with such restrictions may constitute a violation of applicable securities laws and may subject the holder to the forced transfer provisions set out in the Articles. For further information on restrictions on offers, sales and transfers of the Shares, please refer to the sections entitled ''United States transfer restrictions'' and ''Representations, Warranties and Undertakings'' in Part VII (Issue Arrangements) of this Prospectus.

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

The Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. Investors in the Company are expected to be institutional investors, professional investors, professionally advised investors and highly knowledgeable investors who understand, or who have been advised of, the potential risks from investing in the Company. It should be remembered that the price of the Shares and the income from them can go down as well as up.

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

Neither the admission of the Shares to the Official List of the CISEA nor the approval of the listing document pursuant to the listing rules of the CISEA shall constitute a warranty or representation by the

CISEA as to the competence of the service providers to or any other party connected with the Company, the adequacy and accuracy of the information contained in this document or the suitability of the Company for investment or for any other purpose.

Capitalised terms contained in this Prospectus shall have the meanings set out in Part XIII (Definitions) of this Prospectus, save where the context indicates otherwise.

Prospective investors should read this entire Prospectus and, in particular, the section headed ''Risk Factors'' beginning on page 22 when considering an investment in the Company.

This Prospectus is dated 1 March 2017.

TABLE OF CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as ''Elements''. These Elements are numbered in Sections A – E (A1 – E7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ''not applicable''.

PART A – THE COMPANY

Section A – Introduction and warnings		
Element	**Disclosure requirement**	**Disclosure**
A1	Warning	This summary should be read as an introduction to this Prospectus. Any decision to invest in the Shares should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Union, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Shares.
A2	Use of prospectus by financial intermediaries	Not applicable. The Company has not given its consent to the use of this Prospectus for subsequent resale or final placement of securities by financial intermediaries.
Section B – Issuer		
Element	**Disclosure requirement**	**Disclosure**
B1	Legal and commercial name	BioPharma Credit PLC
B2	Domicile and legal form	The Company is a public limited company incorporated in the United Kingdom under the Act on 24 October 2016 with registered number 10443190.
B5	Group description	Not applicable. The Company is not part of a group and does not have any subsidiaries.
B6	Notifiable interests / voting rights	Sardis Capital Limited holds all voting rights in the Company as at the date of this Prospectus. Pending the allotment of Shares pursuant to the Issue, the Company is controlled by Sardis Capital Limited. As at the date of this Prospectus and insofar as is known to the Company, assuming Gross Issue Proceeds of US$300 million and Initial Acquisition being completed and assuming no scale back of the participation of Pharmaceutical Investors, LP (''**Pharma Investors**'') in the Issue, the following persons will, immediately following the Issue, be directly or indirectly interested in 3 per cent. or more of the Company's issued share capital:

		• Pharma Investors (17.93 per cent.) • Pablo Legorreta (together with his family and related trusts) (11.51 per cent.) The precise percentage of voting rights held by Pharma Investors and Pablo Legorreta (together with his family and related trusts) will depend on the outcome of the Issue as a whole. Both Pharma Investors and Pablo Legorreta are members of a concert party which may together hold up to 41.84 per cent. of the Shares in issue on Admission.
B7	Key financial information	Not applicable. The Company has been newly incorporated and has no historical financial information.
B8	Key *pro forma* financial information	Not applicable. No *pro forma* information is included in this Prospectus.
B9	Profit forecast	Not applicable. No profit estimate or forecast has been made for the Company.
B10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The Company has been newly incorporated and has no historical financial information.
B11	Explanation if working capital not sufficient for present requirements	Not applicable. The Company is of the opinion that, taking into account the minimum Gross Cash Proceeds, the working capital available to it is sufficient for the present requirements of the Company, that is for at least 12 months from the date of this Prospectus.
B34	Investment objective and policy	***Investment objective*** The Company will seek to generate long-term shareholder returns, predominantly in the form of sustainable income distributions from exposure to the life sciences industry. ***Investment policy*** The Company will seek to achieve its investment objective predominantly through direct or indirect exposure to Debt Assets. The Company may acquire Debt Assets: • directly from the entity issuing the Debt Asset (a "**Borrower**"), which may be: (i) a company operating in the life sciences industry (a "**LifeSci Company**"); or (ii) an entity other than a LifeSci Company which directly or indirectly holds an interest in royalty rights to certain Products, including any investment vehicle or special purpose vehicle ("**Royalty Owner**"); or • in the secondary market. The Company may also invest in equity issued by a LifeSci Company, acquired directly from the LifeSci Company or in the secondary market. "**Debt Assets**" will typically comprise: • *Royalty Debt Instruments* Debt issued by a Royalty Owner where the Royalty Owner's obligations in relation to the Debt are secured as to repayment of principal and payment of interest by Royalty Collateral, including the RPS Note (as defined below). • *Priority Royalty Tranches* Contract with a Borrower that provides the Company with the right to receive payment of all or a fixed percentage of the future royalty

		payments receivable in respect of a Product (or Products) that would otherwise belong to the Borrower up to a fixed monetary amount or a pre-set rate of return, with such royalty payment being secured by Royalty Collateral in respect of that Product (or Products). • *Senior Secured Debt* Debt issued by a LifeSci Company, and which is secured as to repayment of principal and payment of interest by a first priority charge over some or all of such LifeSci Company's assets, which may include: (i) Royalty Collateral; or (ii) other intellectual property and marketing rights to the Products of that LifeSci Company. • *Unsecured Debt* Debt issued by a LifeSci Company which is not secured or is secured by a second lien on assets of the Borrower. • *Credit Linked Notes* Derivative instruments referencing Debt Assets, being a synthetic obligation between the Company and another party where the repayment of principal and/or the payment of interest is based on the performance of the obligations under the underlying Debt Assets. "**Royalty Collateral**" means, with respect to a Debt Asset, (i) future payments receivable by the Borrower on a Product (or Products) in the form of royalty payments or other revenue sharing arrangements; or (ii) future distributions receivable by the Borrower based on royalty payments generated from a Product (or Products); or (iii) both limb (i) and limb (ii). "**Debt**" includes loans, notes, bonds and other debt instruments and securities, including convertible debt, and Priority Royalty Tranches. Borrowers will predominantly be domiciled in the US, Europe and Japan, though the Company may also acquire Debt Assets issued by Borrowers in other jurisdictions. ***Investment restrictions and portfolio diversification*** The Company will seek to create a diversified portfolio of investments by investing across a range of different forms of Debt Assets issued by a variety of Borrowers. In particular, the Company will observe the following restrictions when making investments in accordance with its investment policy: • no more than 30 per cent. of the Company's gross assets will be exposed to any single Borrower, other than in the case of the RPS Note (as defined below); • no more than 35 per cent. of the Company's gross assets will be invested in Unsecured Debt; and • no more than 15 per cent. of the Company's gross assets will be invested in equity securities issued by LifeSci Companies. Each of these investment restrictions will be calculated as at the time of investment. In the event that any of the above limits are breached at any point after the relevant investment has been made (for instance, as a result of any movements in the value of the Company's total assets), there will be no requirement to sell any investment (in whole or in part). ***Cash management*** The Company's uninvested capital may be invested in cash instruments or bank deposits for cash management purposes. ***Hedging*** The Company does not propose to enter into any hedging or other derivative arrangements other than as may from time to time be considered appropriate for the purposes of efficient portfolio management. The Company will not enter into such arrangements for investment purposes.

B35	Borrowing limits	The Company may incur indebtedness of up to a maximum of 50 per cent. of its Net Asset Value, calculated at the time of drawdown, for investment and for working capital purposes. Although not forming part of the investment policy of the Company, under the Investment Management Agreement, the Investment Manager will not incur aggregate borrowings greater than 25 per cent. of the Net Asset Value, calculated as at the time of drawdown, without prior Board approval.
B36	Regulatory status	The Company operates under the Act and is not regulated as a collective investment scheme by the FCA. The Company intends to conduct its affairs so as to qualify, at all times, as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 (as amended).
B37	Typical investors	The Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. Investors in the Company are expected to be institutional investors, professional investors, professionally advised investors and highly knowledgeable investors who understand, or who have been advised of, the potential risks from investing in the Company.
B38	Investment of more than 20 per cent. in single underlying asset or investment company	It is anticipated that the following assets may, on Admission, constitute an investment of more than 20 per cent. of the Company's gross assets (assuming the Gross Issue Proceeds are US$300 million or less): • a limited partnership interest in BioPharma III Holdings, LP ("**BioPharma III Interest**") having a value not exceeding US$160 million; and • a credit agreement (the "**RPS Credit Agreement**") entered into between the Company and RPS BioPharma Investments, LP (the "**RPS Borrower**"), pursuant to which the RPS Borrower will issue a promissory note in favour of the Company (together with the RPS Credit Agreement, the "**RPS Note**") for a loan amount (the "**Loan Amount**") not to exceed the lower of: (a) US$231.6 million; (b) 39.9 per cent. of the Net Issue Proceeds; and (c) the Gross Cash Proceeds less any expenses deducted on Initial Admission (the "**RPS Note Loan Limit**"). The RPS Note will bear interest at an annual rate of 12 per cent. and is secured by units of Royalty Pharma Select held by the RPS Borrower which represent the right to receive a proportion of ongoing royalties generated from 21 Products.
B39	Investment of more than 40 per cent. in single underlying asset or investment company	Not applicable – no single asset will represent more than 40 per cent. of the gross assets of the Company on Admission.
B40	Applicant's service providers	***Investment Manager*** The Investment Manager, Pharmakon Advisors L.P., a limited partnership established under the laws of the State of Delaware, is the Company's AIFM. It is registered as an investment adviser with the SEC under the United States Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). With effect from the Initial Admission, the Investment Manager will be entitled to a management fee (the "**Management Fee**") calculated on the following basis: (1/12 of 1 per cent. of the Net Asset Value on the last Business Day of the Month in respect of which the Management Fee is to be paid (calculated before deducting any accrued Management Fee in respect of such Month)) minus (1/12 of US$100,000).

		The Management Fee payable in respect of any quarter will be reduced by an amount equal to the Company's pro rata share of any transaction fees, topping fees, break-up fees, investment banking fees, closing fees, consulting fees or other similar fees which the Investment Manager (or an affiliate) receives in connection with transactions involving investments of the Company ("**Transaction Fees**"). The Company's pro rata share of any Transaction Fees will be in proportion to the Company's economic interest in the investment(s) to which such Transaction Fees relate. Subject to the NAV per Share as at the end of a Performance Period representing an increase of at least 6 per cent. per annum to the Issue Price (and not being lower than the previous NAV per Share in respect of which a Performance Fee was paid), the Investment Manager shall be entitled to receive 10 per cent. of the amount by which the NAV accretion over the Performance Period exceeds an amount representing an increase of 6 per cent. to the NAV over such Performance Period (the "**Performance Fee**"), subject to catch up arrangements. The Performance Fee for a Performance Period shall be paid as soon as practicable after the end of the relevant Performance Period and, in any event, within three calendar months as of the end of such Performance Period. If, during the last Month of a Performance Period, the Shares have, on average, traded at a discount of 1 per cent. or more to the Net Asset Value per Share (calculated by comparing the middle market quotation of the Shares at the end of each Business Day in the Month to the prevailing published Net Asset Value per Share (exclusive of any dividend declared) as at the end of such Business Day and averaging this comparative figure over the Month), the Investment Manager shall (or shall procure that its Associate does) apply 50 per cent. of any Performance Fee paid by the Company to the Investment Manager (or its Associate) in respect of that Performance Period (net of all taxes and charges applicable to such portion of the Performance Fee) to make market acquisitions of Shares (the "**Performance Shares**") as soon as practicable following the payment of the Performance Fee by the Company to the Investment Manager (or its Associate) and at least until such time as the Shares have, on average, traded at a discount of less than 1 per cent. to the Net Asset Value per Share over a period of five Business Days (calculated by comparing the middle market quotation of the Shares at the end of each such Business Day to the prevailing published Net Asset Value per Share (exclusive of any dividend declared) as at the end of such Business Day and averaging this comparative figure over the period of five Business Days). The Investment Manager's obligation; 1) shall not apply to the extent that the acquisition of the Performance Shares would require the Investment Manager to make a mandatory bid under Rule 9 of the Takeover Code; and 2) shall expire at the end of the Performance Period which immediately follows the Performance Period to which the obligation relates. ***Corporate Broker and Bookrunner*** Under the terms of the Placing Agreement dated 1 March 2017 between the Company, the Directors, the Investment Manager and the Joint Bookrunners, the Joint Bookrunners will each be entitled to a commission in respect of the Issue. The Joint Bookrunners will also be entitled to reimbursement of all costs, charges and expenses incurred by them of, or incidental to, the Issue, Admission of Shares issued pursuant to such Issue and satisfaction of any of the conditions under the Placing Agreement. ***Company Secretary*** Under the Company Secretarial Services Agreement, Capita Registrars Limited is entitled to a one off payment of £5,000 (plus VAT and disbursements) for set-up services (as defined in the agreement), an hourly fee of between £150 and £400 per hour (plus VAT and disbursements), depending on the seniority of the personnel, for pre-IPO services (as defined in the agreement) and an annual fee of £60,000 (plus

		VAT and disbursements) for ongoing company secretarial services. Capita Registrars Limited will also be entitled to reimbursement of all reasonable out of pocket expenses. ***Administrator*** Under the terms of the Fund Administration Services Agreement, the Administrator is entitled to a one off payment of £6,000 (exclusive of any applicable VAT) to cover the initial set-up fund accounting services (as defined in the agreement) to be payable by the Company only where the share capital is not admitted to trading before 1 May 2017 or such later as the Company and the Administrator agree, and an annual fee of £65,900 (exclusive of any applicable VAT), payable monthly in equal instalments. The Administrator is also entitled to be reimbursed expenses and disbursements, provided that these are properly incurred and documented. ***Registrar*** Under the terms of the Registrar Services Agreement, the Registrar is entitled to receive an annual maintenance fee of £1.80 per Shareholder account per annum, subject to a minimum charge of £4,500 per annum. The Registrar will also be entitled to reimbursement of all reasonable out of pocket expenses properly incurred and documented. ***Receiving Agent*** Under the terms of the Receiving Agent Services Agreement, the Receiving Agent is entitled to an hourly fee for professional advisory services at a minimum charge of £230 during normal business hours (9:00 am to 5:30 pm) on any Business Day and £375 outside normal business hours and on any non-Business Day, subject to a minimum charge of £2,500 per annum. The Receiving Agent is also entitled to levy certain charges on a per item basis. The Receiving Agent will also be entitled to reimbursement of all reasonable out of pocket expenses properly incurred and documented.
B41	Regulatory status of investment manager and investment adviser	*Investment Manager* The Investment Manager is a limited partnership established under the laws of the State of Delaware and is a registered investment adviser under the Advisers Act and is regulated by the SEC.
B42	Calculation of Net Asset Value	The unaudited NAV will be calculated in US Dollars by the Administrator (on the basis of information provided by the Investment Manager), on a monthly basis, and will be notified to the market via a Regulatory Information Service on a monthly basis and is expected to be published on the Company's website within 45 days of the month end.
B43	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking.
B44	No financial statements have been made up	The Company has been newly incorporated and has no historical financial information. Save for its entry into certain material contracts and non-material contracts, since its incorporation, the Company has not commenced operations, has not declared any dividend and no financial statements have been made up.
B45	Portfolio	On Admission, it is expected that the Company's portfolio will comprise: ● the BioPharma III Interest having a value not exceeding US$160 million; and ● the RPS Note for a Loan Amount not to exceed the RPS Note Loan Limit.
B46	Net Asset Value	Not applicable. The Company has not commenced operations and so has no Net Asset Value as at the date of this Prospectus.

Section C – Securities		
Element	**Disclosure requirement**	**Disclosure**
C1	Type and class of securities	The Shares being offered under the Issue are ordinary shares with a nominal value of US$0.01 in the capital of the Company. Applications will be made for the Shares to be admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange and to listing and trading on the Official List of the CISEA. The ISIN of the Shares is GB00BDGKMY29 and the SEDOL is BDGKMY2. The ticker symbol of the Company is BPCR.
C2	Currency of the securities issue	US Dollars.
C3	Number of securities in issue	The following table shows the issued share capital of the Company as at the date of this Prospectus: **Nominal Value** / **Number** Shares: US$0.01 / 1 Redeemable Preference Shares: 1 penny / 5,000,000
C4	Description of the rights attaching to the securities	*Life* Although the Company has been established with an indefinite life, the Articles provide that a continuation vote be put to Shareholders (i) at the first annual general meeting of the Company to be held following the fifth anniversary of Initial Admission and, if passed, at the annual general meeting of the Company held every third year thereafter; and (ii) within two months of the expiration of any 12 month rolling period where the Shares have, on average, traded at a discount in excess of 10 per cent. to the Net Asset Value per Share (calculated by comparing the middle market quotation of the Shares at the end of each month in the relevant period to the prevailing published Net Asset Value per Share (exclusive of any dividend declared) as at such month end and averaging this comparative figure over the relevant period). *Dividends* Subject to the provisions of the Act and the Articles, all dividends shall be declared and paid according to the amounts paid-up on the Shares on which the dividend is paid. If any Share is issued on terms that it ranks for dividend as at a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amount paid-up on the Shares during any portion(s) of the period in respect of which the dividend is paid. *Distribution of assets on a winding up* If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by law and subject to the Act, divide among the Shareholders, *in specie*, the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Shareholders as he may with the like sanction determine, but no Shareholder shall be compelled to accept any assets upon which there is a liability. *Voting rights* Subject to any rights or restrictions attached to any class of Shares, on a

		show of hands every Shareholder present in person at a meeting has one vote and every proxy present who has been duly appointed by a Shareholder entitled to vote has one vote, and on a poll every Shareholder (whether present in person or by proxy) has one vote for every Share of which 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 senior who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders appear in the Register. 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 payable by him in respect of that Share have been paid. In respect of any resolution of members concerning the appointment or removal of one or more directors of the Company (a ''**Director Resolution**''), each Shareholder shall be required, as set out in the Articles, to make certain certifications with regard to their status (and, to the extent they hold Shares for the account or benefit of any other person, the status of such other person) as a non-US resident (each Shareholder that does not so certify, being a ''**Non-Certifying Shareholder**''). If the aggregate total of votes which Non-Certifying Shareholders would otherwise be entitled to cast on a Director Resolution is greater than 49 per cent. of the aggregate total of votes which all Shareholders are entitled to cast on such Director Resolution, then, pursuant to the Articles, the aggregate number of votes which Non-Certifying Shareholders are entitled to cast on such Director Resolution shall be scaled down so as to not exceed 49 per cent. of the aggregate total of votes which all Shareholders are entitled to cast on such Director Resolution.
C5	Restrictions on the free transferability of the securities	Subject to the Act, the Directors may, in their absolute discretion, refuse to register the transfer of a Share in certificated form which is not fully paid provided that, if the Share is traded on a regulated market, such refusal does not prevent dealings in the Shares from taking place on an open and proper basis. The Directors may also refuse to register a transfer of a Share in certificated form, unless the instrument of transfer: • is lodged, duly stamped, at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the Share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and/or the transferee to receive the transfer (including such written certifications in form and substance satisfactory to the Company as the Directors may determine in accordance with applicable law); • is in respect of only one class of Share; • is not in favour of more than four transferees; and • is not in favour of any Non-Qualified Holder (as defined below). Subject to the Act, the Directors may refuse to register a transfer of a Share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the requirement) under the Uncertificated Securities Regulations to register the transfer. The Directors may, in their absolute discretion, decline to transfer, convert or register any transfer of shares to any person: (i) whose ownership of shares may cause the Company's assets to be deemed ''plan assets'' for the purposes of the United States Employee Retirement Income Security Act of 1974, as amended (''**ERISA**''), or the United States Internal Revenue Code of 1986, as amended (the ''**US Tax Code**''); (ii) whose ownership of shares may cause the Company to be required to register as an ''investment company'' under the United States Investment Company Act of 1940, as

		amended (the "**Investment Company Act**"), or to lose an exemption or a status thereunder to which it might otherwise be entitled (including because the holder of shares is not a "qualified purchaser" as defined in the Investment Company Act); (iii) whose ownership of shares may cause the Company to be required to register under the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or any similar legislation; (iv) whose ownership of shares may cause the Company to be a "controlled foreign corporation" for the purposes of the US Tax Code, or may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the US Tax Code); (v) whose ownership of shares may cause the Company to cease to be considered a "foreign private issuer" for the purposes of the Securities Act or the Exchange Act; or (vi) whose ownership of shares would or might result in the Company not being able to satisfy its obligations under the new global standard for the automatic exchange of financial information between tax authorities, developed by Organisation for Economic Co-operation and Development or such similar reporting obligations on account of, *inter alia*, non-compliance by such person with any information request made by the Company, (each person described in (i) through (vi) above, being a "**Non-Qualified Holder**").
C6	Admission to trading on a regulated market	Application will be made to the London Stock Exchange and the CISEA for the Shares to be issued pursuant to the Issue to be admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange and to listing and trading on the Official List of the CISEA.
C7	Dividend policy	The Company intends to pay dividends in US Dollars on a quarterly basis, with the first dividend expected to be paid in October 2017. The Company may, where the Directors consider it appropriate, use the reserve created by the cancellation of its share premium account to pay dividends. The Company intends to comply with the requirements for maintaining investment trust status for the purposes of section 1158 of the Corporation Tax Act 2010 (as amended) regarding distributable income. As such, the Company will distribute amounts such that it does not retain in respect of an accounting period an amount greater than 15 per cent. of its income (as calculated for UK tax purposes) for that period. The Company expects to be substantially invested by the first anniversary of Initial Admission. Whilst not forming part of the Company's investment objective or investment policy, on the basis of market conditions as at the date of this Prospectus and on the assumption that the Initial Acquisition is completed, the Company's target dividend for the first financial year following Subsequent Admission is 4 per cent. (calculated by reference to the Issue Price) (the "**Initial Target Dividend**") and, once substantially invested, the Company will target an annual dividend yield of 7 per cent. (calculated by reference to the Issue Price) (the "**Target Dividend**"), together with a net total return on NAV of 8 to 9 per cent. per annum in the medium term (the "**Target Return**"). The Initial Target Dividend, the Target Dividend and Target Return are targets only and are not profit forecasts. There can be no assurance that these targets will be met and they should not be taken as an indication of the Company's expected or actual future results. Potential investors should decide for themselves whether or not these targets are reasonable or achievable in deciding whether to invest in the Company.

Section D – Risks		
Element	**Disclosure requirement**	**Disclosure**
D1 D2	Key information on the key risks specific to the issuer or its industry	• The Company is recently established and has no operating history. Accordingly, there are no historical financial statements or other meaningful operating or financial data with which to evaluate the Company and its performance. An investment in the Company is subject to all of the risks and uncertainties associated with a new business, which may result in the value of the investment by Shareholders declining substantially or even an entire loss of investment. • Returns on the Shareholders' investments will depend upon the Investment Manager's ability to source and make successful investments on behalf of the Company. • Published Net Asset Value figures published by the Company will be estimates only and may be materially different from actual results and figures appearing in the Company's financial statements. • The success of the Company depends on the ability and expertise of the Investment Manager. The Company does not have employees and all of its Directors are appointed on a non-executive basis. All of its investment management decisions will be made by the Investment Manager (or any delegates thereof) and not by the Company and, accordingly, the Company will be completely reliant upon, and its success will depend on, the Investment Manager and its personnel, services and resources. • The Investment Manager, its principals and their respective Affiliates (the "**Manager Affiliated Parties**") are involved in other financial, investment or professional activities that may, on occasion, give rise to conflicts of interest with the Company. In particular, the Manager Affiliated Parties provide investment management and related services to other funds and managed accounts that have similar investment policies to that of the Company. • No reliance should be placed by investors on the past performance of other investment vehicles or accounts managed by the Investment Manager (together with investment vehicles or accounts managed by other Manager Affiliated Parties, the "**Managed Entities**") as an indicator of the future performance of the Company. • The investment allocation policy of the Investment Manager could prejudice investment opportunities available to, and investment returns achieved by the Company. The Manager Affiliated Parties may have conflicts of interest in allocating investments among the Company and the other Managed Entities (including any co-investment opportunities between the Company and the other Managed Entities) and in effecting transactions between the Company and other Managed Entities, including transactions in which the Manager Affiliated Parties may have a financial interest. • The Company may utilise borrowings of up to 50 per cent. of the Net Asset Value (calculated at the time of drawdown) in order to increase its investment exposure. While such leverage presents opportunities for increasing total returns, it can also have the opposite effect of increasing losses. • Concentration in the Company's portfolio may affect the Company's ability to achieve its investment objective. The Company's published investment policy allows the Company to invest up to 30 per cent. of the Company's assets in a single Debt Asset or in Debt Assets issued to a single borrower. While the investment limits in the investment

		policy have been set keeping in mind the debt capital requirements of the life sciences industry and the investment opportunities available to the Investment Manager, it is possible that the Company's portfolio may be significantly concentrated at any given point in time. • The acquisition value of the Seed Assets may vary from their actual value. The estimated fair value of the Seed Assets has been arrived at following consideration with, and based on information from, the Investment Manager and the Valuer has issued an opinion as to such fair value. Nevertheless, there can be no guarantee that the estimated valuation on which the purchase price has been based will not prove to have been overstated and may vary (perhaps materially) from the actual values of the Seed Assets or change after the date of this Prospectus. In such case, the Net Asset Value and Shareholder returns may be adversely affected. • There is an execution risk relating to the BioPharma III Interest. The Placing, the Offer and the PL Subscription are not conditional on the completion of the Initial Acquisition. If the second close of the BioPharma III Tender Offer does not occur for any reason, Subsequent Admission may only occur with respect to the acquisition of the RPS Note and the Company's NAV (and, potentially, the NAV per Share) will be lower than is expected as at the date of this Prospectus. • There is an execution risk relating to the RPS Note. The Placing, the Offer and the first close of the BioPharma III Tender Offer are not conditional on the completion of the RPS Tender Offers. In the event that the Participating RPS Investors do not subscribe for Shares pursuant to the Initial Acquisition for any reason, Subsequent Admission may only occur with respect to any Additional Subscriptions and the acquisition of the remaining portion of the BioPharma III Interest (if any and only to the extent the resulting BioPharma III Interest exceeds the First Close Limit) and the Company's NAV (and, potentially, the NAV per Share) will be lower than is expected as at the date of this Prospectus.
D3	Key information on the key risks specific to the securities.	• The price at which the Shares trade will likely not be the same as their Net Asset Value (although they are related) and therefore, Shareholders disposing their interests in the secondary market may realise returns that are lower or higher than they would have if an amount equivalent to the Net Asset Value were distributed. • The price that can be realised for Shares can be subject to market fluctuations. Potential investors should not regard an investment in the Shares as a short-term investment. Shareholders may not recover the full amount initially invested, or any amount at all. • Admission should not be taken as implying that there will be an active and liquid market for the Shares particularly as, on Admission, the Company may have a limited number of Shareholders. Consequently, the Share price may be subject to significant fluctuation on small volumes of trading. • It is possible that the Company may decide to issue further Shares in the future. Any such issue may dilute the holdings of the Company's existing Shareholders. Additionally, such issues could have an adverse effect on the market price of the Shares.

Section E – Offer		
Element	**Disclosure requirement**	**Disclosure**
E1	The total net proceeds and an estimate of the total expenses of the issue/offer, including estimated expenses charged to the investor by the issuer or the offeror	The formation and initial expenses of the Company are those that are necessary for the establishment of the Company, the Issue, Admission and the acquisition of the Seed Assets (including all costs associated with the Tender Offers and any related reorganisation expenses of BioPharma III and the RPS Borrower) ("**Initial Expenses**"). The Initial Expenses to be borne by the Company will be capped at 2 per cent. of the Gross Issue Proceeds. Therefore, on Admission, the opening NAV per Share is expected to be 98 cents and, on the basis that the Gross Issue Proceeds are US$300 million, the Net Issue Proceeds will be US$294 million. To the extent that the Initial Expenses do not exceed 2 per cent. of the Gross Issue Proceeds, they will be borne by the Company in full and will be expensed in the Company's first accounting period. The Investment Manager has agreed that, in the event that the Initial Expenses exceed 2 per cent. of the Gross Issue Proceeds, such excess will be borne by the Investment Manager.
E2a	Reasons for the offer and use of proceeds	The Issue is being made in order to provide investors with exposure to a diversified portfolio of investments through participation in an investment trust company. The Board intends to use the Net Issue Proceeds, less amounts required for working capital purposes and the value of Shares issued pursuant to the Initial Acquisition, to acquire further investments in accordance with the Company's investment objective and investment policy.
E3	Terms and Conditions of the Offer	In this Prospectus, the Placing, the Offer, the PL Subscription, any Additional Subscriptions and the Initial Acquisition are together referred to as the Issue. The Company may issue up to 881.1 million Shares through the Issue at the Issue Price, of which a maximum of 464.5 million Shares are available under the Placing, the Offer and the Additional Subscriptions. The maximum size of the Issue should not be taken as an indication of the number of Shares to be issued. The Issue is not being underwritten. Subject to the maximum limits set for the BioPharma III Interest and the RPS Note, as at the date of this Prospectus, the Gross Initial Acquisition Proceeds are expected to be between US$150 million and US$391.6 million. As at the date of this Prospectus, the aggregate Net Issue Proceeds are not known but are expected to be approximately US$294 million on the assumption that Gross Issue Proceeds are US$300 million. The Placing and the Offer are conditional, *inter alia*, on: (A) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Initial Admission; (B) Initial Admission occurring by 8:00 am on 27 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may agree); (C) the Gross Cash Proceeds being at least US$150 million; (D) all of the Initial Acquisition Agreements being executed and the Initial Acquisition becoming unconditional (save as to Admission); and (E) by no later than 11:59 pm on the Business Day before the closing date of the Placing, valid tenders being received under the Tender Offers which (in aggregate) together with the RPS Pharma Investors Agreement would result in: (a) the Gross Initial Acquisition Proceeds being at least US$150 million; (b) the BioPharma III Interest being equal to or less than 39.9 per cent. of the Net Issue Proceeds; and (c)

		the Loan Amount under the RPS Note being equal to or less than 39.9 per cent. of the Net Issue Proceeds, in each case if Subsequent Admission is successfully completed. In addition to the conditions to the Placing and Offer, the issue of Shares in connection with the second close of the BioPharma III Tender Offer and the RPS Note is conditional, *inter alia*, on Subsequent Admission. The latest time and date for receipt of Application Forms under the Offer is 1:00 pm on 16 March 2017. The latest time and date for receipt of placing commitments under the Placing is 11:00 am on 22 March 2017. If the Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant.
E4	Material interests	Not applicable. No interest is material to the Issue.
E5	Name of person or entity offering to sell securities Lock-up arrangements, the parties involved and indication of the period of the lock-up	Not applicable – there are no selling entities. The Company will, on Admission, issue Shares to (i) the Participating BioPharma III Investors and the Participating RPS Investors pursuant to the Initial Acquisition; and (ii) Pablo Legorreta pursuant to the PL Subscription. Each of these investors will be subject to a lock-up period of 12 months from Admission of the Shares acquired by them pursuant to the Initial Acquisition.
E6	Dilution	Not applicable. This is an initial offering.
E7	Estimated expenses charged to the investor by the issuer or the offeror	Not applicable. No expenses will be charged directly to investors by the Company in connection with the establishment of the Company, the Issue or Admission.

PART B – RPS BORROWER

SECTION B – ISSUER (RPS BORROWER)		
Element	**Disclosure requirement**	**Disclosure**
B1	Legal and commercial name	RPS BioPharma Investments, LP
B2	Domicile and legal form	The RPS Borrower is an exempted limited partnership established under the Cayman Islands Exempted Limited Partnership Law (as amended) with registered number 87564.
B3	Description of, and key factors relating to, the nature of the issuer's current operations and its principal activities	• The RPS Borrower is a newly formed entity with no operating history. Accordingly, the RPS Borrower has no operating history and no historical financial statements or other meaningful operating or financial data is available. • The RPS Borrower will have no assets other than the units in Royalty Pharma Select. • The products in which Royalty Pharma Select owns royalty interests face intense competition. The biopharmaceutical and pharmaceutical industries are highly competitive and rapidly evolving. The length of any product's commercial life, including that of any product in which

		Royalty Pharma Select owns a royalty interest, cannot be predicted. There can be no assurance that any product in which Royalty Pharma Select owns a royalty interest will not be rendered obsolete or non-competitive by new products or improvements made to existing products, either by the current marketer of the product or by another marketer. • Sales of the products in which Royalty Pharma Select owns royalty interests are subject to regulatory actions that could harm Royalty Pharma Select's ability to generate revenues. • The products in which Royalty Pharma Select owns interests are subject to governmental healthcare policy changes and managed care considerations, which could affect their pricing. The healthcare industry is likely to continue to change as the public, government, medical practitioners, and the pharmaceutical and biopharmaceutical industries focus on ways to expand medical coverage while controlling the growth in healthcare costs. • Product liability claims may diminish revenues. • Royalty Pharma Select generally depends on third parties to maintain, enforce and defend patent rights on the products in which Royalty Pharma Select owns royalty interest. • The life sciences industry is dispute-prone and highly litigious and certain assets of Royalty Pharma Select are subject to litigation. In determining the net present value of projected payments to Royalty Pharma Select from its royalty interest, the Loan Amount under the RPS Note and the ability of the RPS Borrower to pay interest and principal on the RPS Note, revenues from portions of products subject to challenge in such litigation have been treated as not receivable although such challenges to royalty interests held by Royalty Pharma Select may ultimately prove unsuccessful.
B4a	Description of the most significant recent trends affecting the issuer and the industries in which it operates	• Consistent growth, due to a variety of factors, including medical and scientific advances, a growing population, an aging population, and increasing prosperity in developing countries which is improving access to healthcare for millions of patients. • Growth in US prescription drug spending is also attributable to increases in the use of prescription drugs by people who were newly insured and by those who moved to more generous insurance plans as a result of the premium and cost-sharing subsidies offered by the US Patient Protection and Affordable Care Act ("**PPACA**"). • Fragmentation of the industry, from one dominated by fully-integrated pharmaceutical companies, to a more dynamic and entrepreneurial research and development ecosystem comprised of thousands of participants. • Substantial and growing investment in research and development, coupled with increasingly productive approaches to research and development and a more favourable global regulatory environment, are contributing to dramatic increases in the number of drugs which are entering clinical trials and receiving regulatory approvals. • Development costs have put pressure on industry participants to adapt their business model and seek partners to reduce risk.
B5	Group description	Pharma Management (Cayman) Limited (the "**RPS General Partner**") is the sole general partner of each of the RPS Borrower and RPS BioPharma Holdings, LP (the "**RPS Borrower Feeder**"). The shares of the RPS General Partner are held by Pharma Investors.

B6	Notifiable interests / voting rights	As at the date of this Prospectus the sole limited partner of the RPS Borrower is Walker Nominees Limited which serves as a formation limited partner in connection with the establishment of the RPS Borrower. Also as at the date of this Prospectus and insofar as is known to the RPS Borrower, assuming (i) acceptances in the RPS Tender Offers of 1,316,235 interests in Feeders (including anticipated participation by Pharma Investors, Pablo Legorreta, his family and related trusts) and (ii) additional participation by Pharma Investors for 1,460,000 Feeder interests, without reduction for participation by investors in the RPS Tender Offers, which would, in the aggregate, result in an RPS Note amount of approximately $100 million, the following persons will, immediately following the completion of the RPS Tender Offers be directly or indirectly interested in 3 per cent. or more of the limited partnership interests in the RPS Borrower: • Pharma Investors (53.8 per cent.); • Pablo Legorreta (together with his family and related trusts) (5.8 per cent.); • Rory Riggs (1.1 per cent.); The precise percentage of limited partnership interests held by such persons will depend on the outcome of the RPS Tender Offers and the RPS Note Loan Limit.
B7	Key financial information	Not applicable. The RPS Borrower has been newly incorporated and has no historical financial information.
B8	Key *pro forma* financial information	Not applicable. No *pro forma* information is included in this Prospectus.
B9	Profit forecast	Not applicable. No profit estimate or forecast has been made by the RPS Borrower.
B10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. There are no qualifications to the audit reports on the historical financial information.
SECTION C – SECURITIES		
Element	**Disclosure requirement**	**Disclosure**
C3	Number of securities in issue	As at the date of this Prospectus, the capital structure of the RPS Borrower is as follows: • A general partnership interest is held by the RPS General Partner, who has not made a capital contribution to the RPS Borrower. • A limited partnership interest is held by a formation limited partner in exchange for a capital contribution of US$1.00 to the RPS Borrower.
C7	Dividend policy	Not applicable.

SECTION D – RISKS		
Element	**Disclosure requirement**	**Disclosure**
D1	Key information on the key risks specific to the issuer or its industry.	• The RPS Borrower is a newly formed entity with no operating history. Accordingly, there are no historical financial statements or other meaningful operating or financial data is available. • The RPS Borrower and the RPS General Partner have no employees and are reliant on the performance of third party service providers. Whilst the RPS General Partner has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the RPS General Partner is reliant upon the performance of third party service providers for its executive functions. In particular, Royalty Pharma and SS&C Technologies Inc. will be performing services which are integral to the operation of the RPS Borrower. • The RPS Borrower will have no assets other than units in Royalty Pharma Select. The royalty interests held by Royalty Pharma Select offer significant diversification among products used to treat a variety of illnesses, but an investment in Royalty Pharma Select is not a complete investment portfolio. The royalty interests held by Royalty Pharma Select should not be considered long term assets. • The Royalty Pharma Select units held by the RPS Borrower represent an exposure to a concentrated portfolio of royalty interests. If for any reason, the royalty payments expected from any of the top three royalty interests is lower than expected, disputed or judged to be impaired, it would have a material adverse effect on the returns generated by Royalty Pharma Select and, in turn, the returns generated by the RPS Borrower and its ability to repay the principal and interest under the RPS Note. • The life sciences industry is dispute-prone and highly litigious and certain assets of Royalty Pharma Select are subject to litigation. Licensees of patent rights relating to biopharmaceutical products are increasingly seeking to reduce or eliminate their royalty obligations by: challenging the patents that are the basis of their royalty obligations and stopping payment of the royalties called for by their license agreements; and scrutinising the terms of their license agreement with the objective of finding a new interpretation of the license agreement that will reduce their royalty obligations. • Royalty Pharma and its Affiliates provide services to other clients that compete directly or indirectly with the activities of the RPS Borrower and are subject to conflicts of interest in respect of its/their activities on behalf of the RPS Borrower. Royalty Pharma and its Affiliates are involved in other financial, investment or professional activities that give rise to conflicts of interest with the RPS Borrower. In particular, Royalty Pharma and its Affiliates provide investment management and related services to other funds and managed accounts that have similar investment policies to that of the RPS Borrower.

RISK FACTORS

An investment in the Shares carries a number of risks including the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following specific factors should be considered when deciding whether to make an investment in the Shares. The risks set out below are those that are considered to be the material risks relating to the Company and to an investment in the Shares but are not the only risks relating to the Company and to such investment in the Shares. No assurance can be given that Shareholders will realise profit on, or recover the value of, their investment in the Shares. It should be remembered that the price of securities and the income from them can go down as well as up.

Prospective investors should note that the risks relating to the Company, its investment strategy and the Shares summarised in the section of this Prospectus headed ''Summary'' are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed ''Summary'' but also, among other things, the risks and uncertainties described in this ''Risk Factors'' section of this Prospectus. Additional risks and uncertainties not currently known to the Company or the Directors or that the Company or the Directors consider to be immaterial as at the date of this Prospectus may also have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's NAV and/or the market price of the Shares.

The Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. Investors in the Company are expected to be institutional investors, professional investors, professionally advised investors and highly knowledgeable investors who understand, or who have been advised of, the potential risks from investing in the Company.

Potential investors in the Shares should review this Prospectus carefully in its entirety and consult with their professional advisers prior to making an application to subscribe for Shares.

RISKS RELATING TO THE COMPANY

The Company is a newly formed company with no operating history

The Company was incorporated as a public limited company registered in England and Wales under the Act on 24 October 2016. The Company has not commenced operations and has no operating history. No historical financial statements or other meaningful operating or financial data upon which prospective investors may base an evaluation of the likely performance of the Company have been prepared. 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.

There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment

The investment objective of the Company is a target only and should not be treated as an assurance or guarantee of future performance. There is no assurance that any appreciation in the value of the Shares will occur or that the investment objective of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

The success of the Company will depend on the ability of the Investment Manager to pursue the Company's investment policy successfully and on broader market conditions as discussed in this ''Risk Factors'' section. There can be no assurance that the Investment Manager will be successful in pursuing the Company's investment policy or that the Investment Manager will be able to invest

the Company's assets on attractive terms, generate any investment returns for the Company's investors or avoid investment losses.

The Company has no employees and is reliant on the performance of third party service providers

The Company has no employees and all of the Directors have been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive functions. In particular, the Investment Manager, the Company Secretary, the Administrator and the Registrar will be performing services which are integral to the operation of the Company (please see section below entitled ''Risks relating to the Investment Manager''). Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment or the termination of these agreements may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the NAV and/or the market price of the Shares.

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

There may be circumstances in which a Director has, directly or indirectly, a material interest in a transaction being considered by the Company or a conflict of interest with the Company. Any of the Directors and/or any person connected with them may, from time to time, act as a director or employee of, or invest in or be otherwise involved with: (i) other investment vehicles that have investment objectives and policies similar to those of the Company; or (ii) entities or other vehicles that are the subject of transactions with the Company, subject, in both cases and at all times, to the provisions governing such conflicts of interest both in law and in the Articles.

The Company's investments will be subject to various political and economic risks

The Company will be subject to various risks incidental to investing. Factors affecting economic conditions, including, for example, currency devaluation, exchange rate fluctuations, competition, domestic, transnational, international and worldwide political, military and diplomatic events and trends and innumerable other factors, none of which will be in the control of the Company, can substantially and adversely affect the business and prospects of the Company.

Concentration in the Company's portfolio may affect the Company's ability to achieve its investment objective

The Company's published investment policy allows the Company to invest up to 30 per cent. of the Company's assets in a single Debt Asset or in Debt Assets issued to a single borrower. While the investment limits in the investment policy have been set keeping in mind the debt capital requirements of the life sciences industry and the investment opportunities available to the Investment Manager, it is possible that the Company's portfolio may be significantly concentrated at any given point in time.

Further, the Company will acquire the RPS Note as part of the Initial Acquisition which may constitute more than 20 per cent. of the Company's assets on Admission. Please see ''Risks relating to the RPS Borrower'' in Part X (Additional Information on the RPS Borrower) of this Prospectus for further information.

Concentration in the Company's portfolio may increase certain risks to which the Company is subject, some or all of which may be related to events outside the Company's control. These would include risks around the creditworthiness of the relevant Borrower, the nature of the Debt Asset and of any Product(s) in question. The occurrence of these situations may result in greater volatility in the Company's investments and, consequently, its Net Asset Value, and may materially and adversely affect the performance of the Company and the Company's returns to Shareholders.

Such increased concentration of the Company's assets could also result in greater losses to the Company in adverse market conditions than would have been the case with a less concentrated portfolio, and have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Value and/or the market price of the Shares.

The Company may invest in Debt Assets through one or more investment vehicles

The Company may invest in Debt Assets indirectly through a Managed Entity, another company or one or more investment vehicles or other structures alongside other investors. On Admission, the Company will hold one such indirect interest in BioPharma III Holdings, LP whereby it will have a pro rata exposure to five Debt Assets as detailed in Part III (Seed Assets) of this Prospectus. While such investments will provide the Company diversification on a look-through basis, the Company will be exposed to certain risks associated with the vehicle as a whole and the other investors which may affect its return profile. For example, any failure of the investment vehicle or the other investors to meet their respective obligations may have a material adverse effect on that investment vehicle's ability to operate and generate returns for the Company. This could, in turn, have a material adverse effect on the performance of the Company and affect its ability to achieve its investment objective.

Further, where Debt Assets are acquired indirectly as described above, the value of the Managed Entity, company or investment structure may not be the same as the value of the underlying asset due, for example, to tax, contractual, contingent and other liabilities, or structural considerations. To the extent that valuations of the Company's investments in Managed Entities or other investment structures prove to be inaccurate or do not fully reflect the value of the underlying assets, whether due to the above factors or otherwise, this may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the NAV and/or the market price of the Shares.

Net Asset Value figures published by the Company will be estimates only and may be materially different from actual results and figures appearing in the Company's financial statements

Generally, there will be no readily available market for a substantial number of the Company's investments and hence, most of the Company's investments will be difficult to value. The valuations used to calculate the Net Asset Value will be based on the Investment Manager's unaudited estimated fair market values of the Company's investments. It should be noted any such estimates may vary (in some cases materially) from the results published in the Company's financial statements (as the figures are published at different times) and that they, and any Net Asset Value figure published, may vary (in some cases materially) from realised or realisable values.

Further, the Company intends to publish monthly Net Asset Value figures in US Dollars. The Net Asset Value figures issued by the Company should be regarded as indicative only and the actual, realisable Net Asset Value per Share may be materially different.

RISKS RELATING TO THE DEBT ASSETS AND THE INVESTMENT STRATEGY

Failure to achieve target returns

The target returns set out in this Prospectus are targets only and are based on financial projections that are themselves based on assumptions regarding market conditions, economic environment, availability of investment opportunities and investment-specific assumptions that may not be consistent with conditions in the future. In particular, the risks described in the section below entitled ''Risks relating to the Products and the Life Sciences Industry'' apply to some or all of the Products (and the related Debt Assets and other investments of the Company) upon which the projections in this Prospectus are based. These assumptions involve a significant element of subjective judgment and may be proved incorrect by post-investment changes in market conditions.

There can, therefore, be no guarantee that the target returns of the Company can be achieved at the level set out in this Prospectus. A variety of factors, including lack of attractive investment opportunities, defaults and prepayments under Debt Assets, inability of the Company to obtain debt at an appropriate rate, changes in the life sciences industry, exchange rates, government regulations, the non-performance (or underperformance) of any Product (or any LifeSci Company), or the occurrence of risks described elsewhere in this Prospectus could adversely impact the Company's ability to achieve its investment objective and deliver the target returns. Potential investors should not place any reliance on such target returns in deciding whether to invest in the Company. A failure by the Company to achieve its target returns could adversely impact the value of the Shares and lead to a loss of investment.

In addition, although the Company generally expects to make its investments in such a way as to ensure that taxation is minimised on the returns on those investments, to the extent practicable, some or all revenues earned by the Company may be subject to income or corporate tax liabilities

(including withholdings) which cannot be reclaimed or credited by the Company. This may apply, for instance, as a result of taxation levied in the jurisdictions in which revenues are earned (or are otherwise connected), or as a result of tax authorities taking a different view to that of the Company in respect of the application of relevant tax laws to those investments. If applicable, such taxes may reduce the net returns on the Company's investments and consequently diminish the potential value of the Debt Assets.

Lender liability considerations and equitable subordination

In recent years, judicial decisions in the United States have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed ''lender liability''). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of the Debt Assets, the Company (or any entity through which the Company invests) could be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lending institution: (a) intentionally takes an action that results in the undercapitalisation of a borrower to the detriment of other creditors of such borrower; (b) engages in other inequitable conduct to the detriment of such other creditors; (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors; or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lending institution to the claims of the disadvantaged creditor or creditors, a remedy called ''equitable subordination''. Because of the nature of certain of the Debt Assets, where the Borrower is based in the US or the agreements related to the Debt Asset are governed by US state and federal laws, the Company (or any entity through which the Company invests) could be subject to claims from creditors of a Borrower that Debt Assets issued by such Borrower that are held by the Company (or any entity through which the Company invests) should be equitably subordinated. A significant number of the Debt Assets will involve investments in which the Company would not be the lead creditor. It is, accordingly, possible that lender liability or equitable subordination claims affecting the Debt Assets could arise without the direct involvement of the Company.

Investments in debt obligations are subject to credit and interest rate risks

Debt instruments are subject to credit and interest rate risks. ''Credit risk'' refers to the likelihood that the Borrower will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of a Borrower are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a Debt Asset may affect its credit risk. Credit risk may change over the life of an instrument, and debt obligations, which are rated by rating agencies, are often reviewed and may be subject to downgrade. ''Interest rate risk'' refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a Debt Asset indirectly (especially in the case of fixed rate Debt Assets) and directly (especially in the case of Debt Assets whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate Debt Asset and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. In addition, interest rate increases generally will increase the interest carrying costs to the Company (or any entity through which the Company invests) of leveraged investments.

Senior loans risk

The Company may, directly or indirectly, gain exposure to Debt Assets that are senior secured loans. Senior secured loans are usually rated below investment grade or may also be unrated. As a result, the risks associated with senior secured loans are similar to the risks of below investment grade fixed income instruments, although senior secured loans are senior and secured in contrast to other below investment grade fixed income instruments, which are often subordinated or unsecured. Investment in Senior Secured Debt rated below investment grade can be considered

speculative because of the credit risk of the relevant Borrowers. Such Borrowers are more likely than investment grade issuers to default on their payments of interest and principal owed to the Company (or any entity through which the Company invests) and such defaults could, directly or indirectly, have a material adverse effect on the Company's performance. An economic downturn would generally lead to a higher non-payment rate, and a Senior Secured Debt may lose significant market value before a default occurs. Moreover, any specific collateral used to secure a Senior Secured Debt may decline in value or become illiquid, which would adversely affect the Senior Secured Debt's value. Senior secured loans are subject to a number of risks, including liquidity risk and the risk of investing in below investment grade fixed income instruments.

There may be less readily-available and reliable information about most senior secured loans than is the case for many other types of securities, including securities issued in transactions registered under the Securities Act, or registered under the Exchange Act, as amended. As a result, when investing in Senior Secured Debt, the Investment Manager will rely primarily on its own evaluation of a Borrower's credit quality rather than on any available independent sources. Therefore, the Company will be particularly dependent on the analytical abilities of the Investment Manager.

Subordinated debt and unsecured debt

The Company may, directly or indirectly, gain exposure to Debt Assets that are junior in ranking and/or that are subordinated to senior debt, including subordinated debt that ranks below other obligations of the Borrower in right of payment such as ''last out'' or ''second lien'' debt. Subordinated investments are subject to greater risk of loss than senior investments as a result of adverse changes in the financial condition of the Borrower or in general economic conditions. Subordinated investments may expose the Company (directly or through any entity through which the Company gains such exposure) to particular risks in a distress situation, such as the risk that the interests of creditors are not aligned as holders of the senior debt outstanding will generally be entitled to determine the remedies to be exercised. Remedies pursued by holders of the senior debt could be adverse to the interests of the Company. In addition, if an event of default has occurred and is continuing, holders of junior investments, including subordinated debt, may not be entitled to any payments until interest and principal of the senior debt is paid in full.

Convertible securities

The Company may, directly or indirectly, gain exposure to convertible securities such as convertible bonds and notes. The value of convertible securities may be adversely affected by changes in interest rates or the price of the Borrower's shares. Furthermore, the investment value of convertible securities may generally be adversely affected by the credit rating of the Borrower and the Borrower's ability to make payments of principal and interest (in the case of Debt Assets). Convertible securities may be subject to mandatory prepayment or redemption, either of which could have an adverse effect on the ability of the Company (or any entity through which the Company gains such exposure) to fully realise the value of a convertible security.

Counterparty risk

The Company intends to hold Debt Assets that will generate an interest payment. There is no guarantee that any Borrower will honour its obligations and the default or insolvency of such Borrowers may substantially affect the Company's business, financial condition, results of operations, the Net Asset Value and Shareholder returns. While the Company will often seek to be a secured lender for each Debt Asset, there is no guarantee that the relevant Borrower will repay the loan or that the collateral will be sufficient to satisfy the amount owed under the relevant Debt Asset. The failure by a Borrower to repay the loan may substantially affect the Company's business, financial condition, prospects, results of operations, Net Asset Value and Shareholder returns.

Structuring risk

The Company may invest in Debt Assets in a number of jurisdictions, including the United States, Japan and Europe, and such investments are or may be subject to different laws and regulation dependent on the jurisdiction in which the Borrower is incorporated and the jurisdictions where the Products are sold. In order to invest in such Debt Assets, the Company may be required to adopt particular contractual arrangements and structures in order to satisfy the legal and regulatory requirements of a particular jurisdiction. This may affect the contractual rights acquired by the

Company. Please also see risk factor ''The Company may invest in Debt Assets through one or more investment vehicles'' above.

Currency risk

The Company will make investments in US Dollars and the payment of interest and repayments of principal in relation to any Debt Asset will be made in US Dollars. However, the collateral underlying a Debt Asset (whether Royalty Collateral or otherwise) may be denominated in a currency other than US Dollars. In some cases, such collateral may be denominated in multiple currencies. This would expose the Company to currency fluctuations. For example, where the sales of Products occur in jurisdictions outside the United States, royalty payments generated from such sales, upon conversion into US Dollars, may be lower than expected due to adverse currency movements. Such adverse currency movements may adversely affect the Borrower's ability to pay interest and repay the principal amount for the relevant Debt Asset on time, or at all. While the Investment Manager will have the ability to enter into hedging arrangements, there can be no guarantee that such arrangements will provide sufficient protection to the Company against adverse currency movements. Such currency exposure could materially and adversely impact the Company's return profile and its ability to achieve its investment objective for its Shareholders.

Risks associated with leverage

The Company may utilise borrowings in order to increase its investment exposure. Pursuant to its investment policy and the terms of the Investment Management Agreement, it is intended that the Investment Manager may borrow on behalf of the Company an aggregate amount equivalent to 25 per cent. of the Net Asset Value, calculated at the time of drawdown. This borrowing limit may be increased to 50 per cent. of the Net Asset Value, calculated at the time of drawdown, with the approval of the Board (and in no case will borrowings exceed more than 50 per cent. of the Net Asset Value calculated at the time of drawdown, without the prior approval of Shareholders by an ordinary resolution). While such leverage presents opportunities for increasing total returns, it can also have the opposite effect of increasing losses. If income and capital appreciation on Debt Assets acquired with borrowed funds are less than the costs of the leverage, the Net Asset Value will decrease. The effect of the use of leverage is to increase the investment exposure, the result of which is that, in a market that moves adversely, the possible resulting loss to Shareholders' capital would be greater than if leverage were not used.

In addition, the Company may enter into transactions or other derivative arrangements for efficient portfolio management purposes. Leverage may be generated through the use of options, futures, options on futures, swaps and other synthetic or derivative financial instruments, which contain greater leverage than a non-margined purchase of the underlying security or instrument. This is due to the fact that, generally, only a small portion (and in some cases none) of the value of the underlying security or instrument is required to be paid in order to make such leveraged investments. As a result of leverage employed by the Company, small changes in the value of the underlying assets may cause a relatively large change in the Net Asset Value. Often instruments such as those cited above are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

Risk of counterparty default and custodial risk

To the extent that the Company invests in swaps, ''synthetic'' or derivative instruments, including Credit Linked Notes, or other customised financial instruments and over-the-counter transactions, the Company takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty, the risk of settlement default, and generally, the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes, which could subject the Company to substantial losses. This risk may differ materially from those entailed in exchange traded transactions that generally are supported by guarantees of clearing organisations, daily marking to market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. In an effort to mitigate such risks, the Company will attempt to limit its transactions to counterparties which are established, well capitalised and creditworthy.

Although it is not anticipated that the Company will utilise a custodian, there are risks involved in dealing with any custodians that may be utilised or with brokers who settle the Company's trades, particularly with respect to non-US investments. It is expected that any securities and other assets

deposited with custodians or brokers will be clearly identified as being assets of the Company, and so the Company should not be exposed to a credit risk with respect to such parties. However, it may not always be possible to achieve this segregation and there may be practical or timing problems associated with enforcing the Company's rights to its assets in the case of insolvency of any such party.

Small or mid-sized LifeSci Companies

The Company may invest in Debt Assets where the Borrowers are small or mid-sized LifeSci Companies. Whilst small or mid-sized LifeSci Companies are expected to have the potential to meet their debt obligations, such companies often represent a higher degree of risk because they may lack the experience, financial resources, product diversification and competitive strength of larger LifeSci Companies. These Debt Assets are also generally less liquid than Debt Assets made to larger, more established LifeSci Companies. These risks may influence the value of the Company's investment in Debt Assets issued by such Borrowers.

The Company may have investments for which no liquid market exists due to legal or other restrictions on transfer, or lack of demand

Liquidity risk, which includes the risk of the Company's failure to liquidate or trade investments in a timely manner at a reasonable price, may arise in the Company's activities. The Company may invest in Debt Assets and other assets, including derivatives for the purposes of efficient portfolio management and managing currency risk, which are subject to legal or other restrictions on transfer, which are thinly-traded or for which no liquid market exists or which otherwise become illiquid or difficult to trade. The Company may also invest in Debt Assets indirectly through investment vehicles such as limited partnerships. The BioPharma III Interest will be an example of such indirect interest. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable and the Company may not be able to trade them when it desires to do so or to realise what it perceives to be their fair value. Interests in investment vehicles are often subject to strict transfer restrictions and are therefore highly illiquid. Trading restricted and illiquid investments often requires more time and results in higher brokerage charges or dealer discounts, considerably worse pricing and other expenses than does trading eligible investments on national securities exchanges or in the over-the-counter markets or markets that are otherwise more liquid. The Company may not readily be able to exit such illiquid positions and, in some cases, may be contractually prohibited from exiting such positions for a specified period of time. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

In certain circumstances, the Company may receive equity or equity related securities in a LifeSci Company

Where the Borrower is a LifeSci Company, as a part of the commercial negotiations, in addition to issuing or acquiring a Debt Asset, the Company may also acquire equity capital of the Borrower through conversion of convertible debt or otherwise. In accordance with its investment objective and policy, the Company's exposure to equity capital issued by LifeSci Companies shall not exceed 15 per cent. of its gross assets, calculated at the time of such investment. Therefore, the Company's exposure to equity capital will, at all times, be limited. Nevertheless, the value of such equity securities, whilst held by the Company, may be influenced by a variety of factors, internal and external, such as the performance of the relevant LifeSci Company and general economic and market conditions. In addition, the receipt of equity capital of the LifeSci Company by the Company may be detrimental to the Company, as creditors are entitled to be repaid in full before distributions can be made to equity holders in the event of an insolvency, liquidation, dissolution, reorganisation or bankruptcy of the Borrower, and the Company may not be able to realise any value for such equity or equity related securities.

RISKS RELATING TO THE SEED ASSETS

Purchase price of Seed Assets

Pursuant to the Initial Acquisition, the Company is to issue Shares to the Participating BioPharma III Investors in consideration for the acquisition of the BioPharma III Interest. In addition, the Company will acquire the RPS Note and utilise the cash proceeds from Initial Admission to pay the Loan Amount to the RPS Borrower, which the RPS Borrower will then use to make one or more cash distributions to the Participating RPS Investors. Royalty Pharma, acting as attorney-in-fact of

the Participating RPS Investors at the direction and on behalf of such investors, will apply the cash amount so distributed against the purchase price of Shares. The number of Shares to be issued in exchange for the BioPharma III Interest and the quantum of the Loan Amount under the RPS Note will be determined by the estimated fair value of each of the Seed Assets and the (direct or indirect) interests of the Participating BioPharma III Investors and the Participating RPS Investors in the Seed Assets. The estimated fair value of the Seed Assets has been arrived at following consideration with, and based on information from, the Investment Manager and the Valuer has issued an opinion as to such fair value. Nevertheless, there can be no guarantee that the estimated valuation on which the purchase price has been based will not prove to have been overstated and may vary (perhaps materially) from the actual values of the Seed Assets or change after the date of this Prospectus. In such case, the Net Asset Value and Shareholder returns may be adversely affected.

Execution risk relating to the BioPharma III Interest

As at the date of this Prospectus, the Company has made the BioPharma III Tender Offer under the terms of which, the Company will issue Shares on Subsequent Admission to acquire the BioPharma III Interest.

As set out in Part III (Seed Assets) of this Prospectus, the BioPharma III Interest may be acquired in two closings: the First Close on Initial Admission will be limited to such portion of the BioPharma III Interest such that the Shares being issued in connection therewith do not exceed 39.9 per cent. of the total Shares issued on Initial Admission (the "**First Close Limit**") and the Second Close will involve the remaining proportion of the BioPharma III Interest (if any) being acquired (and Shares in connection therewith being issued) on Subsequent Admission alongside the RPS Note.

The First Close is not conditional on the completion of Subsequent Admission but the Second Close is. The Second Close can only occur if on Subsequent Admission, the Second Close does not result in the BioPharma III Interest exceeding 39.9 per cent. of the Net Issue Proceeds which is dependent on the Shares in connection with the RPS Note being issued or sufficient Additional Subscriptions being received. If, for any reason, the Participating RPS Investors do not subscribe for the Shares as intended (see the risk factor "Execution Risk relating to the RPS Note" below), unless sufficient Additional Subscriptions are received in the alternate, there is a risk that Second Close may not occur. This would trigger a reduction in the acceptances of the tendered interests under the BioPharma III Tender Offer and subject to the requirements of applicable law, such a reduction may require a reopening of the RPS BioPharma III Tender Offers which may delay Admission and adversely affect returns to the Company.

Further, as set out in Part VII (Issue Arrangements) of this Prospectus, the Placing, the Offer and the PL Subscription are not conditional on the completion of the Initial Acquisition. They are only conditional on the Initial Acquisition Agreements being executed and sufficient valid tenders having been received under the Tender Offers. In the event the Second Close does not occur for the reasons set out above or for any other reason, the Company's NAV (and, potentially, the NAV per Share) will be lower than is expected as at the date of this Prospectus.

Further, the size of the RPS Note has been capped at 39.9 per cent. of the Net Issue Proceeds. If Second Close does not occur but the Shares are issued in connection with the RPS Note, the size of the Net Issue Proceeds would reduce and the RPS Note would need to be reduced proportionately so as to not constitute more than 39.9 per cent. of the revised Net Issue Proceeds. If such a reduction cannot be achieved by reducing the contribution of the RPS Interests held by Pharma Investors, then subject to the requirements of applicable law, it may require a reopening of the RPS Tender Offers which may delay Admission and adversely affect returns to the Company.

The Company will have little or no direct control over the activities of the BioPharma III Holdings, LP in which it invests

As part of the Seed Assets, the Company shall be acquiring the BioPharma III Interest. Although the Investment Manager is the manager of BioPharma III, and the general partner of BioPharma III GP is owned by principals of the Investment Manager, the Company will have little or no direct control over the activities of BioPharma III Holdings, LP or the risks associated with any investments therein. In addition, BioPharma III GP, in its capacity as general partner of BioPharma III Holdings, LP, may impose limitations on the Company's ability to withdraw or transfer its investment. This may, in turn, adversely affect the ability of the Company to meet its own liquidity requirements or limit its ability to undertake share buybacks.

Further, the Company will hold a minority share of the limited partnership interest in BioPharma III Holdings, LP. Therefore, where matters are reserved for majority consent by the limited partners in BioPharma III Holdings, LP, the Company may be outvoted by other limited partners of BioPharma III Holdings, LP. One such matter is the power to remove BioPharma III GP as the general partner of BioPharma III Holdings, LP without cause.

Execution risk relating to the RPS Note

As at the date of this Prospectus, the RPS Borrower and the RPS Borrower Feeder have each made a tender offer to the RPS Investors, pursuant to which the RPS Tender Offer Participants are expected to tender their RPS Interests to the RPS Borrower or the RPS Borrower Feeder, as applicable, up to 3,997,889 RPS Interests, in exchange for equivalent limited partnership interest in the RPS Borrower or the RPS Borrower Feeder (as applicable) and a one-time cash distribution of US$36.02 per limited partnership interest acquired through the RPS Tender Offers. Separately, Pharmaceutical Investors, LP ("**Pharma Investors**"), which is the general partner and will be a limited partner of the US Feeders and the Non-US Feeders, has entered into the RPS Pharma Investors Agreement with the RPS Borrower pursuant to which Pharma Investors has agreed to contribute at least 1.46 million RPS Interests and up to all of its 2.43 million RPS Interests (subject to any scaling back as described in Part III (Seed Assets) of this Prospectus) to the RPS Borrower outside of the RPS Tender Offers (but on substantially the same terms as the RPS Tender Offers save as to the scaling back arrangements). Prior to the Initial Admission, the Company and the RPS Borrower shall enter into the RPS Note under the terms of which, immediately following Initial Admission, the Company will advance the Loan Amount. Under the terms of the RPS Tender Offers and the RPS Pharma Investors Agreements, the RPS Borrower shall make one or more cash distributions to the Participating RPS Investors (being the RPS Tender Offer Participants and Pharma Investors with respect to its contributions under the RPS Pharma Investors Agreement, if any) as described above. Further, Royalty Pharma, as attorney-in-fact for the RPS Tender Offer Participants, will execute a subscription agreement with the Company (the "**RPS Investor Subscription Agreement**") prior to Initial Admission, pursuant to which Royalty Pharma is authorised, on behalf and acting at the direction of the Participating RPS Investors, to apply the amount of the cash distributions so received to subscribe for Shares.

As set out in Part VII (Issue Arrangements) of this Prospectus, the Placing, the Offer and the First Close are not conditional on the completion of the RPS Tender Offers. The Placing, the Offer and the First Close are conditional, *inter alia*, on: (i) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Initial Admission; (ii) Initial Admission occurring by 8:00 am on 27 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may agree); (iii) the Gross Cash Proceeds being at least US$150 million; (iv) all of the Initial Acquisition Agreements being executed and the Initial Acquisition becoming unconditional (save as to Admission); and (v) by no later than 11:59 pm on the Business Day before the closing date of the Placing, valid tenders being received under the Tender Offers which (in aggregate) together with the RPS Pharma Investors Agreement would result in: (a) the Gross Initial Acquisition Proceeds being at least US$150 million; (b) the BioPharma III Interest being equal to or less than 39.9 per cent. of the Net Issue Proceeds; and (c) the Loan Amount under the RPS Note being equal to or less than 39.9 per cent. of the Net Issue Proceeds, in each case if Subsequent Admission is successfully completed.

In the event that the Participating RPS Investors (acting by Royalty Pharma as their attorney-in-fact) do not subscribe for Shares pursuant to the Initial Acquisition for any reason, Subsequent Admission may only occur with respect to any Additional Subscriptions and the acquisition of the remaining portion of the BioPharma III Interest (if any and only to the extent the resulting BioPharma III Interest exceeds the First Close Limit). As a result, the Company's NAV (and, potentially, the NAV per Share) will be lower than is expected as at the date of this Prospectus. In addition, the Company may also have to incur costs in connection with enforcing its rights under the RPS Investor Subscription Agreement, which could have a material adverse effect on the Company.

If any remaining portion of the BioPharma III Interest that exceeded the First Close Limit is not acquired as a result of Participating RPS Investors (acting by Royalty Pharma as their attorney-in-fact) not subscribing for Shares pursuant to the Initial Acquisition for any reason, then, subject to the requirements of applicable law, the consequent reduction in the portion of the BioPharma III Interest being acquired by the Company may require a reopening of the BioPharma III Tender

Offer. If the BioPharma III Tender Offer is re-opened, the Participating BioPharma III Investors would have withdrawal rights which, if exercised, would require the Company to buyback or otherwise redeem and cancel the Shares issued to such withdrawing Participating BioPharma III Investors on Initial Admission in consideration for an in specie distribution of the portion of the BioPharma III Interest acquired on Initial Admission. Even if the withdrawal rights are not exercised, the re-opening of the BioPharma III Tender Offer would delay Subsequent Admission. Either of these consequences of a re-opening of the BioPharma III Tender Offer could reduce the Company's NAV (and, potentially, the NAV per Share) and could adversely affect the prospects of the Company. In such circumstances, the Directors may determine that it would be in the best interests of Shareholders as a whole to propose the winding up of the Company. The distribution of cash to Shareholders as a consequence of any such winding up may not occur until several months following Admission.

The RPS Note is supported only by the units in Royalty Pharma Select held by the RPS Borrower

The RPS Note is supported only by the units in Royalty Pharma Select held by the RPS Borrower. The RPS Borrower will hold only units in Royalty Pharma Select corresponding to the RPS Interests of Participating RPS Investors. Distributions from only the units in Royalty Pharma Select held by the RPS Borrower will be available to pay interest on, and the principal of, the RPS Note. The security interest held by the Company to secure payment of the RPS Note will consist primarily of the units in Royalty Pharma Select held by the RPS Borrower. The Company will have no recourse to any other units in Royalty Pharma Select and will have no rights against Royalty Pharma Select itself, other than with respect to the security interest held by the Company consisting of the units in Royalty Pharma Select held by the RPS Borrower.

Where an event of default occurs under the RPS Note, the Company will have limited recourse to the Royalty Pharma Select units held by the RPS Borrower.

Under the terms of the RPS Note and the Unit Mortgage, the RPS Borrower will grant the Company a security interest over the Royalty Pharma Select units acquired by the RPS Borrower pursuant to the terms of the RPS Tender Offers and the RPS Pharma Investors Agreement. Under the terms of the Unit Control Deed, the RPS Manager, the RPS Borrower and the Company will agree that, if an event of default occurs under the RPS Note and the Company is entitled to enforce its rights under the RPS Note and transfer, sell or assign the Royalty Pharma Select units, it may only do so where the transferee meets the requirements set out in the Unit Control Deed (as detailed in paragraph 10.15 of Part IX (Additional Information on the Company) in this Prospectus).

The Unit Control Deed will require that a transferee must, *inter alia*, (i) be a US person that meets a number of criteria under both Irish and US law, and (ii) not be a competitor, as reasonably determined by the RPS Manager, of Royalty Pharma Select, any feeder fund or any of their respective affiliates. It is not expected that the Company will at any point meet the eligibility criteria set out in the Unit Control Deed. In an enforcement situation, the Company will not be able to transfer the Royalty Pharma Select units to itself. It will either have to transfer the secured units to an eligible transferee(s) or, if possible, continue to receive any distributions from the units through the Collection Account. The pool of eligible transferees is expected to be very limited and therefore, if the Company seeks to transfer the secured units, it may not be able to realise the secured units for their full value. In the absence of willing buyers, who are also eligible transferees under the Unit Control Deed, the Company would be forced to recover its principal and interest solely through the Collection Account, which in an enforcement situation the availability or quantum of distributions may be in question. This may materially and adversely affect the Company's ability to achieve its investment objective and deliver the Initial Target Dividend, the Target Dividend and Target Returns for the Shareholders.

Concentration risk in the event Subsequent Admission does not occur, or either the Participating BioPharma III Investors or the Participating RPS Investors do not subscribe for Shares pursuant to the Initial Acquisition

In the event that either, or both, of the Participating BioPharma III Investors or the Participating RPS Investors do not subscribe for Shares pursuant to the Initial Acquisition, the Gross Initial Acquisition Proceeds will be significantly lower than anticipated. This will result in significantly fewer Shares being issued pursuant to the Subsequent Admission, resulting in the Company having a significantly smaller issued share capital following the Subsequent Admission than anticipated.

Initial Admission is not conditional on the completion of the Initial Acquisition (or the participation of one or both of the Participating BioPharma III Investors or the Participating RPS Investors in the Initial Acquisition). Consequently, there is a risk that any shareholders participating in the Placing and Offer on the basis of a percentage of the anticipated issued share capital following Subsequent Admission, shall, in the event that the Initial Acquisition does not take place, or one or both of the Participating BioPharma III Investors or the Participating RPS Investors do not subscribe for Shares, have a significantly higher percentage of the actual issued share capital than they had intended. The potential consequences of this is that such shareholder may hold such a percentage of the issued share capital that it is required to make a notification of its interest pursuant to the Disclosure Guidance and Transparency Rules or the Market Abuse Regulation, or may be required (except with the consent of the Takeover Panel) to make a cash or cash alternative offer for the outstanding Shares pursuant to Rule 9 of the Takeover Code.

RISKS RELATING TO PRODUCTS AND THE LIFE SCIENCES INDUSTRY

The Company may have limited information about the Products

The Company (or any entity through which the Company invests) may have limited information relating to the Products and other persons with an interest in the Products. Therefore, there may be information that relates to the Products or such persons that a prospective investor would like to know that the Company is not able to provide. For example, neither the Company nor the Investment Manager knows the results of studies conducted by marketers of the Products or others or the nature or amount of any complaints from doctors or users of such Products about which such persons may have knowledge.

The Products are subject to intense competition and various other risks

The biopharmaceutical and pharmaceutical industries are highly competitive and rapidly evolving. The length of any Product's commercial life cannot be predicted. There can be no assurance that the Products will not be rendered obsolete or non-competitive by new products or improvements made to existing products, either by the current marketer of the Products or by another marketer. Adverse competition, obsolescence or governmental and regulatory life sciences policy changes could significantly impact royalty revenues of Products which serve as the collateral or other security for the repayment of obligations outstanding under the Company's investments.

Competitive factors affecting the market position and success of the Products include:

- effectiveness;
- side effect profile;
- price, including third party insurance reimbursement policies;
- timing and introduction of the Product;
- effectiveness of marketing strategy;
- governmental regulation;
- introduction of generic competition;
- new and improved medical procedures; and
- product liability claims.

If a Product is rendered obsolete or non-competitive by new products or improvements on existing products or governmental or regulatory action, such developments could have a material adverse effect on the ability of the Borrower under the relevant Debt Asset to make payment of interest on, and repayments of the principal of, that Debt Asset, and consequently could adversely affect the Company's performance. If additional side effects or complications are discovered with respect to a Product, and such Product's market acceptance is impacted or it is withdrawn from the market, continuing payments of interest on, and repayment of the principal of, that Debt Asset may not be made on time or at all.

It is possible that over time side effects or complications from one or more of the Products could be discovered, and, if such a side effect or complication posed a serious safety concern, a Product could be withdrawn from the market, which could adversely affect the ability of Borrower under the relevant Debt Asset to make continuing payments of interest on, and repayment of the principal of, that Debt Asset, in which case the Company's ability to make distributions to investors may be materially and adversely affected.

Furthermore, if an additional side effect or complication is discovered that does not pose a serious safety concern, it could nevertheless negatively impact market acceptance and therefore result in decreased net sales of one or more of the Products, which could adversely affect the ability of Borrowers under the relevant Debt Asset(s) to make continuing payments of interest on, and repayment of the principal of, that Debt Asset(s), in which case the Company's ability to make distributions to investors may be materially and adversely affected.

Risks arising from US legislation relating to health care

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, (the "**Medicare Modernization Act**"), changed the way that Medicare covers and pays for pharmaceutical products. The Medicare Modernization Act expanded Medicare coverage for drug purchases by the elderly by establishing Medicare Part D and introduced a new reimbursement methodology based on average sales prices for physician-administered drugs under Medicare Part B. In addition, the Medicare Modernization Act provided authority for limiting the number of drugs that will be covered in any therapeutic class under the new Part D programme. Such cost reduction initiatives and other provisions of the Medicare Modernization Act could decrease the coverage and reimbursement rate for a Product. Any reduction in reimbursement resulting from the Medicare Modernization Act may result in a similar reduction in payments from private payers for such Product. Such reductions in payments and cost-saving provisions could affect the returns from the sales of that Product which could, in turn, affect the relevant Borrower's ability to make payments of interest on, and repayment of the principal of, the related Debt Asset. This could have a material adverse effect on the Company's ability to successfully implement its investment objective and policy.

In March 2010, President Obama signed into law the US Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively "**PPACA**"), a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against healthcare fraud and abuse, add new transparency requirements for healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms. In 2012, the Supreme Court of the United States upheld the constitutionality of PPACA. Therefore, PPACA's drug-related cost-savings provisions will continue to be implemented.

Although final regulations under PPACA have been issued, it is unclear what effect the new regulations and guidance will have on the life sciences industry as a whole and on the Investment Manager's business.

Proposals have been made in the US Congress to repeal PPACA. It is not yet clear whether such repeal will occur and, if it does, what, if any, legislation will replace PPACA. It is also not clear what effect such repeal and possible replacement would have on the Seed Assets. However, pharmaceutical sales have increased following the passage of PPACA and it is possible that such increased sales volume may be adversely affected by any repeal of PPACA.

Sales of the Products are subject to regulatory actions that could harm the Company's ability to make distributions to investors

There can be no assurance that any regulatory approvals for indications granted to one or more Products will not be subsequently revoked or restricted. Such revocation or restriction may have a material adverse effect on the sales of such Products and on the ability of Borrowers under the relevant Debt Asset to make continuing payments of interest on, and repayment of the principal of, that Debt Asset, in which case the Company's ability to make distributions to investors may be materially and adversely affected.

The Products are subject to governmental policy changes and managed care considerations, which could affect their pricing

The life sciences industry is likely to continue to change as the public, government, medical practitioners, and the pharmaceutical and biopharmaceutical industries focus on ways to expand medical coverage while controlling the growth in life sciences costs. In the United States, comprehensive legislative changes have been enacted and others may be proposed from time to time. These enactments and proposals could reduce the prices charged for pharmaceutical and biopharmaceutical products. See "Risks arising from US legislation relating to health care" above for more detail. In addition, the growth of large managed care organisations and prescription benefit managers as well as the prevalence of generic substitution has hindered price increases for

prescription drugs. These conditions may have a material adverse effect on the Company. For example, in Europe, following approval by the European Agency for the Evaluation of Medicinal Products ("**EMEA**") the pricing of a new pharmaceutical or biopharmaceutical product is negotiated on a country-by-country basis with each national regulatory agency. In addition, each European country has an approved formulary for which it reimburses the cost of prescription drugs. The failure of any of the Products to be added to the formulary, or to achieve satisfactory pricing, could directly or indirectly have a material adverse effect on the Company.

Product liability claims may diminish Product sales

The manufacturers, developers or marketers of the Products could become subject to product liability claims. A successful product liability claim could adversely affect Product sales and the amount of royalty payment, and consequently, could adversely affect the ability of a Borrower to make payments of interest or principal. Although the Investment Manager believes neither it nor the Company (or any entity through which the Company invests) will bear responsibility in the event of a product liability claim against the company manufacturing, marketing and selling the Products, there can be no assurance that such claims would not materially and adversely affect the related Debt Asset and, ultimately, the Company.

Risks related to price gouging claims

Governmental and other pressures to reduce pharmaceutical costs, including from third party payers such as health-maintenance organisations and health insurers, have resulted in increased public scrutiny over life science product pricing, particularly in the US. Recently, Congressional hearings have been held in the US, and US regulators and politicians have suggested that legislation should be passed and regulations should be made to address the rising costs to consumers of certain life science products. Any such legislation or regulations in the US or any other jurisdiction where a Products is sold could impact Product sales, which could cause the Product to generate insufficient royalties for the Company to be paid interest and principal in respect of the related Debt Asset. Furthermore, the manufacturers, developers or marketers of the Products could become subject to liability claims with respect to Product pricing. In addition to the manufacturers, developers or marketers bearing the costs associated with litigation, such claims could materially and adversely affect Product sales and the amount of royalty payments, and, consequently, could materially and adversely affect the ability of a Borrower to make payments of interest or repayments of principal.

Sales risk

Sales from Products may be lower than their historical levels or lower than the amounts projected due to pricing pressures, insufficient demand, product competition, lack of market acceptance, obsolescence, safety or efficacy issues, product manufacturing or commercialisation problems, loss of patent protection or statutory marketing protection, successful assertion of third party patent rights, or other factors, including those described elsewhere in this Prospectus. Lower sales from Products would materially and adversely affect the royalty payments generated from the Products which could materially and adversely affect the related Debt Asset and, ultimately, the Company.

Independent licensees

Some of the revenue received by the Company consists of royalties paid by the licensees or, in the case of bonds or other securities collateralised by Royalty Collateral, payments supported by royalties paid by the licensees. These licensees are not owned by or affiliated with the Company, any entity through which the Company invests, the Investment Manager, its principals, or the Board, and some of these licensees may have interests that are different from the Company's interests. These licensees may be motivated to maximise income by allocating resources to other products and, in the future, may decide to focus less attention on the Products. There can be no assurance that each of these licensees has adequate resources and motivation to continue to produce, market and sell the Products. Aside from any limited audit rights relating to the activities of the licensees that the Company (or any entity through which the Company invests) may have in certain circumstances, neither the Company, any entity through which the Company invests, the Investment Manager, its principals, nor the Board, has oversight rights with respect to the licensees' operations. The Company also has limited information on the licensees' operations. While the Company may be able to receive certain information relating to sales of Products through the exercise of the audit rights and review of royalty reports, the Company will not have the right to review or receive certain other information relating to Products, including the results of

any studies conducted by the licensees or others or complaints from doctors or users of Products, that the licensees may have. The market performance of the Products, therefore, may be diminished by any number of factors relating to the licensees that are beyond the control of the Company, the Investment Manager, its principals and the Board.

Generic substitutes

Although the Products are based upon patents and/or patent applications with exclusive rights, a regulatory authority may authorise marketing by a third party for a generic substitute for a Product, in which case the Product would become subject to competition from such generic substitute. The absence of marketing expenses generally permits generic substitutes to be sold at significantly lower prices than branded products. Governmental and other pressures to reduce pharmaceutical costs, including from third party payers such as health-maintenance organisations and health insurers, could result in physicians or pharmacies increasingly using generic substitutes for the Products. Availability of and competition with generic substitutes may affect the sales of a Product which could materially and adversely affect the value of the related Debt Asset and, ultimately, the Company.

Manufacturing and supply risk

Pharmaceutical products, and in particular biopharmaceutical products, are manufactured in specialised facilities that require the approval of, and ongoing regulation by, the FDA in the United States and, if manufactured outside of the United States, foreign regulatory agencies. With respect to the Products, to the extent operational standards set by such agencies are not adhered to, manufacturing facilities may be closed or the production of such Products interrupted until such time as any deficiencies noted by such agencies are remedied. Any such closure or interruption may interrupt, for an indefinite period of time, the manufacture and distribution of a Product.

In addition, manufacturers of such Products may rely on third parties for packaging of the Products or to supply bulk raw material used in the manufacture of the Products. In the United States, the FDA requires that all suppliers of pharmaceutical bulk materials and all manufacturers of pharmaceuticals for sale in or from the United States achieve and maintain compliance with the FDA's current ''Good Manufacturing Practice'' (or ''GMP'') regulations and guidelines.

Licensees generally rely on a small number of key, highly specialised suppliers, manufacturers and packagers. Any interruptions, however minimal, in the operation of these manufacturing and packaging facilities could have a material adverse effect on Product sales which, in turn, would adversely affect the royalty payments generated from the Products. A reduction or fall in the royalty payments would materially and adversely affect the value of the related Debt Asset and, ultimately, the Company.

The marketers of the Products are, generally, entirely responsible for the ongoing regulatory approval, commercialisation, manufacturing and marketing of the Products.

Generally, the holders of royalties on the Products have granted exclusive regulatory approval, commercialisation, manufacturing and marketing rights to the marketers of the Products. The marketers have full control over those efforts and sole discretion to determine the extent and priority of the resources it will commit to its program for a Product. Accordingly, the successful commercialisation of the Products depends on the marketer's efforts and is beyond the Company's or the Investment Manager's control. If a marketer does not devote adequate resources to the ongoing regulatory approval, commercialisation and manufacture of a Product for any reason, the Product's sales may not generate sufficient royalties for the Company to be paid interest and principal in respect of the related Debt Asset, and consequently, this may materially and adversely affect the Company's ability to make adequate distributions to Shareholders.

License agreements relating to the Products may, in some instances, be unilaterally terminated

Certain license agreements relating to the Products may be terminated, which may adversely affect sales of such Products. For example, under certain license agreements, licensees retain the right to unilaterally terminate the agreements with the licensors. When the last patent covering a Product expires or is otherwise invalidated in a country, a licensee may be economically motivated to terminate its license agreement, either in whole or with respect to such country, in order to terminate its relevant obligations. In the event of such a termination, a licensor may be unable to secure all of the necessary resources to continue developing and commercialising a Product in the countries as to which the license agreement has been terminated.

In addition, license agreements may fail to provide significant protection for failure to perform or in the event of disputes.

If a licensee were to default on its obligations under a license agreement, the licensor's remedy may be limited to either terminating certain licences related to certain countries or generally terminating the license agreement with respect to such country. In addition, if a licensee were to initiate or become subject to a bankruptcy proceeding, royalty payments relating to the applicable Product may be delayed during the pendency of such a proceeding, and may ultimately not be made in full or at all.

Any such delays or disruptions in the development and commercialisation of a Product may adversely impact the sales from that Product. In turn, any fall or reduction in sales of a Product would adversely affect the royalty payments generated from that Product which would materially and adversely affect the related Debt Asset and, ultimately, the Company.

An insolvency of a marketer could adversely affect the rights of the Borrower to receive royalty payments

If a marketer were to become insolvent and seek to reorganise under Chapter II of Title II of the US Code, as amended (the "**Bankruptcy Code**"), or liquidate under Chapter 7 of the Bankruptcy Code, such event could delay the payment of the amounts due under a license agreement, pending a resolution of the bankruptcy proceedings. Any unpaid royalty payments due for the period prior to the filing of the bankruptcy proceeding would be unsecured claims against the marketer. While royalty payments due for periods after the filing may qualify as administrative expenses entitled to a higher priority, the actual payment of such post-filing royalty payments could be delayed for a substantial period of time and might not be in the full amount due under the license agreement. The licensor would be prevented by the automatic stay from taking any action to enforce their rights without the permission of the bankruptcy court. In addition, the marketer could elect to reject the license agreement, which would require the licensor to undertake a new effort to market the applicable Product with another distributor. Such proceedings could adversely affect the ability of the Borrower under the relevant Debt Asset to make payments of interest or principal on that Debt Asset, and could consequently materially and adversely affect the Company.

The Company depends on third parties to maintain, enforce and defend patent rights on the Products

The Company's right (or the right of any entity through which the Company invests) to receive royalty payments for Products (whether under the terms of any Debt Asset (for example, Priority Royalty Tranches) or upon enforcement of any security granted in relation to any Debt Asset) generally depends on the existence of valid and enforceable claims of registered and/or issued patents in the United States and elsewhere throughout the world. The Products in respect of which the Company receives the payments mentioned above are dependent on patent protection for the Products and on the fact that the manufacturing, marketing and selling of such Products does not infringe intellectual property rights of third parties. In most cases, the Company has no ability to control the prosecution, maintenance, enforcement or defence of patent rights, but must rely on the willingness and ability of the relevant Borrower to do so. While the Investment Manager believes that the parties required or entitled to maintain, enforce and defend the underlying patent rights are in the best position and have the requisite business and financial motivation to do so, there can be no assurance that these third parties will vigorously maintain, enforce or defend such rights. Even if such third parties seek to maintain, enforce or defend such rights, they may not be successful. Any failure to successfully maintain, enforce or defend such rights would have a material adverse effect on the ability of the relevant Borrower to make payments of interest and principal on its debt obligations, and could consequently materially and adversely affect the Company. The Company could incur substantial litigation costs if it is necessary to assert its interest in intellectual property or contractual rights, or to participate in patent suits brought by third parties.

Infringement of third party patents

The commercial success of the Products depends, in part, on avoiding infringement of the proprietary technologies of others. Third party issued patents or patent applications claiming subject matter necessary to manufacture and market the Products could exist. Such third party patents or patent applications may include claims directed to the mechanism of action of the Products. There can be no assurance that a licence would be available to licensees for such subject matter if such infringement were to exist or, if offered, would be offered on reasonable and/or commercially

feasible terms. Without such a license, it may be possible for third parties to assert infringement or other intellectual property claims against the licensees based on such patents or other intellectual property rights. An adverse outcome in infringement proceedings could subject the licensees to significant liabilities to third parties, require disputed rights to be licensed from third parties or require the licensees to cease or modify their manufacturing, marketing and distribution of the Products. Any such cessation would adversely impact the sales from that Product which in turn, would adversely affect the royalties generated from that Product. This would materially and adversely impact the related Debt Asset and, ultimately, the Company.

Trade secrets

The Company's right (or the right of any entity through which the Company invests) to receive payments in respect of royalties depends, in part, on trade secrets, know-how and technology, which are not protected by patents, to maintain the licensees' competitive position. This information is typically protected through confidentiality agreements entered into with parties that have access to such information, such as collaborative partners, licensors, employees and consultants. Any of these parties may breach their confidentiality agreement and disclose the confidential information, or competitors might learn of the information in some other way. Such breaches would adversely affect the competitiveness and marketability of the relevant Product which would in turn, impact the revenues generated from the sales of that Product. A fall in revenues would adversely affect the royalty payments generated from that Product, which would adversely affect the value of the related Debt Asset and, ultimately, the Company.

Finite terms

The rights to receive the payments in respect of royalties have limited terms that are generally not subject to extension. Following the expiration of the patent, or the termination of the licence or the contractual right to receive payments under any agreement pursuant to which the Company (or any entity through which the Company invests) has the right to receive payments in respect of royalties, the Company will not receive any revenue related to the sale of the related Product even if the Product continues to be sold.

RISKS RELATING TO THE INVESTMENT MANAGER

The success of the Company depends on the ability and expertise of the Investment Manager

In accordance with the Investment Management Agreement, the Investment Manager is responsible for the investment management of the Company's assets. The Company does not have employees and all of its Directors are appointed on a non-executive basis. All of its investment and asset management decisions will be made by the Investment Manager (or any delegates thereof) and not by the Company and, accordingly, the Company will be completely reliant upon, and its success will depend on, the Investment Manager and its personnel, services and resources. The Investment Manager is required, under the terms of the Investment Management Agreement, to perform in accordance with the Service Standard. However, the Company will only be entitled to terminate the Investment Management Agreement in the event that the Investment Manager has (i) committed fraud, gross negligence or wilful misconduct in the performance of its obligations under the Investment Management Agreement, or (ii) breached its obligations under the Investment Management Agreement (including the Service Standard), and the Company is reasonably likely to suffer a loss arising directly or indirectly out of or in connection with such breach of an amount equal to or greater than 10 per cent. of the NAV as at the date of the breach. Under the terms of the Investment Management Agreement, the Investment Manager is only liable to the Company (and will only lose its indemnity) if it has committed fraud, gross negligence or wilful misconduct or acted in bad faith, or knowingly violated applicable securities laws. The Investment Manager will not submit individual investment decisions to the Board for approval.

In particular, the performance of the Company is dependent on the diligence, skill and judgment of certain key individuals at the Investment Manager, including Pedro Gonzalez de Cosio and other senior investment professionals and the information and investments pipeline generated through their business development efforts. On the occurrence of a Key Person Event, the Company may be entitled to terminate the Investment Management Agreement with immediate effect (subject to the Investment Manager's right to find an appropriate replacement to be approved by the Board (such approval not to be unreasonably withheld or delayed) within 180 days). However, if the Company elects to exercise this right, it would be required to pay the Investment Manager a termination fee equal to either 1 per cent. or 2 per cent. of the invested NAV (depending on the

reason for the Key Person Event), as at the date of such termination. If the Company elects not to exercise this right, the precise impact of a Key Person Event on the ability of the Company to achieve its investment objective and target returns cannot be determined and would depend *inter alia* on the ability of the Investment Manager to recruit individuals of similar experience, expertise and calibre. There can be no guarantee that the Investment Manager would be able to do so and this could adversely affect the ability of the Company to meet its investment objective and target returns and may adversely affect the Net Asset Value and Shareholder returns and result in a substantial loss of a Shareholder's investment.

The Investment Manager's ability to source and advise appropriately on investments

Returns on the Shareholders' investments will depend upon the Investment Manager's ability to source and make successful investments on behalf of the Company. Notwithstanding the acquisition of the Seed Assets on Admission, there can be no assurance that the Investment Manager will be able to do so on an on-going basis. Many investment decisions of the Investment Manager will depend upon the ability of its employees and agents to obtain relevant information. There can be no guarantee that such information will be available or, if available, can be obtained by the Investment Manager and its employees and agents. Further, the Investment Manager will often be required to make investment decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. For example, the Investment Manager may not have access to records regarding the complaints received regarding a given life science product or the results of research and development ("**R&D**") related to products. Furthermore, the Company may have to compete for attractive investments with other public or private entities, or persons, some or all of which may have more capital and resources than the Company. These entities may invest in potential investments before the Company is able to do so or their offers may drive up the prices of potential investments, thereby potentially lowering returns and, in some cases, rendering them unsuitable for the Company.

An inability to source investments would have a material adverse effect on the Company's profitability, its ability to achieve its target returns and the value of the Shares.

The Manager Affiliated Parties provide services to other clients that compete directly or indirectly with the activities of the Company and are subject to conflicts of interest in respect of its/their activities on behalf of the Company

The Manager Affiliated Parties, being the Investment Manager, its principals and their respective Affiliates, are involved in other financial, investment or professional activities that give rise to conflicts of interest with the Company. In particular, the Manager Affiliated Parties provide investment management and related services to other Managed Entities.

Consequently, the Investment Manager is not required to commit all of its resources to the Company's affairs. Insofar as the Investment Manager devotes resources to satisfy its responsibilities to other business interests, its ability to devote resources and attention to the Company's affairs will be correspondingly less.

Depending on the circumstances, the Manager Affiliated Parties may give advice or take action with respect to the Managed Entities that differs from the advice given or action taken with respect to the Company, even though their investment policies may be the same or similar as that of the Company.

The Investment Manager may from time to time encounter conflicts of interest where, for example, it or any of its Affiliates has a relationship with a Borrower, the royalty obligor for the Product, or the assignor of a Debt Asset in a given transaction it is executing for the Company. This is likely to be the case, in particular, where the assignor or transferor of a Debt Asset to the Company is one of the Managed Entities.

The Investment Manager has established procedures to address any such potential conflicts of interest as described in Part V (The Investment Manager) of this Prospectus. While the Investment Manager has such established procedures and will undertake reasonable efforts to identify and manage such conflicts, there can be no assurance that such conflicts will not interfere with the investment management of the Company which, in turn, could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Company's profitability, Net Asset Value and returns to Shareholders.

The Investment Manager's information and technology systems may be vulnerable to cyber security breaches and there is a risk of identity theft

The Investment Manager's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Investment Manager has implemented various measures to manage risks relating to these types of events, if the Investment Manager's information and technology systems are compromised, become inoperable for extended periods of time or cease to function properly, the Investment Manager and/or the Company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Investment Manager's and/or the Company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Investment Manager's and/or the Company's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

The Manager Affiliated Parties may come into possession of material, non-public information that may constrain the Company's investment flexibility

The Manager Affiliated Parties may come into possession of material, non-public information that will limit the ability to buy and sell investments. The Company's investment flexibility may be constrained because of the Investment Manager's inability to use such information for investment purposes.

There can be no assurance that the Board will be able to find a replacement investment manager if the Investment Manager resigns

Under the terms of the Investment Management Agreement, the Investment Management Agreement may be terminated by: (A) the Investment Manager on not less than 6 months' notice to the Company, such notice not to expire earlier than 18 months following Admission; or (B) the Company on not less than 6 months' notice to the Investment Manager, such notice not to expire earlier than: (i) 36 months following Admission, unless approved by Shareholders by ordinary resolution; and (ii) 18 months following Admission, in any event.

The Board would, in these circumstances, have to find a replacement investment manager for the Company and there can be no assurance that a replacement with the necessary skills and experience would be available and/or could be appointed on terms acceptable to the Company. In this event, the Board may have to formulate and put forward to Shareholders proposals for the future of the Company which may include its merger with another investment company, reconstruction or winding up.

It is possible that, following the termination of the Investment Manager's appointment, the Investment Manager will continue to have a role in the investment management of certain assets, where a Debt Asset is shared with one or more other Managed Entities that continue to retain the Investment Manager's services.

The investment allocation policy of the Investment Manager could prejudice investment opportunities available to, and investment returns achieved by, the Company

The Manager Affiliated Parties have conflicts of interest in allocating investments among the Company and other Managed Entities (including any co-investment opportunities between the Company and other Managed Entities) and in effecting transactions between the Company and other Managed Entities, including transactions in which the Manager Affiliated Parties may have a financial interest.

The Investment Manager has discretion to allocate the capital of the Company and other Managed Entities. The Investment Manager's approach to allocation is set out in paragraph 7 under ''Allocation of Investment Opportunities'' of Part V (The Investment Manager) of this Prospectus. It may not always be possible to allocate to the Company every investment opportunity that the Investment Manager believes would be appropriate and desirable for the Company. The allocation policy may affect the Company's access to investment opportunities, which in turn may adversely

impact its performance, and, by extension, the Company's business, financial condition, results of operations, Net Asset Value and Shareholder returns.

Furthermore, the Investment Manager has the discretion to co-invest the capital of the Company with the capital of a Managed Entity. In such circumstances, the Investment Manager may decide to make such investments that are in the best interests of the Company and the co-investing Managed Entities as a whole, which may be in conflict with the best interests of the Company itself. The Company may not hold the controlling interest in such co-investment and therefore may have limited rights in relation to the Debt Assets (for example in relation to decisions as to disposal).

No reliance should be placed by investors on the past performance of other investment vehicles or accounts managed by the Investment Manager

This Prospectus contains historical financial performance information in relation to other Managed Entities. The past performance of the investments in these Managed Entities cannot be relied upon as an indicator of the future performance of the Company. The Company's investment strategy, and the nature and risks associated with the Company's assets, may differ from those of the Managed Entities. Although in many cases the Company's assets will be the same or similar to those held in the Managed Entities, the Company cannot guarantee that this will be the case at all times and in all circumstances and can offer no assurance that the assets (or any part thereof) will perform as well as the past investments made by the Investment Manager for the Managed Entities; that gains and income will be generated; or that any gains or income that may be generated on particular assets will be sufficient to offset any losses sustained.

Further, this Prospectus also contains historical financial performance information in relation to the Seed Assets. The past performance of the Seed Assets as held by the relevant Managed Entity is not an indicator of the performance of the Seed Assets after they have been acquired by the Company. The Company cannot guarantee that the Seed Assets will generate similar or the same returns as they have done in the past when held by the relevant Managed Entity from which they have been acquired. The Company also cannot guarantee that, upon acquisition, the flow of any royalty payments from the Seed Assets will be uninterrupted by any other factors.

Performance fees may create incentives for speculative investments by the Investment Manager

The performance fee payable to the Investment Manager may result in substantially higher payments to the Investment Manager than would have arisen had alternative arrangements, sometimes found in other investment vehicles, been entered into instead. The existence of the performance fee may create an incentive for the Investment Manager to make riskier or more speculative investments than it would make in the absence of such a fee.

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

The Company relies heavily on the financial, accounting and other data processing systems of the Investment Manager. If any of these systems do not operate properly or are disabled, the Company could suffer financial loss or reputational damage. In addition, the Company may invest in businesses that are highly dependent on information systems and technology. A disaster or a disruption in the infrastructure that supports the Debt Assets or their underlying Products, or a disruption involving electronic communications or other services used by the Investment Manager or third parties with whom the Company conducts business, could have a material adverse impact on the ability of the Company to continue to operate its business without interruption. The disaster recovery programmes used by the Investment Manager or third parties with whom the Company conducts business may not be sufficient to mitigate the harm that may result from such disaster or disruption. In addition, insurance and other safeguards might only partially reimburse the Company for its losses, if at all.

Litigation against the Investment Manager or the Company may disrupt its investment strategy and growth

It is also possible that, from time to time, the Investment Manager or the Company will be named as parties to litigation or become involved in regulatory inquiries, which could cause substantial reputational damage to the Investment Manager or the Company or disrupt its investment strategy, businesses or potential growth and have a material adverse effect on the Net Asset Value and returns to Shareholders.

Failure of the Investment Manager to comply with US regulatory requirements could prevent the Investment Manager from providing services to the Company to the detriment of investors in the Company

The Investment Manager is registered as an investment adviser under the United States Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). Accordingly, the Investment Manager will be required to comply with all of the provisions of the Advisers Act and the rules thereunder that apply to registered advisers. While these provisions and rules are designed to protect investors, if the Investment Manager were to fail to comply with its obligations under the Advisers Act, the Investment Manager may be prohibited from engaging in a securities-related business. The occurrence of such a failure to comply may mean that the Investment Manager would be unable to fulfil its obligations under the Investment Management Agreement. Any interruption to the provision of investment management services to the Company could indirectly adversely impact the value of the Company's existing investments and compromise its ability to make new investments.

RISKS RELATING TO REGULATION AND TAXATION

Changes in laws or regulations governing the Company's or the Investment Manager's operations may adversely affect the business and performance of the Company

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

The Company is subject to, and will be required to comply with, certain legal and regulatory requirements that are applicable to UK investment trusts. The Company is subject also to the continuing obligations imposed on all investment companies whose shares are admitted to trading on the Specialist Fund Segment. The Company will voluntarily comply with many of the Listing Rules applicable to closed-ended investment companies which are listed on the Premium Listing Segment of the Official List of the UK Listing Authority. However, the UK Listing Authority will not monitor the Company's voluntary compliance with the Listing Rules nor will it impose sanctions in respect of any failure of such compliance by the Company.

The Investment Manager is subject to, and will be required to comply with, certain regulatory requirements of the SEC, some of which affect the investment management of the Company.

The laws and regulations affecting the Company and/or the Investment Manager are evolving and any changes in such laws and regulations may have an adverse effect on the ability of the Company and/or the Investment Manager to carry on their respective businesses. For example, in the future it is also possible that the Investment Manager, notwithstanding that it is established and operating in the US, will be required to comply with domestic European regulations such as the AIFM Directive. Any such changes may have an adverse effect on the ability of the Company to pursue its investment policy, and may adversely affect the Company's business, financial condition, prospects, results of operations, Net Asset Value and/or the market price of the Shares. In such event, the target returns of the Company may be materially affected.

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

Any change in the Company's tax status, or in taxation legislation or practice in the UK or elsewhere, could affect the value of the investments in the Seed Assets and the Company's ability to achieve its investment objective, or alter the post-tax returns to Shareholders. Statements in this Prospectus concerning the taxation of the Company and taxation of Shareholders are based upon current UK tax law and published practice, any aspect of which is, in principle, subject to change that could adversely affect the ability of the Company to successfully pursue its investment policy and/or which could adversely affect the taxation of the Company and the Shareholders.

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions for approval of the Company by HMRC as an investment trust under section 1158 of the Corporation Tax Act 2010 (as amended) and pursuant to regulations made under section 1159 of the Corporation Tax Act 2010. However, although the approval has been obtained (conditional on initial Admission), neither the Investment Manager nor the Directors can guarantee that this approval will be maintained at all times. The Company will be treated as an investment trust during the accounting period current as at the time the application is made, and will continue to have investment trust status in each subsequent accounting period, unless the Company fails to meet the requirements to maintain investment trust status so as to be treated as no longer approved by

HMRC as an investment trust, pursuant to the regulations. For example, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Shares are freely transferable. Failure to maintain investment trust status could, as a result, (*inter alia*) lead to the Company being subject to UK tax on its chargeable gains.

Potential investors should consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company.

Passive foreign investment company status

The Company believes that it is, and expects that it will continue to be, a passive foreign investment company (a "**PFIC**") for US federal income tax purposes, which could result in materially adverse consequences for US investors, including additional tax liability and tax filing obligations for a US investor. The Company generally expects to make available to US investors, certain information necessary to permit investors to make a "qualified electing fund" election with respect to the Company, which could mitigate some of the adverse tax consequences arising from the Company's status as a PFIC to US investors. In addition, depending on whether the London Stock Exchange qualifies as a "qualified exchange or other market" for purposes of the PFIC rules and the actual trading volume of the Company's Shares, a mark-to-market election may be available, which could also mitigate some of the adverse tax consequences arising from the Company's status as a PFIC to US investors. US investors may also be affected by the rules applicable to a "controlled foreign corporation" ("**CFC**") for US federal income tax purposes.

The CFC and PFIC rules may operate to disallow the benefits of tax deferral and to re-characterise as ordinary income certain income derived from an investment in a non-US corporation, such as the Company, that otherwise might have been characterised as capital gain for US federal income tax purposes, if any. Various US filing requirements may also apply.

Prospective US taxable and tax-exempt investors should consult with their own tax advisers regarding the potential application of the PFIC and CFC rules to them as a result of their investment in the Company and any lower-tier entities in which the Company may invest, in their particular circumstances.

The implementation of the Solvency II Directive

On 25 November 2009, Directive 2009/138/EC (the "**Solvency II Directive**") was published in the Official Journal. It has since been extensively amended by the Omnibus II Directive, 2014/51/EU. The Solvency II regime came into force on 1 January 2016. Solvency II revises the regulation and authorisation of insurance and reinsurance companies. The Solvency II Directive sets out new requirements on, among other things, capital adequacy and risk management for insurers or reinsurers. The Solvency II Directive does not restrict the ability of insurers or reinsurers authorised in the EU to invest in investment companies such as the Company. It does, however, provide for a capital charge to be applied to assets held by an insurer or reinsurer. The capital charge to be applied to an asset will depend on the risks presented by that asset. To the extent that, as a result of the implementation of the Solvency II Directive, insurers or reinsurers are discouraged from acquiring the Shares, this could have an adverse effect on the trading price and/or liquidity of the Shares.

The Company has taken certain steps to help maintain its status as a foreign private issuer which could materially adversely affect the trading price and liquidity of the Shares

In acquiring the Seed Assets, the Company expects to issue a substantial number of Shares to investors who are residents of the United States. Accordingly, the proportion of the Shares held by US residents could be substantial at Admission and such proportion could increase in subsequent secondary market trading. As the Investment Manager is based in the United States, the Company could lose its status as a "foreign private issuer" under the Securities Act and the Exchange Act if US residents come to own more than 50 per cent. of the Company's voting shares, which for this purpose means securities carrying the right to vote with regard to the appointment and removal of directors. If the Company ceases to be a "foreign private issuer", this could have materially adverse consequences for the Company – for example, the Company could be required to register with the SEC under the Exchange Act and/or under the Investment Company Act, which would subject the Company to potentially onerous and costly reporting requirements and substantive regulation with which the Company is not currently structured to comply.

The Company intends to conduct its business so far as possible so as to maintain its status as a foreign private issuer. As a result, the Company has taken steps such as imposing limitations on the voting rights attaching to Shares held by US residents and imposing certain restrictions on the ownership and transfer of Shares. Such steps could materially affect the ability of some investors to hold Shares, as well as the trading price and liquidity of the Shares. For further information, please refer to the sections entitled ''Voting Rights'' in Part I (The Company) and ''United States transfer restrictions'' and ''Representations, Warranties and Undertakings'' in Part VII (Issue Arrangements) of this Prospectus.

The Company may directly or indirectly incur US or non-US withholding tax

The Company believes that interest income realised from US sources should be exempt from US withholding tax (or be subject to a reduced rate of US withholding tax) either pursuant to an exemption under the US Tax Code (for example, the portfolio interest exemption) or pursuant to the provisions of the Treaty. As described below, however, the Company's eligibility under the Treaty will depend, among other things, on the Publicly Traded Company Test (as defined below) and the actual trading of the Company's Shares in each calendar year. In addition, there can be no assurance that the IRS (or, where relevant, any withholding agents) could not successfully assert positions contrary to those taken by the Company. If the Company (i) was not treated as the beneficial owner of the relevant US source income received by it or (ii) was not eligible to claim benefits under the Treaty, the Company could be subject to US federal income tax withholding on a gross basis at a rate of 30 per cent. with respect to certain types of income received from US sources, including certain fee income and interest income, to the extent not treated as effectively connected with the conduct of a US trade or business. In addition, the Company may incur withholding tax with respect to income realised in any state or local, or non-US jurisdiction.

Such withholding taxes, if any, would be expected to be incurred at the Company level and could have a material adverse effect on the performance of the Company and the Company's returns to Shareholders.

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

FATCA imposes certain information reporting requirements on a foreign financial institution (''**FFI**'') or other non-US entity and, in certain cases, US federal withholding tax on certain US source payments and gross proceeds from a sale of assets generating US source payments. The Company is likely to be considered an FFI, and will therefore have to comply with certain registration and reporting requirements in order not to be subject to US withholding tax under FATCA (see further paragraph 4.4 (FATCA Reporting and Withholding Tax) of Part VIII (Taxation And ERISA Considerations) of this Prospectus). In addition, the Company may be required to withhold US tax at the rate of 30 per cent. on ''withholdable payments'' or, after 31 December 2018, certain ''foreign passthru payments'', to persons that are not compliant with FATCA or that do not provide the necessary information or documents, to the extent such payments are treated as attributable to certain US source payments.

There can be no assurance that any payments in respect of the Shares will not be subject to withholding tax under FATCA. To the extent that such withholding tax applies, the Company is not required to pay any additional amounts. Accordingly, all prospective US and non-US Shareholders should consult their own tax advisers about the effect of FATCA on an investment in the Shares.

In addition to requirements under FATCA, the Organisation for Economic Co-operation and Development has developed a new global standard for the automatic exchange of financial information between tax authorities (the ''**Common Reporting Standard**''). The Common Reporting Standard has been implemented in the EU through the Revised Directive on Administrative Co-Operation (Council Directive 2014/107/EU). The United Kingdom is a signatory jurisdiction to the Common Reporting Standard and intends to conduct its first exchange of information with tax authorities of other signatory jurisdictions in September 2017. While the Common Reporting Standard has been implemented in the United Kingdom, detailed guidance on the requirements remains outstanding. The requirements may impose additional burdens and costs on the Company or Shareholders. Although the Company will attempt to satisfy any obligations imposed on it by the Common Reporting Standards, no assurance can be given that it will be able to satisfy such obligations. Implementation of the Common Reporting Standard may

require the Company to conduct additional due diligence and report upon accounts held with it by Shareholders who are reportable persons in other participating jurisdictions. The Company may require certain additional financial information from Shareholders to comply with its diligence and reporting obligations under the Common Reporting Standard. Failure by the Company to comply with the obligations under the Common Reporting Standard may result in fines being imposed on the Company and in such event, the target returns of the Company may be materially and adversely affected.

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

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

The Volcker Rule generally defines an entity as a ''covered fund'' if, among other things, the entity would be an ''investment company'' as defined under the Investment Company Act were it not for section 3(c)(1) or section 3(c)(7) thereof. Because the Company has structured itself and offerings of its Shares so as to qualify for an exemption under section 3(c)(7) of the Investment Company, the Company is likely to be regarded as a ''covered fund'' under the Volcker Rule.

Any prospective investor that is or may be considered a ''banking entity'' under the Volcker Rule should consult its legal advisers regarding the potential impact of the Volcker Rule on its investments and other activities, prior to making any investment decision with respect to the Shares or entering into other relationships or transactions with the Company. If the Volcker Rule applies to an investor's ownership of Shares, the investor may be forced to sell its Shares or the continued ownership of Shares may be subject to certain restrictions.

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

The Company has not, does not intend to become and may be unable to become registered with the SEC as an ''investment company'' under the Investment Company Act and related rules which provide certain protections to investors and impose certain restrictions on companies that are registered as investment companies. As the Company is not so registered, does not intend to so register and may be unable to so register, none of these protections or restrictions is or will be applicable to the Company. However, if the Company were to become subject to the Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect the operating results and financial performance of the Company. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity and shareholders in that entity may be entitled to withdraw their investment. In order to ensure compliance with the exemptions that permit the Company to avoid being required to register as an investment company under the Investment Company Act and related rules, the Company has implemented restrictions on the ownership and transfer of Shares, which may materially affect an investor's ability to hold or transfer Shares and may in certain circumstances require the investor to transfer or sell its Shares. For further information, please refer to the sections entitled ''United States transfer restrictions'' and ''Representations, Warranties and Undertakings'' in Part VII (Issue Arrangements) of this Prospectus.

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

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

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

The Company may be subject to US Net Income Taxation

Although the Company intends to conduct its activities in a manner so as to not be treated as engaged in the conduct of a US trade or business, it is possible that income derived from certain of its activities may be deemed to be income effectively connected with the conduct of a US trade or business for US federal income tax purposes and, therefore, subject to US federal income taxation. The Company could be treated as engaged in the conduct of a US trade or business if it conducts, or is treated as conducting through any of its agents for US federal income tax purposes, certain activities in the United States on a regular, continuous and substantial basis. Although not free from doubt, the Company expects that the debt interests will be acquired with ''investor'' intent and, therefore, that the Company should not be treated as engaged in the conduct of a US trade or business for US federal income tax purposes. However, due to uncertainty regarding both the law in the area and the specific nature and frequency of the activities in which the Company may engage, it is possible that the Company may be treated as engaged in the conduct of a US trade or business. Even if the Company is so treated, the Company intends to conduct its affairs such that it should not be treated as carrying on such US trade or business through a permanent establishment situated in the United States within the meaning of the Treaty. As described below, however, the Company's eligibility under the Treaty will depend, among other things, on the Publicly Traded Company Test (as defined below) and the actual trading of the Company's Shares in each calendar year. Although the concept of a ''permanent establishment'' is somewhat open to interpretation, the Treaty specifically provides that a UK entity will not be deemed to have a permanent establishment in the United States merely because it carries on business in the United States through a broker, general commission agent, or ''any other agent of an independent status,'' provided that such persons are acting in the ordinary course of their business as independent agents. The Company believes that its anticipated activities, as well as the legal and economic relationship between the Company and the Investment Manager, will support the position that the Investment Manager should be treated as an ''agent of an independent status'' acting in the ordinary course of its business within the meaning of the Treaty and, as a result, that the Company should not be carrying on a US trade or business through a permanent establishment situated in the United States. However, since the Company's positions are based on certain legal and factual determinations and given the absence of direct authority on point, the US federal income tax treatment of the Company is not free from doubt, and there can be no assurance that positions contrary to those taken by the Company may not be asserted successfully by the IRS (including, without limitation, with respect to the Transaction Fee offset described above).

Subject to the foregoing, the Company believes that it is, and expects that it will continue to be, entitled to all benefits of the Treaty because: (i) it is a resident of United Kingdom within the meaning of Article 4 of the Treaty; and (ii) it is a ''qualified resident'' for purposes of the Treaty, and, thus, meets the requirements of the Limitation on Benefits (''**LOB**'') provision in Article 23 of the Treaty. The Company is a UK tax resident investment trust and, as such, is liable for tax in the United Kingdom on its income. In addition, to be eligible for ''qualified resident'' status under the

LOB provision of the Treaty, the Company's principal class of shares must be: (i) listed or admitted to dealings on a recognised stock exchange; and (ii) regularly traded on one or more recognised stock exchanges (the "**Publicly Traded Company Test**"). The London Stock Exchange is listed as a "recognised stock exchange" in the Treaty. However, to be considered "regularly traded" for purposes of the Publicly Traded Company Test, the aggregate number of the Company's principal class of shares traded on one or more recognised stock exchanges must be at least 6 per cent. of the average number of shares of such class outstanding during (i) the 12 months ending on the day before the beginning of the relevant taxable year, or (ii) if such class of shares was not listed on a recognised stock exchange in such 12 month period, during the taxable period in which the relevant income arises. Although the Company generally expects that, based on listed entities with a similar investment policy, the Shares will satisfy this "regular trading" condition, since meeting this condition depends on the actual trading of the Company's Shares in any taxable year there can be no assurance that the Shares will be so traded. Investors should consult their own tax advisers in this regard.

If the Company (i) is considered to be engaged in the conduct of a US trade or business and (ii) is not eligible for benefits under the Treaty or is treated as carrying on such US trade or business through a US permanent establishment (as a result of an unexpected change in the intended method of operation or a contrary interpretation by the IRS), the Company's income that is attributable to such trade or business or permanent establishment, as applicable, may be subject to regular US federal and, potentially, state and local income taxation on a net basis. In addition, the Company may be subject to an additional "branch profits tax" at a rate of 30 per cent. (which may be reduced under the Treaty to 5 per cent.) on its net income remaining after payment of the regular tax.

Although Shareholders not otherwise subject to US federal income tax should not be subject to any US reporting obligations or the payment of any US federal income tax directly as a result of an investment in the Company, any tax liability at the Company level could have a material adverse effect on the performance of the Company and the Company's returns to Shareholders.

RISKS RELATING TO AN INVESTMENT IN THE SHARES

The PL Associates are expected to own at Admission, and may retain in the medium or long term a significant interest in the Company and, given the relationship between the PL Associates and the Investment Manager, their interest will conflict with those of other Shareholders in certain circumstances

At Admission, Mr. Pablo Legorreta and his connected persons will form a concert party referred to herein as "**PL Associates**" and described in greater detail in Part IX (Additional Information on the Company) of this Prospectus. Assuming the minimum Gross Issue Proceeds of US$300 million are raised, the PL Associates may own between approximately 12.64 per cent. and approximately 41.84 per cent. of the total issued share capital of the Company. The precise shareholding of the PL Associates would depend on the outcome of the Issue as a whole and, in particular, the number of Shares issued in connection with the Initial Acquisition. Out of the maximum possible controlling interest of 41.84 per cent., Mr. Pablo Legorreta (together with his family members and related trusts) is expected to own approximately 11.51 per cent. Assuming Pharma Investors (which will also be a member of the PL Associates along with Mr. Legorreta) contributes all its resulting RPS Interests into the RPS Borrower under the RPS Pharma Investors Agreement without any scaling back and acquires Shares as a result, Pharma Investors is expected to own approximately 29.2 per cent. of the total issued share capital of the Company. Mr. Pablo Legorreta is a principal of the Investment Manager and Royalty Pharma and also controls Pharma Investors through his control over the general partner of Pharma Investors. In addition to any influence acquired through their relationship with the Investment Manager, the PL Associates may be in a position to influence through the votes attaching to their shareholdings the outcome of matters relating to the Company, including approval of significant changes such as a change to the investment policy or the appointment or removal of Directors (save to the extent any of their voting rights are diluted with respect to any Director Resolution as a result of being a Non-Certifying Shareholder (as defined in Part I (The Company) of this Prospectus)). Given the relationship of these Shareholders with the Investment Manager (directly or through Mr. Pablo Legorreta), the interests of these Shareholders will be different from and will, to that extent, conflict with the interests of the other Shareholders on matters that affect the position of the Investment Manager. In particular, this potential control may have the effect of making certain transactions more difficult

to implement without the support of the PL Associates, and may have the effect of delaying or preventing decision making on significant matters relating to the Company. To the extent that the PL Associates' interests conflict with those of the other Shareholders, they may have a material adverse effect on the value of the Shares, the performance of the Company and the Company's returns to Shareholders.

The PL Associates may, in certain circumstances, be required to make a mandatory offer under Rule 9 of the Takeover Code

At Admission, the PL Associates may own between approximately 12.64 per cent. and approximately 41.84 per cent. of the total issued share capital of the Company. The precise shareholding of the PL Associates would depend on the outcome of the Issue as a whole and, in particular, the number of Shares issued in connection with the Initial Acquisition.

To the extent that the PL Associates acquire 30 per cent. or more of the total issued share capital of the Company on Admission, the Takeover Panel has confirmed that no mandatory offer under the Takeover Code for the Company need be made on the basis that the maximum controlling interest that the concert party could have as a result of the Issue is disclosed in the Prospectus.

Further, to the extent that PL Associates hold less than 30 per cent. of the total issued share capital of the Company on Admission, any exercise of the Company's buyback authority may increase its shareholding to over 30 per cent. of the Company. The Takeover Panel has confirmed that notwithstanding Rule 37 of the Takeover Code, it would not require any member of the PL Associates to make a mandatory offer under Rule 9 of the Takeover Code under such circumstances since the consequences of such a purchase by the Company of its own Shares has been disclosed to prospective investors in the Prospectus.

Please see paragraph 6 of Part IX of this Prospectus for further details regarding the confirmations and waivers granted by the Takeover Panel.

If, however, any member of the PL Associates acquired further Shares otherwise than as set out above as a result of which PL Associates either (i) increases its shareholding in the Company to 30 per cent. or more; or (ii) to the extent that the PL Associates hold in excess of 30 per cent. of the issued share capital of the Company on Admission and increase their shareholding to between 30 per cent. and 50 per cent. of the issued share capital of the Company at the relevant time, then any member of the PL Associates may be required to make a mandatory offer under Rule 9 of the Takeover Code, irrespective of its individual shareholding in the Company.

Investing in the Shares may involve a high degree of risk

Market conditions, or significant changes thereto, may adversely impact the Company's ability to achieve its investment objective and pursue its investment policy successfully and the market price of the Shares may fluctuate significantly, particularly in the short term. Potential investors should not regard an investment in the Shares as a short-term investment. Investors may not recover the full amount initially invested, or any amount at all.

As with any investment, the share price of the Shares may fall in value with the maximum loss on such investments being equal to the value of the initial investment and, where relevant, any gains or subsequent investments made.

The Shares may trade at a discount to Net Asset Value

The price at which the Shares trade will likely not be the same as their Net Asset Value (although they are related). The shares of investment trusts have a tendency to trade at a discount to their net asset value and the Shares could in future trade at a discount to their Net Asset Value for a variety of reasons, including due to market conditions or an imbalance between supply and demand for the Shares. While the Directors may, and in certain circumstances as detailed in Part I (The Company) of this Prospectus will, seek to mitigate any discount to NAV per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful. As a result of this, investors that dispose of their interests in the secondary market may realise returns that are lower or higher than they would have if an amount equivalent to the Net Asset Value was distributed.

The price that can be realised for Shares can be subject to market fluctuations

Potential investors should not regard an investment in the Shares as a short-term investment. Shareholders may not recover the full amount initially invested, or any amount at all. The market

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

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance or fundamentals of particular companies. Market fluctuations may adversely affect the trading price of the Shares. Furthermore, potential investors should be aware that a liquid secondary market in the Shares cannot be assured.

As with any investment, the share price of the Shares may fall in value with the maximum loss on such investments being equal to the value of the initial investment and, where relevant, any gains or subsequent investments made.

There may not be a liquid market in the Shares and Shareholders have no right to have their Shares redeemed or repurchased by the Company

Admission should not be taken as implying that there will be an active and liquid market for the Shares. The number of Shares to be issued pursuant to the Issue is not yet known and there may, on Admission, be a limited number of holders of such Shares. Limited numbers and/or holders of such Shares may mean that there is limited liquidity in such 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 such Shares trade in the secondary market.

The Company is a closed-ended investment company.

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

The price at which the Shares will be traded will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. Admission should not be taken as implying that there will be an active and liquid market for the Shares particularly as, on Admission, the Company may have a limited number of Shareholders. Consequently, the Share price may be subject to significant fluctuation on small volumes of trading.

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

It is possible that the Company may decide to issue further Shares in the future. Any such issue may dilute the percentage of the Company held by the Company's existing Shareholders. Additionally, such issues could have an adverse effect on the market price of the Shares. Although the Articles do not contain pre-emption rights, pre-emption rights at law apply. By a special resolution passed on 28 February 2017, the Directors were authorised to allot Shares, or C Shares convertible into Shares, up to an aggregate nominal amount equal to the difference between the nominal amount of the Shares issued under the Issue and US$20 million on a non-pre-emptive basis, such authority to expire at the end of the period of five years from the date of the passing of that resolution. If only the minimum of US$300 million is raised pursuant to the Issue up to 1.7 billion Shares could be issued by the Company on a non-pre-emptive basis pursuant to this authority.

Securities quoted on the Specialist Fund Segment may experience higher volatility and carry greater risks than those listed on the Main Market

Investment in shares traded on the Specialist Fund Segment may have limited liquidity and may experience greater price volatility than shares listed on the Main Market. Limited liquidity and high

price volatility may result in Shareholders being unable to sell their Shares at a price that would result in them recovering their original investment.

IMPORTANT NOTICES

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

The contents of this Prospectus or any subsequent communications from the Company, the Investment Manager, the Joint Bookrunners or any of their respective Affiliates, officers, directors, employees or agents are not to be construed as legal, business or tax advice. Each prospective investor should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice in relation to the purchase of Shares.

Apart from the liabilities and responsibilities (if any) which may be imposed on either of the Joint Bookrunners by FSMA or the regulatory regime established thereunder, neither of the Joint Bookrunners makes any representations, express or implied, or accepts any responsibility whatsoever for the contents of this Prospectus (or any supplementary prospectus published by the Company prior to the date of Initial Admission) or for any other statement made or purported to be made by either of them or on behalf of either of them in connection with the Company, the Investment Manager, the Shares, the Issue or Admission. Each of the Joint Bookrunners and their respective Affiliates accordingly disclaim all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it or they might otherwise have in respect of this Prospectus, any such supplementary prospectus or any such statement.

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

An investment in the Shares should constitute part of a diversified investment portfolio. The Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. Investors in the Company are expected to be institutional investors, professional investors, professionally advised investors and highly knowledgeable investors who understand, or who have been advised of, the potential risks from investing in the Company. It should be remembered that the price of the Shares and the income from them can go down as well as up.

The Shares are designed to be held over the long-term and may not be suitable as short-term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment. Any investment objective of, and dividends or returns proposed by, the Company are targets only and should not be treated as an assurance or guarantee of performance. There can be no assurance that the Company's investment objective will be achieved or that the proposed dividends or returns will be paid.

A prospective investor should be aware that the value of an investment in the Company is subject to market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of the Shares will occur or that the investment objective of, or the dividends or returns proposed by, the Company will be achieved or paid. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. Prospective investors should carefully review the ''Risk Factors'' section of this Prospectus before making an investment decision.

General

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

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

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

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

Selling Restrictions

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

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

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

Notice to prospective investors regarding United States federal securities laws

The Company has not been and will not be registered under the Investment Company Act and, as such, investors will not be entitled to the benefits of the Investment Company Act. The Shares have not been and will not be registered under the Securities Act and may not be offered, sold, resold, pledged, transferred or delivered, directly or indirectly, into or within the United States or to,

or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act.

In connection with the Placing and Offer, subject to certain exceptions, offers and sales of the Shares will be made only outside the United States in ''offshore transactions'' to non-US Persons pursuant to Regulation S under the Securities Act. In connection with Initial Acquisition, the issue of Shares will be made only (i) outside the United States in ''offshore transactions'' to non-US Persons pursuant to Regulation S under the Securities Act; and (ii) in the United States, or to US Persons, only to persons who are both Qualified Purchasers and Accredited Investors pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the Shares in the United States.

The Shares may not be acquired by: (i) investors using assets of: (A) an ''employee benefit plan'' as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (B) a ''plan'' as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include ''plan assets'' by reason of investment by an ''employee benefit plan'' or ''plan'' described in preceding clause (A) or (B) in such entity pursuant to the US Plan Assets Regulations; or (ii) a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, unless its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of ERISA, Section 4975 of the US Tax Code or any such substantially similar law. Each investor acquiring Shares other than pursuant to the BioPharma III GP Subscription Agreement or the RPS Investor Subscription Agreement but including in any secondary transactions on the Specialist Fund Segment or the Channel Islands Securities Exchange shall be deemed by such acquisition to represent that it is not a Benefit Plan Investor.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Any failure to comply with such restrictions may constitute a violation of applicable securities laws and may subject the holder to the forced transfer provisions set out in the Articles. For further information on restrictions on transfers of the Shares, please refer to the sections entitled ''United States transfer restrictions'' and ''Representations, Warranties and Undertakings'' in Part VII (Issue Arrangements) of this Prospectus.

Notice to prospective investors in the EEA

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

(a) to any legal entity which is a qualified investor as defined in Article 2(1)(e) of the Prospectus Directive;

(b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive with the prior consent of the Joint Bookrunners,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State (other than the UK).

For the purposes of this provision, the expression an ''offer to the public'' in relation to any offer of Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to

enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

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

Notwithstanding that the Investment Manager (as the Company's alternative investment fund manager) may have confirmed that it is able to market Shares to professional investors in an EEA State, the Shares may not be marketed to retail investors (as this term is defined in the AIFM Directive as transposed in the relevant EEA State) in that EEA State unless the Shares have been qualified for marketing to retail investors in that EEA State in accordance with applicable local laws. At the date of this Prospectus, the Shares are not eligible to be marketed to retail investors in **BELGIUM, IRELAND, LIECHTENSTEIN, LUXEMBOURG AND THE NETHERLANDS**. Accordingly, the Shares may not be offered, sold or delivered and neither this Prospectus nor any other offering materials relating to such Shares may be distributed or made available to retail investors in those countries.

Notice to prospective investors in Switzerland

This Prospectus may only be freely circulated and Shares in the Company may only be freely offered, distributed or sold to regulated financial intermediaries such as banks, securities dealers, fund management companies, asset managers of collective investment schemes and central banks as well as to regulated insurance companies. Circulating this Prospectus and offering, distributing or selling Shares in the Company to other persons or entities including qualified investors as defined in the Federal Act on Collective Investment Schemes (''**CISA**'') and its implementing Ordinance (''**CISO**'') may trigger, in particular, (i) licensing/prudential supervision requirements for the distributor, (ii) a requirement to appoint a representative and paying agent in Switzerland and (iii) the necessity of a written distribution agreement between the representative in Switzerland and the distributor. **Accordingly, legal advice should be sought before providing this Prospectus to and offering, distributing, selling or on-selling Shares of the Company to any other persons or entities.** This Prospectus does not constitute an issuance prospectus pursuant to Articles 652a or 1156 of the Swiss Code of Obligations and may not comply with the information standards required thereunder. The Shares will not be listed on the SIX Swiss Exchange, and consequently, the information presented in this document does not necessarily comply with the information standards set out in the relevant listing rules. The documentation of the Company has not been and will not be approved, and may not be able to be approved, by the Swiss Financial Market Supervisory Authority (''**FINMA**'') under the CISA. Therefore, investors do not benefit from protection under the CISA or supervision by the FINMA. This Prospectus does not constitute investment advice. It may only be used by those persons to whom it has been handed out in connection with the Shares and may neither be copied or directly/indirectly distributed or made available to other persons.

Notice to prospective investors in the Bailiwick of Guernsey

This document has not been filed with, or approved by, the Guernsey Financial Services Commission (''**GFSC**'') and no authorisations in respect of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the ''**POI Law**'') have been issued by the GFSC in respect of it. Neither the GFSC nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it. This document does not comply with the requirements of Guernsey's Prospectus Rules 2008 on the basis that the Shares in the Company will be admitted

to trading on the Specialist Fund Segment for listed securities of the London Stock Exchange plc: if the Shares are not so admitted, then the document may be required to comply with the requirements of such Prospectus Rules 2008 and may need to be re-drafted in some respects.

This document is directed in the Bailiwick of Guernsey only at the following: (i) those who have specifically solicited this document, where such approach was not itself specifically solicited by either of the Joint Bookrunners (''**Requesting Investors**''); or (ii) those holding a licence from the GFSC under any of the following laws: the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended, the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended or the Regulation of Fiduciaries, Administration Businesses and Company Directors etc. (Bailiwick of Guernsey) Law, 2000, as amended (such persons being ''**GFSC Licensees**''). This document must only be distributed to persons who are not either Requesting Investors or GFSC Licensees by a person holding an appropriate licence from the GFSC under the POI Law. This document may not be relied upon by those who are not Requesting Investors or GFSC Licensees, unless it has been distributed to them by a person holding such a licence under the POI Law.

Notice to prospective investors in the Bailiwick of Jersey

The offering of Shares is ''valid in the United Kingdom'' (within the meaning given to that expression under Article 8(5) of the Control of Borrowing (Jersey) Order 1958 (the ''**Jersey COBO**'') and 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. The Company has no ''relevant connection with Jersey'' for the purposes of Articles 8(7) and 8(8) of the Jersey COBO. Accordingly, the consent of the Jersey Financial Services Commission under Article 8(2) of the Jersey COBO to the circulation of this Prospectus in Jersey is not required and has not been obtained.

Notice to prospective investors in the British Virgin Islands

This Prospectus does not constitute, and there will not be, an offer of securities to the public in the British Virgin Islands.

Notice to prospective investors in the Cayman Islands

This Prospectus does not constitute an offer or invitation to the public in the Cayman Islands to subscribe for interests.

Notice to prospective investors in Mexico

The Shares have not been and will not be registered in the Mexican National Registry of Securities (*Registro Nacional de Valores*). Therefore, the Shares may not be offered or sold in the United Mexican States (''**Mexico**'') by any means except in circumstances which constitute a private offering (*oferta privada*) pursuant to Article 8 of the Mexican Securites Market Law (*Ley del Mercado de Valores*). All applicable provisions of the Mexican Securites Market Law must be complied with in respect to anything done in relation to the Shares in, from or otherwise involving Mexico.

Notice to prospective investors in Panama

Neither the Shares, nor their offer, sale or transfer, have been registered with the Superintendence of the Securities Market of the Republic of Panama. The exemption from registration is based on numeral 2 of Article 129 of Decree Law 1 of July 8, 1999 (Institutional Investors). The Shares are not under the supervision of the Superintendence of the Securities Market of the Republic of Panama.

Notice to prospective investors in Peru

The Shares and the information contained in this Prospectus are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the Shares and therefore, the disclosure obligations set forth therein will not be applicable to the Company before or after their acquisition by prospective investors. The Shares and the information contained in this Prospectus have not been and will not be reviewed, confirmed, approved or in any way submitted to the Peruvian Superintendency of Capital Markets (*Superintendencia del Mercado de Valores*), nor have they been registered under the Securities Market Law (*Ley del*

Mercado de Valores) or any other Peruvian regulations. Accordingly, the Shares cannot be offered or sold within the Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian regulations and complies with the provisions on private offerings set forth therein.

Notice to prospective investors in the Republic of the Marshall Islands

This Prospectus does not constitute an offer or invitation to deal with individual residents or resident domestic entities in the Republic of the Marshall Islands. The Company and the Investment Manager will not conduct business activities with individual residents or resident domestic entities in the Republic of the Marshall Islands and will deal exclusively with non-resident individuals (natural persons) or non-resident domestic entities (legal entities) as defined in Title 52 of the Marshall Islands Revised Code.

Forward-looking statements

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

- changes in economic conditions generally and the Company's ability to achieve its investment objective and returns on equity for investors;
- the Company's ability to invest the cash on its balance sheet and the Net Issue Proceeds on a timely basis within the investment objective and investment policy;
- foreign exchange mismatches with respect to exposed assets;
- changes in interest rates and/or credit spreads, as well as the success of the Company's investment strategy in relation to such changes and the management of the uninvested proceeds of the Issue;
- impairments in the value of the Company's investments;
- the availability and cost of capital for future investments;
- the departure of key personnel employed by, or seconded to, the Investment Manager;
- the failure of the Investment Manager to perform its obligations under the Investment Management Agreement with the Company or the termination of the Investment Management Agreement;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company; and
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the ''Risk Factors'' section of this Prospectus for a discussion of additional factors that could cause the Company's

actual results to differ materially from those that the forward-looking statements may give the impression will be achieved, before making an investment decision. Forward-looking statements speak only as at the date of this Prospectus. Although the Company and the Investment Manager undertake no obligation to revise or update any forward-looking statements contained herein (save where required by the Prospectus Rules, the Listing Rules (to the extent to which the Company voluntarily complies with these), the AIFM Directive or the Disclosure Guidance and Transparency Rules), whether as a result of new information, future events, conditions or circumstances, any change in the Company's or the Investment Manager's expectations with regard thereto or otherwise, Shareholders are advised to read any communications made directly to them by the Company and/or any additional disclosures in announcements that the Company may make through an RIS.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement contained in paragraph 13 of Part IX (Additional Information on the Company) of this Prospectus.

DATA PROTECTION

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

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

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

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

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

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

No incorporation of website

The contents of the Company's website at www.bpcruk.com and any website of the Investment Manager or any of its Affiliates, the contents of any website accessible from hyperlinks on the Company's website, any website of the Investment Manager or its Affiliate or any other website referred to in this Prospectus are not incorporated into, and do not form part of this Prospectus. Investors should base their decision to invest on the contents of this Prospectus and any

supplementary prospectus published by the Company prior to Initial Admission alone and should consult their professional advisers prior to making an application to acquire Shares.

VOLUNTARY COMPLIANCE WITH THE LISTING RULES

Applications will be made to the London Stock Exchange and the CISEA for all of the Shares to be issued to be admitted to trading on the Specialist Fund Segment and to listing and trading on the Official List of the CISEA. The Specialist Fund Segment is a segment of the Main Market of the London Stock Exchange, which is an EU regulated market and, therefore, the Company is subject to the Prospectus Rules, the Disclosure Guidance and Transparency Rules (as implemented in the UK through FSMA) and the Market Abuse Regulation and the admission and disclosure standards of the London Stock Exchange. As such, the Listing Rules applicable to closed-ended investment companies which are listed on the Premium Listing Segment of the Official List of the UK Listing Authority do not apply to the Company.

However, the Directors intend that, as a matter of best practice and good corporate governance, the Company will conduct its affairs in accordance with the following key provisions of the Listing Rules in such manner as they would apply to the Company were it admitted to the Official List under Chapter 15 of the Listing Rules. The Company intends to comply with:

- the Listing Principles set out at Chapter 7 of the Listing Rules other than the Premium Listing Principles 3 and 5;
- the following provisions of Chapter 9 of the Listing Rules from Initial Admission: (i) Listing Rule 9.3 (Continuing obligations: holders); (ii) Listing Rule 9.5 (Transactions); (iii) Listing Rule 9.6.4 to Listing Rule 9.6.21 other than Listing Rule 9.6.19(2) and Listing Rule 9.6.19(3) (Notifications); (iv) Listing Rule 9.7A (Preliminary statement of annual results and statement of dividends); and (v) Listing Rule 9.8 (Annual financial report);
- in relation to any transaction which would constitute a ''related party transaction'' as defined in Chapter 11 of the Listing Rules regarding related party transactions and to the extent reasonably practicable, Chapter 11 of the Listing Rules. This policy may only be modified with Shareholder approval by ordinary resolution;
- in relation to the purchase of its own shares, the provisions of Listing Rules 12.4.1 and 12.4.2 by adopting a policy consistent with such provisions;
- the following provisions of Chapter 13 of the Listing Rules from Initial Admission: (i) Listing Rule 13.3 (Contents of all circulars); (ii) Listing Rule 13.4 (Class 1 circulars); (iii) Listing Rule 13.5 (Financial information in Class 1 Circulars); (iv) Listing Rule 13.7 (Circulars about purchase of own equity shares); and (v) Listing Rule 13.8 (Other circulars); and
- the following provisions of Chapter 15 of the Listing Rules from Initial Admission: (i) Listing Rule 15.4.2 to Listing Rule 15.4.11 (Continuing obligations); (ii) Listing Rule 15.5 (Transactions); and (iii) Listing Rule 15.6 (Notifications and periodic financial information).

It should be noted that the UK Listing Authority will not monitor the Company's voluntary compliance with the Listing Rules applicable to closed-ended investment companies which are listed on the Premium Listing Segment of the Official List of the UK Listing Authority nor will it impose sanctions in respect of any failure of such compliance by the Company.

The Company may apply at a future date for admission to the Premium Listing Segment of the Official List, subject to the Company's ability to satisfy the eligibility requirement for admission, including in particular the requirements under Chapter 15 of the Listing Rules.

As a company whose shares will be admitted to listing on the CISEA, the Company will be subject to the CISEA Listing Rules.

This Prospectus has been approved by the FCA.

EXPECTED TIMETABLE

Publication of this Prospectus and commencement of the Placing and Offer	1 March 2017
Expiration of the Tender Offers relating to the Initial Acquisition	2400 hours (NY time) on 15 March 2017
Publication of the results of the Tender Offers relating to the Initial Acquisition	16 March 2017
Latest time and date for applications under the Offer	1:00 pm on 16 March 2017
Latest time and date for placing commitments under the Placing	11:00 am* on 22 March 2017
Publication of results of the Placing and Offer	23 March 2017
Initial Admission and dealings in Shares issued in connection with Initial Admission commence	8:00 am on 27 March 2017
CREST Accounts credited with uncertificated Shares issued in connection with Initial Admission	as soon as possible after 8:00 am on 27 March 2017
Completion of the Initial Acquisition and Subsequent Admission and dealings in Shares issued in connection with Subsequent Admission commence	no later than 8:00 am on 30 March 2017
CREST Accounts credited with uncertificated Shares (if any) issued in connection with Subsequent Admission	as soon as possible after 8:00 am on 30 March 2017
Where applicable, definitive share certificates despatched by post in the week commencing	3 April 2017

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

Any changes to the expected timetable set out above will be notified by the Company through a Regulatory Information Service, provided that Initial Admission and dealings in Shares shall commence by no later than 14 April 2017.

References to times are to London times unless otherwise stated.

ISSUE STATISTICS

Issue Price per Share**	US$1.00
Maximum Gross Issue Proceeds***	US$881.1 million
Maximum Net Issue Proceeds***	US$863.5 million
Minimum Gross Issue Proceeds***	US$300 million
Minimum Net Issue Proceeds***	US$294 million
Expected Net Asset Value per Share on Admission	US$0.98
Maximum number of Shares being issued***	881.1 million
Minimum number of Shares being issued***	300 million
Target dividend yield****	7 per cent.

** *The minimum subscription per investor pursuant to the Offer is US$1,000.*

*** *The Gross Issue Proceeds are the sum of the Gross Cash Proceeds, the Gross Initial Acquisition Proceeds and any proceeds from any Additional Subscriptions. The number of Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, is not known as at the date of this Prospectus and is subject to investor demand but will be notified to the market by the Company via an RIS announcement prior to Initial Admission or Subsequent Admission (as applicable). Taking into consideration the maximum limits set for tendering of interests under the Tender Offers and the value of the interests tendered to date, the Gross Initial Acquisition Proceeds are expected to be between US$150 million and US$391.6 million. The maximum Gross Cash Proceeds (together with any Additional Subscriptions) shall be the lower of: (i) 1.25 times the Gross Initial Acquisition Proceeds; and (ii) US$489.5 million. The Issue will not proceed if the Gross Cash Proceeds would be less than US$150 million. If the Issue does not proceed, subscription monies received pursuant to the Placing and Offer and the PL Subscription will be returned without interest at the risk of the applicant.*

**** *Initial Target Dividend and Target Dividend to be measured against the Issue Price and will only apply in the second financial year after Admission once the Company is substantially invested. Please see Part I (The Company) of this Prospectus for more details.*

DEALING CODES

ISIN	GB00BDGKMY29
SEDOL	BDGKMY2
Ticker	BPCR

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PART I – THE COMPANY

1. INTRODUCTION

BioPharma Credit PLC (the "**Company**") is a closed-ended public limited company incorporated in the United Kingdom. It was registered in England and Wales under the Act on 24 October 2016. The Company intends to conduct its affairs so as to qualify, at all times, as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 (as amended).

The investments of the Company will be managed by Pharmakon Advisors L.P. (the "**Investment Manager**") which, as the Company's alternative investment fund manager for the purposes of the AIFM Directive, will be responsible for the discretionary portfolio management and risk management of the Company.

The Issue comprises the Placing, the Offer, the PL Subscription, any Additional Subscriptions and the Initial Acquisition. The Company is seeking to raise minimum Gross Cash Proceeds of US$150 million. In addition, the Company is seeking to raise minimum Gross Initial Acquisition Proceeds of US$150 million. All Shares issued pursuant to the Issue will be issued at the Issue Price. The net proceeds from the Placing and Offer will be invested in accordance with the investment objective and investment policy set out below.

Under the Investment Management Agreement, the Investment Manager will have the power to incur borrowings, on behalf of the Company, of an aggregate value up to 25 per cent. of the Net Asset Value (calculated at the time of drawdown). This borrowing limit may be increased to 50 per cent. of the Net Asset Value (again, calculated at the time of drawdown) with the approval of the Board.

Application will be made for the Shares to be admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange (the "**Specialist Fund Segment**") and to listing and trading on the Official List of the CISEA. It is not currently intended that the Shares be admitted to listing in the UK or in any other jurisdiction or to trading on any other market. It is expected that: (i) Initial Admission will become effective and dealings in the Shares issued in connection with Initial Admission will commence on 27 March 2017; and (ii) Subsequent Admission will become effective and dealings in the Shares issued in connection with Subsequent Admission will commence no later than 8:00 am on 30 March 2017.

The Company may apply at a future date for admission of the Shares to the Premium Listing Segment of the Official List and to trading on the Main Market of the London Stock Exchange, subject to the Company's ability to satisfy the eligibility requirement for such admission, including in particular the requirements under Chapter 15 of the Listing Rules.

The Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio.

Investors in the Company are expected to be institutional investors, professional investors, professionally advised investors and highly knowledgeable investors who understand, or who have been advised of, the potential risks from investing in the Company.

2. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

Investment objective

The Company will seek to generate long-term shareholder returns, predominantly in the form of sustainable income distributions, from exposure to the life sciences industry.

Investment policy

The Company will seek to achieve its investment objective predominantly through direct or indirect exposure to Debt Assets (as defined below).

The Company may acquire Debt Assets:

- directly from the entity issuing the Debt Asset (a "**Borrower**"), which may be: (i) a company operating in the life sciences industry (a "**LifeSci Company**"); or (ii) an entity other than a LifeSci Company which directly or indirectly holds an interest in royalty rights to certain Products including any investment vehicle or special purpose vehicle ("**Royalty Owner**"); or
- in the secondary market.

The Company may also invest in equity issued by a LifeSci Company, acquired directly from the LifeSci Company or in the secondary market.

''**Debt Assets**'' will typically comprise:

- *Royalty Debt Instruments*

  Debt issued by a Royalty Owner where the Royalty Owner's obligations in relation to the Debt are secured as to repayment of principal and/or payment of interest by Royalty Collateral, including the RPS Note.

- *Priority Royalty Tranches*

  Contract with a Borrower that provides the Company with the right to receive payment of all, or a fixed percentage, of the future royalty payments receivable by the Borrower in respect of a Product (or Products) that would otherwise belong to the Borrower up to a fixed monetary amount or a pre-set rate of return, with such royalty payment being secured by Royalty Collateral in respect of that Product (or Products).

- *Senior Secured Debt*

  Debt issued by a LifeSci Company, which is secured as to repayment of principal and/or payment of interest by a first priority charge over some or all of such LifeSci Company's assets, which may include: (i) Royalty Collateral; or (ii) other intellectual property and marketing rights to the Products of that LifeSci Company.

- *Unsecured Debt*

  Debt issued by a LifeSci Company which is not secured or is secured by a second lien on assets of the Borrower.

- *Credit Linked Notes*

  Derivative instruments referencing Debt Assets, being a synthetic obligation between the Company and another party where the repayment of principal and/or the payment of interest is based on the performance of the obligations under the underlying Debt Assets.

''**Royalty Collateral**'' means, with respect to a Debt Asset: (i) future payments receivable by the Borrower on a Product (or Products) in the form of royalty payments or other revenue sharing arrangements; or (ii) future distributions receivable by the Borrower based on royalty payments generated from a Product (or Products); or (iii) both limb (i) and limb (ii).

''**Debt**'' includes loans, notes, bonds and other debt instruments and securities, including convertible debt, and Priority Royalty Tranches.

Borrowers will predominantly be domiciled in the US, Europe and Japan, though the Company may also acquire Debt Assets issued by Borrowers in other jurisdictions.

Investment restrictions and portfolio diversification

The Company will seek to create a diversified portfolio of investments by investing across a range of different forms of Debt Assets issued by a variety of Borrowers. In particular, the Company will observe the following restrictions when making investments in accordance with its investment policy:

- no more than 30 per cent. of the Company's gross assets will be exposed to any single Borrower, other than in the case of the RPS Note;
- no more than 35 per cent. of the Company's gross assets will be invested in Unsecured Debt; and
- no more than 15 per cent. of the Company's gross assets will be invested in equity securities issued by LifeSci Companies.

Each of these investment restrictions will be calculated as at the time of investment. In the event that any of the above limits are breached at any point after the relevant investment has been made (for instance, as a result of any movements in the value of the Company's total gross assets), there will be no requirement to sell any investment (in whole or in part).

Leverage and borrowing limits

The Company may incur indebtedness of up to a maximum of 50 per cent. of its Net Asset Value, calculated at the time of drawdown, for investment and for working capital purposes. The Investment Manager's powers to incur indebtedness on behalf of the Company within such limit

shall be subject to any restrictions set out in the Investment Management Agreement, as amended from time to time.

Although not forming part of the investment policy of the Company, under the Investment Management Agreement, the Investment Manager will not incur aggregate borrowings greater than 25 per cent. of the Net Asset Value, calculated as at the time of drawdown, without prior Board approval.

Where the Company invests in any Debt Assets through any wholly owned subsidiary, leverage at the subsidiary level will apply towards the restrictions on the Company's overall indebtedness set out above. Where the Company invests in Debt Assets indirectly through any collective investment undertakings alongside other co-investors or investment partners, notwithstanding the previous sentence, indebtedness in such collective investment undertakings will not count towards the indebtedness of the Company, provided that the Investment Manager ensures that there will be no recourse to the Company in respect of leverage at the level of such underlying collective investment undertakings.

Cash management

The Company's uninvested capital may be invested in cash instruments or bank deposits for cash management purposes.

Hedging

The Company may, from time to time, enter into such hedging or other derivative arrangements as may be considered appropriate for the purposes of efficient portfolio management and managing any exposure through its investments to currencies other than US Dollar.

3. CHANGES TO THE COMPANY'S INVESTMENT POLICY

Any material change to the Company's investment policy will be made only with the prior approval of the Shareholders by ordinary resolution. The Company intends to conduct its affairs so as to qualify, at all times, as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 (as amended). Any proposed changes to the Company's investment policy are also required to be notified to HMRC in advance.

4. INITIAL ACQUISITION AND THE SEED ASSETS

Pursuant to the Initial Acquisition, the Company will acquire the Seed Assets on or around Admission. The Seed Assets consist of the BioPharma III Interest and the RPS Note. Further details of the Seed Assets and the Initial Acquisition are set out in Part III (Seed Assets) of this Prospectus.

The Company is targeting the minimum Gross Initial Acquisition Proceeds of US$150 million provided that: (i) the BioPharma III Interest shall not exceed US$160 million; and (ii) the Loan Amount under the RPS Note shall not exceed the RPS Note Loan Limit.

As a result of the limitations set out in Part III (Seed Assets) of this Prospectus and the limits on the maximum size of the Issue, the Company expects between approximately 45 per cent. and 79.8 per cent. of its Net Asset Value to be invested in the Seed Assets on Subsequent Admission.

5. DIVIDEND POLICY AND TARGET RETURN

The Company intends to pay dividends in US Dollars on a quarterly basis, with the first dividend expected to be paid in October 2017. The Company may, where the Directors consider it appropriate, use the reserve created by the cancellation of its share premium account to pay dividends.

The Company expects to be substantially invested by the first anniversary of Initial Admission. Whilst not forming part of the Company's investment objective or investment policy, on the basis of market conditions as at the date of this Prospectus and on the assumption that the Initial Acquisition is completed, the Company's target dividend for the first financial year following Subsequent Admission is 4 per cent. (calculated by reference to the Issue Price) (the "**Initial Target Dividend**") and, once substantially invested, the Company will target an annual dividend yield of 7 per cent. (calculated by reference to the Issue Price) (the "**Target Dividend**"), together with a net total return on NAV of 8 to 9 per cent. per annum in the medium term (the "**Target**

Return''). Details regarding the tax treatment of any dividends paid are set out in Part VIII (Taxation) of this Prospectus.

The Initial Target Dividend, the Target Dividend and Target Return are targets only and are not profit forecasts. There can be no assurance that these targets will be met and they should not be taken as an indication of the Company's expected or actual future results. Potential investors should decide for themselves whether or not these targets are reasonable or achievable in deciding whether to invest in the Company.

Actual events and conditions may differ materially from the assumptions used to establish the Initial Target Dividend, the Target Dividend and the Target Return. In particular, the actual return generated by the Company in pursuing its investment objective depends on a wide range of factors including, but not limited to, general economic and market conditions, availability of investment opportunities, defaults and prepayments under Debt Assets, fluctuations in the life sciences industry, the terms of the investments made by the Company and the risks highlighted in the ''Risk Factors'' section of this Prospectus. Accordingly, investors should not place any reliance on the Initial Target Dividend, the Target Dividend or the Target Return in deciding whether to invest in the Shares.

6. NET ASSET VALUE

The Net Asset Value is the value of all assets of the Company less its liabilities (all as determined in accordance with the Company's accounting policies). The Net Asset Value per Share is the Net Asset Value divided by the number of Shares in issue at the relevant time. The Net Asset Value will be audited on a yearly basis.

The unaudited Net Asset Value and the unaudited Net Asset Value per Share will be calculated in US Dollars by the Administrator (on the basis of information provided by the Investment Manager) on a monthly basis, and will be notified to the market via a Regulatory Information Service on a monthly basis and is expected to be published on the Company's website within 45 days of the month end.

Investments will be valued at fair market value as determined by the Investment Manager (in accordance with the Company's accounting policies) at the date of measurement, using a methodology based on accounting guidelines and the nature, facts and circumstances of the respective investments.

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

- there are political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, and disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company's business are not reasonably practicable without material detriment to the interests of Shareholders;
- there is a breakdown of the means of communication normally employed in determining the calculation of the Net Asset Value; or
- it is not reasonably practicable to determine the Net Asset Value on an accurate, fair and timely basis.

Any suspension in the calculation of the Net Asset Value, to the extent required under the Articles or by the Listing Rules (to the extent to which the Company voluntarily complies with these), will be notified through a Regulatory Information Service as soon as practicable after such suspension occurs.

Any suspension in the calculation of the Net Asset Value may also led to a suspension of the listing of the Company on the Official List of the CISEA for the period where such suspension is in force.

7. VOTING RIGHTS

Pursuant to the Initial Acquisition, the Company expects to issue a significant number of Shares to investors who may be US residents. Accordingly, the proportion of the Shares held by US residents could be significant at Admission and such proportion could increase in subsequent secondary market trading.

As the Investment Manager is based in the United States, the Company could lose its status as a ''foreign private issuer'' under the Securities Act and the Exchange Act if US residents come to own more than 50 per cent. of the Company's voting shares, which for this purpose means securities carrying the right to vote with regard to the appointment and removal of Directors. If the Company ceases to be a ''foreign private issuer'', this could have materially adverse consequences for the Company – for example, the Company could be required to register with the SEC under the Exchange Act and/or under the Investment Company Act, which would subject the Company to potentially onerous and costly reporting requirements and substantive regulation with which the Company is not currently structured to comply.

With a view to ensuring that the Company continues to be considered a ''foreign private issuer'' for the purposes of the Securities Act and the Exchange Act, thus avoiding the materially adverse consequences outlined above, the Articles provide that, in respect of any shareholder resolution concerning the appointment or removal of one or more Directors (a ''**Director Resolution**''), each Shareholder shall be required, as set out in the Articles, to make certain certifications with regard to their status (and, to the extent they hold Shares for the account or benefit of any other person, the status of such other person) as a non-US resident (each Shareholder that does not so certify, being a ''**Non-Certifying Shareholder**''). If the aggregate total of votes which Non-Certifying Shareholders would otherwise be entitled to cast on a Director Resolution is greater than 49 per cent. of the aggregate total of votes which all Shareholders are entitled to cast on such Director Resolution then, pursuant to the Articles, the aggregate number of votes which Non-Certifying Shareholders are entitled to cast on such Director Resolution shall be scaled down so as not to exceed 49 per cent. of the aggregate total of votes which all Shareholders are entitled to cast on such Director Resolution.

Further information on such provisions of the Articles is set out in paragraph 5.2.7 in Part IX (Additional Information on the Company) of this Prospectus.

8. DISCOUNT CONTROL MECHANISMS

Continuation Resolution

The Company has been established with an indefinite life. However, the Board wishes to provide Shareholders with the opportunity to consider the future of the Company on a periodic basis. Accordingly, the Articles provide that a continuation vote be put to Shareholders:

- at the first annual general meeting of the Company to be held following the fifth anniversary of Initial Admission and, if passed, at the annual general meeting of the Company held every third year thereafter; and
- within two months of the expiration of any 12 month rolling period where the Shares have, on average, traded at a discount in excess of 10 per cent. to the Net Asset Value per Share (calculated by comparing the middle market quotation of the Shares at the end of each month in the relevant period to the prevailing published Net Asset Value per Share (exclusive of any dividend declared) as at such month end and averaging this comparative figure over the relevant period).

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

Share buybacks

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

The Directors will consider using Share buybacks to assist in limiting discount volatility and potentially providing an additional source of liquidity, if and when the Shares trade at a level which makes their repurchase attractive.

Shares will only be repurchased at a price which, after repurchase costs, represents a discount to the Net Asset Value per Share. Repurchased Shares will be cancelled or may, alternatively, be held in treasury. Shares may only be reissued from treasury at a price which, after issue costs and expenses, is not less than the Net Asset Value per Share at the relevant time.

If, in any 3 month rolling period, the Shares have, on average, traded at a discount in excess of 5 per cent. to the Net Asset Value per Share (calculated by comparing the middle market quotation of the Shares at the end of each month in the relevant period to the prevailing published Net Asset Value per Share (exclusive of any dividend declared) as at such month end and averaging this comparative figure over the relevant period), the Company will, subject to meeting its Target Dividend, use 50 per cent. of the Company's capital and income proceeds generated after the conclusion of such 3 month rolling period, to repurchase Shares at least until such time as the Shares trade at an average discount of 1 per cent. or less to the Net Asset Value per Share over a 2 week rolling period.

If, in any 6 month rolling period, the Shares have, on average, traded at a discount in excess of 10 per cent. to the Net Asset Value per Share (calculated by comparing the middle market quotation of the Shares at the end of each month in the relevant period to the prevailing published Net Asset Value per Share (exclusive of any dividend declared) as at such month end and averaging this comparative figure over the relevant period), the Company will, subject to meeting its Target Dividend, use 100 per cent. of the Company's capital and income proceeds generated after the conclusion of such 6 month rolling period, to repurchase Shares at least until such time as the Shares trade at an average discount of 1 per cent. or less to the Net Asset Value per Share over a 2 week rolling period.

All Share repurchases will be conducted in accordance with the Act, the Market Abuse Regulation, the Listing Rules (to the extent to which the Company voluntarily complies with these) and other applicable laws and regulations, and will be announced to the market via an RIS on the same or the following day.

In accordance with the Act, Share repurchases will be subject to a special resolution granting the Board general authority to make such market purchases of issued Shares being passed and having remaining capacity under such authority at the time when such obligations arise.

Further, notwithstanding any such authority or undertaking to carry out Share repurchases, no Share repurchases will be conducted where such repurchases would result in an obligation on the PL Associates (or any members thereof) to make a mandatory offer for the remaining Shares in the Company under Rule 9 of the Takeover Code, as further explained in Part IX (Additional Information on the Company) of this Prospectus.

Other than as set out above, the exercise by the Directors of the Company's powers to repurchase Shares and the timing and structure of any such repurchase is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion.

The Existing Shareholder has, by way of a special resolution dated 27 February 2017, granted the Board general authority to make market purchases of up to 14.99 per cent. of the Shares in issue immediately following Admission, such authority lasting until the conclusion of the first annual general meeting of the Company.

As approved by a further special resolution of the Existing Shareholder passed on 27 February 2017, the Company intends (subject to court approval) to effect the cancellation of its share premium account following Admission, in order that Share repurchases may be made out of the Company's distributable reserves (including the reserves created by such cancellation) to the extent considered desirable by the Directors. The Company may, where the Directors consider it appropriate, use the reserve created by the cancellation of its share premium account to pay dividends.

9. FURTHER ISSUES OF SHARES

The Existing Shareholder has, by way of a special resolution dated 28 February 2017, granted the Board general authority to allot further Shares and C Shares following Admission, in addition to those Shares to be issued pursuant to the Issue, up to an aggregate nominal amount of US$20 million (i.e. up to 2 billion (in aggregate) Shares or C Shares of a nominal value of US$0.01 each), such authority lasting until the end of the period of five years from the date of the passing of that resolution. To the extent that the authority is used in full before the end of such period, the Company may convene a general meeting to refresh the authority, or it may refresh the authority at an annual general meeting. The Existing Shareholder has, at the same meeting, passed a special resolution to disapply Shareholders' pre-emption rights over this unissued share capital so that the Board will not be obliged to offer any such new Shares to Shareholders pro rata to their existing holdings.

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

Notwithstanding the authority above, no new Shares will be issued until the earlier of: (i) 180 days from Admission; and (ii) such time by which 85 per cent. of the Net Issue Proceeds have been invested or committed for investment in accordance with the Company's investment objective and policy.

Application will be made for any Shares issued following Admission to be admitted to listing on the Official List of the CISEA and admitted to trading on the Specialist Fund Segment.

As noted in further detail in Part IX (Additional Information on the Company) of this Prospectus, the Articles contain provisions that permit the Directors to issue C Shares from time to time and a C Share issue would permit the Board to raise further capital for the Company whilst avoiding any immediate dilution of investment returns for existing Shareholders which may otherwise result.

PART II – INVESTMENT OPPORTUNITY

1. BACKGROUND TO THE LIFE SCIENCES INDUSTRY

Size and growth dynamics of the industry

The life sciences industry consists of pharmaceutical and biotechnology firms and is a large and vital industry with consistent growth. Worldwide industry revenues today are approximately US$1.1 trillion and are expected to reach US$1.5 trillion by 2021, reflecting a compounded annual growth rate of 6 per cent. While medical and scientific advances contribute to a portion of that increase, other growth drivers include more basic demographic and macroeconomic factors such as a growing population, an aging population and increasing prosperity in developing countries which is improving access to healthcare for millions of patients. The increase in spending is expected to be largely driven by brands and increased usage in emerging markets, offset by expiring patents.

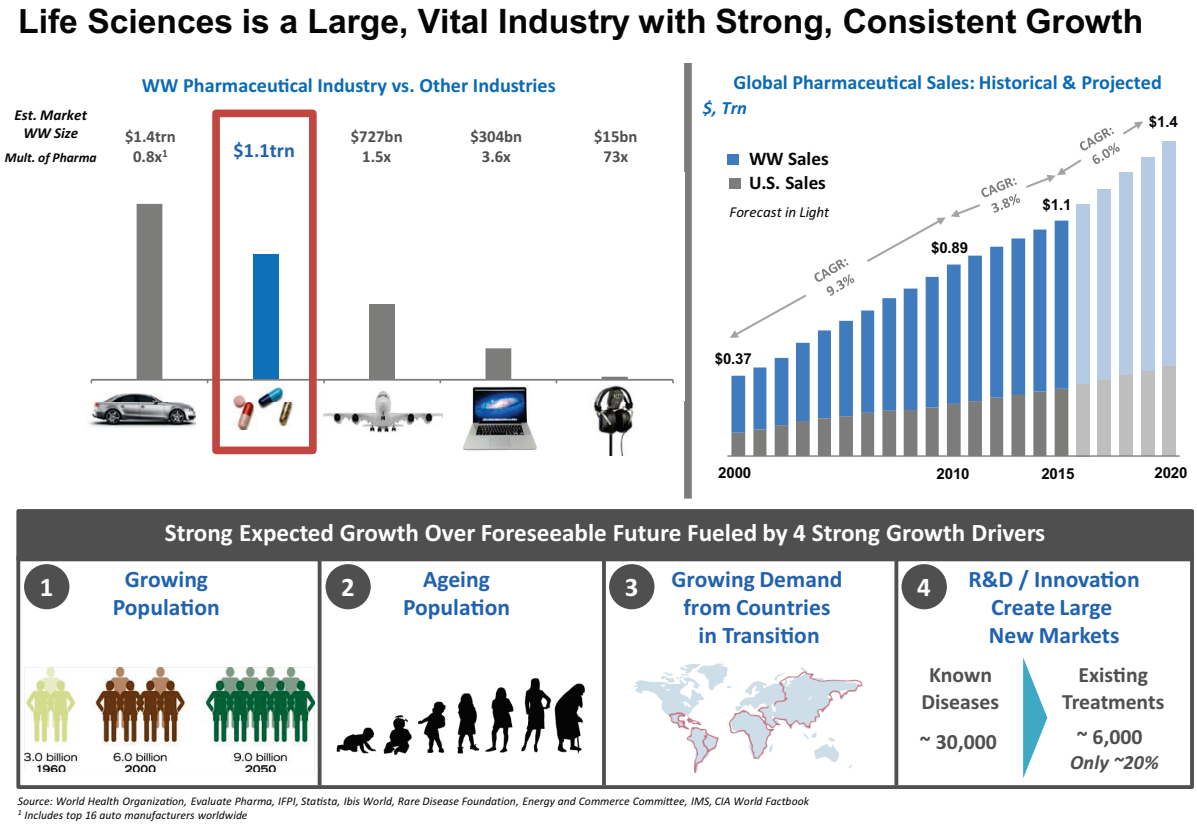


Exhibit 1 – Life Sciences is a Large, Vital Industry with Strong Consistent Growth

In 2014, total US healthcare spending increased 5.3 per cent. to reach US$3 trillion, or US$9,523 per person, the fifth consecutive year of growth. Annual growth for the five years ending in 2014 has ranged from 2.9 per cent. to 5.3 per cent. US households accounted for 28 per cent. of national health spending in 2014, with the federal government accounting for 28 per cent., followed by private employers for 20 per cent. and state and local governments for 17 per cent. The share of the US economy devoted to healthcare was 17.5 per cent. of GDP, approximately the same as it was for the previous 5 years.

In 2014, US prescription drug spending, which accounted for less than 10 per cent. of US healthcare spending, grew 12.2 per cent. to US$297.7 billion. This growth may be attributed to increases in the use of prescription drugs by people who were newly insured and by those who moved to more generous insurance plans as a result of the premium and cost-sharing subsidies offered by the US Patient Protection and Affordable Care Act. Annual prescription drug spending growth is projected to average 5.5 per cent. for the period between 2016 and 2019 and 6.2 per cent. for the period between 2020 and 2023.

Quintiles IMS Holdings, Inc. ("**IMS**"), a company that assists pharmaceutical companies with clinical trial research, reports that in 2016 the US continued to be the largest market for prescription pharmaceuticals, accounting for over 40 per cent. of worldwide pharmaceuticals spending. Growth

in the US market is expected to remain strong, driven by fewer patent expiries than in previous years, innovative product launches and rising prices.

In 2015, European spending on pharmaceuticals made up approximately 23 per cent. of global spending on pharmaceuticals. IMS projects that in 2020 the top five European markets will spend approximately US$180 to US$190 billion on medicines, an increase of US$40 billion on spending on medicines in 2015, partly due to the wider adoption of specialty medicines.

In addition, according to IMS, Japanese spending on pharmaceuticals is approximately 8 per cent. of the global spend on pharmaceuticals. Japan and France have a range of expected growth rates over the next five years from a 1 per cent. decline to a 2 per cent. increase. This is the lowest of the developed markets. Spending in 2020 is expected to see wider use of specialty original brands but lower overall brand spending, as older brands will face more severe price cuts – the local price regime applies greater price cuts to older off-patent brands, lower to newer, original brands, and separately incentivises generic dispensing.

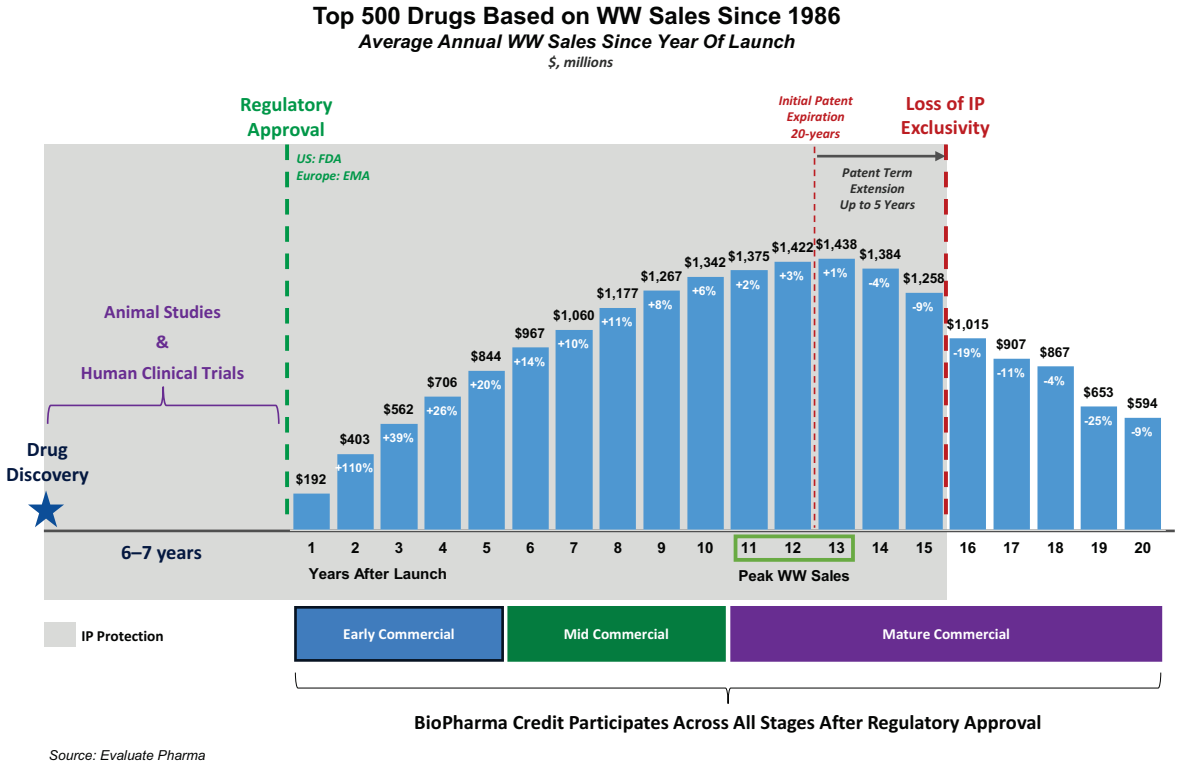
This is relevant for the Company as it seeks new investment opportunities because the growing pharmaceuticals market can be expected to provide a larger pool of products and biotechnology companies in need of capital that could meet the Company's lending criteria.

Product Lifecycle

Pharmaceutical and biotechnology products have a long life cycle, which can provide considerable downside protection for the Company. Worldwide patents can lead to more than 20 years of protection, which frequently translates to as long as 15 years of exclusivity from the time the products are first approved by regulatory agencies such as the FDA. Some governments also provide for regulatory exclusivity which provides for 6 to 10 years of commercial exclusivity independent of an approved patent, if an innovator performs clinical trials.

Exhibit 2 below shows the average worldwide sales curve of the top 500 pharmaceutical products launched since 1986. On average, sales growth is very robust for the first 12 years of a product's life cycle, after which some of these products begin to lose exclusivity, and their sales growth slows and starts to decline shortly thereafter. A key driver of initial sales growth is increasing prescriptions from physicians in the early-launch markets, but subsequent commercialisation rates in additional geographic markets, as well as expanding indications, frequently drive attractive growth for more than a decade.

Investing in Pharma Assets Allows for Stable Cash Flows and Long Runway of Visibility



Source: Evaluate Pharma

Exhibit 2 – Investing in Pharmaceutical Assets Allows for Stable Cash Flows and Long Runway of Visibility

Therefore, the Investment Manager believes that the Company's portfolio of assets should comprise reliable, durable cash flows, protected by intellectual property. The Company's approach towards the acquisition of Debt Assets and ranking of security provides attractive downside protection.

Largest Investor in Research and Development and Favourable Regulatory Environment

Large, mature, multinational pharmaceutical companies invest an amount equivalent to 15 per cent. to 20 per cent. of annual sales revenue in research and development ("**R&D**"), while many of the large biotech companies invest upwards of 30 per cent. to 50 per cent. of annual sales revenue in R&D. In 2014, global R&D investment by private sector LifeSci Companies totalled approximately US$190 billion. The public sector invested another US$100 billion in R&D. In addition to driving growth of future product sales, significant investment in R&D creates near-term and long-term funding needs for LifeSci Companies that are looking to progress the commercialisation of their products.

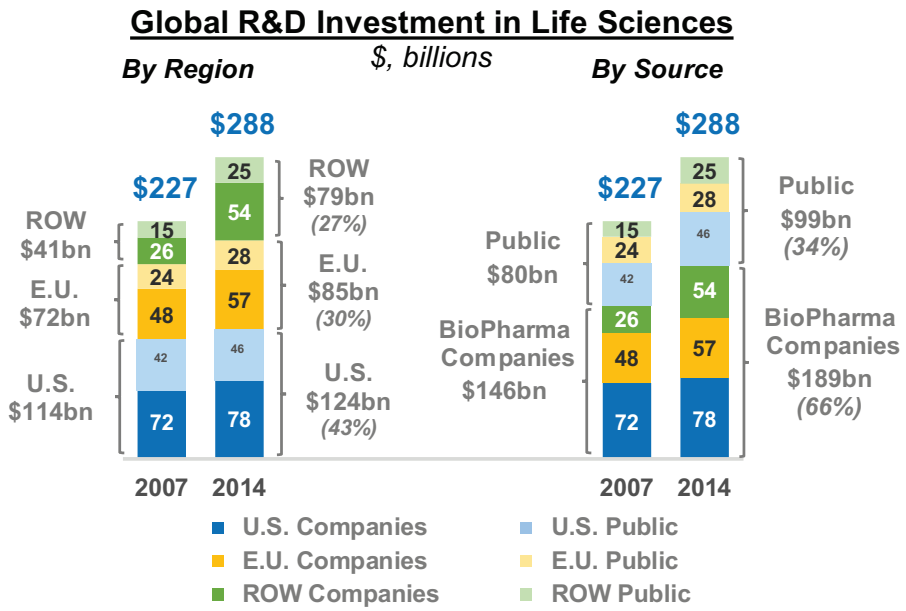


Exhibit 3 – Global R&D Investment in Life Sciences

The substantial and growing investment in R&D by the life sciences industry, coupled with increasingly productive approaches to R&D and a more favourable global regulatory environment are contributing to dramatic increases in the number of drugs which are entering clinical trials and receiving regulatory approvals. These key metrics attest to the attractive prospects of the life sciences industry. As indicated in Exhibit 4, over the last 10 years, the number of R&D programs in clinical trials in the US has grown by a compound annual growth rate of 10.8 per cent.

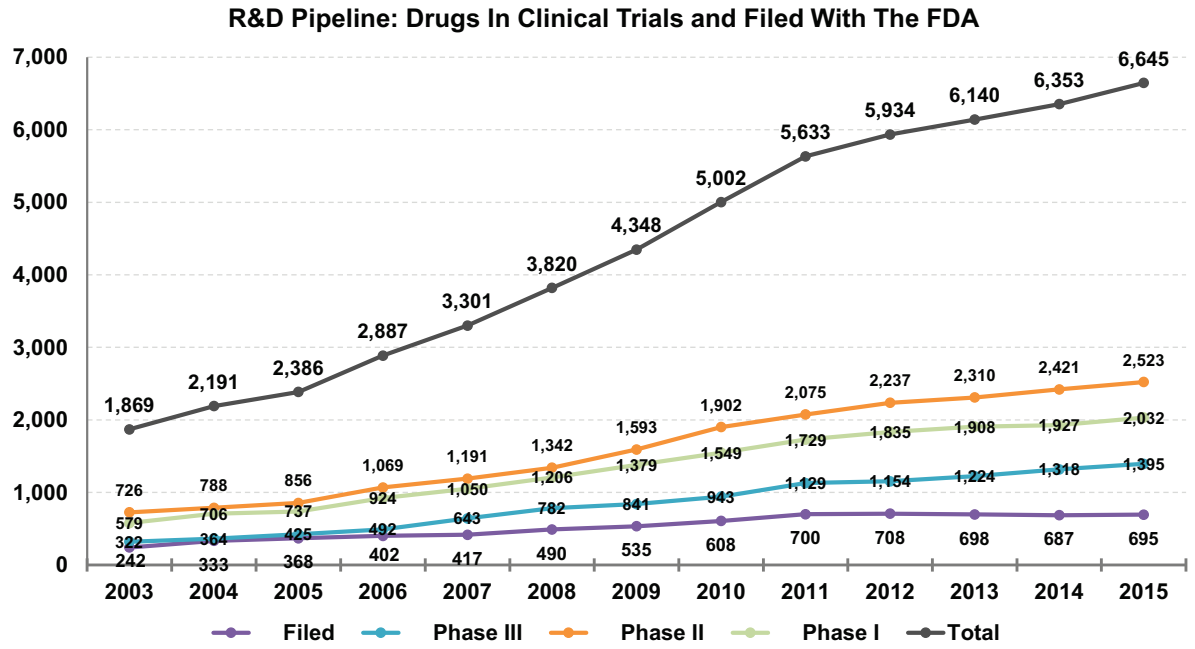


Exhibit 4 – R&D Pipeline: Drugs in Clinical Trials and Filed with the FDA

Over the past 7 years, the innovation cycle in the US has been supported by a more favourable regulatory environment. The FDA has provided a more transparent path to approval and, as an example, created the 'Breakthrough Therapy Designation' in 2012, which allows for the expedited development and approval of drugs which treat serious or life-threatening diseases. As a result of this more constructive regulatory environment, over 180 US drug approvals have been recorded since 2011, including 45 in 2015 alone, which represents the largest annual number of new drug approvals since 1996. The 5 year average rate of FDA approvals increased to 36 drugs per year

as a result of a greater focus on specific biological targets, increased contribution from smaller biotech companies, and greater efficiency within the FDA, with approval times cut in half from approximately 20 months to less than 10 months.

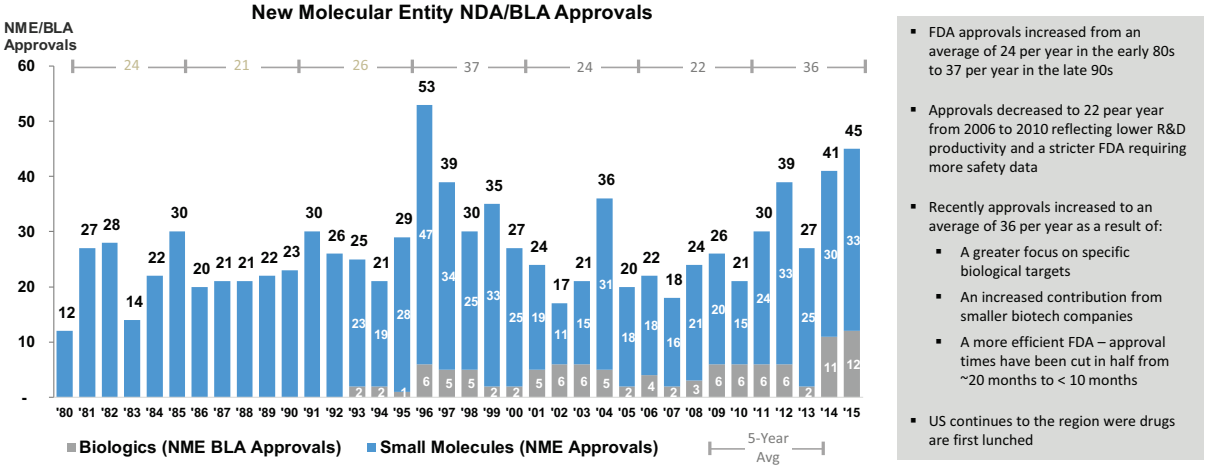


Exhibit 5 – New Molecular Entity NDA/BLA Approvals

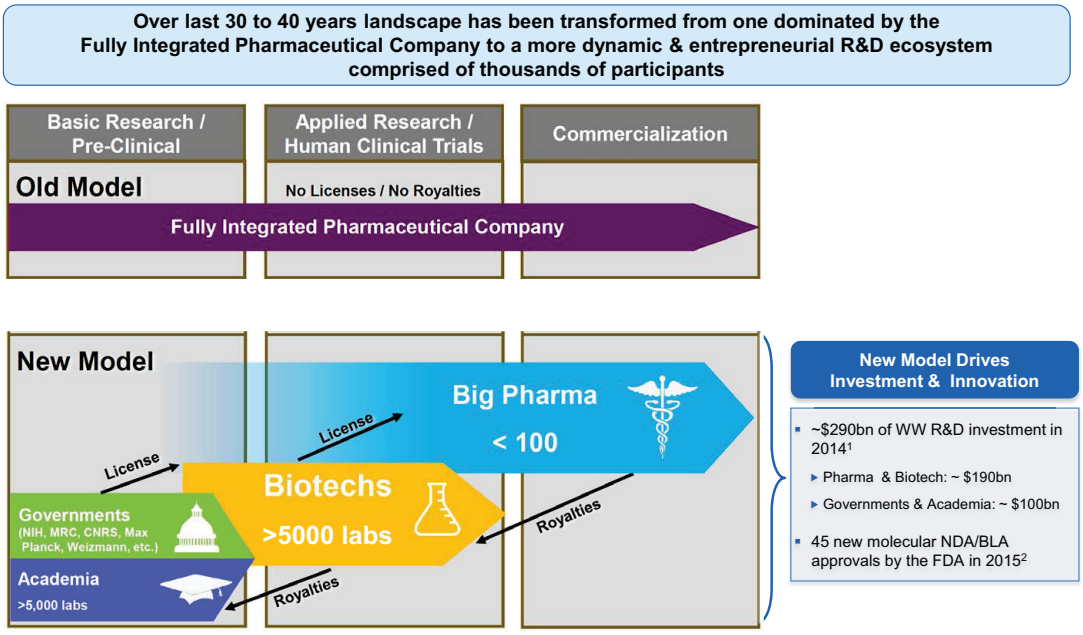
Market Dynamics Creating Fragmentation of the Industry and More Lending Opportunities

Despite growth in the pharmaceutical market, large pharmaceutical companies continue to face mounting pressure on top-line sales from patent expirations on blockbuster products and failures in their R&D pipelines. The internal R&D departments of larger pharmaceutical companies have struggled to replace lost revenue with new products. Dramatically escalating R&D costs have also put pressure on industry participants to adapt their business model and seek partners to reduce risk. The amount of R&D investment per FDA-approved product is now approximately US$1.4 billion. As a result of these factors, large pharmaceutical companies have evolved and are increasingly relying on in-licensing and corporate acquisitions for new products.

Over the last 30 to 40 years, the landscape of the pharmaceuticals industry has been transformed from one dominated by fully integrated pharmaceutical companies to a more dynamic and entrepreneurial R&D ecosystem comprised of thousands of participants. As a result of this R&D evolution, smaller companies, investor groups, universities and non-profit research institutes increasingly have rights to royalty streams on products that have been out-licensed to larger pharmaceutical companies. This broader shift in R&D approach provides an expanding landscape of lending opportunities for the Company, as smaller companies are increasingly partnering with large pharmaceutical companies.

As indicated in Exhibit 6, the pharmaceutical and biotechnology ecosystem has evolved to one where innovation and commercialisation, which was once centralised in fewer than 100 big pharmaceuticals, has now spread among more than 5,000 academic labs, government funded entities and more than 5,000 biotech companies. The pool of creditworthy borrowers has increased exponentially.

Specialisation & Fragmentation of Drug Discovery is Leading to More Lending Opportunities



Source: Royalty Pharma Management
[1] NEJM reported global biomedical R&D expenditures by the public sector and private industry through 2012; Royalty Pharma Management growth estimates applied for 2014 figure
[2] U.S. Food and Drug Administration Novel Drugs 2015 Report dated January 2016, page 2.

Exhibit 6 – Specialisation & Fragmentation of Drug Discovery is Leading to More Lending Opportunities

Exhibit 7 below provides more detail around the evolution of the industry as seen through the leading commercial pharmaceutical products. The exhibit lists the top 30 drugs in 2000 and 2014 and indicates which of these are biotech products (broadly defined).

In 2000, only two of the top 30 life sciences products were developed by biotech companies, representing 7 per cent. of total sales of the top 30 products, and 4 products were biotech products (products developed in living organisms), representing only 11 per cent. of total sales of the top 30 products.

By 2014, the industry had changed dramatically. 20 of the top 30 life sciences products (representing 72 per cent. of total sales of the top 30 products) were either biotech products or developed by a biotech company. Also, 12 products (representing 44 per cent. of total sales of the top 30 products) were discovered at an academic institution. Not only does this reflect the development of a larger, stronger pharmaceutical and biotech ecosystem but also the growth in the number of creditworthy entities which can be potential funding counterparties for the Company.

Track Record of Academic Research and Biotech Development

Academia and Biotech Transform Discovery and Development

Top 30 Products in 2000

	Product	Marketer(s)	Sales ($, mill)	Responsible for Discovery / Development: Biotech Co. or Product	
1	Prilosec	AstraZeneca	$6,260		
2	Zocor	Merck	$5,280		
3	Lipitor	Pfizer	$5,030		
4	Norvasc	Pfizer	$3,361		
5	Prevacid	TAP Pharma	$2,740		
6	**Procrit**	**J&J**	**$2,709**	**Amgen → J&J**	✓
7	Celebrex	Pharmacia	$2,614		
8	Prozac	Eli Lilly	$2,585		
9	Zyprexa	Eli Lilly	$2,366		
10	Paxil	GSK	$2,349		
11	Claritin	Schering-Plough	$2,194		
12	Vioxx	Merck	$2,160		
13	Zoloft	Pfizer	$2,140		
14	**Epogen**	**Amgen**	**$1,963**	**Amgen**	✓
15	Premarin	Wyeth	$1,870		
16	Augmentin IR	GSK	$1,847		
17	Vasotec	Merck	$1,790		
18	Pravachol	Bristol-Myers	$1,766		
19	Glucophage IR	Bristol-Myers	$1,718		
20	Cozaar	Merck	$1,715		
21	Tylenol	J&J	$1,680		
22	**Insulin**	**Novo Nordisk**	**$1,671**	**--**	✓
23	Cipro/Ciprobay	Bayer	$1,648		
24	Risperdal	J&J	$1,603		
25	Taxol	RTI → Bristol-Myers	$1,561		
26	Zithromax	Pliva → Pfizer	$1,382		
27	**Intron A**	**Schering-Plough**	**$1,360**	**--**	✓
28	Viagra	Pfizer	$1,344		
29	Neurontin	Pfizer	$1,334		
30	Flixotide/Flovent	GSK	$1,334		
	Total WW Sales		**$69,374**	**$7,702**	**4**
				11%	**13%**

Top 30 biopharma products had sales of $69bn

- 4 were biotech drugs with sales of $7.7bn (11% of total)
- 2 were developed by biotech companies and had sales of $4.7bn (7% of total)

Top 30 Products in 2014

	Product	Marketer(s)	Sales ($, mill)	Responsible for Discovery / Development: University / Hospital		Biotech Co. or Product	
1	**Humira**	**AbbVie (Knoll)**	**$12,543**	**Cambridge; Scripps**	✓	**CaT → Knoll**	✓
2	**Sovaldi**	**Gilead (Pharmasset)**	**$10,283**	**--**		**Pharmasset**	✓
3	**Remicade**	**J&J (Centocor) / Merck**	**$8,807**	**NYU**	✓	**Centocor**	✓
4	**Enbrel**	**Amgen (Immunex) / Pfizer**	**$8,538**	**MassGen**	✓	**Immunex**	✓
5	**Lantus**	**Sanofi**	**$8,428**	**--**		**--**	✓
6	**Rituxan**	**Roche (Genentech)**	**$7,547**	**--**		**Idec → Genenetch**	✓
7	**Avastin**	**Roche (Genentech)**	**$7,018**	**--**		**Genenetch**	✓
8	Seretide/Advair	**GSK**	$6,966	**--**		**--**	
9	**Herceptin**	**Roche (Genentech)**	**$6,863**	**UCLA**	✓	**Genenetch**	✓
10	Abilify	**Bristol Myers**	$6,199	**--**		**Otsuka**	
11	Crestor	**AstraZeneca**	$5,512	**--**		**Shionogi**	
12	**Lyrica**	**Pfizer**	**$5,168**	**Northwestern**	✓	**--**	
13	**Revlimid**	**Celgene**	**$4,980**	**Boston Children's**	✓	**Celgene**	✓
14	Gleevec	**Novartis**	$4,746	**--**		**--**	
15	**Neulasta**	**Amgen**	**$4,596**	**MSK**	✓	**Amgen**	✓
16	Spiriva	**Boehringer Ingelheim**	$4,300	**--**		**--**	
17	**Copaxone**	**TEVA**	**$4,237**	**Weitzman**	✓	**--**	✓
18	Prevnar 13	**Pfizer**	$4,212	**--**		**--**	
19	**Januvia**	**Merck**	**$3,931**	**Demuth, Tufts**		**Prosidion**	✓
20	Symbicort	**AstraZeneca**	$3,801	**--**		**--**	
21	Nexium	**AstraZeneca**	$3,655	**--**		**--**	
22	**Atripla**	**Gilead**	**$3,470**	**Emory/IOCP**	✓	**Gilead**	✓
23	**Truvada**	**Gilead**	**$3,340**	**Emory/IOCP**	✓	**Gilead**	✓
24	**NovoRapid**	**Novo Nordisk**	**$3,109**	**--**		**--**	
25	**Avonex**	**Biogen**	**$3,013**	**--**		**--**	✓
26	**Tecfidera**	**Biogen (Fumapharm)**	**$2,909**	**--**		**Fumapharm**	✓
27	**Alimta**	**Eli Lilly**	**$2,792**	**Princeton**	✓	**--**	
28	**Humalog**	**Eli Lilly**	**$2,785**	**--**		**--**	✓
29	Celebrex	**Pfizer**	$2,699	**--**		**--**	
30	Zetia	**Merck**	$2,650	**--**		**--**	
	Total WW Sales		**$159,097**	**$65,334**	**11**	**$114,358**	**20**
			61%	**41%**	**37%**	**72%**	**67%**

Top 30 biopharma products had sales of $159bn

- 11 products (37% of total), with sales of $65bn (41% of total sales), were discovered at academic institutions
- 20 products (67% of total), with sales of $114bn (72% of total sales) were developed by biotech companies or pharma companies using biotechnology
- Remarkably, 8 of the top 10 are biotech products

Exhibit 7 – Track Record of Academic Research and Biotech Development

Trend of specialty products driving market growth

Medical and scientific advances continue to drive innovation. The emergence of specialty medicines has contributed meaningfully to growth within the pharmaceutical and biotechnology sector. These products, which are often the sole or leading product in their disease category, face little to no competition, and have been largely immune to pricing pressure. According to IMS, in 2003, specialty drugs accounted for 14 per cent. of the global pharmaceutical market; in 2013, they accounted for 23 per cent. of the global market and 40 per cent. of US pharmaceutical sales. Many of the new specialty drugs are biotechnology/biologic medicines which differ from conventional pills in that they are more complex and made up of injectable or intravenous organic compounds that are harder to copy. By definition, specialty medicines are marketed to a much smaller audience of specialist physicians (7,000 to 50,000 physicians in the US) as compared to the broad universe of general medicine physicians (approximately 400,000 in the US). This has allowed small biotech companies to commercialise their products on their own without having to licence them to large pharmaceutical companies as in many cases a 250 person specialist sales force is sufficient instead of a 5,000 person general medicines sales force. This has created a robust pool of vertically integrated biotech companies that are creditworthy and in need of capital in the form of debt or equity.

Summary of Industry Dynamics

- Large and growing global market – US$1.1 trillion growing at c.6 per cent. annually.
- Revenue supported by long product life cycles – patent protected products with as long as 12 to 15 years or more of commercial exclusivity.
- Largest investments in R&D – this can fuel long term growth and increases funding needs.
- Evolving business model – fragmentation of the industry has increased the number of creditworthy counterparties. Dramatic growth in the number of smaller biotech companies has created counterparties with a much higher cost of capital.
- Favourable R&D productivity and US regulatory environment – the increase in productivity and approvals further secures growth and the need for capital.

2. INVESTMENT HIGHLIGHTS

The Company represents an attractive investment opportunity as a vehicle to provide debt capital for the life sciences industry for the reasons set out below.

Attractive industry dynamics for debt financing with high barriers to entry

As described above, the life sciences industry is significant. Healthcare companies that are developing products, particularly small to mid-size biotech companies, require steady access to substantial amounts of capital in order to fund product development. Pharmaceutical companies have increasingly focused on obtaining debt financing as a lower cost of capital alternative relative to equity, resulting in increased size of debt financings. An annual cost of debt of 12 per cent. may be considered inexpensive relative to the cost of equity for these companies.

However, this market has not historically been served by traditional lenders, because lenders need highly specialised industry, scientific, clinical, regulatory and commercial expertise to generate returns. The Investment Manager's professionals, together with those at Royalty Pharma accessible through the Shared Services Agreement, have complementary scientific, medical, licensing, operating, structuring and financial backgrounds which the Investment Manager believes provide a competitive advantage in sourcing, evaluating, executing and managing credit investments in the life sciences industry.

Patent-protected pharmaceutical products have significant barriers to entry as a result of intellectual property protection and the rigorous regulatory and clinical review process. Intellectual property, patents and other regulatory protections (such as data exclusivity, orphan drug designation or paediatric exclusivity) provide market exclusivity, limiting competition and leading to pricing stability and market leverage. The regulatory approval process for the clinical development of human pharmaceutical products is expensive and time consuming. The average development cost of a newly approved drug exceeds US$1.4 billion and products can take 10 to 15 years to be developed. The rigorous approval process, related expenses and time required to develop pharmaceutical and biopharmaceutical products tend to limit the number of competitors/competing products.

Uncorrelated returns and a high quality seed portfolio

Provision of debt capital offers uncorrelated returns, as returns are based on long term cash flows from pharmaceutical sales and not equity markets or accounting earnings. Sales of pharmaceutical and biopharmaceutical products are generally less affected by economic and business cycles than durable and other consumer goods. This is particularly true with drugs that treat critical care and chronic conditions, such as autoimmune diseases, HIV, cancer and diabetes. Given that the Investment Manager mainly provides debt capital in situations where a drug is revenue-generative, the return of cash frequently begins in the financial quarter after the initial investment is made and continues through the life of the investment.

On Subsequent Admission, the Company will have a highly diversified portfolio of Seed Assets, with no single Product underlying the Seed Assets representing more than 20 per cent. of the initial Seed Assets portfolio (as measured by estimated remaining cash flows per Company guidance)[1] as explained in Part III (Seed Assets) of this Prospectus.

The Seed Assets offer strong downside protection through the structuring of the investments in the form of Debt Assets, which is further de-risked by the predictable nature of cash flows from assets with long-dated intellectual property protection (which, for pharmaceutical products more generally is on average at least 15 years).

Additionally, the Seed Assets portfolio is highly cash-generative, has strong collateral underlying the cash flows and provides consistent returns uncorrelated with equity and credit markets. The assets underlying the Seed Assets portfolio are comprised of some of the biggest products of the largest pharmaceutical and biotechnology firms, including Merck, Gilead and Roche.

Within the Seed Assets portfolio, there is high cash flow visibility, with approximately 70 per cent. of future proceeds expected to be achieved by the end of 2018. Furthermore, as explained in Part III (Seed Assets) of this Prospectus, approximately two-thirds of the cash flows are comprised of royalty loans backed by investment-grade companies and approximately one-third are senior secured loans.

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[1] As per the Investment Manager's latest model, the largest Product would be Depomed at 17 per cent.

Additionally, almost all of the products underlying the RPS Note are among the top 3 products for the indications that they treat and have been approved and on the market for many years, providing clinical, regulatory and also commercial de-risking. The underlying Royalty Pharma Select portfolio has nearly twice as many of the top 30 pharmaceutical products as any large pharmaceutical or biopharmaceutical company.

Access to Investment Manager's Business Development Network

The Investment Manager has developed a network of relationships with venture capital, biotech, pharmaceutical and other institutions. The Investment Manager and Royalty Pharma investment management teams have established relationships over two decades with numerous biotech companies early in their development, engaging in an ongoing dialogue regarding financing opportunities as well as providing a long runway for product diligence as the Investment Manager tracks over 200 opportunities on an ongoing basis. These multi-year relationships give the investment management team a key advantage over other potential financing sources and newly emerging competitors.

The Investment Manager also has the Shared Services Agreement with Royalty Pharma, encompassing the research, legal and compliance, and finance teams of Royalty Pharma. This arrangement gives the Investment Manager access to the resources and expertise of the Royalty Pharma team, thus enabling a better analysis of the funding opportunities and gives the Investment Manager a differentiated approach to diligence compared to traditional lenders and other competitors in the sector. The Investment Manager's professionals have a broad and deep experience across the healthcare and finance industries, given their diverse backgrounds, which will allow the Company to provide customised solutions as well as structural creativity, which can in turn lead to superior outcomes for all parties involved. The Investment Manager believes that these attributes, along with its strong reputation and credibility across the industry, differentiate the Company.

Rigorous approach to assessment of investment opportunities

The Investment Manager adopts a rigorous screening and diligence process in the evaluation of its investment opportunities. The investment management team has a deep understanding of the clinical and competitive positioning of the underlying assets. This differentiated diligence process is driven by in-depth modelling and an internally aggregated database on pharmaceutical or biopharmaceutical companies and their products as well as long-term relationships with companies and their investment management teams. The Investment Manager builds detailed models across various therapeutic opportunities using a bottom-up approach, noting scientific advancements, patient populations and subpopulations and geographic-specific dynamics, as well as competitive pressures including regional pricing. These models are updated for new developments (such as new clinical data and indication approvals) on an ongoing basis and are refined based on discussions with consultants, doctors and other industry experts.

Key considerations in the screening process of opportunities include, but are not limited to, viability and marketability of product, clinical differentiation, financing needs of the counterparty, marketer creditworthiness, identity and suitability of potential risks, loan-to-value ratio, alternative financing options (equity or convertibles) and pricing. In 2015, the Investment Manager screened more than 200 opportunities and participated in only five investments, raising US$1.1 billion, and therefore had a look-to-book ratio of less than 3 per cent., demonstrating its thorough filtering and diligence process.

The Investment Manager tailors the structure of its investments to reflect its considered assessment of the value of the collateral and to meet the various financing needs of biopharmaceutical companies while protecting investors against downside risk. As such, the Investment Manager intends to structure the sizes of the loans and the levels of leverage appropriately to meet these needs in ways that traditional lenders cannot.

The Investment Manager invests in each stage of the product life cycle (early commercial, mid commercial and mature commercial) and structures investments across these stages accordingly. For example, early commercial products may have a lower loan-to-value ratio than later stage products, to account for the relatively higher associated risk.

Proven track record

The Investment Manager has, to date, invested or committed to invest US$1.3 billion in Debt Assets. None of the Debt Assets previously or currently managed by the Investment Manager are or have previously been judged to be impaired. Of the 21 investments made to date, eight have been fully repaid and all of the remaining loans are current. BioPharma I made its last distribution to investors in 2014 and realised a Gross IRR of approximately 15 per cent. (Net IRR of 11.2 per cent.) and cash-on-cash returns of 1.3x. BioPharma II and III have reached the end of their investment periods and are now returning capital to investors. BioPharma IV is currently in its investment period, and to date has invested approximately US$301 million out of approximately US$513 million in commitments.

PART III – SEED ASSETS

1. OVERVIEW OF THE SEED ASSETS

The initial portfolio of the Company will consist of the following:

- a limited partnership interest in BioPharma III Holdings, LP ("**BioPharma III Interest**") having a value not exceeding US$160 million; and
- a credit agreement (the "**RPS Credit Agreement**") entered into between the Company and RPS BioPharma Investments, LP (the "**RPS Borrower**"), pursuant to which the RPS Borrower will issue a promissory note in favour of the Company (the "**Promissory Note**" and, together with the RPS Credit Agreement, the "**RPS Note**") for a Loan Amount not to exceed the lower of: (a) US$231.6 million; (b) 39.9 per cent. of the Net Issue Proceeds; and (c) the Gross Cash Proceeds less any expenses deducted on Initial Admission (the "**RPS Note Loan Limit**"). The RPS Note will bear interest at an annual rate of 12 per cent. and is secured by units of Royalty Pharma Select held by the RPS Borrower which represent the right to receive a proportion of ongoing royalties generated from 21 Products.

2. BioPharma III Interest

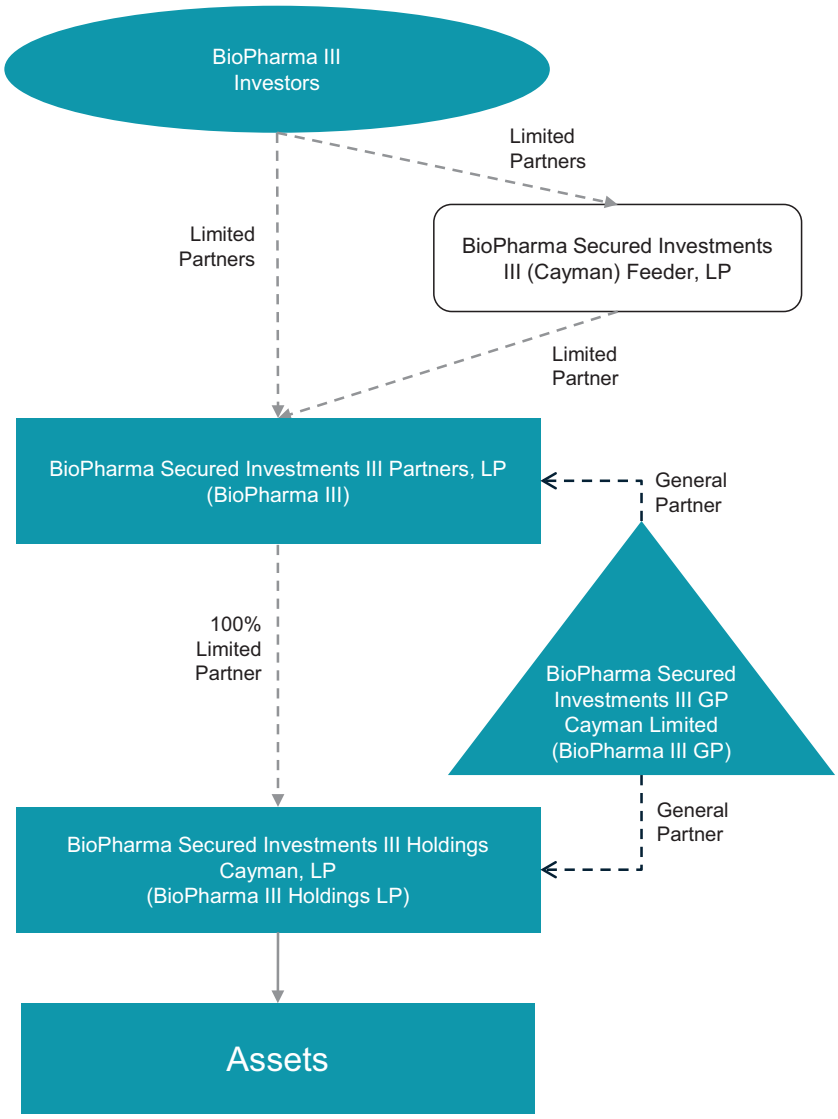
BioPharma III Holdings, LP currently holds five Debt Assets as described in more detail below. The Company will acquire a limited partnership interest in BioPharma III Holdings, LP in exchange for Shares at the Issue Price. The acquisition of the BioPharma III Interest will be completed in up to two separate tranches: the first tranche of the BioPharma III Interest will be acquired (and the Shares in connection therewith will be issued) on Initial Admission and the second tranche (if necessary) of the BioPharma III Interest will be acquired (and Shares in connection therewith will be issued) on Subsequent Admission. Whether the BioPharma III Interest will be acquired in one or two tranches will depend on its size relative to the size of the Issue. The size of the BioPharma III Interest will depend on the interests tendered by indirect investors in BioPharma III Holdings, LP as detailed below.

BioPharma III Holdings, LP

BioPharma III Holdings, LP is an exempted limited partnership established under the laws of the Cayman Islands. Its general partner is BioPharma Secured Investments III GP Cayman Limited ("**BioPharma III GP**"), a company established under the laws of the Cayman Islands. Currently, it has one limited partner, BioPharma Secured Investments III Partners, LP ("**BioPharma III**"), an exempted limited partnership established under the laws of the Cayman Islands. The Investment Manager provides investment management services to BioPharma III. An Affiliate of the Investment Manager, Pharmakon Investor, LLC, holds a special limited partnership interest in BioPharma III entitling it to a portion of the profits of BioPharma III on certain terms and conditions.

The BioPharma III Interest will be acquired by the Company at a value which, at Admission, represents a proportion of BioPharma III Holdings, LP's value at Initial Admission which is approximately US$332.5 million (with the five Debt Assets valued at par).

A diagram representing the BioPharma III structure is set out below:



Debt Assets in BioPharma III Holdings, LP

Investment Structure	Counterparty/ Borrower	Underlying Product	Asset Value ($M)	Expected Future Proceeds ($M)	Expected Maturity	Projected Gross Returns[1][2]	
						Cash on Cash	IRR
Capped Royalty	Vivus	Qsymia	$32.1	$35.8	2018	1.11	15.0%
Senior Sec. Loan	Valneva	Ixiaro	$39.0	$45.5	2018	1.18	16.9%
Senior Sec. Loan	Novocure	Optune	$102.4	$131.2	2019	1.28	10.8%
Senior Sec. Loan	Depomed	Nucynta, Gralise, three others	$127.1	$158.9	2022	1.25	8.8%
Senior Sec. Loan	iRhythm	Zio Patch	$31.9	$45.9	2021	1.44	11.2%
			$332.5	**$417.3**		**1.25**	**11.4%**

Notes:
(1) See footnotes on page 97 of this Prospectus for important disclosures concerning the calculation of projected IRR.
(2) Projected gross returns on current value from 27 March 2017 through expected maturity (assuming no defaults or prepayments).

The investment period of BioPharma III concluded on 24 August 2015 and it is no longer permitted to acquire any new Debt Assets. It has no outstanding commitment to fund under the terms of any of its existing Debt. As at the date of this Prospectus, BioPharma III has a diversified portfolio of five Debt Assets set out below.

Vivus

In March 2013, BioPharma III Holdings, LP entered into an agreement to purchase from Vivus Inc. (NASDAQ: VVUS) a Priority Royalty Tranche in relation to Qsymia. Qsymia is an approved drug to be used as an adjunct to diet and exercise for chronic weight management in adults who are obese or overweight and who have at least one weight-related co-morbidity such as hypertension, type 2 diabetes or dyslipidemia.

BioPharma III Holdings, LP made an initial investment of US$50 million and gave Vivus the option to draw a second tranche of US$60 million by 31 December 2013 (which was not exercised by Vivus). BioPharma III Holdings, LP receives quarterly payments equal to 25 per cent. of quarterly sales of Qsymia, subject to quarterly caps, through April 2018. The Investment Manager expects that the aggregate payments received by April 2018 will be equal to an amount that provides BioPharma III Holdings, LP with an IRR of approximately 15 per cent. and will not be limited by a percentage of sales.

The Vivus Debt Asset currently constitutes approximately 9.7 per cent. of the value of BioPharma III Holdings, LP.

Valneva

In December 2013, BioPharma III Holdings, LP entered into a US$30 million senior secured loan agreement with Valneva Austria GMBH, a subsidiary of Valneva SE (Paris Euronext: VLA FP). Valneva's lead product is Ixiaro/Jespect, an approved lacement vaccine to prevent Japanese Encephalitis, launched in 2009. The loan has a 9.5 per cent. coupon plus a royalty of 2 per cent. to 2.6 per cent. of Valneva's share of Ixiaro/Jespect sales. In March 2015, Novartis AG sold its vaccines business, including Ixiaro, to GlaxoSmithKline and Valneva exercised its right to take over the marketing rights to the vaccine. BioPharma III Holdings, LP had provided Valneva with the option to draw an additional US$11 million, which was exercised on 18 November 2015. BioPharma III Holdings, LP also provided Valneva with a temporary waiver to a minimum EBITDA covenant.

The Valneva Debt Asset currently constitutes approximately 11.6 per cent. of the value of BioPharma III Holdings, LP.

Novocure

In January 2015, BioPharma III Holdings, LP entered into a senior secured loan agreement for up to US$100 million with NovoCure Limited for a term of five years. At that time, Novocure Limited was a privately-held global oncology company that commercialised Optune, a device that generates ''Tumor Treating Fields'' for the treatment of malignant solid tumours. As at January 2015, Optune was approved to treat second line glioblastoma. Novocure became publicly listed in October 2015 (NASDAQ: NVCR).

The loan has a 10 per cent. coupon and is interest-only until maturity. Additionally, the loan had an up-front funding fee of 1.5 per cent. and a pay-down fee of 0.8 per cent. of all principal repayments. The first US$25 million was funded on 30 January 2015. NovoCure elected on 30 June 2016 to draw down the additional US$75 million, which closed on 22 July 2016.

The Novocure Debt Asset currently constitutes approximately 30.8 per cent. of the value of BioPharma III Holdings, LP.

Depomed

In March 2015, BioPharma III Holdings, LP co-led a US$575 million secured debt facility for Depomed Inc., a publicly traded specialty pharmaceutical company based in California (NASDAQ: DEPO). BioPharma III Holdings, LP committed to a US$200 million investment; US$150 million was funded by BioPharma III Holdings, LP and US$50 million was assigned to co-investors. Contemporaneous with the financing, Depomed acquired Nucynta, a commercial stage product used to treat severe pain, from Johnson & Johnson for US$1 billion.

Under the terms of the transaction, BioPharma III Holdings, LP invested US$150 million in a senior secured loan with a term of seven years, maturing in April 2022. The transaction was expected to

generate an IRR (from the date of investment) of approximately 11.8 per cent. with upside in the event of an early repayment. In April 2016, Depomed exercised its right to prepay US$100 million of the US$575 million loan. BioPharma III Holdings, LP received a US$27.4 million payment, which included US$26.1 million in principal and US$1.3 million in additional gains because of the partial early repayment.

On 21 February 2017, Depomed publicly disclosed its intention to exercise its right to prepay another $100 million of the remaining debt in April 2017 and an intention to refinance its remaining debt at some point in the future. No prepayment notice has yet been received by the Investment Manager. If such prepayment is made by Depomed in April 2017, investors in BioPharma III who do not participate in the BioPharma III Tender Offer can expect to receive a significant distribution from BioPharma III for the quarter ending June 30, 2017. Given the uncertainty around whether and when such prepayment or refinancing will occur, it has not been taken into account in calculating the projected gross returns above. However, potential investors should note that to the extent that such prepayment or refinancing occurs, it may affect the projected returns from this Debt Asset and, consequently, the BioPharma III Interest.

The Depomed Debt Asset currently constitutes approximately 38.2 per cent. of the value of BioPharma III Holdings, LP.

iRhythm

In December 2015, BioPharma III Holdings, LP entered into a commitment to provide up to US$55 million in Senior Secured Debt to iRhythm Technologies, Inc., a privately-held, cardiac diagnostic company based in San Francisco. Under the terms of this investment, BioPharma III Holdings, LP has committed to invest up to US$55 million in a senior secured loan with a term of six years. The loan is interest-only for the first four years and will amortise on a straight-line basis for the last two years of its term.

The iRhythm Debt Asset currently constitutes approximately 9.6 per cent. of the value of BioPharma III Holdings, LP.

Valuation of BioPharma III Holdings, LP for determining the BioPharma III Interest

The valuation of BioPharma III Holdings, LP has been set at US$332.5 million determined as at 27 March 2017, which is expected to be the date of Initial Admission and when the Initial Acquisition Agreements will become unconditional (save as to Subsequent Admission). The valuation has been arrived at by valuing the five Debt Assets and taking costs of managing the portfolio (US$300,000 per annum) into account. In particular, a discounted cash flow methodology has been used to estimate the cash flow accruing to each Debt Asset as at 27 March 2017. The Investment Manager has confirmed that there are no other material assets or liabilities in BioPharma III Holdings, LP other than the five Debt Assets which need to be taken into account.

Based on the valuation of BioPharma III Holdings, LP set out above, the maximum size of the BioPharma III Interest has been set at US$160 million. The exact size of the BioPharma III Interest will be determined by the outcome of the BioPharma III Tender Offer which is described in greater detail below.

BioPharma III Tender Offer

The Company published a tender offer memorandum (the "**BioPharma III Offer Document**") on 8 February 2017 pursuant to which investors in BioPharma III were invited to tender their indirect interests in BioPharma III Holdings, LP in exchange for Shares (the "**BioPharma III Tender Offer**").

The BioPharma III Tender Offer is subject to a number of conditions including, among others:

- Initial Admission occurring by 8:00 am on 27 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may agree);
- the Gross Cash Proceeds being not less than US$150 million;
- all of the Initial Acquisition Agreements being executed and the Initial Acquisition becoming unconditional (save as to Admission); and
- by no later than 11:59 pm on the Business Day before the closing date of the Placing, valid tenders being received under the Tender Offers which (in aggregate) together with the RPS Pharma Investors Agreement would result in: (a) the Gross Initial Acquisition Proceeds being at least US$150 million; (b) the total BioPharma III Interest to be acquired on First Close and

Second Close (if any) being equal to or less than 39.9 per cent. of the Net Issue Proceeds; and (c) the Loan Amount under the RPS Note being equal to or less than 39.9 per cent. of the Net Issue Proceeds; in each case, if Subsequent Admission is successfully completed.

In addition to the conditions set out above, the Second Close of the BioPharma III Tender Offer is further conditional on Subsequent Admission occurring by no later than 8:00 am on 30 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may determine) (save for any conditions relating to the consummation of the BioPharma III Tender Offer).

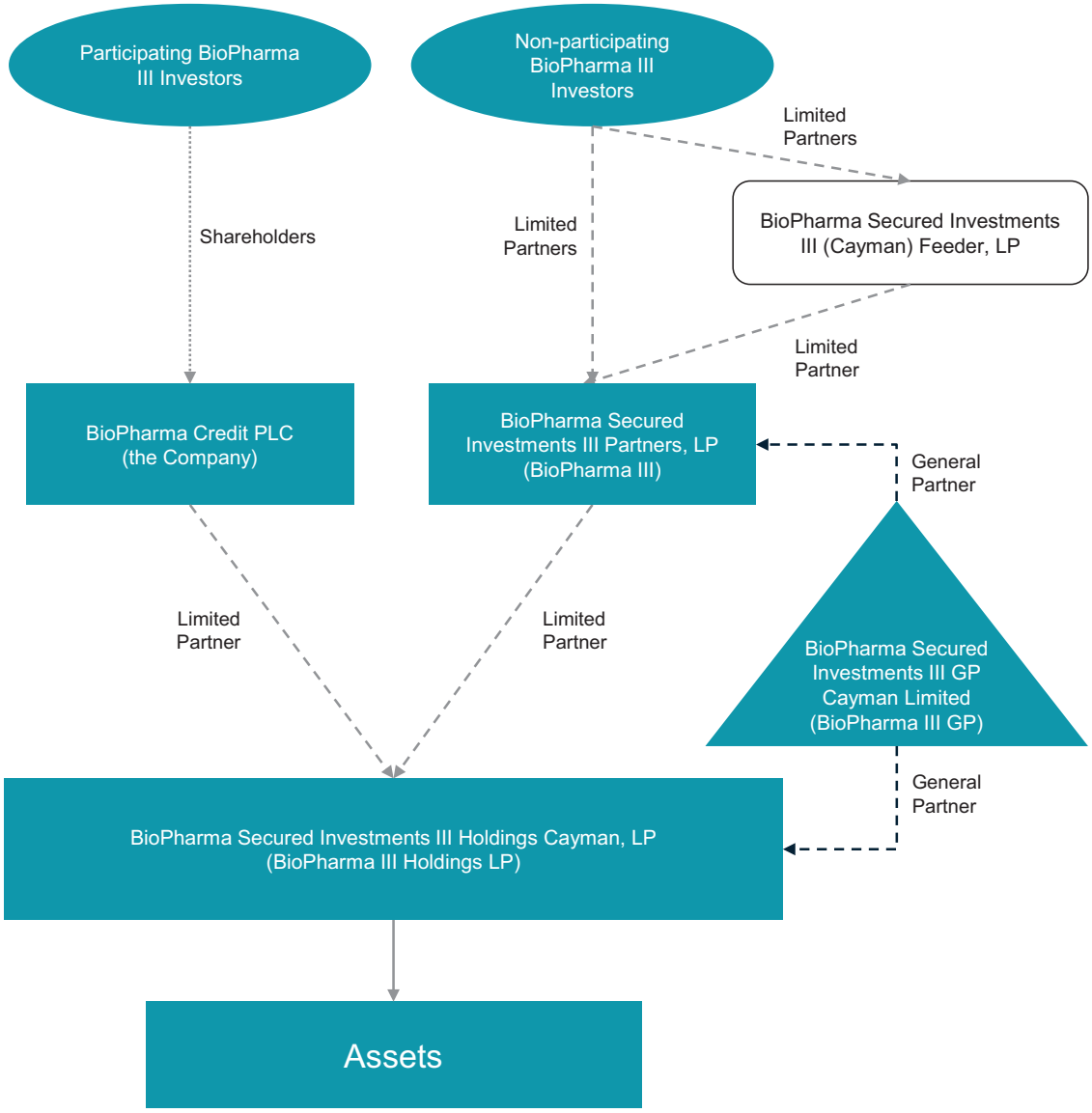
The tender offer period for the BioPharma III Tender Offer will expire at 2400 hours (NY time) on 15 March 2017 (or such later time as may be determined by the Company, at its absolute discretion, and notified to the investors in BioPharma III).

In accordance with the terms of the limited partnership agreement of BioPharma III (the "**BioPharma III LPA**"), the Shares issued by the Company shall be allocated and distributed among such Participating BioPharma III Investors and Pharmakon Investors LLC (the "**Special Limited Partner**") (assuming for the purposes of such allocation and distribution that the Shares have a fair market value equal to the Issue Price, and the Shares allocated to the Special Limited Partner being the "**Carry Shares**"). The Carry Shares will be issued to the Special Limited Partner pursuant to the BioPharma III Carry Subscription Agreement, as is further described in paragraph 10.11 of Part IX (Additional Information on the Company).

Each investor in BioPharma III that elects to participate in the BioPharma III Tender Offers (each a "**Participating BioPharma III Investor**") shall authorise BioPharma III GP, in its capacity as the general partner of BioPharma III or attorney-in-fact for each Participating BioPharma III Investor (as appropriate), to (*inter alia*):

- determine the Participating BioPharma III Investors' pro rata share of the limited partnership interest in BioPharma III Holdings, LP which is attributable to the aggregate limited partnership interests held (directly or indirectly via BioPharma Secured Investments III (Cayman) Feeder, LP) by the Participating BioPharma III Investors in BioPharma III in BioPharma III Holdings, LP (such aggregate limited partnership interest in BioPharma III Holdings, LP being the "**Participating LP Interest**") and transfer such Participating LP Interest to the Company in exchange for Shares;
- redeem the entirety of its direct or indirect limited partnership interest in BioPharma III (subject only to any Scale-Back (as defined below) in consideration for the Shares to be issued to such Participating BioPharma III Investor (acquired by BioPharma III GP in its capacity as its attorney-in-fact and agent) and the Special Limited Partner;
- determine the portion of the Shares to be issued by the Company in respect of the Participating LP Interest to be allocated to such Participating BioPharma III Investor and the Special Limited Partner;
- subject to any Scale-Back (as defined below), transfer all of the Participating LP Interest to the Company in consideration for the Company issuing Shares to the Participating BioPharma III Investors and the Special Limited Partner (in accordance with the distribution and allocation priorities set forth in the BioPharma III LPA), having an aggregate value (at an issue price of US$1.00 per Share) equal to the value of the Participating LP Interest so transferred; and
- execute the BioPharma III Subscription Agreement, as attorney-in-fact for the benefit and on behalf of such Participating BioPharma III Investor.

A diagram representing the expected structure immediately following Admission is set out below:



Under the terms of the BioPharma III Tender Offer, based on the valuation as described more fully elsewhere herein, the maximum value of the Participating LP Interest that may be accepted for tender has been capped at US$160 million (the "**BioPharma III Tender Offer Limit**").

On Initial Admission, the Company shall only accept such part of the Participating LP Interest as would result in the Shares being issued in connection with the acquisition of the BioPharma III Interest on Initial Admission not exceeding 39.9 per cent. of the total Shares issued on Initial Admission (the "**First Close Limit**" and the issue of Shares in connection with the BioPharma III Interests on Initial Admission being the "**First Close**").

In the event that the Company's acquisition of the entire Participating LP Interest would result in the First Close Limit being exceeded:

- on Initial Admission, BioPharma III GP (in its capacity as the general partner of BioPharma III) will transfer to the Company such of the Participating LP Interest as would not result in the First Close Limit being exceeded and will reduce pro rata the amount of the (direct or indirect) interest held by the Participating Investors in the BioPharma III which is redeemed in consideration for the Shares issued in connection with the BioPharma III Interest on Initial Admission (the "**First Scale-Back**"); and

- on Subsequent Admission, the Company shall accept such of the remaining Participating LP Interest (which was not acquired on Initial Admission due to the First Scale-Back) as would not result in the BioPharma III Tender Offer Limit being exceeded (the issue of Shares in connection with the BioPharma III Interest on Subsequent Admission being the "**Second Close**").

In the event that the Company's acquisition of the whole of the remaining Participating LP Interest would result in the BioPharma III Tender Offer Limit being exceeded on Subsequent Admission , BioPharma III GP (in its capacity as the general partner of BioPharma III) will transfer to the Company such of the remaining Participating LP Interest as would not result in the BioPharma III Tender Offer Limit being exceeded and will reduce pro rata the amount of the (direct or indirect) interest held by the Participating BioPharma III Investors in BioPharma III which is redeemed in consideration for the Shares issued on Subsequent Admission (the "**Second Scale-Back**" and together with the First Scale-Back, the "**Scale-Back**").

Assignment and Assumption Agreement between the Company, BioPharma III and BioPharma III GP

Prior to Initial Admission, BioPharma III, BioPharma III GP (as the general partner of BioPharma III Holdings, LP) and the Company will execute an assignment and assumption agreement ("**Assignment and Assumption Agreement**") pursuant to which BioPharma III will assign the Participating LP Interest up to the First Close Limit on Initial Admission and the remaining Participating LP Interest (subject always to the Tender Offer Limit) on Subsequent Admission in consideration for issuance of the Shares equal to the value of the aggregate Participating LP Interest so assigned to the Special Limited Partner and BioPharma III GP (in its capacity as attorney-in-fact for the Participating BioPharma III Investors). Further details of the Assignment and Assumption Agreement are set out in paragraph 10.7 of Part IX (Additional Information on the Company) of this Prospectus.

Second Amended and Restated Limited Partnership Agreement for BioPharma III Holdings, LP (the "BioPharma III Holdings LPA")

Prior to Initial Admission, upon execution of the Assignment and Assumption Agreement, the Company will be admitted as a limited partner to BioPharma III Holdings, LP and will be bound by the BioPharma III Holdings LPA. The proposed terms of the BioPharma III Holdings LPA are summarised in paragraph 10.8 of Part IX (Additional Information on the Company) of this Prospectus.

BioPharma III GP Subscription Agreement

Prior to Initial Admission, upon execution of the BioPharma III GP Subscription Agreement, BioPharma III GP (in its capacity as attorney-in-fact of the Participating BioPharma III Investors) will commit to subscribe, conditional upon Initial Admission and Subsequent Admission taking place as appropriate, for such number of Shares at the Issue Price with an aggregate value equal to the value of the Participating LP Interest. Pursuant to the terms of the BioPharma III GP Subscription Agreement, the Participating BioPharma III Investors will be subject to lock-up restrictions for a period of 12 months from the date of Subsequent Admission, subject to certain exceptions. For further details on the BioPharma III GP Subscription Agreement, see paragraph 10.9 of Part IX (Additional Information on the Company) of this Prospectus.

3. RPS NOTE

The Company will acquire the RPS Note from the RPS Borrower. The RPS Borrower is a newly formed exempted limited partnership established under the laws of the Cayman Islands and is a feeder vehicle of Royalty Pharma Select, a limited liquidity unit trust constituted under the laws of Ireland and authorised by the Central Bank of Ireland pursuant to the Unit Trusts Act, 1990, which holds the rights to receive royalties from 21 Products. Further details of Royalty Pharma Select are set out below. The size of the RPS Note will depend on the outcome of the RPS Tender Offers which are detailed below.

The RPS Note is likely to represent more than 20 per cent. but shall not exceed 39.9 per cent. of the Net Issue Proceeds. Please see Part X (Additional Information on the RPS Borrower) of this Prospectus for further information about the RPS Note and the RPS Borrower.

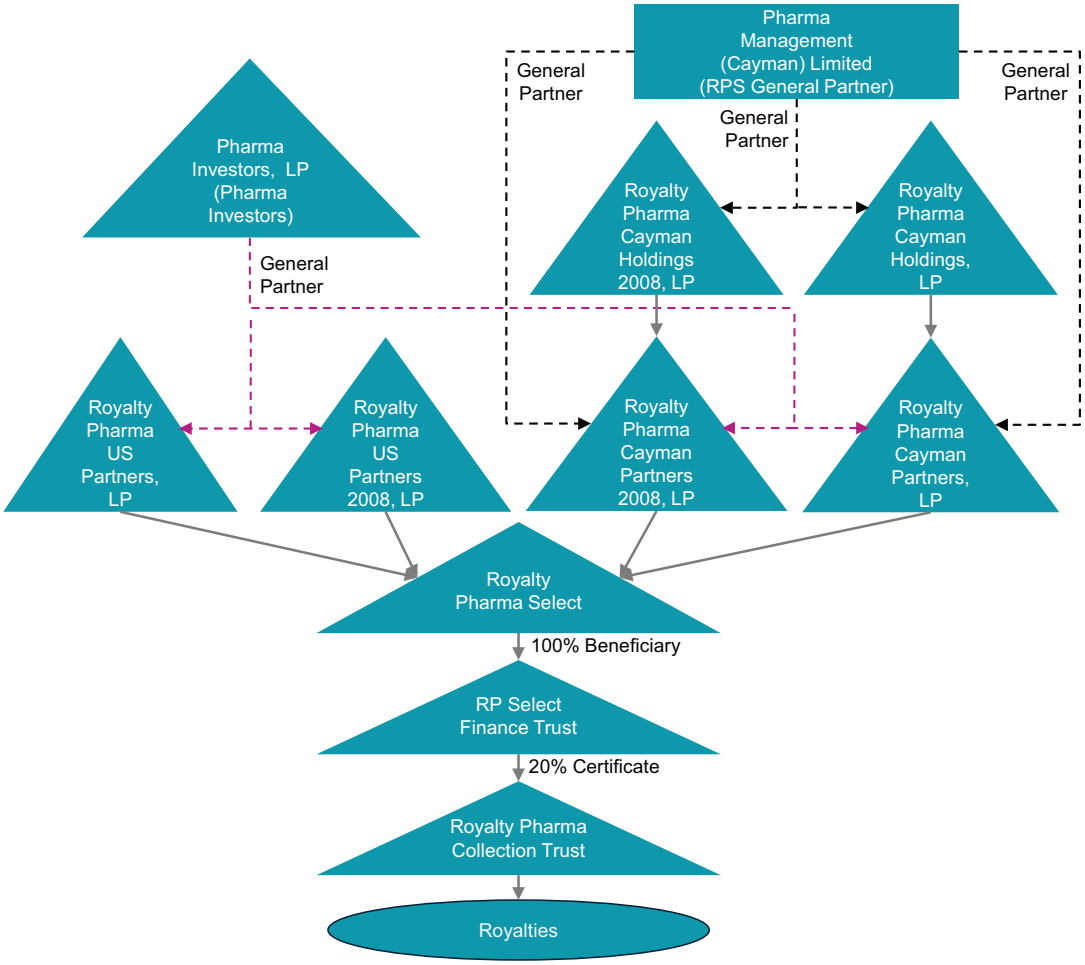
Overview of Royalty Pharma Select

Royalty Pharma Select is a limited liquidity unit trust constituted under the laws of Ireland and authorised by the Central Bank of Ireland pursuant to the Unit Trusts Act, 1990. Royalty Pharma Select is managed by the RPS Manager. State Street Custodial Services (Ireland) Limited is the trustee of Royalty Pharma Select. The RPS Investors currently participate indirectly through limited partnership interests in four feeder funds: Royalty Pharma US Partners, LP, Royalty Pharma US Partners 2008, LP (together, the "**US Feeders**"), Royalty Pharma Cayman Partners, LP and Royalty Pharma Cayman Partners 2008, LP (together, the "**Non-US Feeders**"). Each of the Non-US Feeders has an additional feeder fund as its limited partner: Royalty Pharma Cayman Holdings, LP and Royalty Pharma Cayman Holdings 2008, LP (together with the Non-US Feeders, the "**Cayman Feeders**" and together with the US Feeders and the Non-US Feeders, the "**Feeders**").

Each of the US Feeders is a limited partnership established under the laws of the State of Delaware. Each of the Cayman Feeders is an exempted limited partnership established under the laws of the Cayman Islands. The RPS General Partner is a general partner of each of the Cayman Feeders. Pharma Investors is the general partner of the US Feeders and an additional general partner of the Non-US Feeders, and will become a limited partner in each of the US Feeders and the Non-US Feeders.

Through various holding structures, Royalty Pharma Select is entitled to a portion of royalty payments from 10 royalty interests on patents currently used in 21 Products. Each of the Feeders participates indirectly in such royalty interests through the Royalty Pharma Select units they hold directly or, in the case of the feeder funds that are limited partners in the Non-US Feeders, indirectly. Through the Feeders, the RPS Investors gain exposure to such royalty payments.

The existing structure of Royalty Pharma Select is set out below:



Investments Overview

The Royalty Pharma Select portfolio includes royalties on pharmaceuticals used in the treatment of autoimmune disorders, HIV/AIDS, neurological disorders, diabetes and other critical and acute care products. In 2015, total sales of these products were approximately US$50 billion. These products are marketed by some of the leading worldwide pharmaceutical companies, all of which are investment grade rated by Moodys and Standard and Poor's rating agencies, including Johnson & Johnson, Abbvie, Merck, Pfizer, Gilead and Sanofi. The table below provides details on the Royalty Pharma Select royalty portfolio.

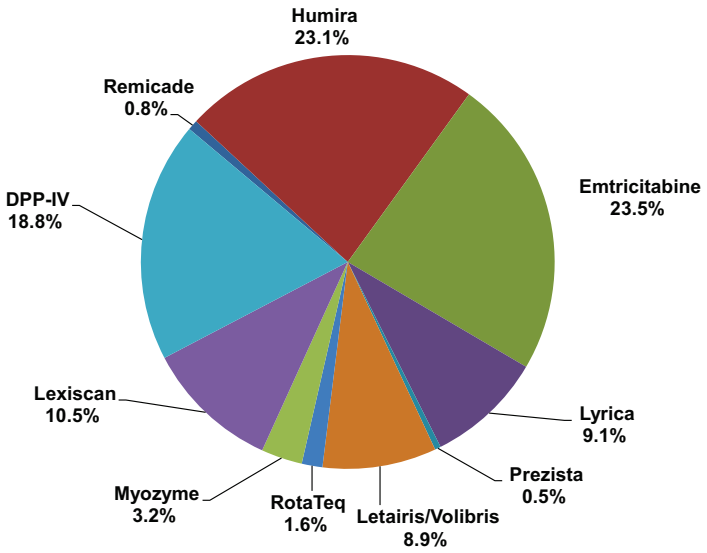
Royalty Stream	Product(s)	Marketer[1]	Indication (Approved / *In Development*)	Therapeutic Ranking[3]	2015 Sales	Product Rank for Marketer	Remaining RPS Royalty Rev.[1]	Patent Expiration
Remicade	Remicade - U.S. - Intl.	Johnson & Johnson MERCK TANABE	Rheumatoid Arthritis (RA), UC, Crohn's, PsA, AS, Psoriasis	# 3	$7,330	# 1 # 4	$5	US: Sep-18 Intl: Aug-14
Humira	Humira	abbvie	Rheumatoid Arthritis (RA), PsA, AS, Psoriasis, Crohn's, *UC*	# 1	$14,012	# 1	$138	US: Jun-18 Intl: Dec-17
Emtricitabine[2]	Atripla / Truvada / Emtriva / Complera / Stribild / Genvoya/ Descovy / Odefsey	GILEAD Bristol-Myers Squibb MERCK	HIV / AIDS	# 1	$9,918	# 2	$141	Mar-21
Lyrica	Lyrica	Pfizer	Diabetic Peripheral Neuropathy, Postherpetic Neuralgia,Onset Seizures and Fibromyalgia	# 1	$4,838	# 2	$55	US: Dec-18 Intl: May-18
Prezista	Prezista	Johnson & Johnson	HIV / AIDS	--	$1,810	--	$3	US: Jun-16 Intl: Dec-16
Letairis	Letairis/Volibris	GILEAD	PAH	# 2	$700	--	$53	US: Jun-18 Intl: Oct-20
RotaTeq	Rotateq	MERCK	Rotavirus Vaccine	# 1	$610	--	$10	Feb-19
Myozyme	Myozyme	SANOFI	Pompe Disease	# 1	$721	--	$19	Feb-23
Lexiscan	Lexiscan	astellas	Pharmacological Stress Agent for MPI	# 1	$622	--	$63	Apr-22
DPP-IV			Diabetes		$9,184		$113	
	Januvia/Janumet	MERCK		# 1		# 1		Feb-19
	Galvus/Eucreas	NOVARTIS		# 2				Feb-19
	Tradjenta	Boehringer Ingelheim / Lilly		# 3				Feb-19
	Onglyza/Kombiglyze	AstraZeneca		# 4				Feb-19
	Nesina	Takeda		# 5				Feb-19
Total:	**10**	**21**			**$49,744**		**$600**	

1) Consists of aggregate remaining royalty revenue to RPS for Q4 '16 and beyond for Tier 1 royalties, except for Humira which consists of royalty revenue for H2 '16 and beyond
2) Aggregate end-user sales of all products; Royalty Pharma receives royalties on emtricitabine-related portion

(figures in millions)

Source: Royalty Pharma

Of the 10 royalty interests included in the portfolio, the top three royalty interests represent over 65 per cent. of total projected royalty payments. Of the three top products, the emtribiticane franchise (Atripla, Truvada, Emtriva, Complera, Stribild, Genvoya, Descovy and Odefsey) is the largest single contributor to total projected royalty payments, representing 23.5 per cent. of total expected payments, followed by Humira at 23.1 per cent. and the DPP-IV franchise (Januvia/ Janumet, Galvus/Eucreas, Onglyza/Komboglyze, and Nesina) at 18.8 per cent.



After removing cashflows that are currently subject to the outcome of a dispute (such disputes being detailed in Part X (Additional Information on the RPS Borrower) of this Prospectus), Royalty Pharma Select estimates that it has received or will receive in respect of the Royalty Period approximately US$600 million in royalty payments from this portfolio, of which US$401 million is expected to be received by 31 March, 2019. ''**Royalty Period**'' means royalty payments in respect of sales of royalty bearing products on or after 1 October 2016 or, in the case of the Humira royalty, on or after 1 July 2016. Additionally, approximately US$24 million has accrued to Royalty Pharma Select in February 2017 following the sale of a royalty interest, previously part of the Royalty Pharma Select portfolio, which will be distributed at the end of Q1 2017. This royalty interest no longer forms part of Royalty Pharma Select's portfolio. However, the proceeds derived from its sale will be added to the total cashflows generated by Royalty Pharma Select. Therefore, the total cashflows estimated by Royalty Pharma Select are approximately US$623.4 million.

After discounting the estimated cashflows described above at a 12 per cent. discount rate, the estimated present value of Royalty Pharma Select is approximately US$524.1 million (the ''**RPS Present Value**'') as at 27 March 2017.

RPS Borrower

The RPS Borrower is RPS BioPharma Investments, LP, a newly formed exempted limited partnership established under the Cayman Islands Exempted Limited Partnership Law (as revised) with registered number 87564. It was formed on 28 October 2016 and has its registered office at Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands.

The RPS Borrower has one feeder fund, RPS BioPharma Holdings, LP (the ''**RPS Borrower Feeder**''), also an exempted limited partnership established under the laws of the Cayman Islands formed on 28 October 2016. The RPS General Partner is the general partner of the RPS Borrower and the RPS Borrower Feeder. As at the date of this Prospectus, the sole limited partner of each of the RPS Borrower and the RPS Borrower Feeder is Walker Nominees Limited.

The RPS Borrower currently holds no assets. Further information about the RPS Borrower, including the risk factors specifically relating to the RPS Borrower, is set out in Part X (Additional Information on the RPS Borrower) of this Prospectus.

Agreement between the RPS Borrower and Pharma Investors

Pharma Investors is a general partner of the US Feeders and the Non-US Feeders. It currently holds certain RPS Interests in the Feeders which it will tender under the RPS Tender Offers. The Loan Amount under the RPS Note representing the RPS Interests so tendered would be approximately $1.19 million.

In addition to its existing RPS Interests which it will tender through the RPS Tender Offers, Pharma Investors is entitled to participate in a portion of the distributions made by Royalty Pharma Select to the US Feeders and the Cayman Feeders. Prior to the consummation of the transactions contemplated by the RPS Pharma Investors Agreement (as defined below), the limited partnership agreements of the US Feeders and the Non-US Feeders will be amended so that Pharma Investors receives such distributions as a limited partner of the US Feeders and the Non-US Feeders.

The RPS Borrower and Pharma Investors entered into a subscription agreement dated 8 February 2017 (the ''**RPS Pharma Investors Agreement**''). Under the terms of the RPS Pharma Investors Agreement, Pharma Investors agreed to contribute 1.46 million of its resulting RPS Interests in Royalty Pharma Select as a result of the distributions described above to the RPS Borrower in exchange for limited partnership interests in the RPS Borrower. Pharma Investors may, at its option, increase its contribution to the RPS Borrower up to all of its 2.43 million resulting RPS Interests as a result of the distributions described above at any time up to the expiry of the RPS Tender Offers. Pharma Investors will be entitled to receive the same cash distribution as the RPS Tender Offer Participants (as described below) for the limited partnership interests it acquired in the RPS Borrower. Any contribution by Pharma Investors under the RPS Pharma Investors Agreement would, where applicable, be subject to any scaling back as described below in the section titled ''Loan Amount under the RPS Note''. Subject to such scaling back, the Loan Amount under the RPS Note representing the RPS Interests contributed by Pharma Investors would be in the range of US$52.6 million and US$87.6 million.

Prior to Initial Admission, to the extent that Pharma Investors is contributing any of its resulting RPS Interests under the RPS Pharma Investors Agreement, Royalty Pharma (as attorney-in-fact acting on behalf and at the direction of the Pharma Investors) will be authorised to apply the amount of such cash distributions received by Pharma Investors towards the acquisition of Shares by Pharma Investors. Pharma Investors will also be subject to the same lock-up arrangements as the RPS Tender Offer Participants as described in more detail below. Therefore, save as to the scaling back provisions, Pharma Investors will be contributing its RPS Interests on substantially the same terms as the RPS Tender Offer Participants.

RPS Tender Offers

Further, each of the RPS Borrower and the RPS Borrower Feeder published a tender offer document (the "**RPS Offer Documents**") on 8 February 2017 whereby they invited the RPS Investors (other than Pharma Investors) to tender their RPS Interests, subject to the RPS Maximum Participation Amount (as defined below), in exchange for: (i) limited partnership interests in the RPS Borrower or the RPS Borrower Feeder, as applicable; and (ii) one or more cash distributions equal to US$36.02 per limited partnership interest in the RPS Borrower or the RPS Borrower Feeder acquired. The RPS Investors that tender their RPS Interests under the RPS Tender Offers (the "**RPS Tender Offer Participants**") will be entitled to receive one such limited partnership interest in the RPS Borrower or the RPS Borrower Feeder (which limited partnership interest will entitle RPS Tender Offer Participants to receive all cash flows from the RPS Interests tendered to the RPS Borrower and the RPS Borrower Feeder after the RPS Note has been paid off) for every RPS Interest tendered. The cash distribution proposed will be funded by the RPS Borrower from the Loan Amount received as a result of the issuance of the RPS Note, as explained below) (the "**RPS Tender Offers**").

Each of the RPS Tender Offers is subject to a number of conditions including, among others:

- the tender of RPS Interests in the RPS Tender Offers, taken together with the contribution made by Pharma Investors under the RPS Pharma Investors Agreement, resulting in the Loan Amount under the RPS Note being equal to at least US$100 million in the aggregate (the "**RPS Minimum Condition**");
- the concurrent closing of the other RPS Tender Offer;
- Initial Admission occurring by 8:00 am on 27 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may determine);
- the Gross Initial Acquisition Proceeds being at least US$150 million; and
- Subsequent Admission occurring by no later than 8:00 am on 30 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may determine) (save for any conditions relating to the consummation of the RPS Tender Offers).

The number of RPS Interests tendered in the RPS Tender Offers is subject to a maximum purchase amount of 3,997,889 RPS Interests (the "**RPS Maximum Participation Amount**"). As discussed above, each of such RPS Interests would be exchanged for one limited partnership interest in the RPS Borrower or the RPS Borrower Feeder (as the case may be) and the RPS Tender Offer Participant would be entitled to a cash distribution of US$36.02 for each such limited partnership interest received. Therefore, the maximum cash distribution that the RPS Borrower would make to the RPS Tender Offer Participants is US$144 million. The cash distribution would be funded entirely out of the Loan Amount received under the RPS Note.

Consequently, the portion of the Loan Amount attributable to the RPS Interests tendered in the RPS Tender Offers shall not exceed US$144 million. Please see "Loan Amount under the RPS Note" below for more details. In the event that the amount of RPS Interests tendered in the RPS Tender Offers would, in the aggregate, exceed the RPS Maximum Participation Amount, each RPS Tender Offer Participant will be subject to pro ration (based on the percentage of the RPS Maximum Participation Amount represented by such Participating RPS Investor's properly tendered RPS Interests, as applicable, that exceed the RPS Maximum Participation Amount) such that only up to the RPS Maximum Participation Amount is accepted in the RPS Tender Offers, in the aggregate.

Royalty Pharma (as attorney-in-fact acting on behalf and at the direction of the RPS Tender Offer Participants) will be authorised to apply the amount of such cash distributions towards the acquisition of Shares by the RPS Tender Offer Participants. Prior to Initial Admission, Royalty

Pharma shall (in its capacity as attorney-in-fact of the RPS Tender Offer Participants) enter into the RPS Investor Subscription Agreement pursuant to which it will acquire, at the direction of the RPS Tender Offer Participants, at the Issue Price, a number of Shares the aggregate value of which will be equal to the deemed cash distribution made to the RPS Tender Offer Participants.

The RPS Tender Offers will expire at 2400 hours (NY time) on 15 March 2017 (unless otherwise extended).

Loan Amount under the RPS Note

The Loan Amount under the RPS Note (and the cash distribution offered to Participating RPS Investors) will be determined by applying an 83.6 per cent. loan-to-value ratio based on the RPS Borrower's pro rata share of the RPS Present Value, which will be determined based on the results of the RPS Tender Offers together with the contribution of Pharma Investors under the RPS Pharma Investors Agreement. Therefore, if all the RPS Investors (including Pharma Investors) were to be permitted to contribute all the RPS Interests to the RPS Borrower, the maximum Loan Amount under the RPS Note would be 83.6 per cent. of the RPS Present Value i.e. US$438 million. However, as a result of the RPS Maximum Participation Amount, the portion of the Loan Amount attributable to the RPS Interests tendered in the RPS Tender Offers cannot exceed US$144 million. Further, under the terms of the RPS Pharma Investors Agreement, subject to any scaling back as described below, the Loan Amount attributable to the RPS Interests contributed by Pharma Investors would be between US$52.6 million and US$87.6 million.

Notwithstanding the value of the RPS Interests tendered by the RPS Tender Offer Participants and agreed to be contributed by Pharma Investors, the Loan Amount under the RPS Note will not exceed the lower of: (i) 39.9 per cent. of the Net Issue Proceeds; and (ii) the Gross Cash Proceeds less any expenses deducted on Initial Admission. Subject to these limitations, the Loan Amount under the RPS Note, after taking together the maximum RPS Interests that can be tendered or contributed by the RPS Investors (including Pharma Investors), would not exceed US$231.6 million under any circumstances.

In the event that the RPS Borrower's pro rata share of the RPS Present Value, after taking into account the RPS Interests actually tendered and the contribution actually made by Pharma Investors to the RPS Borrower under the RPS Pharma Investors Agreement, results in the Loan Amount exceeding either (i) or (ii) above, the contributions of Pharma Investors to the RPS Borrower of RPS Interests will be scaled back to a level such that the resulting Loan Amount is equal to the lower of (i) or (ii) above. The contribution of Pharma Investors will be reduced to zero prior to any reduction of the RPS Interests tendered under the RPS Tender Offers below the RPS Maximum Participation Amount.

As a result of the limitations and scaling back arrangements described above, the maximum Loan Amount will be the lower of: (i) 39.9 per cent. of the Net Issue Proceeds, (ii) the Gross Cash Proceeds less any expenses deducted on Initial Admission; and (iii) US$231.6 million.

Overview of the RPS Note

Prior to Initial Admission, the RPS Borrower and the Company will execute the RPS Note. Further details of the terms of RPS Note are set out in paragraph 10.12 of Part IX (Additional Information on the Company) of this Prospectus. The RPS Borrower has also set up a collection account (the "**Loan Proceeds Account**") with Bank of America N.A. (the "**Account Bank**"). Subject to the satisfaction of all the conditions precedent to the RPS Note, immediately after the Initial Acquisition, the Company will deposit the Loan Amount in the Loan Proceeds Account, which the RPS Borrower will promptly utilise to make the cash distributions referred to in the RPS Tender Offers and the RPS Pharma Investors Agreement to the Participating RPS Investors. Royalty Pharma, acting as attorney-in-fact of the Participating RPS Investors at the direction and on behalf of such investors, will each apply the cash amount so received against the purchase price of Shares at the Issue Price. Interest will accrue on the Loan Amount at 12 per cent. per annum and will be charged on a quarterly basis.

Although the term of the RPS Note is until 30 June 2026, subject to any changes in the relevant Product sales (including without limitation, any disputes or other royalty impairments) or market conditions, it is expected that, based on the expected cash flows from Royalty Pharma Select, the RPS Note will amortise substantially within 2 years from Admission. The first amortisation of the RPS Note is expected to take place on 31 March 2017 and, based on cash flows expected by the RPS Borrower, could be up to 26 per cent. of the Loan Amount.

The RPS Note will be secured by: (i) a charge over the Royalty Pharma Select units held by the RPS Borrower (representing the RPS Borrower's pro rata share of the all cashflows generated from the royalty interests held by Royalty Pharma Select); and (ii) a charge over all monies credited to a deposit account established with the Account Bank (the "**Collection Account**") which will be designated to receive all distributions from the Royalty Pharma Select units that the RPS Borrower is entitled to receive. In connection with the grant of security interests to secure payment of the principal and interest on the RPS Note, the RPS Borrower has established the Collection Account at the Account Bank and will issue irrevocable instructions to the trustee of Royalty Pharma Select to pay into Collection Account all amounts of distributions from the Royalty Pharma Select units to the RPS Borrower. Under the terms of the RPS Credit Agreement, the RPS Borrower shall, with the consent of the Company, instruct disbursements from the Collection Account only for the purpose of making payment of interest and principal on the RPS Note and paying certain specified administrative and other expenses of the RPS Borrower. While the Loan Amount will be determined by reference by its share of the RPS Present Value, the potential value of the security will be equal to RPS Borrower's pro rata share of all cashflows generated from the royalty interests held by Royalty Pharma Select.

Irish Unit Mortgage and Unit Control Deed

In connection with the grant of a security interest in the Royalty Pharma Select units, represented by the interests tendered by the RPS Tender Offer Participants, to secure the payment of the principal and interest on the RPS Note, the RPS Borrower will enter into the Unit Mortgage, governed by the laws of Ireland, with the Company. Pursuant to the Unit Mortgage, the RPS Borrower will grant a security interest in the Royalty Pharma Select units, together with all future units in which the RPS Borrower might have an interest and all dividends, interest or other income payable in respect of the Royalty Pharma Select units. The RPS Borrower will also agree to deliver to the Company all documents of title and that it will not permit any liens (other than certain liens permitted under the RPS Credit Agreement) to subsist over the Royalty Pharma Select units, sell the Royalty Pharma Select units or do anything that could reasonably be expected to jeopardise the value of the Royalty Pharma Select units. The Unit Mortgage will provide that, if an event of default occurs under the RPS Credit Agreement, the security constituted by the Unit Mortgage may be sold or a receiver may be appointed by the Company.

In connection with the Unit Mortgage, the RPS Borrower, the RPS Manager and the Company will also enter into the Unit Control Deed pursuant to which the RPS Manager will acknowledge and agree to act in accordance with the Unit Mortgage. Under the terms of the Unit Control Deed, the Company will acknowledge that, if an event of default occurs under the RPS Credit Agreement, the Royalty Pharma Select units may only be sold subject to certain conditions, including that, *inter alia*, the transferee: (i) is a US person who is a "qualified purchaser" as defined in the Investment Company Act; (ii) agrees to be bound by the constitutional documents of Royalty Pharma Select and provide certain applications, agreements, tax and regulatory information; (iii) is qualified to hold the Royalty Pharma Select units under the laws of Ireland; and (iv) is not a competitor of Royalty Pharma Select, the RPS Borrower or their respective affiliates.

Further information about the terms of the Unit Mortgage is set out in paragraph 10.14 in Part IX (Additional Information on the Company) of this Prospectus. Further information about the terms of the Unit Control Deed is set out in paragraph 10.15 in Part IX (Additional Information on the Company) of this Prospectus.

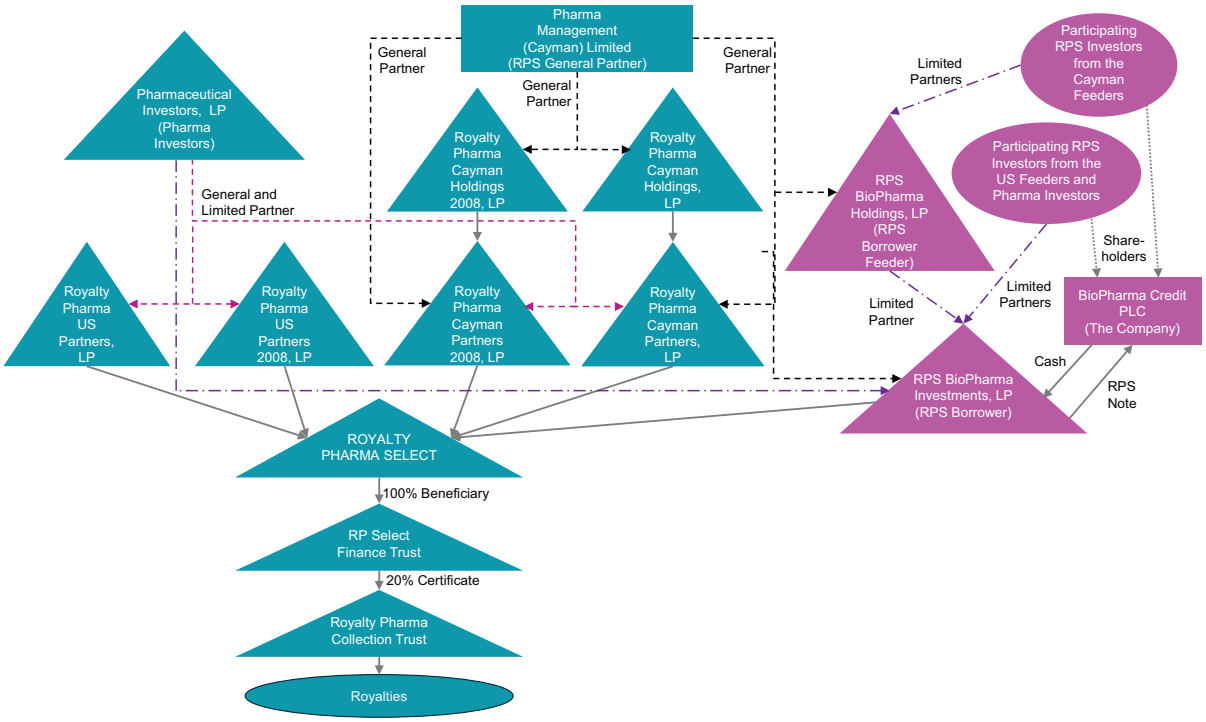
Account Control Agreement

The operation of the Collection Account will be subject to a control agreement between the Company, the RPS Borrower and the Account Bank (the "**Account Control Agreement**"). The RPS Borrower will, under the terms of the RPS Credit Agreement, grant to the Company a security interest in amounts in the Collection Account from time to time. The RPS Borrower and the Company will enter into the Account Control Agreement to evidence such security interest. In the event of a default on the RPS Note or on such security agreements, the Company will have the sole right to instruct disbursements from the Collection Account.

Further information about the terms of the RPS Note and the Account Control Agreement is set out in paragraphs 10.12 and 10.13 in Part IX (Additional Information on the Company) of this Prospectus.

Structure Chart

Upon the completion of the RPS Tender Offer, the revised structure for Royalty Pharma Select, the RPS Borrower and the Company shall be as follows:



4. Lock-Up Arrangements

Pursuant to the terms and conditions of the Tender Offers, the BioPharma III GP Subscription Agreement, the RPS Pharma Investors Agreement and the RPS Investor Subscription Agreement, each Participating BioPharma III Investor and Participating RPS Investor will agree not to transfer, dispose or grant any options over any of the Shares to be acquired by them pursuant to the Initial Acquisition without the prior written consent of the Company until one year after Admission.

These arrangements will be subject to certain exceptions customary for an agreement of this nature, including: the acceptance of a takeover offer, selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its own Shares made on identical terms to all Shareholders; transferring or disposing of Shares pursuant to a court sanctioned scheme of reconstruction or compromise or similar arrangement between the Company and its members or creditors or any class of them; effecting any transfer of Shares to any person with whom each Participating BioPharma III Investor and Participating RPS Investor (or their connected persons) is connected provided that, in each case, prior to any such transfer, the relevant transferee has given an undertaking to the Company and the Investment Manager on substantially the same terms to those described above and obtained the prior written approval of the Company (granted or declined at the Company's absolute discretion).

PART IV – VALUATION OPINION

The Board, as advised by the Investment Manager, has determined the fair market value of: (i) the entire BioPharma III Holdings, LP to be US$332.5 million; and (ii) the maximum Loan Amount under the RPS Note (before any limits on participation or scaling back described in Part III (Seed Assets) of this Prospectus) to be US$438 million assuming full participation from the Participating RPS Investors (together, the "**Valuation**"). As set out in Part III (Seed Assets) of this Prospectus, however, given the RPS Maximum Participation Amount and the maximum contribution possible under the RPS Pharma Investors Agreement, the maximum Loan Amount under the terms of the RPS Note under any circumstances will be US$231.6 million (subject to further limits described therein).

The Board has been advised by the Investment Manager that the methodology used in the Valuation is consistent with current market practice for the valuation by sellers and purchasers of portfolios of similar assets.

The terms of the proposed acquisitions of the Seed Assets have been reviewed by the Valuer, which has confirmed that, in its opinion, the Valuation and the proposed acquisition price of the BioPharma III Interest and the Loan Amount under the RPS Note, as determined by the Investment Manager, is fair and reasonable. The Valuation Opinion is reproduced below in this Part IV (Valuation Opinion) of this Prospectus.

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An instinct for growth™

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1 March 2017

Dear Sirs

BIOPHARMA CREDIT PLC – VALUATION OPINION LETTER

Valuation opinion letter

We are writing to provide to BioPharma Credit plc (the **''Company''**), Pharmakon Advisors L.P. (**''Pharmakon''**) and to J.P. Morgan Securities plc and Goldman Sachs International (the **''Joint Bookrunners''**), our opinion as to the fair market values (a **''Valuation(s)''**) of the RPS Note and BioPharma Secured Investments III Holdings Cayman LP (**''BioPharma III Holdings, LP''**) (collectively the **''Seed Assets''**) to be acquired by the Company. The details of the Seed Assets are described in Part III – Seed Assets of the Prospectus issued by the Company dated 1 March 2017 (the **''Prospectus''**).

Purpose

The Valuation has been provided to the Company, Pharmakon and the Joint Bookrunners in relation to the acquisition of the RPS Note and the BioPharma III Holdings, LP interest by the Company, and the admission of the Company's shares to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange.

In providing a Valuation, we are not making any recommendations to any person regarding the Prospectus in whole or in part and are not expressing an opinion on the fairness of the terms of the acquisitions or the terms of any investment in the Company.

Responsibility

Save for any responsibility we may have to those persons to whom this report is expressly addressed and, save for any responsibility arising under Prospectus Rule 5.5.3(2)(f) to any person as and to the extent therein provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report, required by and given solely for the purposes of complying with item 23.1 of Annex I to the Prospectus Directive Regulation (No. 2004/809/EC) (the **''PD Regulation''**), consenting to its inclusion in the Prospectus.

Valuation basis and valuation assumptions

This report sets out our opinion on a fair market value basis for the Seed Assets in connection with the Acquisition, which is expected to take place on or about 27 March 2017, assuming a willing buyer and seller, dealing at arm's length and with equal knowledge regarding the facts and circumstances.

The Valuation is necessarily based on economic, market and other conditions as in effect on, and the tax and accounting and other information available to us as of 14 February 2017. It should be understood that subsequent developments may affect our views and that we do not have any obligation to update, revise or reaffirm the views expressed in this report. Specifically it is understood that the Valuation may change as a consequence of changes to market conditions, interest rates, exchange rates, or the prospects of the sector in general or the Seed Assets in particular.

In providing this report, we have relied upon the commercial assessment of Pharmakon on a number of issues, including, the assumptions underlying the projected financial information which were provided by Pharmakon and its affiliates and for which Pharmakon are wholly responsible. We have also placed reliance on the historical and forecast information in connection with the Seed Assets provided to us by Pharmakon and RP Management LLC and for which they are solely responsible.

The Valuation of the RPS Note has been determined as at 27 March 2017 incorporating cash received and to be received by Royalty Pharma Select from 1 January 2017 to 27 March 2017. In respect of estimated future cash flows from 27 March 2017 which are accruing to the RPS Note, the Valuation uses a discounted cash flow methodology that employs discount rates which reflect the risks associated with the RPS Note and the time value of money. In determining the Valuation of the RPS Note we have taken into account various factors, including: available collateral and its associated risk, discounted cash flows from royalties representing collateral for the RPS Note, the size of the RPS Note and the coupon for the RPS Note. In addition, we have considered the royalty payment structure, strength of market, lifecycle and growth profile, market share, competitive landscape and regulatory considerations impacting royalty collateral provided for the RPS Note.

The Valuation of BioPharma III Holdings, LP has been determined as at 27 March 2017 by valuing the five debt assets and taking costs of managing the portfolio into account as confirmed to us by Pharmakon. In particular, a discounted cash flow methodology has been used to estimate the cash flow accruing to each debt asset at 27 March 2017 which uses discount rates which reflect the risks associated with each asset and the time value of money. We have been informed by Pharmakon that there will be no other material assets or liabilities in the BioPharma III Holdings, LP other than the five debt assets as at 27 March 2017. In determining the Valuation of the BioPharma III Holdings, LP debt assets we have taken into account various factors including:

interest and/or capital structure, repayment profile, counterparty financial standing, collateral value, royalty payment structure (where appropriate), strength of market, lifecycle and growth profile, market share, competitive landscape and regulatory considerations.

We have made the following key assumptions in determining the Valuation:

- the cash flow projections for the Seed Assets within the financial models (the "**Models**") for these Seed Assets provided by Pharmakon and RP Management LLC for the purpose of our services accurately reflect the terms of all agreements relating to the Seed Assets;
- the tax treatment applied in the Models for the Seed Assets is in accordance with the applicable tax legislation and does not materially understate the future liability of taxes owed; and
- there are no material disputes with parties contracting directly or indirectly with the Seed Assets or any of the underlying products (as defined in the Prospectus), nor any going concern issues, nor performance issues with regard to the contracting parties, nor any other contingent liabilities, which as at the date of the delivery of our valuation opinion letter are expected to give rise to a material adverse effect on the future cash flows of the relevant Seed Asset as set out in the Model provided to us, other than those disclosed to us by Pharmakon and or RP Management LLC or that are publicly disclosed.

We have received written representations from Pharmakon and RP Management LLC confirming the validity of the above assumptions.

The Valuation is provided solely for the RPS Note and BioPharma III Holdings, LP and whilst we have considered discount rates applicable to certain assets underlying the RPS Note and BioPharma III Holdings, LP we are not providing an opinion on individual values.

Valuation opinion

While there is clearly a range of possible values for the Seed Assets and no single figure can be described as a "correct" Valuation for such underlying assets, Grant Thornton Corporate Finance Limited advises the Company, Pharmakon and the Joint Bookrunners that, based on economic, market and other conditions as in effect on, and the tax and accounting and other information available to us as of 14 February 2017, and on the basis and assumptions stated above, in our opinion the proposed:

- value of the entire BioPharma III Holdings, LP of US$332.5 million (before taking participation and scaling required into account) being used for the purposes of its acquisition on or around 27 March 2017; and
- maximum Loan Amount (as defined in Part III of this prospectus) available under the terms of the RPS Note to be acquired on or around 27 March 2017 of US$438.0 million (before taking participation and scaling required into account),

fall within the range which we consider to be fair and reasonable on a fair market value basis.

Declaration

For the purpose of Prospectus Rule 5.5.3(2)(f) we are responsible for this letter as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this letter is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of the PD Regulation.

Yours faithfully

Michael Neary

Director
Grant Thornton Corporate Finance Limited

PART V – THE INVESTMENT MANAGER

1. Introduction

The Company has appointed Pharmakon Advisors L.P., a limited partnership established under the laws of the State of Delaware formed on 1 April 2009 and having its principal office at 110 East 59th Street #3300, New York, NY 10022 USA, as its investment manager. The registered office of the Investment Manager is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808 USA. The Investment Manager is a registered investment adviser under the Advisers Act and is regulated by the SEC.

The Company and the Investment Manager have entered into the Investment Management Agreement pursuant to which the Investment Manager has been given responsibility, subject to the overall supervision of the Board, for the active investment management of the Debt Assets and all other investments of the Company from time to time, including sourcing and advising on investment opportunities and proposals which are in accordance with the Company's investment objective and policy. Further details of the terms of the Investment Management Agreement are set out in paragraph 10.2 of Part IX (Additional Information on the Company) of this Prospectus. Details on the investment process that the Investment Manager expects to use are set out in paragraph 3 below.

The Investment Manager consists of three principals: Pedro Gonzalez de Cosio, Pablo Legorreta and Martin Friedman. Further details of the principals are set out in paragraph 4 below.

In addition, the Investment Manager may draw on the expertise of certain employees of its Affiliate, Royalty Pharma. For these purposes, the Investment Manager and Royalty Pharma have entered into the Shared Services Agreement whereby Royalty Pharma will provide the services of its research, legal and compliance, and finance teams to the Investment Manager. The Investment Manager will be responsible for the acts of Royalty Pharma personnel pursuant to the Shared Services Agreement. Further details of the Shared Services Agreement are set out in paragraph 6 below.

Royalty Pharma is an industry leader in acquiring royalty interests in biopharmaceutical products. The Investment Manager expects to leverage its relationship with Royalty Pharma to gain the insight of several of its top employees who have expertise in the pharmaceutical royalty sector. Details of the key personnel at Royalty Pharma who will also provide services to the Investment Manager under the Shared Services Agreement are set out in paragraph 4 below.

The Investment Manager's primary office is located in New York City, New York and the Investment Manager intends to perform most or all of its investment management services for the Company through its primary office or other locations within the United States.

2. TRACK RECORD[2] [3]

BioPharma I

The Investment Manager previously managed the investments of BioPharma I, which was launched in June 2009. By the end of its investment period in June 2010, BioPharma I had invested

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[2] Projected returns included herein are forward-looking statements involving known and unknown risks, uncertainties and assumptions. The actual results, performance or achievements of BioPharma II, BioPharma III and BioPharma IV may be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Performance figures for each account are calculated based on estimated yields of underlying portfolio investments.

[3] Any projections of returns on Debt Assets are made using an assumption that borrowers will pay interest and principal at the time and in the amounts stated in the relevant debt instruments. Payments of interest and principal on Debt Assets are dependent on the timing and amount of cash received by each individual issuer in the form of royalties from the sale of Products which comprise the Debt Assets. The projected Gross IRR and the projected Net IRR of BioPharma II and BioPharma III were prepared by the Investment Manager using its own good faith projections for the timing and amounts of future sales of Products and resulting royalty payments based on information available at the time. Such projections were made by the Investment Manager using the Investment Manager's own sales forecasts taking into account a number of factors including, but not limited to: (i) financial strength and competitive position of the marketer of such Product; (ii) historical Product sales; (iii) therapeutic use and efficacy of a Product; (iv) anticipated Product competition; (v) importance of Product to its marketer; (vi) geographic region in which a Product is marketed; and (vii) Wall Street analyst projections. Such projections are subject to a wide range of market factors which, individually or in the aggregate, may substantially impact the accuracy of the Investment Manager's projections, including: (i) adverse market conditions affecting Product pricing or the financial strength of the Product's marketer; (ii) challenges to a Product's patent or other intellectual property rights; (iii) adverse determinations relating to the Product's safety or use; (iv) adverse regulatory determination; (v) interruptions or delays in Product manufacturing; and (vi) insolvency of an issuer impacting such issuer's ability to repay its obligations. If any of the foregoing events were to occur, such an event could have a material adverse effect on the issuer's ability to make future payments of interest and principal, which could result in an extended maturity and duration, or potential a substantial or full loss of capital.

US$262.9 million across a portfolio of Debt Assets with an average life of 2 years and that generated a final Gross IRR of 15 per cent. and a final Net IRR to investors of 11.2 per cent. Through 15 March 2014, the date of final maturity of the last to expire investment of BioPharma I, BioPharma I had received total proceeds of US$342.2 million from its investments, representing US$262.9 million in principal plus US$79.3 million in interest payments from the Debt Assets held in its portfolio.

BioPharma I investors funded a total of US$267.1 million from its launch in June 2009 to the end of the investment period in 30 June 2010. During the period from June 2009 through April 2014, BioPharma I made distributions to investors totalling US$329.2 million. BioPharma I made its final distribution to investors on 15 April 2014.

BioPharma II

The Investment Manager manages the investments of BioPharma II, which was launched in March 2011. By the end of its investment period in March 2013: BioPharma II had invested US$343.0 million across a portfolio of Debt Assets with an average life of 3.9 years and with a projected Gross IRR of 10.4 per cent.; and BioPharma II investors had funded a total of US$330.4 million out of total commitments of US$363.1 million.

Through 30 September 2016, BioPharma II had: received total proceeds of US$307.2 million from its investments, representing US$212.4 million in principal plus US$94.8 million in payments representing investment income from the Debt Assets held in its portfolio; and made distributions to investors totalling US$269.1 million. As of 30 September 2016, BioPharma II held Debt Assets valued at US$139.5 million with an expected final maturity in 2020.

The Investment Manager believes that, based on its projections as of 30 September 2016, BioPharma II will continue to make cash distributions to investors through November 2020 resulting in an average projected Net IRR to investors of approximately 7.7 per cent. after all fees and expenses.

BioPharma III

The Investment Manager also manages BioPharma III, which was launched on 25 February 2013. Its investment period concluded on 24 August 2015. As of 30 September 2016: BioPharma III had invested approximately US$456 million in a portfolio of Debt Assets with an average life of 3.3 years and a projected Gross IRR of 13.1 per cent.; and BioPharma III Investors had funded a total of US$451.7 million out of total commitments of US$500 million.

Through 30 September 2016, BioPharma III had: (i) received total proceeds of US$213.3 million, representing US$128.1 million in principal plus US$85.2 million in payments representing investment income from the assets held in its portfolio; and (ii) made distributions to investors totalling US$202.3 million. As of 30 September 2016, BioPharma III held assets valued at US$339.8 million with an expected final maturity in 2022.

The Investment Manager believes that, based on its projections as of 30 September 2016, BioPharma III will continue to make cash distributions to investors through December 2022 resulting in an average projected Net IRR to investors of approximately 9 per cent. after all fees and expenses.

BioPharma IV

The Investment Manager also manages BioPharma IV, which was launched in December 2015. On 9 December 2015, BioPharma IV had its first closing, accepting commitments of US$292.8 million. BioPharma IV completed its second closing on 18 April 2016 with commitments of US$220.2 million, bringing total commitments to BioPharma IV to US$512.9 million. As at the date of this Prospectus, investors have contributed capital equal to 58.7 per cent. of their commitments to invest in Debt Assets. The investment period for BioPharma IV will close on 8 December 2017, subject to a single extension of six months upon receipt of appropriate investor approvals.

3. INVESTMENT APPROACH

The Investment Manager will utilise its extensive, industry-focused knowledge and contacts to identify, source, analyse and structure attractive investment opportunities for the Company. The Investment Manager will select Debt Assets based upon in-depth, rigorous analysis of the credit characteristics of the Debt Assets available for investment.

When considering Royalty Debt Instruments or Priority Royalty Tranches (together "**Royalty Investments**"), the Investment Manager's analysis will focus on royalty-generating Products underlying the Royalty Collateral and the structure of the Royalty Investments.

Royalty Investments

Royalty Collateral

The Investment Manager will employ a disciplined evaluation process of the Royalty Collateral underlying each potential Debt Asset. A key component of this process is to examine future sales potential of the relevant Product. In making such an evaluation, the Investment Manager will give particular consideration to:

- the clinical utility of the Product;
- the risk of new or existing competitive products, including generics, through the expected maturity of the investments;
- quality and strength of the related patent estate;
- strength of the marketing and sales organisation of the company that markets the product, as well as that company's financial strength;
- seriousness of the condition or disease that the Product targets;
- pricing of the Product and any competing products;
- qualification for reimbursements by insurers and Medicaid/Medicare in the US; and
- track record of safety, physician adoption and sales history.

The Investment Manager uses its relationships with scientific experts and leading physicians to assist in its evaluation of the Products. Physician studies (i.e. market research) may also be commissioned to ascertain safety, familiarity, usage and acceptance of Products by practising doctors. The Investment Manager may also retain outside counsel to evaluate the intellectual property rights and patent estate of the Royalty Collateral. The Investment Manager may rely on the research and analysis performed by third parties, including existing opinions by outside patent counsel and third party market research, to make investment decisions related to Royalty Investments available for sale in the secondary market.

Structure of Royalty Investments

In conjunction with the analysis of a Product's sales potential, the Investment Manager will analyse the structure of the Royalty Investments. Each potential Royalty Investment's structure will be reviewed rigorously, with particular consideration of:

- the investment's expected yield and duration;
- strength and enforceability of collateral agreements;
- coverage ratios measured as the commercial value of the licence to the amount of debt outstanding;
- priority of payments;
- any embedded calls, puts or revenue sharing agreements; and
- cash flow projections and their impact on expected maturity and duration.

Senior Secured and Unsecured Debt Investments

When considering investments in Senior Secured Debt and Unsecured Debt, the Investment Manager's analysis will also focus on the Products marketed by the relevant Borrower and will evaluate such Products as if they were Royalty Collateral. In addition, the Investment Manager will focus on the Borrower's credit metrics as well as the structure of the investment.

Borrower's credit metrics

The Investment Manager will employ a disciplined evaluation process of the Borrower's credit metrics and ultimate ability to generate cash flows to make future payments of interest and principal. In making such an evaluation, the Investment Manager will give particular consideration to:

- the potential sales from the Borrower's Products, in a process similar to the evaluation of Royalty Collateral;

- expected margins from the sales of Products, after taking into account the cost of goods sold associated with the Products, as well as other operating, financing and tax expenses;
- coverage ratios measured as projected free cash flow generation to total indebtedness and/or enterprise value of the Borrower to its total indebtedness;
- the Borrower's ability to access the equity capital markets and to raise future capital;
- the strength and experience of the Borrower's management team;
- the Borrower's ability to manufacture sufficient supply of Products;
- overall capital structure; and
- other existing liabilities.

Structure of Senior Secured Debt and Unsecured Debt investments

In conjunction with the analysis of a Borrower's credit metrics, the Investment Manager will analyse the structure of the Debt Assets. The structure of each potential Senior Secured Debt and Unsecured Debt Instrument will be reviewed rigorously, with particular consideration of:

- the investment's expected yield and duration;
- strength and enforceability of collateral agreements (with respect to Senior Secured Debt investments);
- covenants including limits on additional indebtedness and ability to divest assets and make distributions;
- call protections that guarantee a minimum cash-on-cash return on the investment;
- structural yield enhancements such as additional coupons linked to sales of Products, warrants or convertibility features; and
- access to liquidity in cases of publicly listed securities.

4. PERSONNEL

Principals of the Investment Manager

Pedro Gonzalez de Cosio

Mr. Gonzalez de Cosio is a Principal and co-founder of the Investment Manager and will manage the Company's portfolio. During the 14 years prior to founding the Investment Manager, Mr. Gonzalez de Cosio held various positions in the structured finance divisions of Deutsche Bank and JP Morgan in New York, where he was responsible for structuring various forms of collateralised financings and derivatives for US and international clients, including several years covering clients in the life sciences industries. Mr. Gonzalez de Cosio's prior experience also includes various positions in the investment banking division of Nomura Securities in New York, the leasing division of Société Générale in Paris, and coordinating the issuance of external debt for the Mexican Ministry of Finance. Mr. Gonzalez de Cosio earned a B.A. degree (Summa Cum Laude) in Business Administration from the University of San Diego and an M.B.A. from INSEAD in Fontainebleau, France.

Pablo Legorreta

Mr. Legorreta is co-founder and Chief Executive Officer of Royalty Pharma and a Principal and co-founder of the Investment Manager providing advisory oversight. Royalty Pharma was founded in 1996 and is a premier investor in pharmaceutical royalties. Prior to founding Royalty Pharma, Mr. Legorreta had a 10 year career in investment banking with Lazard Frères in Paris and New York. During his tenure at Lazard Frères, Mr. Legorreta co-founded two ''proof of principle'' funds that acquired royalties in Neupogen in 1993 and ReoPro in 1994. Mr. Legorreta is also a Director of Giuliani S.p.A. Mr. Legorreta is a member of the Association of University Technology Managers, the Licensing Executives Society, the Swiss Pharmaceutical Group, the Biotechnology Industry Organization, the Children's Circle of Care and is a founding member of the Research Council of Boston's Children's Hospital. Mr. Legorreta earned a degree in Industrial Engineering from Universidad Iberoamericana in Mexico City, Mexico.

Martin Friedman

Mr. Friedman is a Principal of the Investment Manager, having joined in 2011. Mr. Friedman has spent the past 22 years in various positions in the healthcare finance industry, most recently as the co-head of the US life sciences banking at Bank of America/Merill Lynch. He has worked very closely with both large cap and emerging pharmaceutical, biotech, specialty pharmaceutical, device and diagnostic companies, having advised on M&A transactions and raised equity and debt capital. Mr. Friedman's prior experience also includes his 12 years at JPMorgan, including four years at JPMorgan Partners, and several years as the Head of M&A and Collaborations at Novartis AG based in Switzerland. Mr. Friedman earned a B.A. degree in English and History from Columbia College and an M.B.A. (Honours) in Finance and Accounting from Columbia Business School.

Shared personnel with Royalty Pharma

Under the Shared Services Agreement, the Investment Manager will have access to the expertise of certain Royalty Pharma employees. The key employees under this arrangement are:

Dr. Jim Reddoch – EVP and Head of Research

Dr. Reddoch joined Royalty Pharma in July 2008 after 12 years on Wall Street as a biotechnology analyst. Prior to joining Royalty Pharma, Dr. Reddoch was Managing Director and Head of Healthcare Equity Research at Friedman Billings Ramsey. He previously worked at Bank of America and CIBC World Markets Corp (now Oppenheimer & Co). Dr. Reddoch holds a B.A. from Furman University and a Ph.D. in biochemistry and molecular genetics from the University of Alabama at Birmingham. He was a postdoctoral fellow at the Yale University School of Medicine.

George Lloyd – EVP and General Counsel

Mr. Lloyd joined Royalty Pharma in 2011 after representing Royalty Pharma on all transactional work since 2006. Prior to joining Royalty Pharma, Mr. Lloyd was a partner in Goodwin Procter's private equity group and co-head of the M&A group at Testa, Hurwitz & Thibeault. Mr. Lloyd began his career at Davis Polk & Wardwell in New York and Paris. In 2002 to 2003, Mr. Lloyd worked in Hong Kong as the Chief Financial Officer and General Counsel of the Asian operations of an education and travel company. Mr. Lloyd received an A.B. from Princeton University and a J.D. degree from New York University Law School, where he was on the Law Review.

Susannah Gray – EVP and Chief Financial Officer

Ms. Gray joined Royalty Pharma in January 2005 after a 14 year career in investment banking. Ms. Gray has led Royalty Pharma's efforts to maximise its financial capabilities. She spearheaded Royalty Pharma's successful implementation of a US$2.3 billion credit facility in 2007 and has helped raise over US$1.4 billion in equity capital for the company. Ms. Gray was a managing director and the senior analyst covering the healthcare sector for CIBC World Market's high yield group from 2002 to 2004. She worked in a similar capacity at Merrill Lynch prior to joining CIBC World Markets. Ms. Gray joined Merrill Lynch in April 1999 after nine years at Chase Securities (a predecessor of JP Morgan), working in various capacities within the high yield and the structured finance groups. Ms. Gray received a B.A. with honours from Wesleyan University and holds an M.B.A. degree from Columbia University.

5. INVESTMENT MANAGEMENT AGREEMENT

The Company and the Investment Manager have entered into an investment management agreement dated 1 March 2017 (the "**Investment Management Agreement**"), pursuant to which the Investment Manager will provide discretionary investment management and risk management services to the Company and any of its subsidiaries. A summary of the material terms of the Investment Management Agreement are set out in paragraph 10.2 of Part IX (Additional Information on the Company) of this Prospectus.

6. SHARED SERVICES AGREEMENT

The Shared Services Agreement was entered into by and between Royalty Pharma and the Investment Manager on 30 November 2016 and deemed effective as of 1 January 2016. Under the terms of the Shared Services Agreement, each of Royalty Pharma and the Investment Manager has agreed to provide services (including any research, legal, compliance, financial and administrative services) to the other as the other reasonably requests, provided that the rendering party has the resources to provide such services and that the services requested do not interfere with the business needs of the rendering party (as determined solely by the rendering party).

Under the Shared Services Agreement, each of Royalty Pharma and the Investment Manager has agreed to reimburse the other for reasonable internal and third party expenses incurred by the other on its behalf, or for its benefit, as a result of rendering such services. Such expenses include (without limitation) business development, due diligence, legal, consulting, compliance, research and similar expenses.

Under the Shared Services Agreement, subject to each party's fiduciary duties to its clients, each of Royalty Pharma and the Investment Manager has agreed to refer to the other any business opportunities that fit the other's investment objectives. To the extent that a business opportunity involves both equity and debt-like financing transactions, each of Royalty Pharma and the Investment Manager shall be free to negotiate an offer aligning with its own investment objectives and is under no obligation to take the other party's investment objectives into consideration during such a negotiation.

The Shared Services Agreement is governed by the laws of the State of New York and may be terminated by either Royalty Pharma or the Investment Manager upon 30 days' written notice.

7. POTENTIAL CONFLICTS OF INTEREST

There will be occasions where the Investment Manager and other Manager Affiliated Parties may encounter potential conflicts of interest in connection with the business activities and operations of the Company. With respect to any issue involving any potential conflicts of interest, the Manager Affiliated Parties will be guided by their good faith judgement as to the best interests of the Company. If any matter arises that the Manager Affiliated Parties determine in their good faith judgement constitutes an actual conflict of interest, the Manager Affiliated Parties may take such actions as may be necessary or appropriate to ameliorate the conflict, including referring the matter for approval by the Board.

Conflicts of interest in relation to BioPharma III Interest

There may be occasions where the Investment Manager may have potential conflicts of interest in connection with the BioPharma III Interest. On Subsequent Admission, the Investment Manager will also be the investment manager of BioPharma III Holdings, LP and BioPharma III. At the same time, the principals of the Investment Manager will also own and control BioPharma III GP. Therefore, where decisions are to be made by the Company in its capacity as a limited partner of BioPharma III Holdings, LP, the duties of the Investment Manager towards the Company may conflict with its duties as an investment manager of BioPharma III. With a view to addressing this conflict, under the Investment Management Agreement, all decisions reserved for the limited partners of BioPharma III Holdings, LP under BioPharma III Holdings LPA and the applicable laws and regulations shall be made by the Directors on behalf of the Company and the Investment Manager shall comply with any instructions of the Directors in relation to such matters.

Conflicts of interest in relation to the RPS Note

There may be occasions where the Investment Manager may have potential conflicts of interest in connection with the RPS Note. Royalty Pharma, an Affiliate of the Investment Manager, will be the manager of the RPS Borrower and other Affiliates of the Investment Manager will have substantial investments in the RPS Borrower in the form of partnership interests. Therefore, the Investment Manager is likely to have conflicts of interest where the Company is in a position to exercise any rights or powers under the RPS Note which are outside the ordinary course of business including, without limitation, any enforcement action in relation to the security granted under the RPS Note as a result of an event of default. In order to manage such conflicts of interest, under the Investment Management Agreement, all rights and powers under the RPS Note outside the ordinary course of business (including the situations identified above) shall be exercised by the Directors on behalf of the Company and the Investment Manager shall comply with any instructions of the Directors in relation to such matters.

Other investments of the Manager Affiliated Parties

The Manager Affiliated Parties manage and expect to continue to manage their own proprietary accounts and other investment and trading accounts with objectives similar, in whole or in part, to those of the Company, including BioPharma II, BioPharma III, BioPharma IV and other investment vehicles or managed accounts which may be managed or sponsored by the principals and their respective Affiliates, and entities in which such principals will have an equity interest.

Limited priority as to Investment Manager time and investment opportunities

The Investment Management Agreement requires that the Investment Manager acts in a manner that it considers fair, reasonable and equitable in allocating investment opportunities to the Company, but, save as set out below, does not impose specific obligations or requirements concerning the allocation of time, effort or investment opportunities to the Company or any restrictions on the nature or timing of investments for the account of the Company and the Manager Affiliated Parties' own accounts or for other accounts which members of the Manager Affiliated Parties may manage.

The Manager Affiliated Parties currently and may from time to time in the future, directly or indirectly, provide investment management services on behalf of Managed Entities such as other pooled investment vehicles, funds, accounts and clients including, without limitation, BioPharma II, BioPharma III and BioPharma IV. The Manager Affiliated Parties are not restricted from entering into other investment advisory or management relationships, or from engaging in other business activities with Managed Entities, even though such activities may involve substantial time and resources of the Manager Affiliated Parties. Such activities may involve similar or different investment objectives, philosophy or strategies as those of the Company and could be viewed as creating a conflict of interest in that the time and effort of the Manager Affiliated Parties will not be devoted exclusively to the business of the Company, but will be allocated among the Company and such other business activities.

The Investment Manager has agreed, pursuant to the Investment Management Agreement, to ensure that its obligations under the Investment Management Agreement are performed by a team of appropriately qualified, trained and experienced professionals. Other than the limitations discussed above, the Manager Affiliated Parties are not obligated to devote any specific amount of time to the affairs of the Company and its Affiliates.

Conflicting interests in investments

The Manager Affiliated Parties manage other investment vehicles that may hold positions in, or enter into transactions with, entities in which the Company invests and the Company may have divergent interests from such other investment vehicles. In addition, conflicts may arise due to the fact that such other investment vehicles may enter into such transactions or invest in different levels of the capital structure of such entities.

Allocation of Investment Opportunities

The Manager Affiliated Parties are also responsible, directly or indirectly, for investment decisions made on behalf of the Managed Entities. The Manager Affiliated Parties and certain of their respective employees may also provide investment advice to various Managed Entities. The Managed Entities currently have and in the future are likely to have the same or similar investment objectives, philosophy and strategies as those used for the Company. Therefore, the Manager Affiliated Parties currently encounter and will in the future encounter conflicts of interests in making investment decisions for, or providing advice to, other accounts advised by the Manager Affiliated Parties.

An investment opportunity which meets the requirements of the investment objective and policy of the Company (an "**Investment Opportunity**") shall be allocated by the Investment Manager based on the following principles:

For Investment Opportunities that arise between Initial Admission and the earlier of (i) the expiry of the investment period for BioPharma IV; and (ii) 8 June 2018 (the "**Initial Allocation Period**"):

- Where the Investment Opportunity is valued at US$75 million or less, the Investment Manager will have complete discretion in determining whether the Investment Opportunity is allocated to the Company or another Managed Entity.
- Where the Investment Opportunity is valued at more than US$75 million:
    - (a) The Company will be entitled to participate in a minimum of 50 per cent. by value of the excess over US$75 million (subject always to compliance with the investment restrictions applicable to the Company).
    - (b) The remaining value of such Investment Opportunity may be allocated by the Investment Manager, in its sole discretion, to the Company or any other Managed Entity.

(c) If, for any reason, the Investment Opportunity is not available to the Company or the Company, for any reason, does not participate in an Investment Opportunity in accordance with sub-paragraphs (a) or (b) above (in whole or in part), any resultant excess remaining value may be allocated by the Investment Manager to any other Managed Entity.

(d) Any value of the Investment Opportunity that is foregone in accordance with sub-paragraph (c) above, shall be reported by the Investment Manager to the Directors at the next Board meeting along with an appropriate supporting explanation.

For Investment Opportunities that arise after the Initial Allocation Period:

(a) The Company will be entitled to participate in a minimum of 50 per cent. by value of the Investment Opportunity (subject always to compliance with the investment restrictions applicable to the Company).

(b) The remaining value of such Investment Opportunity may be allocated by the Investment Manager, in its sole discretion, to the Company or any other Managed Entity.

(c) If, for any reason, the Investment Opportunity is not available to the Company or the Company, for any reason, does not participate in an Investment Opportunity in accordance with sub-paragraphs (a) or (b) above (in whole or in part), any resultant excess remaining value may also be allocated by the Investment Manager to any other Managed Entity.

(d) Any value of the Investment Opportunity that is foregone in accordance with sub-paragraph (c) above, shall be reported by the Investment Manager to the Directors at the next Board meeting along with an appropriate supporting explanation.

The Company may have divergent interests from the Managed Entities with respect to strategies in acquiring or exiting from certain investments. Conflicts may arise due to the fact that the Company and the Managed Entities may invest in different levels of the capital structure of, or otherwise in different securities or other instruments issued by or related to, the same Borrower. Investments by the Company and the Managed Entities may cause the Investment Manager to become subject to legal or contractual restrictions on its ability to effect transactions for the Company, for example due to the receipt of non-public information or due to the existence of a control relationship between the Investment Manager and the Borrower issuing a security in which the Investment Manager has invested on behalf of the Company or the Managed Entities.

The Investment Manager may consider presenting existing investments of Managed Entities to the Company for investment, if the Investment Manager considers such investments to fulfil the Company's investment objective and policy. In such circumstances, the Company will be purchasing investments from Managed Entities. Given that the Investment Manager may have conflicts of interest in such instances, such transactions will not be effected without the approval of the Board.

Affiliation with Royalty Pharma

The Investment Manager is affiliated and shares physical premises with Royalty Pharma, which manages investment funds that invest in pharmaceutical royalties. One of the Investment Manager's principals, Pablo Legorreta, is also a principal of Royalty Pharma. From time to time, the Investment Manager and Royalty Pharma share investment research and may seek similar investment opportunities for their respective clients, although the Investment Manager considers actual conflicts of interest to be unlikely due to the differing investment strategies of Royalty Pharma and the Investment Manager and the fact that royalty holders, rather than the Investment Manager or Royalty Pharma, determine the type of transaction they seek. The Investment Manager and Royalty Pharma reimburse each other to the extent either of them provides materially more services to the other than are provided in return. In addition, Royalty Pharma occasionally provides research services to the Investment Manager, and the Investment Manager occasionally provides business development services to Royalty Pharma. In consideration of the support in due diligence and other aspects of the Company's and the Managed Entities' potential investments provided by certain Royalty Pharma employees, such employees receive compensation from the Investment Manager.

PART VI – DIRECTORS, MANAGEMENT AND ADMINISTRATION

DIRECTORS

The Directors are responsible for the determination of the Company's investment policy and investment strategy and have overall responsibility for the Company's activities, including the review of investment activity and performance, and the control and supervision of the Investment Manager. The Directors have delegated responsibility for managing the assets comprised in the Company's portfolio to the Investment Manager, which is not required to, and generally will not, submit individual investment decisions for the approval of the Board. All of the Directors are non-executive and are independent of the Investment Manager for the purposes of the Listing Rules (to the extent to which the Company voluntarily complies with these) and the UK Corporate Governance Code.

The Directors will meet as a Board at least quarterly, the Audit Committee will meet at least twice a year and the Management Engagement Committee will each meet at least once a year.

The Directors are as follows:

Jeremy Sillem (Chairman)

Jeremy Sillem is the managing partner of Spencer House Partners, a London-based firm focused on providing financial advice and capital to the asset and wealth management industry.

Prior to founding the firm in 2005 he was, from 2000 to 2004, chairman of Bear Stearns International in London. Before that he spent a 28 year career with Lazard LLC and its predecessor entities in London and New York.

He has served on the boards of a number of asset management and related businesses including those of CDC Group, Martin Currie, RHJ International, Kleinwort Benson Group, Harbourmaster Holdings and WP Stewart. He is an advisory director of Partners Capital LLC and is the former chairman of the World Trust Fund. He is a Trustee and Advisory Director of Reform, the public policy think tank, a member of the investment committee of the National Portrait Gallery and a former member of the investment advisory committee of Brasenose College, Oxford.

He received an M.A. (Honours) in Politics, Philosophy and Economics from Oxford University.

Duncan Budge

Duncan Budge is Chairman of Dunedin Enterprise Investment Trust plc and Artemis Alpha Trust plc, and a non-executive director of Lazard World Trust Fund (SICAF), Lowland Investment Company plc, Menhaden Capital plc and Asset Value Investors Ltd.

He was previously a director of J. Rothschild Capital Management from 1988 to 2012 and a director and chief operating officer of RIT Capital Partners plc from 1995 to 2011. Between 1979 and 1985 he was with Lazard Brothers & Co. Ltd. He received an M.A. (Honours) in History from Oxford University.

Colin Bond

Colin Bond has been Chief Financial Officer of the specialty pharmaceutical company Vifor Pharma based in Zürich since 2016. From 2010 to 2016, he was the Chief Financial Officer of Evotec AG, the early drug discovery company listed on the Frankfurt Stock Exchange as part of TecDax. Prior to that he held CFO positions at several companies including Ecolab and Novelis. During his early career, he worked as a pharmacist, auditor, and management consultant for Procter & Gamble, Arthur Andersen, and Pricewaterhouse Coopers, respectively.

He has been a Member of the Board of Directors and the Chairman of the Audit Committee of Siegfried Holding AG, listed on the Swiss Stock Exchange since 2013.

He holds a university degree in pharmacy from the University of Aston (Birmingham) and a MBA degree from London Business School. He is a fellow of the Institute of Chartered Accountants in England and Wales and a member of the Royal Pharmaceutical Society of Great Britain. Colin Bond is a citizen of Great Britain and Switzerland.

Harry Hyman

Harry Hyman is the founder and managing director of Primary Health Properties PLC (PHP), a listed company that specialises in the ownership of property leased on a long-term basis to

healthcare providers. PHP is managed externally by Nexus Tradeco Limited ''Nexus''. The Nexus Group also manages the PINE Unit Trust which specialises in educational assets.

After graduating from Christ's College Cambridge, Harry qualified as a chartered accountant with Price Waterhouse. In 1983 he joined Baltic PLC where he was deputy managing director, finance director and company secretary. He left to establish PHP and Nexus in February 1994.

Harry is the non-executive chairman of Summit Germany Limited, an AIM listed property vehicle. He is also the non-executive chairman of Derriston Capital PLC.

Harry is a non-executive director of the QCA and the founder of The International Opera Awards.

He has been a non-executive director of a number of listed investment trusts.

THE INVESTMENT MANAGER

The Company has appointed Pharmakon Advisors L.P. as its Investment Manager, pursuant to the Investment Management Agreement, further details of which are set out in paragraph 10.2 of Part IX (Additional Information on the Company) of this Prospectus. As the Company's alternative investment fund manager, the Investment Manager is responsible for the portfolio management and risk management of the Company (which is an AIF for the purposes of the AIFM Directive).

The Investment Manager is a registered investment adviser under the Advisers Act and is regulated by the SEC. Further details on the Investment Manager are set out in Part V (The Investment Manager) of this Prospectus.

COMPANY SECRETARY

Capita Company Secretarial Services Limited has been appointed as Company Secretary of the Company pursuant to the Company Secretarial Services Agreement, further details of which are set out in paragraph 10.3 in Part IX (Additional Information on the Company) of this Prospectus. The Company Secretary will be responsible for the general company secretarial functions required by the Act (including, but not limited to, the maintenance of the Company's statutory records). Prospective investors should note that it is not possible for the Company Secretary to provide any investment advice to investors.

ADMINISTRATOR

Capita Sinclair Henderson Limited has been appointed as Administrator of the Company pursuant to the Fund Administration Services Agreement, further details of which are set out in paragraph 10.4 in Part IX (Additional Information on the Company) of this Prospectus. The Administrator will be responsible for the day to day administration of the Company (including but not limited to the maintenance of the Company's fund accounting records and the calculation and publication of the estimated monthly NAV). Prospective investors should note that it is not possible for the Administrator to provide any investment advice to investors.

REGISTRAR

Capita Asset Services has been appointed as the Company's Registrar pursuant to the Registrar Services Agreement, further details of which are set out in paragraph 10.5 in Part IX (Additional Information on the Company) of this Prospectus. The Registrar will be responsible for the maintenance of the Company's register of members, dealing with routine correspondence and enquiries, and the performance of all the usual duties of a registrar in relation to the Company.

AUDITOR

The auditor to the Company will be Pricewaterhouse Coopers LLP of 1 Embankment Place, London WC2N 6RH. Pricewaterhouse Coopers LLP is independent of the Company and is registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales.

The auditor's responsibility is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. The annual report and accounts will be prepared according to IFRS.

TAX ADVISERS

Prior to Initial Admission, the Company intends to appoint each of the UK and New York offices of Ernst & Young LLP to (i) provide certain UK VAT compliance services; and (ii) assist in preparing US Federal Income tax Return, Form 1120F and PFIC statements, respectively.

FEES AND EXPENSES

Initial Expenses

The formation and initial expenses of the Company are those that are necessary for (i) the establishment of the Company, (ii) the Issue, (iii) Admission and (iv) the acquisition of the Seed Assets (including all costs associated with the Tender Offers and any related reorganisation expenses of BioPharma III and the RPS Borrower) (the "**Initial Expenses**"). The Initial Expenses to be borne by the Company (which include commission and expenses payable under the Placing Agreement, registration, listing and admission fees, costs associated with the Tender Offers, restructuring costs in connection with the Seed Assets, printing, advertising and distribution costs and professional advisory fees, including legal fees, and any other applicable expenses) will be capped at 2 per cent. of the Gross Issue Proceeds. Accordingly, as at the date of this Prospectus, on Admission, the opening NAV per Share is expected to be 98 cents and, on the basis that the Gross Issue Proceeds are US$300 million, the Net Issue Proceeds will be US$294 million.

To the extent that the Initial Expenses do not exceed 2 per cent. of the Gross Issue Proceeds, they will be borne by the Company in full and will be expensed in the Company's first accounting period.

The Investment Manager has agreed that, in the event that the Initial Expenses exceed 2 per cent. of the Gross Issue Proceeds, such excess will be borne by the Investment Manager.

Ongoing expenses of the Company

The Company will also incur ongoing expenses, which are expected initially to be equivalent to approximately 0.59 per cent. of the Net Asset Value annually (excluding the Management Fee and any Performance Fee and assuming that, immediately following Admission, the Company will have an initial unaudited Net Asset Value of US$294 million and no borrowings).

Ongoing expenses borne by the Company include, but are not limited to, the fees of the Directors and the service providers (excluding the Investment Manager), as well as general operational expenses.

Foreseeable fees and expenses (as set out in detail below) have been included in the above estimation. Some expenses are, however, either irregular or calculated using formulae that contain variable components. This makes them difficult to ascertain in advance or to estimate. These expenses have been excluded from the above estimation. For this reason, the maximum amount of fees, charges and expenses that Shareholders will bear in relation to their investment in the Company cannot be determined in advance.

The ongoing expenses factored into the above estimation include the fees of the following persons:

Directors

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. The Directors' remuneration is US$70,000 per annum for each Director other than:

- the Chairman, who will receive an additional US$30,000 per annum; and
- the chairman of the Audit Committee, who will receive an additional US$15,000 per annum.

In addition, in consideration for the work done between incorporation and Admission, for the period up to 31 December 2017, each Director will be entitled to an additional US$35,000 other than:

- the Chairman, who will receive an additional US$50,000 for this period; and
- the chairman of the Audit Committee, who will receive an additional US$42,500 for this period,

such amount to be paid to each Director in three equal quarterly instalments.

Each of the Directors is also entitled to be paid all reasonable expenses properly incurred by them in connection with the performance of their duties. These expenses will include those associated with attending general meetings, Board or committee meetings and legal fees. The Board may determine that additional remuneration may be paid, from time to time, to any one or more

Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

Company Secretary

Under the terms of the Company Secretarial Services Agreement, the Company Secretary is entitled to an annual fee of £60,000 (exclusive of VAT and disbursements).

Administrator

Under the terms of the Fund Administration Services Agreement, the Administrator is entitled to an annual fee of £65,900 (exclusive of VAT).

Registrar

Under the terms of the Registrar Services Agreement, the Registrar is entitled to an annual maintenance fee of £1.80 per Shareholder on the register during a fee year, subject to a minimum annual charge of £4,500 (exclusive of VAT). The Registrar is also entitled to activity fees under the Registrar Services Agreement.

Other operational expenses

Other ongoing operational expenses that will be borne by the Company include the auditor's fees, corporate broker fees, legal fees, other advisory fees, listing fees of the FCA (if any), fees of the London Stock Exchange and CISEA, fees for public relations services, D&O insurance premiums, printing costs and fees for website maintenance.

Certain out of pocket expenses of the Investment Manager or its Affiliates, the Administrator, the Registrar and other service providers, as well as the Directors, may also be borne by the Company.

Management Fee

In addition to the ongoing expenses set out above, under the terms of the Investment Management Agreement and with effect from Admission, the Company shall pay the Investment Manager, calculated monthly and invoiced quarterly in arrear, a management fee calculated on the following basis: (1/12 of 1 per cent. of the Net Asset Value on the last Business Day of the calendar month in respect of which the management fee is to be paid (calculated before deducting any accrued management fee in respect of such calendar month)) minus (1/12 of US$100,000) (the "**Management Fee**").

The Management Fee payable in respect of any quarter will be reduced (but not below zero) by an amount equal to the aggregate of: (i) the Company's pro rata share of any transaction fees, topping fees, break-up fees, investment banking fees, closing fees, consulting fees or other similar fees which the Investment Manager (or an affiliate) receives in aggregate over such quarter, in connection with transactions involving investments of the Company ("**Transaction Fees**"); and (ii) any Carried Forward Amount from the previous quarter. The Company's pro rata share of any Transaction Fees will be in proportion to the Company's economic interest in the investment(s) to which such Transaction Fees relate.

To the extent the aggregate of: (i) the Company's pro rata share of Transaction Fees in respect of any quarter; and (ii) any Carried Forward Amount from the previous quarter, exceeds the Management Fee payable in respect of any quarter, the Management Fee payable in respect of such quarter shall be reduced to zero, and the excess amount shall be carried forward to the following quarter (the "**Carried Forward Amount**").

Performance Fee

Subject to the satisfaction of the Performance Conditions, in respect of each Performance Period, the Investment Manager (or, where the Investment Manager so directs, any Associate of the Investment Manager) shall be entitled to receive:

(i) 50 per cent. of the Excess Total Return relating to the Performance Period until the Investment Manager has been allocated amounts under this sub-paragraph (i) which, in aggregate, are equal to 10 per cent. of the Total Return relating to such Performance Period; and

(ii) thereafter, 10 per cent. of the Excess Total Return relating to the Performance Period,

the amounts payable to the Investment Manager (or its Associate) in accordance with this paragraph, being the "**Performance Fee**".

The Investment Manager's entitlement to a Performance Fee in respect of any Performance Period shall be conditional on the Closing NAV per Share in respect of the Performance Period (adjusted for any changes to the NAV per Share through dividend payments, Share repurchases (howsoever effected) and Share issuances since Admission) being in excess of:

(i) an amount representing, as at the end of the relevant Performance Period, an increase of 6 per cent. per annum (calculated from Initial Admission and compounded annually) of the Issue Price; and

(ii) the Closing NAV per Share in respect of the last Performance Period in respect of which a Performance Fee was payable to the Investment Manager (or an Associate) by the Company (adjusted for any changes to the NAV per Share through dividend payments, Share repurchases (howsoever effected) and Share issuances from Admission to the end of such Performance Period),

(the "**Performance Conditions**").

For the purpose of calculating the Performance Fee:

(i) "**Closing NAV per Share**" means the NAV per Share on the last Business Day of the relevant Performance Period (which shall not, for the avoidance of doubt, be adjusted for any Performance Fee accrued in relation to such Performance Period);

(ii) "**Excess Total Return**" means, in relation to each Performance Period, the amount by which the Total Return exceeds the Performance Hurdle;

(iii) "**First Performance Period**" means the period from Admission up to and including 31 December 2017;

(iv) "**Month**" means a calendar month;

(v) "**NAV per Share**" means the Net Asset Value divided by the number of Shares in issue (excluding any Shares held in treasury) at the relevant time;

(vi) "**Performance Hurdle**" means, in relation to each Performance Period, "A" multiplied by "B", where:

"**A**" is 6 per cent. of the Starting NAV per Share for such Performance Period; and

"**B**" is the weighted average of the number of Shares in issue (excluding any Shares held in treasury) at the end of each day during the Performance Period;

(vii) "**Performance Period**" means the First Performance Period and/or a Subsequent Performance Period, as the context so requires;

(viii) "**Starting NAV per Share**" means the NAV per Share on the first Business Day of each Performance Period (which, for the avoidance of doubt, shall be net of any accrued but unpaid Performance Fees for any previous Performance Periods but shall not be reduced by any dividends paid during such Performance Period which were declared in respect of any previous Performance Period);

(ix) "**Subsequent Performance Period**" means each 12-Month period subsequent to the First Performance Period, commencing on the relevant 1 January and ending on the relevant 31 December (inclusive);

(x) "**Total Return**" means, in relation to each Performance Period, "C" multiplied by "D", where:

"**C**" is the difference between the Starting NAV per Share and the Closing NAV per Share (with the Closing NAV per Share being adjusted for any changes to the NAV per Share through dividend payments, Share repurchases (howsoever effected) and Share issuances during the relevant Performance Period); and

"**D**" is the weighted average of the number of Shares in issue (excluding any Shares held in treasury) at the end of each day during the Performance Period.

The Performance Fee for a Performance Period shall be paid as soon as practicable after the end of the relevant Performance Period and, in any event, within three calendar months as of the end of such Performance Period.

If, during the last Month of a Performance Period, the Shares have, on average, traded at a discount of 1 per cent. or more to the Net Asset Value per Share (calculated by comparing the middle market quotation of the Shares at the end of each Business Day in the Month to the prevailing published Net Asset Value per Share (exclusive of any dividend declared) as at the end of such Business Day and averaging this comparative figure over the Month), the Investment Manager shall (or shall procure that its Associate does) apply 50 per cent. of any Performance Fee paid by the Company to the Investment Manager (or its Associate) in respect of that Performance Period (net of all taxes and charges applicable to such portion of the Performance Fee) to make market acquisitions of Shares (the "**Performance Shares**") as soon as practicable following the payment of the Performance Fee by the Company to the Investment Manager (or its Associate) and at least until such time as the Shares have, on average, traded at a discount of less than 1 per cent. to the Net Asset Value per Share over a period of five Business Days (calculated by comparing the middle market quotation of the Shares at the end of each such Business Day to the prevailing published Net Asset Value per Share (exclusive of any dividend declared) as at the end of such Business Day and averaging this comparative figure over the period of five Business Days). The Investment Manager's obligation:

(i) shall not apply to the extent that the acquisition of the Performance Shares would require the Investment Manager to make a mandatory bid under Rule 9 of the Takeover Code; and

(ii) shall expire at the end of the Performance Period which immediately follows the Performance Period to which the obligation relates.

Pursuant to the terms of the Investment Management Agreement, except in certain specified circumstances, the Investment Manager shall not offer, sell, contract to sell, pledge, mortgage, charge, assign, grant options over, or otherwise dispose of, directly or indirectly, the Performance Shares nor mandate a third party to do so on its behalf, or announce the intention to do so for a period of 12 months immediately following the acquisition of the relevant Performance Shares.

POTENTIAL CONFLICTS OF INTEREST

Directors

In relation to transactions in which a Director is interested, the Articles provide that, as long as the Director discloses to the Board the nature and extent of any material interest, the Director 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 with, any body corporate in which the Company is interested, and shall not, by reason of their office, be accountable to the Company for any benefit they derive from any such office, employment, transaction or arrangement and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

Investment Manager

Please see Part V (The Investment Manager) of this Prospectus for a summary of the potential conflicts of interest that may arise in relation to the Investment Manager.

TAKEOVER CODE

The Takeover Code will apply to the Company on Initial Admission.

CORPORATE GOVERNANCE

The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Guide. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code (which complements the UK Corporate Governance Code and provides a framework of best practice for listed investment companies), and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to Shareholders.

As a recently incorporated company, the Company does not comply with the UK Corporate Governance Code or the principles of good governance contained in the AIC Code. The Company intends to join the AIC as soon as practicable following Initial Admission and arrangements have been put in place so that, with effect from Initial Admission, the Company will comply with the AIC

Code and will therefore be deemed to comply with the UK Corporate Governance Code in accordance with the AIC Code.

The UK Corporate Governance Code includes provisions relating to: (i) having a senior independent director; (ii) the role of the chief executive; (iii) executive directors' remuneration; (iv) appointing the directors for a term of six years; and (v) an internal audit function. For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers that these provisions are not relevant to the position of the Company, as an externally managed investment company, and accordingly the Company will not comply with them.

Audit Committee

The Company has established an Audit Committee, which will be chaired by Colin Bond and consists of all the Directors. The Audit Committee will meet at least twice a year. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Audit Committee. The Audit Committee will examine the effectiveness of the Company's control systems. It will review the half-yearly and annual reports of the Company and will also receive information from the Investment Manager. The Audit Committee will review the scope, results, cost effectiveness, independence and objectivity of the external auditor. It will also review the valuations of all unlisted investments, and make recommendations to the Board for approval.

Management Engagement Committee

The Company has established a Management Engagement Committee, which will be chaired by Jeremy Sillem, and consists of all the Directors. The Management Engagement Committee will meet at least once a year, or more often, if required. Its principal duties will be to consider the continued appointment of the Investment Manager and it will annually review that appointment, along with the continued appointment of the Company's other service providers.

ANNUAL GENERAL MEETINGS, ANNUAL AND HALF-YEARLY REPORTS AND FINANCIAL STATEMENTS

The Company expects to hold its first annual general meeting in 2018 and will hold an annual general meeting each year thereafter. The audited annual report and financial statements of the Company will be made up to 31 December in each year, with copies expected to be sent to Shareholders within the following four months. The Company will also publish unaudited half-yearly reports for the period ended 30 June in each year. The Company's accounts will be prepared in US Dollars and will be available on the Company's website.

The first half-yearly report of the Company will cover the period from incorporation to 30 June 2017 and the accounts for the first full financial period will cover the period from incorporation to 31 December 2017.

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

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

PART VII – ISSUE ARRANGEMENTS

INTRODUCTION

In this Prospectus, the Placing, the Offer, the PL Subscription, any Additional Subscriptions and the Initial Acquisition are together referred to as the "**Issue**". The Company may issue up to 881.1 million Shares through the Issue at the Issue Price, of which a maximum of 464.5 million Shares are available under the Placing, the Offer and any Additional Subscriptions. This maximum Issue size should not be taken as an indication of the number of Shares to be issued. The Issue is conditional, *inter alia*, on the Gross Cash Proceeds being at least US$150 million. The maximum Gross Cash Proceeds (together with any Additional Subscriptions) will be the lower of 1.25 times the Gross Initial Acquisition Proceeds and US$489.5 million. The Issue is not being underwritten.

As at the date of this Prospectus, subject to the maximum limits set for the BioPharma III Interest and the RPS Note, the Gross Initial Acquisition Proceeds are expected to be between US$150 million and US$391.6 million.

As at the date of this Prospectus, the aggregate Net Issue Proceeds are not known but are expected to be approximately US$294 million, on the assumption that Gross Issue Proceeds are US$300 million.

If the timetable for the Placing and the Offer is extended, the revised timetable will be notified through a Regulatory Information Service.

It is expected that the results of the Issue will be notified through a Regulatory Information Service on or around 23 March 2017, or such later date (no later than the Long Stop Date) as the Company and the Joint Bookrunners may agree.

The Placing and the Offer are conditional, *inter alia*, on:

(i) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Initial Admission;

(ii) Initial Admission occurring by 8:00 am on 27 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may agree);

(iii) the Gross Cash Proceeds being at least US$150 million;

(iv) all of the Initial Acquisition Agreements being executed and the Initial Acquisition becoming unconditional (save as to Admission); and

(v) by no later than 11:59 pm on the Business Day before the closing date of the Placing, valid tenders being received under the Tender Offers which (in aggregate) together with the RPS Pharma Investors Agreement would result in: (a) the Gross Initial Acquisition Proceeds being at least US$150 million; (b) the BioPharma III Interest being equal to or less than 39.9 per cent. of the Net Issue Proceeds; and (c) the Loan Amount under the RPS Note being equal to or less than 39.9 per cent. of the Net Issue Proceeds, in each case if Subsequent Admission is successfully completed.

In addition to the conditions to the Placing and Offer, the issue of Shares in connection with the Second Close and the RPS Note is conditional, *inter alia*, on Subsequent Admission.

THE PLACING

The Company, the Directors, the Investment Manager and the Joint Bookrunners have entered into the Placing Agreement pursuant to which the Joint Bookrunners have agreed, as agents for the Company, to use reasonable endeavours to procure subscribers for the Shares under the Placing at the Issue Price.

Details of the Placing Agreement are set out in paragraph 10.1 of Part IX (Additional Information on the Company) of this Prospectus.

The terms and conditions which will apply to any Placee for Shares procured by the Joint Bookrunners pursuant to the Placing are contained in Part XI (Terms and Conditions of the Placing) of this Prospectus.

The latest time and date for receipt of placing commitments under the Placing is 11:00 am on 22 March 2017 or such other date as may be agreed between the Company and the Joint Bookrunners.

THE OFFER

The Shares are being made available under the Offer at the Issue Price, subject to the terms and conditions of application under the Offer set out in Part XII (Terms and Conditions of the Offer for Subscription) of this Prospectus. These terms and conditions, and the Application Form, including the section entitled ''Notes on how to complete the Application Form for the Offer'', set out at Appendix 1 to this Prospectus should be read carefully before an application is made under the Offer. The Offer is expected to expire at 1:00 pm on 16 March 2017. If the timetable for the Offer is extended, the revised timetable will be notifiied through a Regulatory Information Service.

Applications under the Offer must be for Shares with a minimum subscription amount of US$1,000 and thereafter in multiples of US$1,000.

Completed Application Forms, accompanied by a cheque or banker's draft as appropriate, must be posted or delivered by hand (during normal business hours only) to the Receiving Agent, so as to be received as soon as possible and, in any event, by no later than 1:00 pm on 16 March 2017.

The Offer is being made only to the public in the United Kingdom and applications for Shares under the Offer will only be accepted from United Kingdom residents unless the Company (in its absolute discretion) determines that applications may be accepted from non-United Kingdom residents without compliance by the Company with any material regulatory, filing or other requirements or restrictions in other jurisdictions.

Although the Offer is available to the public in the United Kingdom, the Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. Investors in the Company are expected to be institutional investors, professional investors, professionally advised investors and highly knowledgeable investors who understand, or who have been advised of, the potential risks from investing in the Company.

PL SUBSCRIPTION

The Company has entered into the PL Subscription Agreement with Pablo Legorreta dated 1 March 2017, pursuant to which Pablo Legorreta has agreed to subscribe for 25 million Shares at the Issue Price on Initial Admission. The PL Subscription shall be in addition to any Shares Pablo Legorreta may directly or indirectly acquire pursuant to the Initial Acquisition. The PL Subscription will be subject to lock up arrangements similar to those of the Participating BioPharma III Investors and the Participating RPS Investors. The details of the terms of the PL Subscription Agreement are set out in paragraph 10.10 of Part IX (Additional Information on the Company) of this Prospectus.

ADDITIONAL SUBSCRIPTIONS

With respect to Placees subscribing for 40 million Shares or more (in aggregate between the Placing and any Additional Subscription), the Company may, at its discretion, enter into Additional Subscription Agreements with such Placees prior to Initial Admission whereby such Placees subscribe for Shares to be issued to them as an Additional Subscription outside of the Placing at the Issue Price on Subsequent Admission. The Additional Subscription shall be in addition to any Shares the Placee may acquire pursuant to the Placing at the Initial Admission. The Additional Subscription will be on similar terms as the Placing save as to timing and conditions of settlement.

INITIAL ACQUISITION

The Shares are being made available under the Tender Offers and the RPS Pharma Investors Agreement at the Issue Price, subject to the terms and conditions of the Initial Acquisition set out in the Tender Offer Documents and the RPS Pharma Investors Agreement. The Tender Offers are expected to expire at 2400 hours (NY time) on 15 March 2017 (unless otherwise extended) and subject to the satisfaction of the conditions to which each Tender Offer is subject as set out in Part III (Seed Assets) of this Prospectus: (i) Shares in connection with the acquisition of the BioPharma III Interest up to the First Close Limit will be issued at Initial Admission; and (ii) Shares in connection with the remaining portion of the BioPharma III Interest (if applicable) up to the Tender Offer Limit and the RPS Note will be issued to complete the Initial Acquisition at Subsequent Admission. As at the date of this Prospectus, subject to the maximum limits set for the BioPharma III Interest and the RPS Note, the Gross Initial Acquisition Proceeds are expected to be between US$150 million and US$391.6 million on Subsequent Admission.

DEALINGS IN SHARES

Application has been made to the London Stock Exchange and the CISEA for the Shares in issue and to be issued pursuant to the Issue to be admitted to trading on the Specialist Fund Segment and to listing and trading on the Official List of the CISEA.

The Company does not guarantee that, at any particular time, market maker(s) will be willing to make a market in the Shares or any class of Shares, nor does it guarantee the price at which a market will be made in the Shares. Accordingly, the dealing price of the Shares may not necessarily reflect changes in the NAV per Share. Furthermore, the level of the liquidity in the various classes of share can vary significantly and liquidity on the Specialist Fund Segment is still unknown.

As a Company with its shares admitted to listing on the CISEA, the Directors will comply with the Model Code of the CISEA and will take all reasonable and proper steps to ensure compliance by applicable employees as required by the CISEA Listing Rules. The Directors and the Company will also comply at all times with the applicable provisions of the CISEA Listing Rules.

SPECIALIST FUND SEGMENT

The Specialist Fund Segment (previously known as the Specialist Fund Market) is a part of the London Stock Exchange's EU regulated market. Pursuant to its admission to the Specialist Fund Segment, the Company will be subject to the Prospectus Rules, the Disclosure Guidance and Transparency Rules (as implemented in the UK through FSMA) and the Market Abuse Regulation.

The Company may apply at a future date for admission of the Shares to the Premium Listing Segment of the Official List and to trading on the Main Market of the London Stock Exchange, subject to the Company's ability to satisfy the eligibility requirement for such admission, including in particular the requirements under Chapter 15 of the Listing Rules.

REVOCATION OF ISSUE

The Issue may be revoked by the Company if Initial Admission does not occur by 8:00 am on 27 March 2017 (or such later date as the Company and the Joint Bookrunners may agree, being in any event not later than the Long Stop Date) or, if earlier, on the date on which the Placing and/or Offer ceases to be capable of becoming unconditional. Any such revocation will be announced by the Company through a Regulatory Information Service as soon as practicable after the Company and the Joint Bookrunners have decided to revoke the Issue. The Issue will not be revoked by the Company if Subsequent Admission does not occur.

SCALING BACK

In the event that (i) aggregate applications for Shares under the Issue were to exceed a value of US$881.1 million; or (ii) the aggregate applications for Shares under the Issue were to result in the Gross Cash Proceeds (together with any Additional Subscriptions) exceeding 1.25 times the Gross Initial Acquisition Proceeds, it would be necessary to scale back applications under the Issue at the discretion of the Company. The Joint Bookrunners reserve the right, in their sole discretion after consultation with the Company, to scale back applications under the Offer and placing commitments under the Placing in such amounts as they consider appropriate. Accordingly, applicants for Shares may, in certain circumstances, not be allotted the number of Shares for which they have applied. The Tender Offers will not be subject to scaling back of applications in favour of the Placing, the Offer, the PL Subscription or any Additional Subscription. The Offer will not be subject to scaling back of applications in favour of the Placing, the PL Subscription or any Additional Subscriptions. For the Placing, Additional Subscriptions and the PL Subscription the Joint Bookrunners reserve the right, in their sole discretion after consultation with the Company, to scale back applications.

The Company will notify investors of the number of Shares in respect of which their application and/or placing commitment has been successful and the results of the Issue will be announced by the Company on or around 23 March 2017 via an RIS announcement.

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant to the bank account from which the money was received.

ADMISSION

Admission is expected to take place in two stages: (i) Initial Admission at 8:00 am on 27 March 2017, at which time the Shares issued in connection with the Placing and the Offer would be admitted to CREST and Shares issued in connection with the PL Subscription and the Initial Acquisition will be issued in certificated form; and (ii) Subsequent Admission by no later than 8:00 am on 30 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may determine) at which time the Shares issued in connection with any Additional Subscriptions will be admitted to CREST while Shares issued in connection with the Initial Acquisition will be issued in certificated form. Where applicable, definitive share certificates in respect of the Shares are expected to be despatched by post at the risk of the recipients, to the relevant holders, in the week beginning 3 April 2017. The Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Shares which are held in certificated form, transfers of those Shares will be certified against the Register. No temporary documents of title will be issued.

The two stage Admission is necessitated by the Company's need to draw upon the Gross Cash Proceeds in order to pay the Loan Amount under the RPS Note and complete the issue of Shares in connection therewith. Accordingly, on Initial Admission, the Placing, Offer, the PL Subscription and the First Close of the BioPharma III Tender Offer will complete. A condition to Initial Admission will be the execution of the Initial Acquisition Agreements in order to ensure that binding commitments to complete the Initial Acquisition are in place before Initial Admission takes place and any execution risk is minimised. Upon the completion of Initial Admission, the Company will utilise the Gross Cash Proceeds (less any expenses deducted on Initial Admission) to pay the Loan Amount to the RPS Borrower which will be distributed by the RPS Borrower and applied by Royalty Pharma on behalf of the Participating RPS Investors for acquiring Shares in the Company on Subsequent Admission under the terms of the RPS Tender Offers and the RPS Investor Subscription Agreement (which will have been executed prior to Initial Admission as an Initial Acquisition Agreement). It is expected that Subsequent Admission will be completed within 3 Business Days of Initial Admission.

CREST

CREST is a paperless settlement process enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Shares under the CREST system. The Company will apply for the Shares to be admitted to CREST with effect from Initial Admission. Accordingly, settlement of transactions in the Shares following Initial Admission may take place within the CREST system if any Shareholder so wishes. Shares issued in connection with Subsequent Admission will be issued in certificated form and will not be admitted to CREST.

An investor applying for Shares in the Issue may elect to receive Shares in uncertificated form if such investor is a system-member (as defined in the CREST Regulations) in relation to CREST. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

USE OF PROCEEDS

The Directors intend to use the Net Issue Proceeds, less amounts required for working capital purposes and the value of Shares issued pursuant to the Initial Acquisition, to acquire further investments in accordance with the Company's investment objective and investment policy. The Issue is being made in order to provide investors with the opportunity to invest in a diversified portfolio of investments (as described in its investment objective and investment policy) through the medium of an investment trust.

LEGAL IMPLICATIONS OF THE CONTRACTUAL RELATIONSHIP ENTERED INTO FOR THE PURPOSE OF INVESTMENT

The Company is a public company limited by shares, incorporated in England and Wales. While investors acquire an interest in the Company on subscribing for or purchasing Shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them. Shareholders' rights in respect of their investment in the Company are governed by

the Articles and the Act. Under English law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of association; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims; and derivative actions. In the event that a Shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult their own legal advisers.

Jurisdiction and applicable law

As noted above, Shareholders' rights are governed principally by the Articles and the Act. By subscribing for Shares under the Issue, investors agree to be bound the Articles which are governed by, and construed in accordance with, the laws of England and Wales.

Recognition and enforcement of foreign judgments

Regulation (EC) 593/2008 ("**Rome I**") must be applied in all member states of the EU (other than Denmark). Accordingly, where a matter comes before the courts of a relevant member state, the choice of a governing law in any given agreement is subject to the provisions of Rome I. Under Rome I, the member state's courts may apply any rule of that member state's own law which is mandatory, irrespective of the governing law, and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that member state. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement. Shareholders should note that there are a number of legal instruments providing for the recognition and enforcement of foreign judgments in England. Depending on the nature and jurisdiction of the original judgment, Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims, the Lugano Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters of 30 October 2007, the Administration of Justice Act 1920, and the Foreign Judgments (Reciprocal Enforcement) Act 1933 may apply. There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments listed above, although such judgments might be enforceable at common law.

OVERSEAS PERSONS AND RESTRICTED TERRITORIES

The attention of potential investors who are not resident in, or who are not citizens of, the UK is drawn to the sections below.

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

In particular, none of the Shares have been or will be registered under the laws of any Restricted Territory. Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Restricted Territory unless an exemption from any registration requirement is available.

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

Persons (including, without limitation, nominees and trustees) receiving this Prospectus should not distribute or send it to any jurisdiction where to do so would or might contravene local securities laws or regulations.

Investors should additionally consider the provisions set out under the heading "Important Notices" on page 50 of this Prospectus.

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

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

UNITED STATES TRANSFER RESTRICTIONS

The Company has elected to impose the restrictions described below in ''Representations, Warranties and Undertakings'' (in particular, see items (e), (f) and (g) therein) on the future trading of the Shares so that the Company will not be required to register the Shares under the Securities Act, and 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, US Tax Code and other considerations. These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of Shareholders to trade in the Shares. The Company and its agents will not be obliged to recognise any resale or other transfer of the Shares made other than in compliance with the restrictions described below.

The Shares may not be acquired by: (i) investors using assets of: (A) an ''employee benefit plan'' as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (B) a ''plan'' as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include ''plan assets'' by reason of investment by an ''employee benefit plan'' or ''plan'' described in preceding clause (A) or (B) in such entity pursuant to the US Plan Assets Regulations; or (ii) a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, unless its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

Each acquirer of the Shares pursuant to the Issue and each subsequent transferee, by acquiring Shares or a beneficial interest therein, will be deemed to have represented, warranted, undertaken, agreed and acknowledged to the Company and the Joint Bookrunners as follows:

a) if it is acquiring Shares in the Placing or Offer or if it is a subsequent transferee acquiring Shares in uncertificated form, unless otherwise agreed with the Company, it is located outside the United States, it is not a US Person, it is acquiring the Shares in an ''offshore transaction'' meeting the requirements of Regulation S and it is not acquiring the Shares for the account or benefit of a US Person;

b) if it is acquiring Shares pursuant to the Initial Acquisition or if it is a subsequent transferee acquiring Shares in certificated form, either (i) it is located outside the United States, it is not a US Person, it is acquiring the Shares in an ''offshore transaction'' meeting the requirements of Regulation S and it is not acquiring the Shares for the account or benefit of a US Person, or (ii) it is both a Qualified Purchaser and an Accredited Investor and it is acquiring the Shares pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act;

c) the Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act;

d) the Company has not been and will not be registered under the Investment Company Act and, as such, investors will not be entitled to the benefits of the Investment Company Act and the Company has elected to impose restrictions on the Issue and on the future trading in the Shares to ensure that the Company is not and will not be required to register under the Investment Company Act;

e) if it is acquiring or holding Shares in uncertificated form (including pursuant to the Placing or Offer), then if in the future it decides to offer, sell, transfer, assign, pledge or otherwise dispose of the Shares or any beneficial interest therein, it will do so only (i) in an ''offshore transaction'' complying with the provisions of Regulation S to a person outside the United States and not known by the transferor to be a US Person, by prearrangement or otherwise, or (ii) to the Company or a subsidiary thereof. It acknowledges and agrees that any offer, sale, transfer, assignment, pledge or other disposal made other than in compliance with the foregoing restrictions will be subject to the compulsory transfer provisions contained in the Articles;

f) if it is acquiring or holding Shares in certificated form (including pursuant to the Initial Acquisition), then if in the future it decides to offer, sell, transfer, assign, pledge or otherwise dispose of the Shares or any beneficial interest therein, it will do so only (i) in an ''offshore transaction'' complying with the provisions of Regulation S to a person outside the United States and not known by the transferor to be a US Person, by prearrangement or otherwise, and only following delivery by the transferor to the Company (or other person designated by the Company) of a written certification in form and substance acceptable to the Company that such transfer is in compliance with the requirements of this sub-clause, (ii) to a person who is both a Qualified Purchaser and an Accredited Investor pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States, and only following delivery by the transferee to the Company (or other person designated by the Company) of a written certification in form and substance acceptable to the Company that such transfer is in compliance with the requirements of this sub-clause, or (iii) to the Company or a subsidiary thereof. It acknowledges and agrees that any offer, sale, transfer, assignment, pledge or other disposal made other than in compliance with the foregoing restrictions will be subject to the compulsory transfer provisions contained in the Articles;

g) it is not, and is not acting on behalf of, a Benefit Plan Investor (as defined on the third page of the cover notes) unless its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law;

h) it is acquiring the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;

i) it is aware and acknowledges that the Company is likely to be regarded as a ''covered fund'', and that the Shares are likely to be regarded as ''ownership interests'', for purposes of the Volcker Rule, and to the extent relevant it will consult its own legal advisers regarding the matters described above and other effects of the Volcker Rule;

j) it is aware and acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person's status under US federal securities laws and to require any such person that has not satisfied the Company that the holding by such person will not violate or require registration under US federal securities laws to transfer such Shares or interests in accordance with the Articles;

k) Shares issued in certificated form will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

''BIOPHARMA CREDIT PLC (THE ''COMPANY'') HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES 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 UNITED STATES 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. THIS SECURITY MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (I) IN AN ''OFFSHORE TRANSACTION'' COMPLYING WITH THE PROVISIONS OF REGULATION S UNDER THE SECURITIES ACT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A ''US PERSON'' AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (''US PERSON''), BY PREARRANGEMENT OR OTHERWISE, AND ONLY FOLLOWING DELIVERY BY THE TRANSFEROR TO THE COMPANY (OR OTHER PERSON DESIGNATED BY THE COMPANY) OF A WRITTEN CERTIFICATION IN FORM AND SUBSTANCE ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE REQUIREMENTS OF THIS SUB-CLAUSE, (II) TO A PERSON WHO IS BOTH A ''QUALIFIED PURCHASER'' AS DEFINED IN THE INVESTMENT COMPANY ACT AND AN ''ACCREDITED INVESTOR'' AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND ONLY FOLLOWING DELIVERY BY THE TRANSFEREE TO THE COMPANY (OR OTHER PERSON DESIGNATED BY THE COMPANY) OF A WRITTEN CERTIFICATION IN FORM AND SUBSTANCE ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE REQUIREMENTS OF THIS SUB-CLAUSE, OR (III) TO THE COMPANY OR A SUBSIDIARY THEREOF, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT. ANY OFFER, SALE, ASSIGNMENT, PLEDGE OR OTHER TRANSFER MADE OTHER THAN IN COMPLIANCE WITH THE FOREGOING RESTRICTIONS WILL BE SUBJECT TO THE COMPULSORY TRANSFER PROVISIONS SET OUT IN THE ARTICLES OF THE COMPANY.

THIS SECURITY MAY NOT BE DEMATERIALISED INTO CREST OR ANY OTHER PAPERLESS SYSTEM UNLESS THE PARTY REQUESTING SUCH DEMATERIALISATION FIRST DELIVERS TO THE COMPANY (OR OTHER PERSON DESIGNATED BY THE COMPANY) A WRITTEN CERTIFICATION IN FORM AND SUBSTANCE ACCEPTABLE TO THE COMPANY THAT EITHER (A) IT IS OFFERING, SELLING OR OTHERWISE TRANSFERRING THIS SECURITY IN ACCORDANCE WITH SUB-CLAUSE (I) ABOVE OR (B) IT IS LOCATED OUTSIDE THE UNITED STATES, IT IS NOT A US PERSON, IT ACQUIRED THE SHARES IN AN ''OFFSHORE TRANSACTION'' MEETING THE REQUIREMENTS OF REGULATION S AND IT DOES NOT HOLD THE SHARES FOR THE ACCOUNT OR BENEFIT OF A US PERSON.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THIS SECURITY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE COMPANY'S SECURITIES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK.'';

l) the representations, warranties, undertakings, agreements and acknowledgements contained in this Prospectus are irrevocable and it acknowledges that the Company, the Joint Bookrunners, their respective Affiliates and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, undertakings, agreements and acknowledgements;

m) if any of the foregoing representations, warranties, undertakings, agreements or acknowledgements are no longer accurate or have not been complied with, it will immediately notify the Company and the Joint Bookrunners; and

n) if it is acquiring any Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and it has full power to make, and does make, such foregoing representations, warranties, undertakings, agreements and acknowledgements on behalf of each such account.

PART VIII – TAXATION AND ERISA CONSIDERATIONS

UK TAXATION

1. INTRODUCTION

The following statements are based upon current UK tax law and what is understood to be the current published practice of HMRC, both of which are subject to change, possibly with retrospective effect. The statements are intended only as a general guide and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their Shares by virtue of an office or employment, who may be subject to special rules. They apply only to Shareholders resident (and, in the case of individuals, domiciled) for UK tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Shares.

The information contained in this Prospectus relating to UK taxation matters is a summary of the UK taxation matters which the Directors consider should be brought to the attention of prospective investors and is based upon the UK tax law and published HMRC practice and is subject to changes therein (possibly with retrospective effect). All potential investors, and in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Shares under the laws of their country and/or state of citizenship, domicile or residence.

2. THE COMPANY

The Directors have applied to, and obtained approval (conditional on Initial Admission) from, HMRC as an investment trust company and intend at all times to conduct the affairs of the Company so as to enable it to satisfy the conditions necessary for it to be eligible as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 (as amended). However, neither the Investment Manager nor the Directors can guarantee that this eligibility will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a ''close company'' for UK tax purposes. The Directors consider that the Company should not be a close company immediately following Admission. In respect of each accounting period for which the Company is approved by HMRC as an investment trust, the Company will be exempt from UK taxation on its chargeable gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates, but double taxation relief may be available. The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non UK companies) fall within one of the ''exempt classes'' in Part 9A of the Corporation Tax Act 2009.

An investment trust approved under Chapter 4 of Part 24 of the Corporation Tax Act 2010, or one that intends to seek such approval and which has a reasonable belief that such approval will be obtained, is able to elect to take advantage of modified UK tax treatment in respect of its ''qualifying interest income'' for an accounting period (referred to here as the ''streaming'' regime). The Company may, if it so chooses, designate as an ''interest distribution'' all or part of the amount it distributes to Shareholders as dividends, to the extent that it has ''qualifying interest income'' for the accounting period. Were the Company to designate any dividend it pays in this manner, it should be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period. The Company intends to elect for the ''streaming'' regime to apply to the dividend payments it makes to the extent that it has such ''qualifying interest income''.

Given its investment objective and policy, it is expected that the Company will have a material amount of ''qualifying interest income'' through the Debt Assets and it is currently considered likely that a significant proportion of the dividends paid by the Company will be designated as

"interest distributions" for UK tax purposes (and it is possible that, depending on the circumstances, the full amount of the dividends paid for a given period might be designated as "interest distributions").

3. SHAREHOLDERS

3.1 Taxation of chargeable gains

A disposal of Shares (including a disposal on a winding up of the Company) by a Shareholder who is resident in the UK for tax purposes, or who is not so resident but carries on a trade in the United Kingdom 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.

For the purposes of UK tax on chargeable gains, the amounts paid by a Shareholder for Shares will generally constitute the base cost of his holdings in those Shares.

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 £11,100 for the tax year 2016 – 2017 (the amount for the tax year 2017 – 2018 was not yet confirmed as at the date of this Prospectus). 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). Special rules apply to Shareholders who are subject to tax on a "split-year" basis, who should seek specific professional advice if they are in any doubt about their position.

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 20 per cent., reducing to 19 per cent. from 1 April 2017 and reducing to 17 per cent. from 1 April 2020) on chargeable gains arising on a disposal of their Shares. Indexation allowance may apply to reduce the amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss.

Shareholders who are neither resident in the United Kingdom, 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 United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected, should not be subject to United Kingdom taxation on chargeable gains on a disposal of their Shares.

3.2 Taxation of dividends – individuals

3.2.1 *Non "interest distributions"*

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

The Company will not be required to withhold tax at source when paying a dividend.

Significant changes have been made to the income tax treatment of dividends with effect from 6 April 2016, with the dividend tax credit abolished and replaced with a nil rate of income tax on the first £5,000 of dividend income in a tax year (the "**Nil Rate Amount**"). Any dividend income received by a UK resident individual Shareholder 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 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.

3.2.2 ***''Interest distributions''***

Should the Directors elect to apply the ''streaming'' regime to any dividends paid by the Company, a UK tax resident individual Shareholder in receipt of such a dividend would be treated for UK tax purposes as though they had received a payment of interest. Such a Shareholder would be subject to UK income tax at the applicable rate (the current rates being 0 per cent., 20 per cent., 40 per cent. or 45 per cent., depending on the level of the Shareholder's income). Under the rules applicable to interest distributions made before 6 April 2017, such distributions would generally be paid to the individual Shareholder subject to a withholding on account of UK income tax at the basic rate (currently 20 per cent.) which can be credited against the Shareholder's own income tax liability on that interest distribution and an individual Shareholder who is not UK tax resident would generally be entitled to receive dividends designated as interest distributions without deduction of UK income tax, provided the Company has received the necessary declarations of non-residence. However the Government has announced that there will no longer be an obligation for investment trusts, such as the Company, to make any withholding on account of UK income tax from interest distributions made on or after 6 April 2017. Draft legislation to give effect to this change has been published and is expected to be enacted as part of the Finance Act 2017 later this year.

Taxation of dividends – corporations

3.2.3 ***Non ''interest distributions''***

In respect of dividends to which the Directors have not elected for the ''streaming'' regime to 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, however, such Shareholders 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, the dividends will be subject to tax at a rate of 20 per cent., reducing to 19 per cent. from 1 April 2017 and reducing to 17 per cent. from 1 April 2020.

The Company will not be required to withhold tax at source when paying a dividend.

3.2.4 ***''Interest distributions''***

If, however, the Board did elect for the ''streaming'' rules to apply, and corporate Shareholders within the charge to corporation tax were to receive dividends designated by the Company as ''interest distributions'', they would be subject to corporation tax on any such amounts received. The dividends would be subject to tax at a rate of 20 per cent., reducing to 19 per cent. from 1 April 2017 and reducing to 17 per cent. from 1 April 2020.

Under the rules applicable to interest distributions made before 6 April 2017, the Company would not generally be required to withhold UK tax when paying a dividend that is designated as an ''interest distribution'' where the recipient is a company (whether UK resident or not). However, see above regarding the proposed complete removal of the withholding obligation on account of UK income tax from interest distributions with effect from 6 April 2017.

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

4. STAMP DUTY AND STAMP DUTY RESERVE TAX (''SDRT'')

Transfers on sale of existing Shares held in certificated form will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the amount or value of the consideration given for the transfer (rounded up to the nearest £5). However, an exemption from stamp duty will be available on an instrument transferring existing Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the stamp duty.

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

Paperless transfers of existing Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system (but in practice the cost will be passed on to the purchaser). Deposits of Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration in the form of money or money's worth.

The issue of new Shares pursuant to the Issue should not generally be subject to UK stamp duty or SDRT.

5. ISAS, SIPPS AND SSASS

Shares issued by the Company should be eligible to be held in a stocks and shares New ISA, subject to applicable annual subscription limits (£15,240 in the tax year 2016 – 2017) and £20,000 in the tax year 2017 – 2018).

Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in shares through an ISA is restricted to certain UK tax resident individuals aged 18 or over.

Selling shares within an ISA to reinvest would not count towards the Shareholder's annual limit and for ''flexible'' ISAs (which does not include junior ISAs) Shareholders may be entitled from 6 April 2016 to withdraw and replace funds in their stocks and shares ISA, in the same tax year, without using up their annual subscription limit.

The Board have been advised that the 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.

6. INFORMATION REPORTING

The UK has entered into international agreements with a number of jurisdictions which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, an Inter-Governmental Agreement with the United States in relation to FATCA, International Tax Compliance Agreements with Guernsey, Jersey, the Isle of Man and Gibraltar and agreements regarding the OECD's global standard for automatic and multilateral exchange of information between tax authorities, known as the ''Common Reporting Standard''. The UK is also subject to obligations regarding mandatory automatic exchange of information in the field of taxation pursuant to EU Council Directive 2014 / 107 /EU, which implements the Common Reporting Standard in the EU member states. In connection with such international agreements and obligations the Company may,

among other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to tax authorities in other jurisdictions in accordance with the relevant international agreements.

In this regard, investors will be deemed to have acknowledged, and to have given their consent to paragraphs 4.4.1 to 4.4.5 in the US Federal Income Tax section of this Part VIII (Taxation And ERISA Considerations) of this Prospectus, with references to FATCA being deemed for such purposes to include the Common Reporting Standard, any International Tax Compliance Agreements and any other automatic exchange of information obligations, as applicable.

CERTAIN US FEDERAL INCOME TAX CONSIDERATIONS

1. INTRODUCTION

This section sets out a summary of certain material US federal income tax aspects of the acquisition, ownership and disposition of Shares that will generally be applicable to US Shareholders (as defined below). This summary is based on the US Tax Code (as amended), the US Treasury Department regulations promulgated under the US Tax Code (the "**Regulations**") and judicial decisions, undertakings and rulings in force on the date of this Prospectus. Changes in existing laws or regulations and their interpretation may occur after the date of this Prospectus and could alter the income tax consequences of an investment in the Company (possibly on a retroactive basis). No ruling from the IRS or any state or local authority with respect to any of the tax issues affecting the Company or its Shareholders will be sought.

The term "**US Shareholder**" in this Part VIII of this Prospectus means a beneficial owner of one or more Shares who is: (i) a citizen or individual resident of the United States; (ii) a corporation (or any other entity treated as a corporation for US federal income tax purposes) created or organised in or under the laws of the United States; (iii) an estate, the income of which is subject to US federal income taxation regardless of its source; (iv) a trust, if a US court is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust or if the trust has in effect a valid election to be treated as a US person; or (v) any person that is subject to US federal income tax on its worldwide income.

This summary does not discuss all of the tax consequences that may be relevant to a particular investor or to certain investors subject to special treatment under the US federal income tax laws, such as: individual retirement accounts and other tax-deferred accounts; insurance companies; financial institutions; securities dealers; mutual funds; brokers or dealers in securities or foreign currencies; traders in securities that elect to apply a mark-to-market method of accounting; an investor that holds any Shares as part of a hedge, appreciated financial position, straddle, conversion or other risk reduction transaction; investors that have a "functional currency" other than the US Dollar, are subject to the US federal alternative minimum tax, or that do not hold Shares as a capital asset within the meaning of Section 1221 of the US Tax Code; and non-US investors.

If a partnership (including any entity treated as a partnership or pass-through entity for US federal income tax purposes) holds Shares, the tax treatment of a partner will generally depend upon the status of the partner in the partnership and the activities of the partnership. Partners of a partnership holding Shares should consult their own tax advisers.

EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS TAX ADVISER IN ORDER TO UNDERSTAND FULLY THE US FEDERAL, STATE, LOCAL AND/OR ANY NON-US TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY IN ITS PARTICULAR SITUATION.

2. US SHAREHOLDERS GENERALLY SUBJECT TO US TAXATION

This summary is applicable to US Shareholders that are not exempt from tax under Section 501(a) of the US Tax Code.

2.1 **Taxation of distributions**

Except as explained below with respect to treatment of the Company as a ''passive foreign investment company'' (''**PFIC**'') or ''controlled foreign corporation'' (''**CFC**'') for US federal income tax purposes, distributions made by the Company with respect to Shares will be taxable to a US Shareholder as dividends to the extent of the Company's current and accumulated earnings and profits as computed under US federal income tax principles. The Company intends to maintain such information and, upon a reasonable request by a US Shareholder, will provide such information. To the extent distributions made by the Company with respect to the Shares exceed the Company's current and accumulated earnings and profits, such distributions would reduce the tax basis of the Shares. Any distributions made by the Company with respect to Shares that would reduce the basis of the Shares below zero will generally be taxed as a capital gain from the sale or exchange of the Shares. Any distributions made by the Company with respect the Shares are not expected to be eligible for the corporate dividends received deduction or a reduced US dividend tax rate.

Individual US Shareholders with modified adjusted gross income that exceeds certain thresholds (US$250,000 for individuals filing jointly, US$200,000 for single individuals) will be subject to a Medicare tax of 3.8 per cent. on the lesser of: (i) their investment income, net of deductions properly allocable to such income; or (ii) the excess of their ''modified adjusted gross income'' above the relevant threshold. Individual US Shareholders and certain trusts and estates should expect to be subject to this tax. This tax will be in addition to any US federal income tax imposed on US Shareholders with respect to any income realised with respect to the Company. Prospective Investors should consult their tax advisers regarding the application of the Medicare tax to their investment in the Company.

If a US Shareholder converts the amount of any distribution received in a foreign currency (if any) into US Dollar on the date of receipt, such US Shareholder generally should not be required to recognise foreign currency gain or loss in respect of such distribution for US federal income tax purposes. However, if a US Shareholder does not immediately convert any foreign currency distributions into US Dollar, upon any later conversion, the US Shareholder would generally recognise ordinary income or loss as a result of exchange rate fluctuation that may occur in the interim.

2.2 **Taxation of a sale or redemption**

Except as explained below with respect to treatment of the Company as a PFIC or a CFC, gain or loss recognised upon the sale or complete redemption of Shares held by a US Shareholder will generally be treated as a capital gain or loss. A US Shareholder will generally recognise gain or loss in an amount equal to the difference between the amount realised (as determined in US Dollar) and the US Shareholder's adjusted tax basis in the Shares (as determined in US Dollar). The capital gain or loss will generally be treated as long-term capital gain or loss if the US Shareholder has held the Shares for more than one year on the date of disposition. Any such capital gain will generally be treated as investment income and thus, as discussed above, will be subject to an additional Medicare tax of 3.8 per cent. net of deductions properly allocable to such income for individual US Shareholders and certain trusts and estates.

On the settlement date, a US Shareholder should generally recognise US source foreign currency gain or loss (if any, taxable as ordinary income or loss) equal to the difference (if any) between the US Dollar value of the amount received based on the exchange rates in effect on the date of sale or redemption and the settlement date. In the case of cash basis and electing accrual basis taxpayers, the amount realised on a sale or redemption of Shares for an amount in foreign currency will be the US Dollar value of this amount on the settlement date.

If the Company makes a redemption of Shares other than in complete redemption, any amounts paid will generally be treated under Section 302 of the US Tax Code as a distribution taxable as a dividend (to the extent of current and accumulated earnings and profits) at ordinary income rates (unless the redemption satisfies one of the tests set forth in Section 302(b) of the US Tax Code and is therefore treated as a sale or exchange of the redeemed Shares, with the consequences described above). If a redemption of Shares is treated as a distribution taxable as a dividend, the amount of the distribution will be measured by the amount of cash and the fair market value of any property received by the US

Shareholder (each as determined in US Dollar). The US Shareholder's adjusted tax basis in the redeemed Shares will be transferred to such US Shareholder's remaining Shares, if any. Because the determination as to whether any of the alternative tests of Section 302(b) of the US Tax Code will be satisfied depends upon the facts and circumstances at the time that the determination must be made, prospective US Shareholders are advised to consult their own tax advisers to determine such tax treatment at the time of any redemption.

2.3 PFIC and CFC taxation

2.3.1 *PFIC taxation in general*

The US Tax Code contains special rules for the taxation of US Shareholders who hold stock in a PFIC. A PFIC is defined as any non-US corporation with respect to which either: (i) 75 per cent. or more of the gross income for a taxable year is ''passive income'' (such as dividends, interest, rents, royalties and gains from commodities and securities transactions); or (ii) 50 per cent. or more of its assets in any taxable year (by value) produce ''passive income''. The Company believes that it is, and expects that it will continue to be, a PFIC. The PFIC rules provide for the imposition of a special tax and an interest charge, referred to as the ''deferred tax amount'', on certain distributions and gain recognised on a disposition of the stock of a PFIC, unless: (a) an election is made to treat the PFIC as a ''qualified electing fund'' (a ''**QEF Election**''); or (b) a ''mark-to-market'' election is made with respect to the PFIC's shares for the first taxable year in which the US shareholder is considered to own an interest in the PFIC (a ''**Mark-to-Market Election**''). In addition, a US Shareholder that directly or indirectly owns stock of a PFIC is treated as owning a proportionate amount of the value of any stock owned by that PFIC. If the PFIC owns shares in another PFIC, the PFIC rules generally apply separately to the US Shareholder with respect to its interest in such lower-tier PFIC on an indirect basis.

If a QEF Election is made with respect to a PFIC, the deferred tax amount rules do not apply but the electing US Shareholder is taxed each year on its pro rata share of ordinary earnings and net capital gain of each PFIC, whether or not the earnings or the capital gains are distributed. Alternatively, if a Mark-to-Market Election is made with respect to a PFIC, the electing US Shareholder generally recognises ordinary income equal to the excess, if any, of the fair market value of the Shares at the end of the taxable year over their adjusted basis. Such US Shareholder would generally also be allowed to recognise an ordinary deduction equal to the excess (if any) of the adjusted basis of the PFIC's shares at the end of the taxable year over their fair market value (however limited to the net amount of income that was previously included as a result of the Mark-to-Market Election). Any of these elections must be made individually by each US Shareholder seeking the relevant tax treatment. The relevant election applies only to the US Shareholder who makes it.

A US Shareholder will generally be required to file IRS Form 8621 for any taxable year in which such US Shareholder holds Shares.

2.3.2 *Making QEF or Mark-to-Market Elections*

US Shareholders who would consider making a QEF Election should note that such election will not be given effect unless the PFIC (in this case, the Company) complies with requirements prescribed by the IRS for determining its ordinary earnings and net capital gain and concerning the furnishing of certain other information. The Company will make available an annual PFIC Information Statement currently required under US Treasury regulations for US Shareholders to make a QEF Election, which will contain information (including as to the allocation of the Company's ''ordinary earnings'' and ''net capital gains'' among the Shareholders, each as computed under US federal income tax principles) and undertakings sufficient to permit such US Shareholders to make a QEF Election in respect of the Company and any subsidiary, if necessary. However, US Shareholders should be aware that in the event that any of the Company's investments consist of stock in another PFIC, there can be no assurance that such PFIC would make available to the Company or any US Shareholder the information necessary to enable the US Shareholder to make a QEF Election with respect to such PFIC.

US Shareholders who would consider making a Mark-to-Market Election should note that such election will only be available in case the Shares are treated as ''regularly traded'' on a ''qualified exchange or other market'' for US federal income tax purposes. The Company believes that the London Stock Exchange should be treated as a qualified exchange for such purposes, although there can be no assurance in this regard absent clear authority. The Shares will be treated as ''regularly traded'' on the London Stock Exchange for any calendar year during which such Shares are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Special rules apply for the year of the Company's initial public offering. Although the Company generally expects that, based on listed entities with a similar investment policy, the Shares will satisfy this ''regular trading'' condition, there can be no assurance in this regard since meeting this condition depends on the actual trading of the Company's Shares in any taxable year. In addition, in the event that any of the Company's investments consist of stock in another PFIC, a valid Mark-to-Market Election with respect to the Company, if any, would not apply to such PFIC and, as described above, there can be no assurance that such PFIC would make available to the Company or a US Shareholder the information necessary to enable the US Shareholder to make a QEF Election with respect to such PFIC.

If a US Shareholder is not eligible to make either a QEF Election or a Mark-to-Market Election, then such US Shareholder may be subject to the PFIC rules on a direct or indirect disposition of such stock by the Company or the direct or indirect receipt by the Company of a distribution by such other PFIC. US Shareholders should consult their own tax advisers as to the eligibility and consequences of making or not making such elections, including in respect of the year of the Company's initial public offering.

A US Shareholder that is permitted to make an effective QEF Election with respect to a PFIC will be required under Section 1293(a) of the US Tax Code to include in its gross income such US Shareholder's pro rata share of ordinary earnings and net capital gain of such PFIC for the year, regardless of the amount actually distributed to the US Shareholders by the Company. Net capital gain included by an electing US Shareholder should be taxed as long-term capital gain. Amounts distributed from earnings by a PFIC that are taxed under Section 1293(a) are not again taxed to an electing US Shareholder when distributed. The tax basis of an electing US Shareholder's Shares will be increased by any amount includable in income under Section 1293(a) and decreased by any distributions excluded from income as described in the preceding sentence.

As discussed above, the adverse tax treatment with respect to PFIC stock can also be mitigated if a US Shareholder is permitted to make a valid Mark-to-Market Election under Section 1296 of the US Tax Code. Such US Shareholder will generally: (i) be required to recognise ordinary income equal to the excess, if any, of the fair market value of the Shares at the end of the taxable year over their adjusted basis; or (ii) be allowed to recognise an ordinary deduction equal to the excess, if any, of the adjusted basis of the Shares at the end of the taxable year over their fair market value (to the extent of the net amount of income that was previously included as a result of such mark-to-market election). A US Shareholder's basis in the Shares for US federal income tax purposes would be adjusted to reflect any income or loss recognised pursuant to such Mark-to-Market Election. In the case of a sale or other disposition of Shares in relation to which a Mark-to-Market Election is in effect, any gain realised on the sale or other disposition will be treated as ordinary income. Any loss realised on the sale or other disposition will be treated as an ordinary loss, up to the amount of any prior increase in the fair market value of the Shares that has not previously been taken into account in calculating allowable deductions, and as a capital loss to the extent of any excess.

2.3.3 ***PFIC interests without QEF and Mark-to-Market Elections***

If no QEF Election or Mark-to-Market Election is made in respect of the first year and each subsequent year during which the US Shareholder holds Shares, the deferred tax amount described above is based on the portion of ''excess distributions'' of the Company received by a US Shareholder during a taxable year and attributable to the period in which the US Shareholder held the Shares before the current taxable year. The amount of an ''excess distribution'' is determined in the following manner: first, the

total amount of distributions in respect of the Shares during the taxable year is determined, and from this amount is subtracted 125 per cent. of the average amount received by the US Shareholder in respect of such Shares during the three preceding years (or if shorter, the portion of the US Shareholder's holding period before the taxable year). The remainder is then allocated ratably to the actual distributions made during the taxable year. The amount so allocated to an actual distribution is referred to as an ''excess distribution''). All of the gain from a disposition of Shares or a deemed disposition is treated as an excess distribution.

The excess distribution is then allocated ratably to each day of the period during which the US Shareholder held the Shares, ending with the day upon which the excess distribution is received. The portion attributable to the taxable year in which the distribution is made is taxed as ordinary income. The portion of the excess distribution allocated to the period before the current taxable year is not included in gross income but instead is used to compute the deferred tax amount.

The deferred tax amount of a US Shareholder is equal to the sum of: (1) the amounts determined by adding together the portions of the excess distribution allocated to each of the prior taxable years multiplied by the highest rate of corporate or individual tax, depending on the US Shareholder's status, in effect for each such prior year; and (2) an interest charge determined by applying the federal interest rate applicable to underpayments of tax in the prior taxable years, beginning with the due date for tax returns for each prior taxable year and ending with the due date for tax returns for the current taxable year. Under Section 6621(a)(2) of the US Tax Code, the rate of interest is the short-term federal rate determined on a quarterly basis plus three percentage points, compounded daily.

2.3.4 **CFC Taxation**

If more than 50 per cent. of the Shares (by vote or value) are owned by US persons who each own (directly or through application of certain attribution rules) 10 per cent. or more of the Shares by vote (''**10 per cent. US Shareholders**''), the Company will be a CFC. In such event, among other consequences, 10 per cent. US Shareholders who own Shares on the last day of the tax year of the Company during which the Company is a CFC for an uninterrupted period of 30 days or more will generally be required to include in their ordinary income their pro rata shares of the Company's ''Subpart F income'', and in some cases certain other income, even if such income is undistributed. Subpart F income generally includes royalty, dividend, interest and net capital gain income of the Company, limited to the Company's earnings, for each year the Company is a CFC. Certain exceptions may apply. Amounts taxed currently to such 10 per cent. US Shareholders under the CFC rules will not be subject to the deferred tax amount rules discussed above. For taxable years of a 10 per cent. US Shareholder in which the Company is a CFC, and taxable years of the Company that end with or within such taxable years of such 10 per cent. US Shareholder, the Company generally will not be treated as a PFIC with respect to such 10 per cent. US Shareholder (but will be treated as a PFIC with respect to other US Shareholders). Additionally, if the Company is treated as a CFC, gain realised by a 10 per cent. US Shareholder on the sale or other disposition of Shares may be treated as dividend income to the extent of certain accumulated earnings and profits of the Company under Section 1248 of the US Tax Code.

Prospective US Shareholders are advised to consult their own tax advisers to determine any tax consequences to them under the PFIC or CFC regime in their particular circumstances.

2.3.5 ***Foreign Tax Credit or Deduction***

US Shareholders who are not residents of the United Kingdom for United Kingdom tax purposes (''**Non-UK Resident Shareholders**'') and receive a dividend that is not designated as an ''interest distribution'' by the Company or realise disposition gains with respect to the Shares are not expected to be subject to UK withholding or capital gains tax. In addition, subject to the proposed removal of UK withholding with effect from 6 April 2017 discussed in paragraph 3.2.2 of this Part VIII (Taxation And ERISA Considerations) of this Prospectus, Non-UK Resident Shareholders are also not

expected to incur UK withholding tax with respect to a dividend designated by the Company as an ''interest distribution''. However, if such proposed removal is not implemented, or if the Company distributes a dividend designated as an ''interest distribution'' prior to such proposed removal entering into effect, Non-UK Resident Shareholders must provide a valid declaration of non-residence for United Kingdom tax purposes to avoid incurring UK withholding (see also paragraph 3.2.2 of this Part VIII (Taxation And ERISA Considerations) of this Prospectus.

Subject to such proposed removal of UK withholding with effect from 6 April 2017, US Shareholders that do not provide, or do not timely provide, a declaration of non-residence necessary in their particular circumstances to avoid UK withholding tax, will likely not be entitled to a deduction or a foreign tax credit with respect to such UK withholding taxes because such taxes may be viewed as non-compulsory payment under US federal income tax principles. Subject to various limitations, however, a corporate US Shareholder that holds 10 per cent. or more of the voting Shares of the Company may be eligible for an ''indirect'' foreign tax credit on certain distributions to take account of certain UK income taxes the Company previously paid. US Shareholders should contact their own tax advisers with respect to the availability of any deduction or foreign tax credit in their particular circumstances.

3. US TAX-EXEMPT SHAREHOLDERS

A US Shareholder that is an organisation exempt from tax under Section 501(a) of the US Tax Code (a ''**Tax-Exempt US Shareholder**'') is subject to tax on income that is considered to be ''unrelated business taxable income'' (''**UBTI**'') as defined in Section 512 of the US Tax Code. In addition, a Tax-Exempt US Shareholder is also subject to tax as UBTI with respect to its ''unrelated debt-financed income'' pursuant to Section 514 of the US Tax Code (''**UDFI**''). In general, UDFI consists of: (i) income derived by a tax-exempt organisation from income-producing property with respect to which there is ''acquisition indebtedness'' at any time during the taxable year; and (ii) gains derived by a tax-exempt organisation from the disposition of property with respect to which there is ''acquisition indebtedness''.

A Tax-Exempt US Shareholder should generally not realise UBTI (including UDFI) as a result of its investment in the Company provided that the Tax-Exempt US Shareholder does not borrow funds in order to make such investment.

The Company will likely be considered a PFIC for US federal income tax purposes. Under the Regulations, a Tax-Exempt US Shareholder is not considered to be a shareholder in a PFIC. Therefore, a Tax-Exempt US Shareholder would not be subject to the PFIC tax rules, except to the extent that a ''dividend'' paid by the relevant PFIC would be taxable under the relevant sub-chapter F of the US Tax Code. Hence, a Tax-Exempt US Shareholder would only be subject to tax under the PFIC regime in respect of an excess distribution from, or any gain realised on the sale of its equity interests, in limited circumstances. These Regulations provide, additionally, that a Tax-Exempt US Shareholder that is not taxable under the PFIC rules may not make a QEF Election under Section 1295 of the US Tax Code. Moreover, different rules may apply to certain types of Tax-Exempt US Shareholders, such as charitable remainder trusts. Accordingly, any Tax-Exempt US Shareholder that is contemplating an investment in the Company is urged to consult its own tax advisers regarding the tax consequences of the ownership and disposition of Shares in the Company, including potential filing requirements.

If the Company qualifies as a CFC, as described above, any Tax-Exempt US Shareholder who is a 10 per cent. US Shareholder will be required to file certain information returns with the IRS as further discussed below under *''Information Reporting''*.

4. INFORMATION REPORTING

4.1 General reporting requirements

A US Shareholder (including in certain circumstances a Tax-Exempt US Shareholder) that transfers property (including cash) to the Company in exchange for a Share will be required to file a Form 926 or a similar form with the IRS. In the event that such person fails to file any required form, such person could be subject to a penalty of up to 10 per cent. of the value of the property transferred, subject to a US$100,000 limit provided that the failure was not due to intentional disregard.

Under the Regulations, any US Shareholder owning 10 per cent. or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the shares of a non-US corporation, or whose ownership interest changes by a statutorily specified amount, may be required to file an information return with the IRS containing certain disclosures concerning the filing investor, other US Shareholders and the corporation. The determination of whether a US Shareholder is a 10 per cent. US Shareholder for purposes of this filing requirement may be made by reference to such US Shareholder's percentage ownership of a share within a particular class, if any, rather than that of all shares of the Company. The Company has not committed to provide all of the information about the Company or its shareholders necessary to complete such an information return. Prospective investors should consult their tax advisers about such information return filing requirements.

Certain US persons are generally required to report to the IRS by filing FinCEN Form 114 with respect to financial interests in foreign financial accounts held by such US persons during the previous calendar year if the aggregate value of such accounts exceeds US$10,000 at any time during the calendar year. Significant penalties may apply in respect of the failure to file FinCEN Form 114 in respect of foreign financial accounts. Thus, US Shareholders should consult their tax advisers as to whether to file FinCEN Form 114 in respect of their ownership in the Company.

4.2 **Investor tax filings and record retention**

The US Treasury Department has adopted Regulations designed to assist the IRS in identifying abusive tax shelter transactions. In general, the Regulations require investors in specified transactions (including certain investors in partnerships that engage in such transactions) to satisfy certain special tax filing and record retention requirements. Significant monetary penalties may be incurred as a result of a failure to comply with these tax filing and record retention rules.

The Regulations are broad in scope and it is conceivable that the Company may enter into transactions that will subject the Company and certain investors to the special tax filing and record retention rules. Additionally, an investor's recognition of a loss on its disposition of its Shares could, in certain circumstances, subject such investor to these rules. The Company has not committed to provide all of the information to investors necessary to enable investors to satisfy any tax filing and record retention requirements that may arise as a result of any transactions entered into by the Company. Prospective investors should consult their tax advisers about such information return filing requirements.

4.3 **Backup withholding**

Payments of dividends and other proceeds with respect to the Shares by a US financial intermediary will be required to be reported to the IRS and to the US Shareholder as may be required under applicable Regulations. As a result, backup withholding may apply to such payments if the US Shareholder fails in a timely manner to provide an accurate US taxpayer identification number or to certify its exempt status. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will generally be allowed as a refund or credit against the US Shareholder's US federal income tax liability, provided that the required information is provided to the IRS in a timely manner.

4.4 **FATCA reporting and withholding tax**

FATCA imposes a withholding tax of 30 per cent. on: (i) certain US source interest, dividends and other types of income; and (ii) the gross proceeds from the sale or disposition of certain assets of a type that can produce US source interest and dividends, that are received by a foreign financial institution ("**FFI**"), unless such FFI enters into an agreement with the IRS and/or complies with an applicable intergovernmental agreement to obtain certain information as to the identity of the direct and indirect owners of accounts in such FFI. In addition, a withholding tax may be imposed on payments to certain non-financial foreign entities that do not obtain and provide information as to their direct and indirect owners. These rules generally apply to payments of US source interest, dividends and certain other types of income from US sources and, after 31 December 2018, these rules are expected to apply to payments of gross proceeds from the sale or disposition of assets of a type that can produce US source interest or dividends.

The IRS has released temporary and final Regulations and other guidance to implement FATCA, which contain a number of phase-in dates for FATCA compliance. In addition, the United Kingdom has entered into a Model 1 IGA with the United States (the "**UK-US IGA**") and has issued the Tax Information Authority (International Tax Compliance) (United States of America) Regulations 2014 and associated guidance notes, each as updated from time to time.

The Company is likely to be considered an FFI. To avoid incurring US withholding tax under FATCA, the Company is generally required to register with the IRS and to comply with the UK-US IGA and any associated guidance. The Company intends to register with the IRS and expects that it will be required to identify and report on certain direct and indirect US owners in order to comply with the UK-US IGA. Therefore, the Company generally does not expect to become subject to US withholding tax under FATCA.

To the extent that the Company is an FFI solely because it qualifies an "investment entity" within the meaning of the UK-US IGA, equity interests in the Company that are regularly traded on an established securities market should not qualify as financial accounts subject to FATCA diligence and reporting. Shareholders should note that, since Shares may be held via the CREST securities settlement system, any financial institutions that are CREST members acting as intermediaries with respect to the Company's Share transactions (including, without limitation, any custodian, broker, nominee or other agent that is a financial institution) are likely required to conduct FATCA diligence, reporting and withholding with respect to the Shareholders. However, a Shareholder may in any event be required to provide to the Company information that identifies the Shareholder's direct and indirect ownership. Any such information provided to the Company may ultimately be shared with HMRC and transmitted to the IRS and, potentially, certain other authorities and withholding agents, as applicable.

By investing (or continuing to invest) in the Company, investors will be deemed to have acknowledged, and to have given their consent to, the following:

4.4.1 the Company (or its agent) may be required to disclose to HMRC and withholding agents certain information (which could otherwise be deemed to be confidential) in relation to the investor or its direct or indirect owners, including the investor's name, address, date of birth, tax identification number (if any), social security or national insurance number (if any) and certain additional information and/or documentation relating to the investor's investment or identity, and the investor may be required to provide any such information and/or documentation;

4.4.2 HMRC may be required to automatically exchange information with, among other authorities, the IRS, and to provide additional information to such authorities, and the Company (or its agent) may be required to disclose certain information (including information that could otherwise be deemed to be confidential) when registering with such authorities and in response to a request by any such authority for further information;

4.4.3 in the event that an investor's failure to comply with any FATCA-related reporting requirements gives rise to any withholding tax, the Company reserves the right to recover any such withholding tax and any related cost, interest, penalties and other losses or liabilities suffered by the Company, the Administrator or any other investor, or any agent, delegate, employee, director, officer or affiliate of any of the foregoing persons, arising from such investor's failure to provide information to the Company;

4.4.4 in the event that an investor does not provide the information and/or documentation necessary for the Company's satisfaction of its FATCA-related reporting requirements, whether or not that actually leads to compliance failures by the Company or to a risk of the Company or its investors being subject to US withholding tax under FATCA, the Company reserves the right to take any action and/or pursue all remedies at its disposal to mitigate the consequences of the investor's failure to comply with the requirements described above, including compulsory redemption or withdrawal of the investor concerned; and

4.4.5 no investor affected by any such action or remedy shall have any claim against the Company or the Administrator (or their agents, delegates, employees, directors, officers or affiliates) for any damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with FATCA.

Investors should consult their tax advisers as to the withholding, filing, and information reporting requirements that may be imposed on them in respect of their ownership of Shares of the Company.

5. OTHER TAXES

The Company and its investors may be subject to other taxes, such as the alternative minimum tax, and estate, inheritance or intangible property taxes that may be imposed by various jurisdictions, as well as non-US withholding or gains taxes. Each prospective investor should consider the potential consequences of such taxes on an investment in the Company. It is the responsibility of each prospective investor to satisfy itself as to, among other things, the legal and tax consequences of an investment in the Company, under the laws of the state(s) of its domicile and its residence, by obtaining advice from its own tax counsel or other adviser, and to file all appropriate tax returns that may be required.

THE LEGAL COUNSEL AND ACCOUNTANTS OF THE COMPANY SHOULD NOT BE DEEMED TO REPRESENT THE INVESTORS. EACH INVESTOR SHOULD CONSULT ITS OWN LEGAL, TAX, ACTUARIAL AND ACCOUNTING ADVISERS WITH RESPECT TO ITS INVESTMENT IN THE COMPANY.

ERISA CONSIDERATIONS

1. GENERAL

Fiduciaries and other persons who are proposing to invest in the Company on behalf of (i) an employee benefit plan subject to the fiduciary provisions of the Employee Retirement Income Security Act of 1974, as amended (''**ERISA**''), (ii) a ''plan'' subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the ''**Code**'') or (iii) an entity whose underlying assets include ''plan assets'' for purposes of ERISA by reason of investment in the investor by persons described in (i) and (ii) (''**Plans**''), must give appropriate consideration to, among other things, the role that an investment in the Company plays in the Plan's portfolio, taking into consideration whether the investment is designed to reasonably further the Plan's purposes, the investment's risk and return factors, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the Plan, the projected return of the total portfolio relative to the Plan's objectives, the limited right of investors to withdraw all or part of their capital or to transfer their interests in the Company and whether investment in the Company constitutes a direct or indirect transaction with a party in interest (under ERISA) or a disqualified person (under the Code).

2. PLAN ASSET REGULATIONS AND BENEFIT PLAN INVESTORS

The United States Department of Labor (the ''**DOL**'') has adopted regulations that treat the assets of certain pooled investment vehicles, such as the Company, as ''plan assets'' for purposes of Title I of ERISA and Section 4975 of the Code (''**Plan Assets**''). Section 3(42) of ERISA defines the term ''Plan Assets'' to mean plan assets as defined by such regulations as the DOL may prescribe, except that under such regulations the assets of an entity shall not be treated as Plan Assets if, immediately after the most recent acquisition of an equity interest in the entity, less than 25 per cent. of the total value of each class of equity interest in the entity is held by ''Benefit Plan Investors'' (the ''**significant participation test**''). For the purposes of this determination, the value of any equity interest held by a person (other than such a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the entity or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person, shall be disregarded. An entity shall be considered to hold Plan Assets only to the extent of the percentage of the equity interest held by Benefit Plan Investors. The term ''Benefit Plan Investors'' means any employee benefit plan subject to the fiduciary provisions of ERISA, any plan to which the prohibited transaction provisions of Section 4975 of the Code apply (e.g., individual retirement accounts), and any entity whose underlying assets include Plan Assets by reason of a plan's investment in such entity (a ''**Plan Asset Entity**'').

The Company intends to restrict participation in any class of equity interest in the Company by Benefit Plan Investors as of the dates of Initial Admission and Subsequent Admission to less than 25 per cent. of the aggregate value of such class (determined, as described above,

by excluding certain interests held by the Investment Manager and its affiliates). Each person purchasing Shares in the Offer or the Placing will be deemed to have represented that it is not a Benefit Plan Investor or acting for the account of a Benefit Plan Investor. All Benefit Plan Investors acquiring Shares issued in connection with the acquisition of the Seed Assets will be required to declare their status as a Benefit Plan Investor. Each such investor that is an insurance company acting on behalf of its general account or a Plan Asset Entity will be required to represent and warrant as of the date it invests in the Company the maximum percentage of such general account or Plan Asset Entity that will constitute Plan Assets (the "**Maximum Percentage**") so such percentage can be calculated in determining the percentage of Plan Assets invested in the Company. Further, each such insurance company and Plan Asset Entity will be required to covenant that if, after its initial investment in the Company, the Maximum Percentage is exceeded at any time, then such insurance company or Plan Asset Entity shall immediately notify the Company of that occurrence and shall, if and as directed by the Company in a manner consistent with the restrictions on transfer set forth herein, dispose of some or all of its interests in the Company.

After the date of the Subsequent Admission, in order to limit equity participation in each class of equity interests in the Company by Benefit Plan Investors, the Company may act to compel the transfer or redemption of and/or restrict the holding of Shares held by a Benefit Plan Investor. Although all Benefit Plan Investors obtaining Shares in connection with the acquisition of the Seed Assets will hold certificated Shares, Shares purchased in trading on the Specialist Fund Segment may be held through CREST, including in nominee accounts, on an uncertificated basis. The Company is unlikely to be aware of beneficial ownership of any Shares purchased by Benefit Plan Investors and held in nominee accounts through CREST. In such circumstances, the Company would not be able to effectively monitor or limit the level of Benefit Plan Investor participation in the Company. In light of this uncertainty, the Company intends to use its discretion regarding restricting transfers of Shares to Non-Qualified Holders to prohibit any transfer of Shares of which it is aware to a Benefit Plan Investor. However, in light of the foregoing, Benefit Plan Investors must consider the uncertainty of the Company's status under ERISA and whether an investment in the Company is prudent under ERISA.

If the Company's assets were considered Plan Assets, then, under ERISA and the Code, the Investment Manager would a fiduciary, and certain of its employees, partners and officers, as well as certain affiliates, would become "parties in interest" and "disqualified persons," with respect to the investing Plans, with the result that the rendering of services to certain related parties or the lending of money or other extensions of credit, or the sale, exchange or leasing of property by the Company or certain related parties, or the payment of certain fees, as well as certain other transactions, might be deemed to constitute prohibited transactions. Additionally, individual investment in the Company by persons who are fiduciaries, and/or parties-in-interest and disqualified persons, to a Plan might be deemed to constitute prohibited transactions under such circumstances.

3. REPRESENTATIONS BY PLANS

The fiduciaries of each Plan proposing to invest in the Company will be required to represent that they have been informed of and understand the Company's investment objectives, policies and strategies and that the decision to invest Plan Assets in the Company is consistent with the provisions of ERISA and/or the Code that require diversification of Plan Assets and impose other fiduciary responsibilities. By its investment, each investor will be deemed to have represented that either (a) it is not a Plan that is subject to the prohibited transaction rules of ERISA or the Code, (b) it is not an entity whose assets include Plan Assets or (c) its investment in the Company will not constitute a non-exempt prohibited transaction under ERISA or the Code.

In addition, each fiduciary of each Plan proposing to invest in the Company will be required to represent that either (i) in connection with its decision to invest in the Company, the investor is represented by an entity (A) described in 29 CFR §2510.3-21(c)(1)(i); (B) that is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies; (C) who acknowledges that neither the Investment Manager nor any of its affiliates or employees is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the investor's investment in the Company; and (D) who is acting as a fiduciary under ERISA with respect to the

investor's investment in the Company and is responsible for exercising independent judgment in evaluating such investment; and/or (ii) neither the Investment Manager nor any of its affiliates or employees has rendered ''investment advice'' (within the meaning of 29 CFR §2510.3-21(a)) to the investor in connection with the investor's decision to invest in the Company.

4. INELIGIBLE PURCHASERS

Shares may not be acquired with Plan Assets if the Investment Manager, any selling agent, finder, any of their respective affiliates or any of their respective employees: (a) has investment discretion with respect to the investment of such Plan Assets; (b) has authority or responsibility to give or regularly gives investment advice with respect to such Plan Assets, for a fee, and pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions with respect to such Plan Assets and that such advice will be based on the particular investment needs of the Plan; or (c) is an employer maintaining or contributing to such Plan. A party that is described in clause (a) or (b) of the preceding sentence is a fiduciary under ERISA and the Code with respect to the Plan, and any such purchase might result in a ''prohibited transaction'' under ERISA and the Code.

5. PLAN REPORTING REQUIREMENTS

The information contained herein and in the other documentation provided to investors in connection with an investment in the Company is intended to satisfy the alternative reporting option for ''eligible indirect compensation'' on Schedule C of the Form 5500, in addition to the other purposes for which such documents were created.

WHETHER OR NOT THE UNDERLYING ASSETS OF THE COMPANY ARE DEEMED PLAN ASSETS, AN INVESTMENT IN THE COMPANY BY A PLAN IS SUBJECT TO ERISA AND THE CODE. ACCORDINGLY, PLAN FIDUCIARIES SHOULD CONSULT THEIR OWN COUNSEL AS TO THE CONSEQUENCES UNDER ERISA AND THE CODE OF AN INVESTMENT IN THE COMPANY. NOTE THAT SIMILAR LAWS GOVERNING THE INVESTMENT AND MANAGEMENT OF THE ASSETS OF GOVERNMENTAL OR NON-US PLANS MAY CONTAIN FIDUCIARY AND PROHIBITED TRANSACTION REQUIREMENTS SIMILAR TO THOSE UNDER ERISA AND THE CODE. ACCORDINGLY, FIDUCIARIES OF SUCH GOVERNMENTAL OR NON-US PLANS, IN CONSULTATION WITH THEIR COUNSEL, SHOULD CONSIDER THE IMPACT OF THEIR RESPECTIVE LAWS AND REGULATIONS ON AN INVESTMENT IN THE COMPANY.

PART IX – ADDITIONAL INFORMATION ON THE COMPANY

1. INCORPORATION OF THE COMPANY

1.1 The Company is a public limited company incorporated in the United Kingdom. It was registered in England and Wales under the Act on 24 October 2016 with registered number 10443190. The Company has received a certificate under section 761 of the Act entitling it to commence business and to exercise its borrowing powers. The Company has given notice to the Registrar of Companies that it intends to carry on business as an investment company under section 833 of the Act.

1.2 Save for its entry into the material contracts summarised in paragraph 10 of this Part IX (Additional Information on the Company) of this Prospectus and certain non-material contracts, since its incorporation, the Company has not commenced operations, has not declared any dividend and no financial statements have been made up. The Company is resident for tax purposes in the United Kingdom and has no employees.

1.3 The principal activity of the Company is to invest its assets in accordance with the investment policy set out in Part I (The Company) of this Prospectus. The Company has no reserves.

1.4 The Company operates under the Act and is not regulated as a collective investment scheme by the FCA. Its registered office and principal place of business is at Beaufort House, 51 New North Road, Exeter EX4 4EP, and the statutory records of the Company will be kept at this address. The Company's telephone number is +44 1392 477500.

2. PRINCIPAL ACTIVITIES OF THE COMPANY

2.1 The Company has applied to, and obtained approval (conditional on Initial Admission) from, HMRC as an investment trust company and intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of Chapter 4 of Part 24 of the Corporation Tax Act 2010 (as amended) and the Investment Trust (Approved Company) (Tax) Regulations 2011 (as amended). In summary, the conditions that must be met for a company to be approved as an investment trust for an accounting period are that, in relation to that accounting period:

2.1.1 all, or substantially all, of the business of the company is to invest its funds in shares, land or other assets with the aim of spreading investment risk and giving members of the company the benefit of the results of the management of its funds;

2.1.2 the shares making up the company's equity share capital (or, if there are such shares of more than one class, those of each class) are admitted to trading on a regulated market;

2.1.3 the company is not a venture capital trust or a company UK Real Estate Investment Trust (or ''**REIT**'');

2.1.4 the company is not a ''close company'' (as defined in section 439 of the Corporation Tax Act 2010 (as amended)); and

2.1.5 subject to particular rules that may apply where the company has accumulated revenue losses brought forward from previous accounting periods, the company does not retain an amount which is greater than the higher of: (i) 15 per cent. of its income for the accounting period; and (ii) any amount of income that the company is required to retain in respect of the accounting period by virtue of a restriction imposed by law.

3. THE INVESTMENT MANAGER

3.1 The Investment Manager, Pharmakon Advisors L.P., a limited partnership established under the laws of the State of Delaware, is the Company's alternative investment fund manager. It is registered as an investment adviser with the SEC under the Advisers Act. The principal office of the Investment Manager is 110 East 59th Street #3300, New York, NY 10022 USA and its telephone number is +1 212 883 2284. The registered office of the Investment Manager is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808 USA.

4. SHARE CAPITAL

4.1 Shares and Redeemable Preference Shares

4.1.1 The ISIN of the Shares is GB00BDGKMY29 and the SEDOL is BDGKMY2. The ticker symbol of the Company is BPCR.

4.1.2 On incorporation, the share capital of the Company was US$0.01 and £50,000 represented by 1 Share of a nominal value of US$0.01 each and 5,000,000 Redeemable Preference Shares of nominal value of 1 penny each respectively, which were held by Sardis Capital Limited to allow the Company to commence business and to exercise its borrowing powers under section 761 of the Act.

4.1.3 The following table shows the issued share capital of the Company as at the date of this Prospectus:

	Nominal Value per Share	Number
Shares	US$0.01	1
Redeemable Preference Shares	1 penny	5,000,000

4.1.4 The Shares to be issued pursuant to the Issue will be issued in accordance with the Articles and the Act.

4.1.5 Set out below is the issued share capital of the Company as it will be following the Issue (assuming that 300 million Shares are allotted pursuant to the Issue and following the cancellation of Redeemable Preference Shares):

	Nominal Value per Share	Number
Shares	US$0.01	300,000,000

4.1.6 All Shares either are or will, on Admission, be fully paid.

4.2 Issue and Repurchases of Shares

4.2.1 By special resolutions passed on 27 February 2017 and 28 February 2017:

(A) the Directors were authorised to allot Shares in connection with the Issue up to an aggregate nominal amount of US$20 million, such authority to expire at the end of the period of five years from the date of the passing of that resolution;

(B) the Directors were empowered to allot Shares as referred to in sub-paragraph (A) above on a non-pre-emptive basis provided that this power will expire upon the expiry of the authority to allot Shares referred to in sub-paragraph (A) above;

(C) the Directors were authorised to allot Shares, or C Shares convertible into Shares, up to an aggregate nominal amount equal to the difference between the nominal amount of the Shares issued under the Issue and US$20 million, such authority to expire at the end of the period of five years from the date of the passing of that resolution;

(D) the Directors were empowered to allot Shares and C Shares as referred to in sub-paragraph (C) above on a non-pre-emptive basis provided that this power will expire upon the expiry of the authority to allot Shares referred to in sub-paragraph (C) above;

(E) the Company was authorised to make market purchases of Shares on such terms and in such manner as the Directors may from time to time determine, provided that:

(1) the maximum number of Shares authorised to be acquired other than pursuant to an offer made to Shareholders generally is equal to 14.99 per cent. of the number of Shares in issue immediately following Admission;

(2) the minimum price which may be paid for any Share is US$0.01;

(3) the maximum price which may be paid for any Share is the higher of: (i) an amount equal to 105 per cent. of the average of the middle market quotations for a Share as derived from the London Stock Exchange Daily Official List for the five Business Days immediately preceding the day on which such Share is contracted to be purchased; and (ii) the higher of (a) the price of the last independent trade and (b) the highest current independent bid for a Share in the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by that resolution will be carried out; and

(4) such authority shall expire at the conclusion of the first annual general meeting of the Company, unless previously renewed, varied or revoked by the Company in general meeting;

(F) it was resolved, conditionally upon (i) the Company having sufficient paid-up share capital to maintain its status as a public limited company and to comply with the conditions of section 761 of the Act and (ii) the approval of the courts of England and Wales, to cancel the Redeemable Preference Shares; and

(G) it was resolved, conditionally upon (i) the Issue occurring and (ii) the approval of the court, that the amount standing to the credit of the share premium account of the Company immediately following the Issue be cancelled.

4.2.2 The cancellation of the Company's share premium account will enable the Directors to make Share repurchases out of the Company's distributable reserves to the extent considered desirable by the Directors. The Company may, where the Directors consider it appropriate, use the reserve created by the cancellation of its share premium account to pay dividends.

4.2.3 Subject as provided elsewhere in this Prospectus and in the Articles, Shares are freely transferable.

4.2.4 There are no pre-emption rights relating to the Shares in the Articles. Statutory pre-emption rights in the Act apply, save to the extent dis-applied by Shareholders as referred to in paragraph 4.2.1 above or otherwise.

4.2.5 Save as disclosed in this Prospectus, since the date of its incorporation, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital. Save as disclosed in this Prospectus, since the date of its incorporation, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

4.2.6 The Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from Initial Admission. All Shares issued in connection with the Initial Acquisition and pursuant to the PL Subscription Agreement shall be issued in certificated form only. In the case of Shares to be issued in uncertificated form, these will be transferred to successful applicants through CREST. Accordingly, settlement of transactions in the Shares following Initial Admission may take place within CREST if any Shareholder so wishes.

4.3 **Redemptions at the option of Shareholders**

There is no right or entitlement attaching to Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

5. MEMORANDUM AND ARTICLES OF ASSOCIATION

5.1 **Memorandum**

The Memorandum does not restrict the objects of the Company.

5.2 **Articles of Association**

The Articles contain (among others) provisions to the following effect:

5.2.1 **Life**

The Company has been established with an unlimited life. The Articles provide, however, that a continuation resolution be put to Shareholders as an ordinary resolution: (i) at the first annual general meeting of the Company to be held following the fifth anniversary of Initial Admission and, if passed, at the annual general meeting held in every third year thereafter; and (ii) within two months of the end of any 12 month rolling period where the Shares have, on average, traded at a discount in excess of 10 per cent. to the Net Asset Value per Share (calculated by comparing the middle market quotation of the Shares at the end of each month in the relevant period to the prevailing published Net Asset Value per Share (exclusive of any dividend declared) as at such month end and averaging this comparative figure over the relevant period). If passed by the Shareholders the effect of that resolution will be that the Company will continue its business as a closed-ended investment trust. If the resolution is not passed, then the Board will be required to put proposals for the reconstruction, reorganisation or winding up of the Company to the Shareholders for their approval within six months of the date of the general meeting at which the continuation resolution was proposed.

5.2.2 **Issue of Shares**

Subject to the provisions of the Act and without prejudice to any rights attaching to any existing Shares, any Share may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or, if the Company has not so determined, as the Directors may determine).

5.2.3 **Alteration to Share capital**

The Company may by ordinary resolution consolidate and divide all or any of its Share capital into Shares of larger nominal amount than its existing Shares and sub-divide its Shares, or any class of them, into Shares of smaller nominal amount than its existing Shares and determine that, as between Shares arising from that sub-division, any of the Shares have any preference or advantage as compared with the others.

5.2.4 **Redemption of Shares**

Any Share may be issued which is or is to be liable to be redeemed at the option of the Company or the holder, and the Directors may determine the terms, conditions and manner of redemption of any such Share.

5.2.5 **Dividends**

(A) Subject to the provisions of the Act and the Articles, the Directors may by ordinary resolution declare dividends. No dividends shall exceed the amount recommended by the Board. Subject to the provisions of the Act and the Articles, the Directors may pay interim dividends, or dividends payable at a fixed rate, if it appears to them that such dividends are justified by the profits of the Company available for distribution.

(B) Subject to the provisions of the Act and the Articles, all dividends shall be declared and paid according to the amounts paid-up on the Shares on which the dividend is paid. If any Share is issued on terms that it ranks for dividend as at a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amount paid-up on the Shares during any portion(s) of the period in respect of which the dividend is paid.

(C) Notwithstanding any other provision of the Articles, but without prejudice to the rights attached to any Shares, the Company may fix a date and time as the record date by reference to which a dividend will be declared or paid or a distribution, or allotment or issue of Shares, made. No dividends or other money payable in respect of a Share shall bear interest against the Company, unless otherwise provided by the rights attached to the Share.

5.2.6 **Distribution of assets on a winding up**

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

5.2.7 **Voting rights**

(A) Subject to sub-paragraph (B) below and any rights or restrictions attached to any class of Shares, on a show of hands every Shareholder present in person at a meeting has one vote and every proxy present who has been duly appointed by a Shareholder entitled to vote has one vote, and on a poll every Shareholder (whether present in person or by proxy) has one vote for every Share of which they are the holder. A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use the same way. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders appear in the Register.

(B) (1) In respect of any resolution to appoint or remove a Director (a "**Director Resolution**"), each Shareholder shall be required to certify that, at the time of the general meeting (or any adjournment thereof) at which the relevant Director Resolution is tabled, at the time of signifying agreement to the proposed resolution: (a) it is not a US Person and it reasonably believes it is not a US Resident; and (b) to the extent that it holds Shares for the account or benefit of any other person, such other person is not a US Person and it reasonably believes such other person is not a US Resident. Each Shareholder that does not so certify at the relevant time in a manner satisfactory to the Board is referred to in this paragraph as a "**Non-Certifying Shareholder**".

(2) For the purposes of calculating the number of votes which Non-Certifying Shareholders are entitled to cast on a Director Resolution, if and to the extent that, in the absence of this paragraph:

"A" $>$ (49/100) X "B"

then the aggregate total of votes which Non-Certifying Shareholders are entitled to cast shall be reduced so that "D" is the whole number nearest to but not exceeding:

"C" X (49/51)

Where the aggregate number of votes actually cast by Non-Certifying Shareholders (whether on a show of hands or on a poll or on a written resolution) "for" and "against" the relevant Director Resolution when added to the aggregate number of votes withheld by Non-Certifying Shareholders in respect of such Director Resolution exceeds "D", then the number of: (a) aggregate votes cast "for"; (b) aggregate votes cast "against"; and (c) aggregate votes withheld in respect of, such Director Resolution by Non-Certifying Shareholders, will each be reduced pro rata until the sum of (a), (b) and (c) above is equal to the whole number nearest to but not exceeding "D". Where the aggregate number of votes actually cast (whether on a show of hands or on a poll) and votes withheld, in each case by Non-Certifying Shareholders, is equal to or less than "D", then each of such votes actually cast or votes withheld (as applicable) shall be counted and no reductions shall occur.

(3) For the purposes of the foregoing:

"**A**" is the aggregate total of votes which Non-Certifying Shareholders are entitled to cast, whether on a show of hands or on a poll, on the relevant Director Resolution prior to the operation of this paragraph;

"**B**" = A + C

"**C**" is the aggregate total of votes which Shareholders other than Non-Certifying Shareholders are entitled to cast, whether on a show of hands or on a poll, on the relevant Director Resolution; and

"**D**" is the aggregate total of votes Non-Certifying Shareholders are entitled to cast, whether on a show of hands or on a poll, on the relevant Director Resolution, following the operation of this paragraph (B).

(4) The Directors may specify other requirements and/or vary the requirements of this paragraph (B) as they in their discretion consider necessary or appropriate to give effect to the limitation herein, but such restrictions shall only be implemented when the Directors in good faith believe that: (a) to not do so may result in a regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or its Shareholders as a whole; and (b) the exercise of such power would not disturb the market in those Shares.

(C) No Shareholder shall have any right to vote at any general meeting or at any separate meeting of the holders of any class of Shares, either in person or by proxy, in respect of any Share held by them unless all amounts presently payable by them in respect of that Share have been paid.

5.2.8 **General Meetings**

(A) General meetings may be called by the Directors. If there are not sufficient Directors to form a quorum in order to call a general meeting, any Director may call a general meeting. If there is no Director, any Shareholder may call a general meeting.

(B) Subject to the provisions of the Act, an annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed or permitted under the Act.

(C) No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a corporation which is a Shareholder (including for this purpose two persons who are proxies or corporate representatives of the same Shareholder), shall be a quorum.

(D) A Shareholder is entitled to appoint another person as 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 any person(s) to act as its representative(s) at any meeting of the Company, or at any separate meeting of the holders of any class of Shares. Delivery of an appointment of proxy shall not preclude a Shareholder from attending and voting at the meeting or at any adjournment of it.

(E) Directors may attend and speak at general meetings and at any separate meeting of the holders of any class of Shares, whether or not they are Shareholders.

(F) A poll on a resolution may be demanded at a general meeting either before a vote on a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

5.2.9 **Redeemable Preference Shares**

Redeemable Preference Shares are not entitled to receive any dividend or distribution made or declared by the Company except for a fixed annual dividend equal to 0.00001 per cent. of their issue price. Save where there are no other Shares of the Company in issue, Redeemable Preference Shares shall carry no right to attend, receive notice of or to vote at any general meeting of the Company. On a winding up of the Company, the holder of a Redeemable Preference Share shall be entitled to be repaid the capital paid-up thereon *pari passu* with the repayment of the nominal amount of the Shares.

5.2.10 **Restrictions on rights: failure to respond to a section 793 notice**

If a Shareholder, or any other person appearing to be interested in Shares held by that Shareholder, has been given a notice under section 793 of the Act and has failed in relation to any Shares (the "**default Shares**") to give the Company the information thereby required within 14 days of the notice, sanctions shall apply unless the Directors determine otherwise. The sanctions available are the suspension of the right to attend or vote (whether in person or by representative or proxy) at any general meeting of Shareholders or any separate meeting of the holders of any class of Shares or on any poll and, where the default Shares represent at least 0.25 per cent. of their class (excluding treasury Shares), the withholding of any dividend payable in respect of those default Shares and the restriction of the transfer of any default Shares (subject to certain exceptions).

5.2.11 **Untraced Shareholders**

Subject to various notice requirements, the Company may sell any of a Shareholder's Shares if, during a period of 12 years, at least three dividends (either interim or final) on such Shares have become payable and no cheque for amounts payable in respect of such Shares has been presented and no warrant or other method of payment has been effected and no communication has been received by the Company from the Shareholder or person concerned.

5.2.12 **Borrowing powers**

The Directors shall restrict the borrowings of the Company so as to secure that the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Company shall not at any time when any borrowing is drawn down, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 50 per cent. of NAV (such 50 per cent. for these purposes including any existing borrowings and the proposed additional borrowing, and calculated at the time of incurring the proposed additional borrowings).

5.2.13 **Transfer of Shares**

(A) A Share in certificated form may be transferred by an instrument of transfer, which may be in any usual form or in any other form approved by the Directors, executed by or on behalf of the transferor and, where the Share is not fully paid, by or on behalf of the transferee. The transferor and/or the transferee shall deliver to the Company (and/or other person designated by the Company) such written certifications in form and substance satisfactory to the Company as the Directors may determine in accordance with applicable law

(B) A Share in uncertificated form may be transferred by means of the relevant system concerned.

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

(1) is lodged, duly stamped, at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the Share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make

the transfer and/or the transferee to receive the transfer (including such written certifications in form and substance satisfactory to the Company as the Directors may determine in accordance with applicable law);

(2) is in respect of only one class of Share;

(3) is not in favour of more than four transferees; and

(4) the transfer is not in favour of any Non-Qualified Holder.

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

(E) If the Directors refuse to register a transfer of a Share, they shall send the transferee notice of that refusal with reasons for the refusal within two months after the date on which the transfer was lodged with the Company (for the transfer of a Share in certificated form) or the date the operator-instruction was received by the Company (for the transfer of a Share in uncertificated form which will be held thereafter in certificated form).

(F) No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any Share.

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

(H) If any Non-Qualified Holder owns any Shares, whether directly, indirectly or beneficially, the Directors may give notice requiring such person within 30 days to:

(1) establish to the satisfaction of the Directors that such person is not a Non-Qualified Holder; or

(2) sell or transfer his Shares to a person who is not a Non-Qualified Holder, and to provide the Directors with satisfactory evidence of such sale or transfer. Pending sale or transfer of such Shares, the Directors may suspend rights with respect to the Shares.

(I) If any person upon whom a notice is served pursuant to paragraph (G) does not within 30 days transfer his Shares or establish to the satisfaction of the Directors that he is not a Non-Qualified Holder, the Directors may arrange for the sale of the Shares on behalf of the registered holder at the best price reasonably obtainable at the time. The manner, timing and terms of any such sale shall be such as the Directors determine (based on appropriate professional advice) to be reasonably obtainable having regard to all material circumstances.

5.2.14 **Appointment of Directors**

(A) Unless the Company determines otherwise by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than two.

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

(C) Until otherwise determined by the Company by ordinary resolution, there shall be paid to the directors (other than alternate directors) such fees for their services in the office of director as the directors may determine, not exceeding in the aggregate an annual sum of US$750,000.

5.2.15 **Powers of Directors**

(A) The business of the Company shall be managed by the Directors who, subject to the provisions of the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company.

(B) The Directors may appoint one or more of their number to the office of managing Director or to any other executive office of the Company and, subject to the provisions of the Act, any such appointment may be made for such term, at such remuneration and on such other conditions as the Directors think fit.

(C) Any Director (other than an alternate Director) may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director and may remove such an alternate Director from office.

5.2.16 **Voting at board meetings**

(A) No business shall be transacted at any meeting of the Directors unless a quorum, which may be fixed by the Directors from time to time, is present; unless so fixed at any other number, the quorum shall be two. A Director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternate Director who is not himself a Director shall, if his or her appointor is not present, be counted in the quorum.

(B) Questions arising at a meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall, unless he is not entitled to vote on the resolution, have a second or casting vote.

5.2.17 **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.

5.2.18 **Directors' interests**

Subject to the provisions of the Act and provided that the Director has disclosed to the other Directors the nature and extent of any material interest of his or hers, a Director, notwithstanding his or her 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.

5.2.19 **Indemnity**

Subject to the provisions of the Act, the Company may indemnify to any extent any person who is or was a Director, directly or indirectly (including by funding any expenditure incurred or to be incurred by the Director) against any loss or liability whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by them or otherwise in relation to the Company or any associated company; and purchase and maintain insurance for any person who is or was a Director, or a Director of any associated company, against any loss or liability or any expenditure they may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by them or otherwise, in relation to the Company or any associated company.

5.2.20 **C Shares**

(A) **Definitions**

''C Share'' a redeemable C share of US$0.01 in the capital of the Company carrying the rights set out in the Articles;

''C Share Surplus'' means, in relation to any tranche of C Shares, the net assets of the Company attributable to the holders of C Shares of that tranche (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets) less such proportion of the Company's liabilities (including the fees and expenses of the liquidation or return of capital (as the case may be)) as the Directors or the liquidator (as the case may be) shall reasonably allocate to the assets of the Company attributable to such holders;

''C Shareholder'' means a holder of C Shares;

''Conversion'' means, in relation to any tranche of C Shares, conversion of the C Shares of that tranche into New Shares in accordance with the Articles;

''Conversion Calculation Date'' means, in relation to any tranche of C Shares, the earlier of:

a) close of business on the day to be determined by the Directors occurring not before the day on which the Investment Manager gives notice to the Directors that at least 85 per cent., or such other percentage as the Directors may select as part of the terms of issue of any tranche of C Shares, of the assets attributable to the holders of that tranche of C Shares are invested in accordance with the investment policy of the Company; and

b) opening of business on the first day on which the Directors resolve that Force Majeure Circumstances in relation to any tranche of C Shares have arisen or are imminent,

provided that the Conversion Calculation Date shall in relation to any tranche of C Shares be such that the Conversion Date shall not be later than such date as may be determined by the Directors on the date of issue of C Shares of such tranche as the last date for Conversion of that tranche;

''Conversion Date'' means, in relation to any tranche of C Shares, the earlier of:

a) such date as may be determined by the Directors on the date of issue of the C Shares of such tranche as the last date for Conversion of such tranche; and

b) the opening of business on a dealing day selected by the Directors and falling after the Conversion Calculation Date;

''Conversion Ratio'' means in relation to each tranche of C Shares, A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

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

and

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

and where:

C is the aggregate value of all assets and investments of the Company attributable to the relevant tranche of C Shares (as determined by the Directors) on the relevant Conversion Calculation Date calculated in accordance with the accounting principles adopted by the Company from time to time;

D is the amount (to the extent not otherwise deducted in the calculation of C) which, in the Directors' opinion, fairly reflects the amount of the liabilities attributable to the holders of C Shares of the relevant tranche on the Conversion Calculation Date;

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

F is the aggregate value of all assets and investments attributable to the Shares on the relevant Conversion Calculation Date calculated in accordance with the accounting principles adopted by the Company from time to time;

G is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors' opinion, fairly reflects the amount of the liabilities attributable to the Shares on the Conversion Calculation Date; and

H is the number of Shares in issue on the Conversion Calculation Date;

''Force Majeure Circumstance'' means, in relation to any tranche of C Shares, any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation and/or other circumstances which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable notwithstanding that less than 85 per cent. (or such other percentage as the Directors may select as part of the terms of issue of such tranche) of the assets attributable to the holders of that tranche of C Shares are invested in accordance with the investment policy of the Company;

''Issue Date'' means, in relation to any tranche of C Shares, the day on which the Company receives the net proceeds of the issue of the C Shares of that tranche;

''New Shares'' means the new ordinary shares arising on Conversion of the C Shares; and

''Share Surplus'' means the net assets of the Company less the C Share Surplus or, if there is more than one tranche of C Shares in issue at the relevant time, the C Share Surpluses attributable to each of such tranches.

(B) **Issue of C Shares**

Subject to the Act, the Directors shall be authorised to issue C Shares in tranches on such terms as they determine provided that such terms are consistent with the provisions of the Articles. The Board shall, on the issue of each tranche of C Shares, determine the Conversion Calculation Date (including the percentage of assets to have been invested prior to calculation of the Conversion Ratio taking place), Conversion Date, Conversion Ratio and voting rights attributable to each such tranche.

Each tranche of C Shares, if in issue at the same time, shall be deemed to be a separate class of shares. The Board may, if it so decides, designate each tranche of C Shares in such manner as it sees fit in order that each tranche of C Shares can be identified.

(C) **Dividends**

The C Shareholders of any tranche of C Shares will be entitled to receive such dividends as the Board may resolve to pay to such C Shareholders out of the assets attributable to such C Shareholders.

The New Shares arising on Conversion of the C Shares shall rank in full for all dividends and other distributions declared after the Conversion Date save that, in relation to any tranches of C Shares, the Directors may determine, as part of the terms of issue of such tranche, that the New Shares arising on the Conversion of such tranche will not rank for any dividend declared by reference to a record date falling on or before the Conversion Date.

(D) **Rights as to capital**

The capital and assets of the Company shall on a winding up or on a return of capital prior, in each case, to Conversion be applied as follows:

a) first, the Share Surplus shall be divided amongst the holders of the Shares pro rata according to their holdings of Shares; and

b) secondly, the C Share Surplus attributable to each tranche of C Shares shall be divided amongst the holders of the C Shares of such tranche pro rata according to their holdings of C Shares.

(E) **Voting rights**

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

(F) **Class consents and variation of rights**

Until Conversion, the consent of: (i) the holders of each tranche of C Shares as a class; and (ii) the holders of the Shares as a class shall be required to:

a) make any alteration to the memorandum of association or the articles of association of the Company; or

b) pass any resolution to wind up the Company,

and accordingly the special rights attached to the C Shares of such tranche and the Shares shall be deemed to be varied if such consent is not obtained.

(G) **Undertakings**

Until Conversion and without prejudice to its obligations under the Act, the Company shall, in relation to each tranche of C Shares:

a) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the holders of C Shares of the relevant tranche can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to the Act, procure that separate cash accounts, broker and other settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets and liabilities attributable to such C Shareholders;

b) allocate to the assets attributable to such C Shareholders such proportion of the expenses and liabilities of the Company incurred or accrued between the relevant Issue Date and the Conversion Calculation Date (both dates inclusive) as the Directors fairly consider to be attributable to such C Shares; and

c) give appropriate instructions to the Investment Manager to manage the Company's assets so that the provisions of paragraphs (a) and (b) above can be complied with by the Company.

(H) **The Conversion process**

The Directors shall procure in relation to each tranche of C Shares that:

a) within 10 Business Days (or such other period as the Directors may determine) after the relevant Conversion Calculation Date, the Conversion Ratio as at the Conversion Calculation Date and the numbers of New Shares to which each holder of C Shares of that tranche shall be entitled on Conversion shall be calculated; and

b) the auditors shall be requested to certify, within 10 Business Days (or such other period as the Directors may determine) of the relevant Conversion Calculation Date, that such calculations as have been made by the Investment Manager:

(A) have been performed in accordance with the articles of association of the Company; and

(B) are arithmetically accurate,

whereupon such calculations shall become final and binding on the Company and all members.

The Directors shall procure that, as soon as practicable following such certification, a notice is sent to each C Shareholder advising such C Shareholder of the Conversion Date, the Conversion Ratio and the number of New Shares to which such C Shareholder shall be entitled on Conversion of such C Shareholder's C Shares.

On Conversion, such number of C Shares as shall be necessary to ensure that, upon Conversion being completed, the aggregate number of New Shares into which those C Shares are converted equals the number of C Shares in issue on the Conversion Calculation Date multiplied by the Conversion Ratio and rounded down to the nearest whole Share, shall automatically convert into an equal number of New Shares. The New Shares arising on Conversion shall be divided amongst the former C Shareholders pro rata according to their respective former holdings of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to New Shares arising upon Conversion, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company provided that such proceeds are less than US$5.00 per C Shareholder). In the event that the number of C Shares required to be converted into New Shares exceeds the number of C Shares in issue, the Directors shall be authorised (without the need for any further authorisation) to take such additional steps, including issuing additional innominate shares by way of a bonus issue to C Shareholders, as shall be necessary to ensure the proper operation of the Conversion process as described in this paragraph.

Each issued C Share which does not convert into a New Share in accordance with this paragraph shall, immediately upon Conversion, be redeemed by the Company for an aggregate consideration of US$0.01 for all of the C Shares to be so redeemed and the notice referred to in this paragraph shall be deemed to constitute notice to each C Shareholder (and any person or persons having the right to acquire or acquiring C Shares on or after the Conversion Calculation Date) that such C Shares shall be so redeemed. The Company shall not be obliged to account to any C Shareholder for the redemption monies in respect of such shares.

Upon request following Conversion, the Company shall issue to each former C Shareholder a new certificate in respect of the New Shares in certificated form which have arisen upon Conversion.

6. THE CITY CODE ON TAKEOVERS AND MERGERS

6.1 Mandatory Bid

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

(a) any person acquires, whether by a series of transactions over a period of time or otherwise, an interest in Shares which, when taken together with Shares in which he and persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights in the Company; or

(b) any person, together with persons acting in concert with them, is interested in Shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold Shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with them, acquires an interest in any other Shares which increases the percentage of Shares carrying voting rights in which they are interested,

such person would be required (except with the consent of the Takeover Panel) to make a cash or cash alternative offer for the outstanding Shares at a price not less than the highest price paid for any interests in the Shares by them or their concert parties during the previous 12 months. Such an offer must only be conditional on:

(a) the person having received acceptances in respect of Shares which (together with Shares already acquired or agreed to be acquired) will result in the person and any person acting in concert with him holding Shares carrying more than 50 per cent. of the voting rights; and

(b) no reference having been made in respect of the offer to the Competition and Markets Authority by either the first closing date or the date when the offer becomes or is declared unconditional as to acceptances, whichever is the later.

Mr. Pablo Legorreta (together with his concert parties listed in paragraph 6.2 below) (collectively, the "**PL Associates**") has a current intention to subscribe for between 37,914,971 Shares and (depending on the value of the RPS Interests contributed by Pharma Investors under the RPS Pharma Investors Agreement) 125,514,971 Shares under the Initial Acquisition and the PL Subscription, the maximum limit representing 41.84 per cent. of the minimum number of Shares that might be issued under the Issue. Further details regarding individual members of the PL Associates and their potential shareholding on Admission is set out in paragraph 6.2 below.

The Takeover Panel has confirmed to the Company that no mandatory offer for the Company need be made as a result of the PL Associates acquiring 30 per cent. or more of the voting rights attached to the issued share capital of the Company as a result of the Issue on the basis that the subscription by the PL Associates for Shares pursuant to the Initial Acquisition and the PL Subscription, and the maximum controlling interest that the concert party could have as a result of the Issue are disclosed in this Prospectus.

After Admission, if the PL Associates hold more than 30 per cent. of the voting rights of the Company, neither Mr. Pablo Legorreta nor any other member of the PL Associates will be able to increase their aggregate holding in the Company, save as described below, without triggering the requirement to make a cash offer for the outstanding Shares in the Company.

6.2 The PL Associates Concert Party

Among the investors in the Company, for the reasons set out below, the following investors, together comprising the PL Associates, should be regarded as acting in concert:

a) Mr. Pablo Legorreta;

b) Mrs. Almudena Legorreta;

c) The Legorreta Family 2002 Trust;

d) The Legorreta Children 2002 Trust

e) The Legorreta 2009 Children Trust;

f) MLPF and S Cust FPO Pablo Legorreta IRRA FBO Pablo Legorreta;

g) MLPF and S Cust FPO Pablo Legorreta SEP FBO Pablo Legorreta – IRA;

h) MLPF and S FBO Pablo G Legorreta IRA;

i) US Trust Company of Delaware Legorreta and Schliemann Co TTEES Legorreta Exempt Family Trust Under Agreement;

j) The Delafield 2003 Trust;

k) Mr. Pedro Gonzalez de Cosio;

l) Ms. Susannah Gray;

m) Mr. Alexander von Perfall;

n) Mr. Rory Riggs;

o) Pharmakon Investors LLC;

p) Pharma Investors; and

q) the Investment Manager.

As described further below, the Investment Manager has three principals, two of whom will be shareholders in the Company, namely Mr. Pablo Legorreta and Mr. Pedro Gonzalez de Cosio. They are considered to be acting in concert with each other because they are among the three principals of the Investment Manager. Details of the Investment Manager and the biographies of Mr. Pablo Legorreta and Mr. Pedro Gonzalez de Cosio are set out in Part V (The Investment Manager) of this Prospectus.

Mrs. Almudena Legorreta is the wife of Mr. Pablo Legorreta and is presumed to be acting in concert with him.

There are a number of family trusts whose beneficiaries include close family relations of Mr. Pablo Legorreta and for that reason are presumed to be acting in concert with him. The Legorreta Family 2002 Trust is a family trust established in Ireland whose beneficiaries are the parents of Mr. Pablo Legorreta. The Legorreta Children 2002 Trust, the Legorreta 2009 Children Trust, US Trust Company of Delaware Legorreta and Schliemann Co TTEES Legorreta Exempt Family Trust Under Agreement are family trusts established in Texas, New York and Delaware respectively whose beneficiaries are the descendants of Mr. Pablo Legorreta. MLPF and S Cust FPO Pablo Legorreta IRRA FBO Pablo Legorreta, MLPF and S Cust FPO Pablo Legorreta SEP FBO Pablo Legorreta – IRA and MLPF and S FBO Pablo G Legorreta IRA are individual retirement trusts established in New York of which Mr. Pablo Legorreta is the beneficiary.

The Delafield 2003 Trust is a family trust established in Ireland; Mr. Pablo Legorreta is its trustee and the descendants of his brother, Mr. Gerardo Legorreta, are the beneficiaries.

Mr. Pablo Legorreta is also the sole principal of Royalty Pharma. Ms. Susannah Gray is the chief financial officer of Royalty Pharma. Mr. Alexander V. Perfall is an employee of Royalty Pharma. They also provide additional services to the Investment Manager under the Shared Services Agreement. Mr. Rory Riggs is the chair of the audit committee of Royalty Pharma. Therefore, given their association with Mr. Pablo Legorreta, Ms. Gray, Mr. Perfall and Mr. Riggs are considered to be acting in concert with him.

Mr. Pablo Legorreta is also the sole managing member of Pharma Management, LLC, the general partner of Pharma Investors, which will be a shareholder in the Company. Mr. Pedro Gonzalez de Cosio is the manager of Pharmakon Investors LLC and he and Mr. Pablo Legorreta are the only members in Pharmakon Investors LLC with voting rights under the limited liability corporation agreement of Pharmakon Investors LLC, which will be a shareholder in the Company. Therefore, both Pharma Investors and Pharmakon Investors LLC would also be considered to be acting in concert with Mr. Pablo Legorreta and Mr. Gonzalez de Cosio.

Other than a cash subscription to be made by Pablo Legorreta for Shares with an aggregate Issue Price of US$25 million, all of the PL Associates would become shareholders in the Company in their capacity as Participating BioPharma III Investors or Participating RPS Investors (or, in some cases, both).

Assuming that only the minimum Gross Issue Proceeds are raised, of which the Gross Cash Proceeds are US$150 million, the Loan Amount under the RPS Note is US$100 million, the BioPharma III Interest is US$50 million and Pharma Investors contributes either the expected 1.46 million or all of its 2.43 million remaining RPS Interests to the RPS Borrower without any scaling back, the PL Associates' shareholdings in the Company could be as follows:

Investor	Source of Investment	Expected Amount (US$)	Maximum Amount (US$)	Proportion of Share Capital on Admission (%)
Pablo Legorreta	PL Subscription	25,000,000	25,000,000	8.333
	BioPharma III Interest	3,325,000	3,325,000	1.108
	RPS Note	4,046,535	4,046,535	1.349
Legorreta Family 2002 Trust	RPS Note	544,208	544,208	0.181
Legorreta Children 2002 Trust	RPS Note	539,922	539,922	0.180
Almudena Legorreta	RPS Note	389,652	389,652	0.130
Legorreta 2009 Children Trust	RPS Note	130,316	130,316	0.043
MLPF and S Cust FPO Pablo Legorreta IRRA FBO Pablo Legorreta	RPS Note	48,229	48,229	0.016
MLPF and S Cust FPO Pablo Legorreta SEP FBO Pablo Legorreta – IRA	RPS Note	30,004	30,004	0.010
MLPF and S FBO Pablo G Legorreta IRA	RPS Note	18,262	18,262	0.006
US Trust Company of Delaware Legorreta and Schliemann Co TTEES Legorreta Exempt Family Trust Under Agr	RPS Note	140,726	140,726	0.047
The Delafield 2003 Trust	RPS Note	305,125	305,125	0.102
Pedro Gonzalez de Cosio	BioPharma III Interest	166,250	166,250	0.055
Susannah Gray	RPS Note	84,392	84,392	0.028
Alexander v. Perfall	RPS Note	7,384	7,384	0.002
Rory Riggs	RPS Note	1,106,354	1,106,354	0.369
Pharmakon Investors LLC	BioPharma III Interest	845,000	845,000	0.282
Pharma Investors	RPS Note	1,187,612	1,187,612	0.396
	MINIMUM TOTAL	37,914,971	37,914,971	12.64
Pharma Investors	RPS Note	52,600,000	87,600,000	17.53 (expected) 29.20 (maximum)
	POTENTIAL TOTAL	90,514,971	125,514,971	30.17 (expected) 41.84 (maximum)

The size of the shareholding of Pharma Investors would depend on the number of RPS Interests contributed by Pharma Investors into the RPS Borrower under the RPS Pharma Investors Agreement. If Pharma Investors contributes less than its 1.46 million resulting RPS Interests as a result of any scaling back, its resulting Shares in the Company will have a

lower aggregate Issue Price than as shown above, and as a result, the PL Associates may hold Shares with an aggregate Issue Price lower than the potential total amounts shown above assuming that only the minimum Gross Issue Proceeds are raised on Admission.

6.3 **Share Buyback Authorisations**

When a company redeems or purchases its own voting shares, under Rule 37 of the Takeover Code, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the Takeover Code. Rule 37 of the Takeover Code provides that, subject to prior consultation, the Takeover Panel will normally waive any resulting obligation to make a general offer if there is a vote of independent shareholders and a procedure along the lines of that set out in Appendix 1 to the Takeover Code is followed. Appendix 1 to the Takeover Code sets out the procedure which should be followed in obtaining the consent of independent shareholders.

Under Note 1 on Rule 37.1 of the Takeover Code, a person who comes to exceed the limits in Rule 9.1 in consequence of a company's purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the directors is such that the person is, or is presumed to be, acting in concert with any of the directors. The investment manager of an investment trust is treated for these purposes as if it were a director. Since the Investment Manager is a member of the PL Associates, and Mr. Pablo Legorreta and Mr. Pedro Gonzalez de Cosio, who are members of the PL Associates, are principals of the Investment Manager, the exception under Note 1 of Rule 37.1 of the Takeover Code will not apply to the PL Associates.

Subject to certain limits, the Company has the authority to purchase Shares under the terms of the shareholder resolutions summarised in paragraph 4.2.1(E) of this Part IX (Additional Information on the Company) of this Prospectus (the "**Shareholder Resolutions**"). This authority is for the period between the date of the resolution and the first annual general meeting of the Company subject to a limit of 14.99 per cent. of the total Shares in issue immediately following Admission. If, before the expiry of this period:

(i) the Company were to exercise that authority up to its limit of 14.99 per cent. of the total shares in issue during that period;

(ii) the aggregate percentage shareholding in the Company of the PL Associates is 41.84 per cent. (on the basis that 300 million Shares were issued in the Issue and Pharma Investors is able to contribute its entire interest in the Feeders into the RPS Borrower under the RPS Pharma Investors Agreement); and

(iii) none of the Shares which the PL Associates hold are purchased by the Company under that authority and no Shares or C Shares had been issued by the Company between Admission and the date that the authority is exercised up to the limit set out in (i) above,

then the shareholding of the PL Associates would increase to approximately 49.22 per cent. of the issued share capital in the Company.

To the extent that the PL Associates hold less than 30 per cent. of the total share capital of the Company on Admission, any exercise of the Company's buyback authority may increase its shareholding to over 30 per cent. of the share capital of the Company.

Notwithstanding the provisions of Rule 37 of the Takeover Code, the Takeover Panel has confirmed to the Company that it would not require any member of the PL Associates to make a mandatory offer under Rule 9 of the Takeover Code on the grounds that its or their interest in the Shares has increased only as a result of the purchase by the Company of its own shares pursuant to the Shareholder Resolutions. This confirmation has been given on the basis that the consequences of such a purchase by the Company of its own Shares has been fully disclosed to prospective investors in this Prospectus.

If, however, the shareholding of the PL Associates in the Company increase for any reason other than as a consequence of the purchase by the Company of its own shares pursuant to the Shareholder Resolutions, then any member of the PL Associates may be required to make a mandatory offer under Rule 9 of the Takeover Code.

6.4 **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 the other 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 holders of those Shares subject to the transfer. 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, pursuant to a takeover offer that relates to all the Shares in the Company) to which the offer relates, any holder of Shares to which the offer relates who has not accepted the offer may require the offeror to acquire 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. Such sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of Shares notifying them of their sell-out rights. If a holder of Shares exercises its rights, the offeror is bound to acquire those Shares on the terms of the offer or on such other terms as may be agreed.

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

7.1 Directors' interests

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

Name	Number of Shares
Jeremy Sillem	300,000
Duncan Budge	100,000
Colin Bond	100,000
Harry Hyman	100,000

As at the date of this Prospectus there are no potential conflicts of interest between any duties owed to the Company of any of the Directors and their private interests and/or other duties. Immediately following Admission, save as described above, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

7.2 **Directors' contracts with the Company**

7.2.1 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company.

7.2.2 The Directors' appointments can be terminated in accordance with the Articles and without compensation or in accordance with the Act or common law. The Directors are subject to retirement by rotation in accordance with the Articles.

7.2.3 There is no notice period specified in the letters of appointment or in the Articles for the removal of Directors. The Articles provide that the office of Director may be terminated by, among other things: (i) resignation; (ii) unauthorised absences from board meetings for more than six consecutive months; or (iii) the written request of all Directors other than that whose appointment is being terminated.

7.2.4 The Directors' remuneration is US$70,000 per annum for each Director other than:

(A) the Chairman, who will receive an additional US$30,000 per annum; and

(B) the chairman of the Audit Committee, who will receive an additional US$15,000 per annum.

7.2.5 In addition, in consideration for the work done between incorporation and Admission, for the period up to 31 December 2017, each Director will be entitled to an additional US$35,000 other than:

(A) the Chairman, who will receive an additional US$50,000 for this period; and

(B) the chairman of the Audit Committee, who will receive an additional US$42,500 for this period,

such amount to be paid to each Director in three equal quarterly instalments.

7.2.6 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively. No amounts have been set aside or accrued by the Company to provide pension, retirement or similar benefits.

7.3 **Other interests**

7.3.1 As at the date of this Prospectus, the Directors hold or have held during the five years preceding the date of this Prospectus the following directorships (apart from their directorships of the Company) or memberships and administrative, management or supervisory bodies and/or partnerships:

Name	Current directorships and partnerships	Past directorships and partnerships
Jeremy Sillem	Partners Capital LLC Reform Research Trust SHP Nominee Company 1 Limited SHP Nominee Company 2 Limited Spencer House Partners LLP	CDC Group PLC Martin Currie (Holdings) Limited Martin Currie Limited
Duncan Budge	Alpha Securities Trading Limited Artemis Alpha Trust PLC Asset Value Investors Limited Dunedin Enterprise Investment Trust PLC Lazard World Trust Fund Lowland Investment Company PLC Menhaden Capital PLC	J Rothschild Capital Management Limited Spencer House Limited The West Hendred Pub Company Limited
Colin Bond	Cophar SA OM Pharma SA Siegfried AG VFMCRP Vifor SA Vifor (International) AG Vifor Pharma Limited Vifor Pharma Participations 2 AG Vifor Pharma US Participations Inc. Vifor Pharma USA Inc.	Evotec AG Evotec International GmbH, Germany Evotec (UK) Ltd., U.K. Evotec (US) Inc., U.S. Evotec (München) GmbH, Germany Evotec (India) Private Limited, India Evotec Hamburg, GmbH, Germany European ScreeningPort GmbH, Germany Evotec (France) SAS, France
Harry Hyman	AHG (2006) Limited Anchor Meadow Limited Apollo (Ipswich) Limited Carden Medical Investments	Cashew Holdings Limited General Medical Clinics Limited Griffin House (2011) Limited I Value plc

Name	Current directorships and partnerships	Past directorships and partnerships
	Limited Crestdown Limited Derriston Capital plc Educationinvestor Limited Fortissimo Group Limited Gracemount Medical Centre Limited Health Investments Limited Healthinvestor Asia Limited Healthinvestor Limited Investor Publishing Limited Leighton Health Limited Motorstep Limited Nexus Central Management Services Limited Nexus Code Limited Nexus Code New York Limited Nexus Consulting (UK) Limited Nexus Corporate Finance II Limited Nexus Corporate Finance Limited Nexus Fund Management Limited Nexus General Partner Limited Nexus Health Finance Limited Nexus Group Holdings Limited Nexus Investco Limited Nexus Investment Ventures Limited Nexus Management Services Limited Nexus PHP Management Limited Nexus Pine (Management) Limited Nexus Property Management Services Limited Nexus Tradeco Holdings Limited Nexus Tradeco Limited Orbig Limited Patientfirst (Burnley) Limited Patientfirst (Hinckley) Limited Patientfirst Partnerships Limited PHIP (5) Limited PHIP (Gorse Stacks) Limited PHIP (Hoddesdon) Limited PHIP (Milton Keynes) Limited PHIP (RHL) Limited PHIP (Sheeness) Limited PHIP CH Limited PHP (Basingstoke) Limited PHP (Chandler's Ford) Limited PHP (FRMC) Limited PHP (Portsmouth) Limited PHP (Project Finance) Limited PHP 2013 Holdings Limited PHP Assetco (2011) Limited PHP Bond Finance plc PHP Clinics Limited PHP Empire Holdings Limited	Landor Productions Limited Nexus Structured Finance Limited NHR Acquisitions Limited Oak Tree Nursery Investments Limited Patientfirst (GPFC) Holdings Limited Patientfirst (Leamington Spa) Limited Patientfirst (RBS) Holdings Limited Patientfirst (Wingate) Limited PHIP (6) Limited PHIP (Hetherington Road) Limited PHIP (SSG Norwich) Limited PHP CHH Limited PHP (Catford) Limited PHP (Darvel) Limited PHP (Dover) Limited PHP (Holbeck) Limited PHP (Hounslow) Limited PHP (Melksham) Limited PHP (Paisley) Limited PHP (Petri) Limited PHP (Speke) Limited PHP (Swaffham Barn) Limited PHP Spitfire Limited UK Israel Business

Name	Current directorships and partnerships	Past directorships and partnerships
	PHP Finance (Jersey) Limited PHP Glen Spean Limited PHP Healthcare (Holdings) Limited PHP Healthcare Investments (Holdings) Limited PHP Healthcare Investments Limited PHP Investments (2011) Limited PHP Investments No.1 Limited PHP Investments No.2 Limited PHP Medical Investments Limited PHP Medical Properties Limited PHP Medical Properties (Haymarket) Limited PHP Primary Properties Limited PHP St. Johns Limited Pine Property Services Limited Primary Health Investment Properties (No.2) Limited Primary Health Investment Properties (No.3) Limited Primary Health Investment Properties (No.4) Limited Primary Health Investment Properties Limited Primary Health Properties ICAV Q1 Care Limited Summit Germany Limited The Healthcare REIT Limited The Quoted Companies Alliance The Opera Awards Foundation The Opera Awards Limited Vintage Wine Sellers Limited	

7.3.2 In the five years before the date of this Prospectus, the Directors:

(A) did not have any convictions in relation to fraudulent offences;

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

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

7.4 **Major shareholders and Directors' shareholdings**

7.4.1 As at the date of this Prospectus, none of the Directors or any person connected with any of the Directors has a shareholding or any other interest in the share capital of the Company. The Directors intend, subject to compliance with legal and regulatory requirements, to subscribe for such number of Shares as is set out next to their respective names in paragraph 7.1 above, pursuant to the Issue at the Issue Price. Such applications are expected to be met in full.

7.4.2 Sardis Capital Limited holds all voting rights in the Company as at the date of this Prospectus. As at the date of this Prospectus and insofar as is known to the Company, assuming Gross Issue Proceeds of US$300 million and Initial Acquisition being completed and assuming no scale back of Pharma Investors' participation in the Issue, the following persons will, immediately following the Issue, be directly or indirectly interested in 3 per cent. or more of the Company's issued share capital.

Shareholder	Notifiable interests / voting rights
Pharma Investors	17.93%
Pablo Legorreta (together with his family and related trusts)	11.51%

The precise percentage of voting rights held by Pharma Investors and Pablo Legorreta (together with his family and related trusts) will depend on the outcome of the Tender Offers, the Gross Cash Proceeds raised and any Additional Subscriptions. Further, if Pharma Investors contributes all its RPS Interests in full without any scale back under the RPS Pharma Investors Agreement, assuming Gross Issue Proceeds of US$300 million, its interest may be up to 29.2 per cent. of the issued share capital of the Company. Both Pharma Investors and Pablo Legorreta are members of the concert party PL Associates described in more detail in paragraph 6 of this Part IX (Additional Information on the Company) of this Prospectus.

7.4.3 Pursuant to the Initial Acquisition, the Company expects to issue a substantial number of Shares to investors who may be US Residents or US Persons. Accordingly, the proportion of the Shares held by US Residents and US Persons could be substantial at Admission and such proportion could increase in subsequent secondary market trading. For the purposes of ensuring that the Company continues to be considered a ''foreign private issuer'' for the purposes of the Securities Act and the Exchange Act, the Articles provide that, in respect of any Director Resolution, each Shareholder shall be required, as set out in the Articles, to make certain certifications with regard to their status (and, to the extent they hold Shares for the account or benefit of any other person, the status of such other person) as a non-US resident (each Shareholder that does not so certify, being a ''**Non-Certifying Shareholder**''). If the aggregate total of votes which Non-Certifying Shareholders would otherwise be entitled to cast on a Director Resolution is greater than 49 per cent. of the aggregate total of votes which all Shareholders are entitled to cast on such Director Resolution then, pursuant to the Articles, the aggregate number of votes which Non-Certifying Shareholders are entitled to cast on such Director Resolution shall be scaled down so as not to exceed 49 per cent. of the aggregate total of votes which all Shareholders are entitled to cast on such Director Resolution.

7.4.4 Save as disclosed in paragraph 7.4.3, none of the Company's Shareholders has or will have voting rights attached to the shares held by them which are different from the voting rights attached to any other shares in the same class in the Company. As at the date of this Prospectus, the Company, insofar as is known to the Company, will not immediately following the Issue be directly or indirectly owned or controlled by any single person or entity and there are no arrangements known to the Company the operation of which may subsequently result in a change of control of the Company.

7.4.5 Pending the allotment of Shares pursuant to the Issue, the Company is controlled by Sardis Capital Limited, as described in paragraph 4.1.2 of this Part IX (Additional Information on the Company) of this Prospectus.

7.5 Related party transactions

Save as disclosed in paragraph 10 of this Part IX (Additional Information on the Company), the Company has not entered into any related party transaction at any time during the period from incorporation to the date of this Prospectus.

7.6 **Director conflicts of interests**

None of the Directors has any conflict of interests or potential conflict of interests between any duties to the Company and his or her private interests and any other duties. The Manager Affiliated Parties, any of their directors, principals, officers, employees, agents and Affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, interested parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, the Manager Affiliated Parties, any of their directors, officers, employees, agents and Affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed may (subject in the case of the Investment Manager to the restrictions contained in the Investment Management Agreement) acquire on behalf of a client an investment in which the Company may invest.

8. SHARE OPTIONS AND SHARE SCHEME ARRANGEMENTS

No share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

9. INVESTMENT RESTRICTIONS

9.1 The Company will at all times invest and manage its assets with the objective of spreading risk and in accordance with its published investment policy as set out in Part I (The Company) of this Prospectus.

9.2 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 Corporation Tax Act 2010 (as amended) and the Investment Trust (Approved Company) (Tax) Regulations 2011 (as amended), and its investment activities will therefore be subject to the restrictions set out under ''Principal Activities of the Company'' in paragraph 2 of this Part IX (Additional Information on the Company) of this Prospectus.

9.3 In the event of material breach of these investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Investment Manager through an announcement made via a Regulatory Information Service.

10. MATERIAL CONTRACTS

Save as described below, the Company has not: (i) entered into any material contracts (other than contracts in the ordinary course of business) since its incorporation; or (ii) entered into any contracts that contain provisions under which the Company has any obligation or entitlement that is material to the Company as at the date of this Prospectus.

10.1 **Placing Agreement**

10.1.1 Pursuant to the Placing Agreement dated 1 March 2017 between the Company, the Directors, the Investment Manager and the Joint Bookrunners, subject to certain conditions, each of the Joint Bookrunners has agreed to use their reasonable endeavours to procure Placees for Shares under the Placing at the Issue Price.

10.1.2 The Placing Agreement may be terminated by either of the Joint Bookrunners in certain customary circumstances prior to Initial Admission.

10.1.3 The obligations of the Joint Bookrunners to use their reasonable endeavours to procure subscribers for Shares are conditional upon certain conditions that are customary for agreements of this nature. These conditions include, among others: (i) Initial Admission occurring and becoming effective by 8:00 am London time on or prior to 27 March 2017 (or such later time and/or date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may agree); and (ii) the Placing Agreement not having been terminated in accordance with its terms.

10.1.4 Each of the Joint Bookrunners will be entitled to a commission in respect of the Issue. Each of the Joint Bookrunners will also be entitled to reimbursement of all costs, charges and expenses incurred by them of, or incidental to, such Issue, Admission of Shares issued pursuant to such Issue and satisfaction of any of the conditions under the Placing Agreement.

10.1.5 The Company, Directors and Investment Manager have given warranties to the Joint Bookrunners concerning, amongst others, the accuracy of the information contained in this Prospectus. The Company and Investment Manager have also given indemnities to the Joint Bookrunners. The warranties and indemnities given by the Company, the Directors and the Investment Manager are standard for an agreement of this nature.

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

10.2 **Investment Management Agreement**

10.2.1 The Company and the Investment Manager have entered into the Investment Management Agreement dated 1 March 2017, pursuant to which the Investment Manager is appointed to act as investment manager of the Company, with responsibility to perform investment management and risk management functions for the Company, and to advise the Company on a day to day basis in accordance with the investment policy of the Company, subject to the overall policies, supervision, review and control of the Board. Under the terms of the Investment Management Agreement and subject always to the investment guidelines contained in the Investment Management Agreement, the Investment Manager has discretion to buy, sell, retain, exchange or otherwise deal in investment assets for the account of the Company. The Investment Manager is also required to comply with such regulatory requirements as may apply to it from time to time as the alternative investment fund manager of the Company for the purposes of the AIFM Directive.

Key Person

10.2.2 The Key Person under the Investment Management Agreement is Pedro Gonzalez de Cosio or such other person designated as such by the Investment Manager with the Board's prior written consent.

Borrowings

10.2.3 Subject to the borrowing limits agreed with the Company, the Investment Manager shall have the discretion to commit the Company or a subsidiary thereof to supplement the assets of the Company's portfolio either by borrowing on the Company's or subsidiary's behalf or by committing either of them to a contract which may require them to supplement the assets of the Company's portfolio.

10.2.4 Subject to the provisions in paragraph 10.2.3 above, the Investment Manager may arrange overdraft or other short-term borrowing facilities for the Company on normal banking terms and may use the moneys so borrowed for meeting settlements or for other short term purposes or for the purchase of additional investments and arrange for other borrowings by the Company or any subsidiary thereof.

Liability and indemnity

10.2.5 The Investment Manager shall not be liable to the Company for any loss, claim, costs, charges and expenses, liabilities or damages ("**Losses**") arising out of any action taken or omitted to be taken by the Investment Manager (or any other Manager Indemnified Person) except for Losses arising out of or in connection with the gross negligence, fraud, bad faith, wilful misconduct or knowing violation of applicable securities laws of any Manager Indemnified Person. For the purposes of this paragraph 10.2.5, "**Manager Indemnified Person**" means the Investment Manager, its associates, delegates or agents, and the officers, directors or employees of the Investment Manager or its associates, delegates or agents.

10.2.6 The Investment Manager shall not be liable in any circumstances for any Losses that constitute indirect, special or consequential loss, or loss of profits, opportunity, goodwill or reputation arising out of or in connection with the Investment Management Agreement.

10.2.7 The Company shall indemnify each Manager Indemnified Person against all claims by third parties which may be made against such Manager Indemnified Person in connection with the provision of services under the Investment Management Agreement except to the extent that the claim is due to the fraud, gross negligence, wilful misconduct, bad faith or knowing violation of applicable securities laws of any Manager Indemnified Person.

Service Standard

10.2.8 The Investment Manager is required, under the terms of the Investment Management Agreement, to perform its obligations with such skill and care as would be reasonably expected of a professional discretionary investment manager managing in good faith an investment company of comparable size and complexity to the Company and having a materially similar investment objective and investment policy and to ensure that its obligations under the Investment Management Agreement are performed by a team of appropriately qualified, trained and experienced professionals.

Management Fee and Performance Fee

10.2.9 The Company shall pay, and the Investment Manager shall be entitled to receive, the Management Fee and, subject to the fulfilment of certain conditions, the Performance Fee. Further details of the Management Fee and Performance Fee are described in Part VI (Directors, Management and Administration) of this Prospectus.

Performance Shares

10.2.10 If, during the last Month of a Performance Period, the Shares have, on average, traded at a discount of 1 per cent. or more to the Net Asset Value per Share (calculated by comparing the middle market quotation of the Shares at the end of each Business Day in the Month to the prevailing published Net Asset Value per Share (exclusive of any dividend declared) as at the end of such Business Day and averaging this comparative figure over the Month), the Investment Manager shall (or shall procure that its Associate does) apply 50 per cent. of any Performance Fee paid by the Company to the Investment Manager (or its Associate) in respect of that Performance Period (net of all taxes and charges applicable to such portion of the Performance Fee) to make market acquisitions of Shares (the "Performance Shares") as soon as practicable following the payment of the Performance Fee by the Company to the Investment Manager (or its Associate) and at least until such time as the Shares have, on average, traded at a discount of less than 1 per cent. to the Net Asset Value per Share over a period of five Business Days (calculated by comparing the middle market quotation of the Shares at the end of each such Business Day to the prevailing published Net Asset Value per Share (exclusive of any dividend declared) as at the end of such Business Day and averaging this comparative figure over the period of five Business Days). The Investment Manager's obligation set out in this paragraph 10.2.10:

(A) shall not apply to the extent that the acquisition of the Performance Shares would require the Investment Manager to make a mandatory bid under Rule 9 of the Takeover Code; and

(B) shall expire at the end of the Performance Period which immediately follows the Performance Period to which the obligation relates.

10.2.11 The Investment Manager agrees to neither offer, sell, contract to sell, pledge, mortgage, charge, assign, grant options over, or otherwise dispose of, directly or indirectly, any Performance Shares nor to mandate a third party to do so on his behalf, or announce the intention to do so (together, a "**Disposal**") for a period of 12 months immediately following the acquisition of such Performance Shares.

10.2.12 The restriction in paragraph 10.2.11 shall not apply where the Investment Manager has:

(A) received the prior written consent of the Company;

(B) accepted a general offer for the issued share capital of the Company made in accordance with the Takeover Code (a "**General Offer**");

(C) sold the Performance Shares to an offeror or potential offeror during an offer period (within the meaning of the Takeover Code);

(D) made any Disposal pursuant to an offer by the Company to purchase its own Shares where such offer is made on identical terms to all holders of Shares in the Company;

(E) made any Disposal through the implementation of any scheme of arrangement by the Company or other procedure to effect an amalgamation to give effect to a General Offer;

(F) sold or transferred the Performance Shares pursuant to an order made by a court with competent jurisdiction or where required by applicable law or regulation; or

(G) made a Disposal pursuant to any decision or ruling by an administrator, administrative receiver or liquidator appointed to the Investment Manager in connection with a winding up or liquidation of the Investment Manager.

10.2.13 Where practicable and permitted by law or regulation, the Investment Manager undertakes to the Company that it shall give the Company at least five Business Days' notice of any Disposal of the Performance Shares pursuant to paragraph 10.2.12.

Termination

10.2.14 Unless otherwise agreed by the Company and the Investment Manager, the Investment Management Agreement may be terminated by:

(A) the Investment Manager on not less than 6 months' notice to the Company, such notice not to expire earlier than 18 months following Admission; or

(B) the Company on not less than 6 months' notice to the Investment Manager, such notice not to expire earlier than: (i) 36 months following Admission, unless approved by Shareholders by ordinary resolution; and (ii) 18 months following Admission, in any event.

10.2.15 The Investment Management Agreement may be terminated by the Company with immediate effect from the time at which notice of termination is given or, if later, the time at which such notice is expressed to take effect if:

(A) an order has been made or an effective resolution passed for the winding-up or liquidation of the Investment Manager (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously consented to in writing by the Company, such consent not to be unreasonably withheld or delayed), or a receiver or similar officer has been appointed in respect of the Investment Manager or of any material part of the Investment Manager's assets, or the Investment Manager is, or is deemed to be, unable to pay its debts as and when due;

(B) the Investment Manager ceases, or takes steps to cease, to carry on substantially the whole of its business;

(C) the Investment Manager makes a material alteration to the nature of its business and such alteration has the effect of discontinuing activities required to be performed under the Investment Management Agreement in connection with the Company's investment policy;

(D) the Investment Manager has: (i) committed fraud, gross negligence or wilful misconduct in the performance of its services under the Investment Management Agreement; or (ii) breached its obligations under the Investment Management Agreement (including a breach of the Service Standard) (whether or not, for the avoidance of doubt, such breach would otherwise be a repudiatory breach) and the Company is reasonably likely to suffer a loss of an amount equal to or greater than 10 per cent. of NAV as at the date of such breach, directly or indirectly arising out of or in connection with such breach;

(E) one or more of the Seed Asset Representations (as defined in the Investment Management Agreement) is untrue or inaccurate in any material respect or misleading, and the Company suffers a loss of an amount equal to or greater than 10 per cent. of NAV as at the date of Admission;

(F) the Investment Manager's registration as an investment adviser under the Advisers Act is suspended by the SEC;

(G) the scope of the Investment Manager's permissions from the SEC is restricted to the extent that it impairs the Investment Manager's ability to perform its obligations under the Investment Management Agreement in any material respect;

(H) a Key Person either: (i) ceases to be an officer, member or partner of the Investment Manager; or (ii) otherwise ceases (1) to be actively engaged in the performance of the obligations of the Investment Manager under the Investment Management Agreement; or (2) to devote substantially all of its business time to the affairs of the Investment Manager and its affiliates (each a "**Key Person Event**"), and an appropriate replacement for such Key Person has not been substituted by the Investment Manager and approved by the Board (such approval not to be unreasonably withheld or delayed) within 180 days of the date on which the Key Person Event Occurs;

(I) if, at any time, the Principals (as defined in the Investment Management Agreement), together, hold less than a majority of the total voting rights in the general partner of the Investment Manager;

(J) the Investment Manager breaches any provision of the Investment Management Agreement and such breach results in the trading of the Shares on the London Stock Exchange being suspended or terminated, or results in the Company losing its status as, or becoming ineligible for approval as, an investment trust pursuant to section 1158 of the Corporation Tax Act 2010; or

(K) the Company is required by any relevant regulatory authority to terminate the Investment Manager's appointment.

10.2.16 The Investment Management Agreement may be terminated by the Investment Manager with immediate effect from the time at which notice of termination is given or, if later, the time at which such notice is expressed to take effect, if an order has been made or an effective resolution passed for the winding-up or liquidation of the Company (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously consented to in writing by the Investment Manager, such consent not to be unreasonably withheld or delayed).

10.2.17 The Board shall notify the Investment Manager in writing as soon as reasonably possible if it resolves to propose a material change to the Investment Guidelines (the "**Investment Guidelines Notice**"). If, in the opinion of the Investment Manager, acting reasonably, the proposed change is of such significance that the Investment Manager would no longer be able to perform its obligations under the Investment Management Agreement in accordance with the Service Standard, the Investment Manager may terminate the Investment Management Agreement on the earlier of: (i) the date on which the appointment of a replacement investment manager becomes effective; or (ii) the Business Day prior to the date on which the proposed changes to the Investment Guidelines are intended to take effect.

10.2.18 On termination of the Investment Management Agreement:

(A) the Investment Manager shall be paid the Management Fee up to the effective date of termination ("**Termination Date**");

(B) any accrued but unpaid Performance Fee in respect of any Performance Period completed prior to the Termination Date; and

(C) if applicable, a termination fee determined in accordance with paragraph 10.2.19.

10.2.19 (A) Upon termination of the Investment Management Agreement pursuant to:

(1) paragraphs 10.2.14(B), 10.2.16 or 10.2.17;

(2) paragraph 10.2.15(H) (solely as a result of death or disability of a Key Person);

(3) paragraph 10.2.15(K) (in circumstances where the Company is required by any relevant regulatory authority to terminate the Investment Manager's appointment for reasons other than malfeasance by the Investment Manager or an affiliate),

the Investment Manager shall be entitled to receive a one-time termination fee equal to 2 per cent. of the Invested NAV as at the Termination Date.

(B) Upon termination of the Investment Management Agreement pursuant to paragraph 10.2.15(H) for any reason other than the death or disability of a Key Person, the Investment Manager shall be entitled to receive a one-time termination fee equal to 1 per cent. of the Invested NAV as at the Termination Date.

10.2.20 For the purpose of paragraphs 10.2.10 to 10.2.19:

''First Performance Period'' means the period from Admission up to and including 31 December 2017;

''Invested NAV'' means the Net Asset Value less any amounts held by the Company in cash or near-cash equivalents;

''Month'' means a calendar month;

''Net Asset Value'' means the value of the assets of the Company less its liabilities determined in accordance with the accounting policies and principles adopted by the Board from time to time;

''Performance Period'' means the First Performance Period and/or a Subsequent Performance Period, as the context so requires; and

''Subsequent Performance Period'' means each 12-month period subsequent to the First Performance Period, commencing on the relevant 1 January and ending on the relevant 31 December (inclusive).

Suspension of new investments

10.2.21 In the event that:

(A) the Shared Services Agreement is terminated or is amended in any material respect, the Investment Manager shall not make any new investments until: (i) in the event of termination, replacement personnel are identified by the Investment Manager and approved by the Board, acting reasonably; or (ii) in the event of a material amendment, such amendment is approved by the Board, acting reasonably; or

(B) a Key Person Event, the Investment Manager shall not make any new investments until an appropriate replacement for such Key Person has been substituted by the Investment Manager and approved by the Board (such approval not to be unreasonably withheld or delayed), provided that, if an appropriate replacement has not been so substituted within 180 days of the Key Person Event occurring, the Board may, at its discretion, direct the Investment Manager to not make any new investments until further notice,

provided that nothing in this paragraph 10.2.21 shall prevent the Investment Manager from making: (i) payments to discharge existing obligations in respect of existing investments; or (ii) Follow On Investments.

Governing law

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

10.3 **Company Secretarial Services Agreement**

10.3.1 The Company and Capita Registrars Limited have entered into the Company Secretarial Services Agreement dated 1 March 2017, pursuant to which Capita Registrars Limited shall nominate Capita Company Secretarial Services Limited to act as Company Secretary to the Company.

10.3.2 Under the Company Secretarial Services Agreement, Capita Registrars Limited is entitled to a one off payment of £5,000 (plus VAT and disbursements) for set-up services (as defined in the agreement), an hourly fee of between £150 and £400 per hour (plus VAT and disbursements), depending on the seniority of the personnel, for services contained in the Pre-IPO Agreement (as defined in the Company Secretarial Service Agreement) and an annual fee of £60,000 (plus VAT and disbursements) for ongoing company secretarial services. Capita Registrars Limited will also be entitled to reimbursement of all reasonable out of pocket expenses properly incurred and documented in connection with the provision of services under the Company Secretarial Services Agreement, provided that, other than for general day to day disbursements, Capita Registrars Limited shall obtain the Company's prior approval for any single discretionary expense which is greater than £250.

10.3.3 Either party may terminate the Company Secretarial Services Agreement:

(A) by service of six months' written notice, such notice not to expire before the first anniversary of Initial Admission; or

(B) by service of three months' written notice should the parties not reach an agreement regarding any increase of the fees; or

(C) upon service of written notice if the other party commits a material breach of its obligations under the Company Secretarial Services Agreement (including any payment default) which that party has failed to remedy within 45 days of receipt of a written notice to do so from the first party; or

(D) upon service of written notice if a resolution is passed or an order made for the winding up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings.

10.3.4 The Company Secretarial Services Agreement limits Capita Registrars Limited's liability thereunder to the lesser of £500,000 or an amount equal to five times the aggregate annual fee payable by the Company under the Company Secretarial Services Agreement.

10.3.5 The Company will indemnify, defend and hold harmless Capita Registrars Limited, its affiliates and their directors, officers, employees and agents (each a "**CoSec Indemnified Party**") from and against any losses, damages, liabilities, professional fees (including but not limited to legal fees), court costs, and expenses resulting or arising from the Company's breach of the Company Secretarial Services Agreement, and in addition any third party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Company Secretarial Services Agreement or the services contemplated in the Company Secretarial Services Agreement, save where due solely to fraud, wilful default or negligence on the part of the CoSec Indemnified Party.

10.3.6 The Company Secretarial Services Agreement is governed by the laws of England.

10.4 **Fund Administration Services Agreement**

10.4.1 The Company and Capita Sinclair Henderson Limited have entered into the Fund Administration Services Agreement dated 1 March 2017, pursuant to which Capita Sinclair Henderson Limited has been appointed as Administrator to the Company.

10.4.2 Under the terms of the Fund Administration Services Agreement, the Administrator is entitled to a one off payment of £6,000 (exclusive of any applicable VAT) to cover the initial set-up fund accounting services (as defined in the agreement) to be payable by the Company only in the event that Initial Admission does not occur on or before 1 May 2017 or such later date as the Company and the Administrator may agree, and an annual fee of £65,900 (exclusive of any applicable VAT), payable monthly in equal instalments. If the Administrator incurs expenses and disbursements, provided that these are properly incurred and documented in relation to the provision of the services under the Fund Administration Services Agreement, the Administrator shall invoice the Company for such amounts and the Company shall pay the invoice within

30 days of the date of invoice, provided that, other than for general day to day disbursements, the Administrator shall obtain the Company's prior approval for any single discretionary expense which is greater than £250.

10.4.3 Either party may terminate the Fund Administration Services Agreement:

(A) by service of not less than six months' written notice, not to expire before the first anniversary of Initial Admission; or

(B) by service of three months' written notice should the parties not reach an agreement regarding any increase of the fees;

(C) upon service of written notice if the other party commits a material breach of its obligations under the Fund Administration Services Agreement (including any payment default) which that party has failed to remedy within 60 days of receipt of a written notice to do so from the first party; or

(D) upon service of written notice if the other party goes into liquidation or a resolution is passed or an order made to put the party into liquidation or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a part of the other party or its assets or undertakings; or

(E) upon service of written notice if either party ceases to hold any permits or authorisations necessary to perform their obligations under the Fund Administration Services Agreement; or

(F) upon service of written notice if the Administrator ceases to be qualified to act as such pursuant to this Agreement or the means applicable statutory, legal and regulatory requirements, legislation, rules, regulations, orders or directives to which the Administrator is subject.

10.4.4 The Fund Administration Services Agreement limits the Administrator's liability thereunder to the lesser of £500,000 or an amount equal to five times the aggregate annual fee payable by the Company under the Fund Administration Services Agreement.

10.4.5 The Company will indemnify and hold harmless the Administrator, its affiliates, their directors, officers, employees and agents (each an "**Administrator Indemnified Party**") from and against any and all claims, losses, liabilities, damages, costs, expenses (including reasonable legal and internal costs) incurred by the Administrator Indemnified Party resulting or arising from the Company's negligence, wilful default, fraud, fraudulent misrepresentation or breach of the Fund Administration Services Agreement save where due to the negligence, fraud, fraudulent misrepresentation or wilful default of the Administrator Indemnified Party.

10.4.6 The Fund Administration Services Agreement is governed by the laws of England.

10.5 **Registrar Services Agreement**

10.5.1 The Company and Capita Registrars Limited have entered into the Registrar Services Agreement dated 1 March 2017, pursuant to which Capita Registrars Limited has been appointed as Registrar to the Company.

10.5.2 Under the terms of the Registrar Services Agreement, the Registrar is entitled to receive an annual maintenance fee of £1.80 per Shareholder account per annum, subject to a minimum charge of £4,500 per annum. The Registrar will also be entitled to reimbursement of all reasonable out of pocket expenses properly incurred in connection with the provision of services under the Registrar Services Agreement, provided that, other than for general day to day disbursements, the Registrar shall obtain the Company's prior approval for any single discretionary expense which is greater than £1,000.

10.5.3 Either party may terminate the Registrar Services Agreement:

(A) by service of six months' written notice, such notice not to expire before the first anniversary of Initial Admission; or

(B) by service of three months' written notice should the parties not reach an agreement regarding any increase of the fees; or

(C) upon service of written notice if the other party commits a material breach of its obligations under the Registrar Services Agreement (including any payment default) which that party has failed to remedy within 45 days of receipt of a written notice to do so from the first party; or

(D) upon service of written notice if a resolution is passed or an order made for the winding up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings.

10.5.4 The Registrar Services Agreement limits the Registrar's liability thereunder to the lesser of £500,000 or an amount equal to five times the aggregate annual fee payable by the Company under the Registrar Services Agreement.

10.5.5 The Company will indemnify, defend and hold harmless the Registrar, its affiliates and their directors, officers, employees and agents (each a "**Registrar Indemnified Party**") from and against any losses, damages, liabilities, professional fees (including but not limited to legal fees), court costs, and expenses resulting or arising from the Company's breach of the Registrar Services Agreement, and in addition any third party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Registrar Services Agreement or the services contemplated in the Registrar Services Agreement, save where due to fraud, wilful default or negligence on the Registrar Indemnified Party's part.

10.5.6 The Registrar Services Agreement is governed by the laws of England.

10.6 **Receiving Agent Services Agreement**

10.6.1 The Company and Capita Registrars Limited have entered into the Receiving Agent Services Agreement dated 1 March 2017, pursuant to which Capita Registrars Limited has been appointed as Receiving Agent to the Company.

10.6.2 Under the terms of the Receiving Agent Services Agreement, the Receiving Agent is entitled to an hourly fee for professional advisory services at a minimum charge of £230 during normal business hours (9:00 am to 5:30 pm) on any Business Day and £375 outside normal business hours and on any non-Business Day, subject to a minimum charge of £2,500 per annum. The Receiving Agent is also entitled to levy certain charges on a per item basis. The Receiving Agent will also be entitled to reimbursement of all reasonable out of pocket expenses properly incurred and documented by it in connection with the Receiving Agent Services Agreement.

10.6.3 Either party may terminate the Receiving Agent Services Agreement upon service of written notice if:

(A) the other party commits a material breach of its obligations under the Receiving Agent Services Agreement (including a payment default) which that party has failed to remedy within 14 days of receipt of a written notice to do so from the first party; or

(B) a resolution is passed or an order made for the winding up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings.

10.6.4 The Company will indemnify, defend and hold harmless the Receiving Agent, its affiliates and their directors, officers, employees and agents (each a "**Receiving Agent Indemnified Party**") from and against any losses, damages, liabilities, professional fees (including but not limited to reasonable legal fees), court costs, and reasonable expenses resulting or arising from the Company's breach of the Receiving Agent Services Agreement, and in addition any third party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with

the Receiving Agent Services Agreement or the services contemplated in the Receiving Agent Services Agreement, save where due to fraud, wilful default or negligence on the Receiving Agent Indemnified Party's part.

10.6.5 The Receiving Agent Services Agreement is governed by the laws of England.

10.7 **Assignment and Assumption Agreement**

10.7.1 As set out in Part III (Seed Assets) of this Prospectus, the BioPharma III Interest may be acquired in two closings: the First Close on Initial Admission will be limited to such portion of the BioPharma III Interest such that the Shares being issued in connection therewith do not exceed the First Close Limit and the Second Close will involve the remaining proportion of the BioPharma III Interest (if any) being acquired (and Shares in connection therewith being issued) on Subsequent Admission alongside the RPS Note.

10.7.2 In accordance with the results of the BioPharma III Tender Offer, BioPharma III will assign and transfer to the Company the Participating LP Interest, in exchange for the Company issuing the Carry Shares to the Special Limited Partner and the remaining Shares to BioPharma III GP (in its capacity as attorney-in-fact for the Participating BioPharma III Investors) (at the Issue Price) equal to the value of the Participating LP Interest immediately after the transfer. The Company will become a limited partner of BioPharma III Holdings, LP in respect of the Participating LP Interest.

10.7.3 BioPharma III and the Company will make and give certain customary representations and warranties to each other and BioPharma III GP, including:

(A) BioPharma III will represent and warrant that it is acquiring the Shares in the Company as attorney-in-fact of the Participating BioPharma III Investors; and

(B) the Company will represent and warrant that it was not formed or reformed for the specific purpose of making investments in the BioPharma III LP, that the BioPharma III Interest will constitute less than 40 per cent. of the total assets of the Company, and that it has conducted its own independent evaluation and made its own analysis and has relied entirely upon such independent evaluation and analysis in deciding to enter into the Assignment and Assumption Agreement.

10.7.4 In addition to its own expenses, the Company will pay all documented out-of-pocket expenses of BioPharma III in connection with the transfer contemplated by the Assignment and Assumption Agreement.

10.7.5 Each of BioPharma Existing III LP and the Company agrees severally (and not jointly) to indemnify and hold harmless BioPharma III Holdings, LP, BioPharma III GP and their respective partners, officers, directors, managers, members, employees and agents, and each other person (if any) who controls or is controlled by any of the foregoing within the meaning of Section 20 of the Exchange Act, against any and all loss, liability, claim, damage, cost and expense whatsoever arising out of or in connection with, or based upon or resulting from: (1) any false representation or warranty or breach or failure by BioPharma III Holdings, LP or the Company, respectively, to comply with any covenant or agreement in the Assignment and Assumption Agreement or in any other document furnished by either of them to any of the foregoing in connection with this transaction; or (2) any action for securities law violations instituted by BioPharma III Holdings, LP or the Company, as applicable, which is finally resolved by judgment against BioPharma III Holdings, LP or the Company, as applicable.

10.7.6 The Assignment and Assumption Agreement will be governed by the laws of the Cayman Islands.

10.8 **BioPharma III Holdings LPA**

10.8.1 Prior to Initial Admission, upon execution of the Assignment and Assumption Agreement, the Company will be admitted as a limited partner to BioPharma III Holdings, LP and will be bound by the BioPharma III Holdings LPA.

10.8.2 The BioPharma III Holdings LPA outlines the terms governing the operation and activities of BioPharma III Holdings, LP. Pursuant to the BioPharma III Holdings LPA, BioPharma III Holdings, LP is organised for the purpose of: (i) holding, leasing, selling, disposing of and exercising any rights with respect to investments made or committed to by BioPharma III Holdings, LP prior to the date of the BioPharma III Holdings LPA; (ii) entering into, making and performing all contracts and other undertakings, and engaging in all activities and transactions necessary or advisable to the carrying out of the foregoing objectives and purposes; and (iii) engaging in any other lawful acts or activities consistent with the foregoing.

10.8.3 BioPharma III Holdings, LP will maintain capital accounts for each limited partner in BioPharma III Holdings, LP (each, a "**Limited Partner**" and, collectively with BioPharma III GP, the "**Partners**"), which will be adjusted to reflect capital contributions, profits, losses and deductions, as well as for other reasons as described in the BioPharma III Holdings LPA.

10.8.4 All distributions to the Partners will be in cash and/or marketable securities, and distributions will be made at such times and in such amounts as BioPharma III GP deems appropriate, but no less often than on a quarterly basis. Distributions will generally be allocated to the Partners pro rata in accordance with their participation in the underlying investments. Certain amounts may be withheld from distribution for tax and other purposes.

10.8.5 Limited Partners will not participate in the conduct or control of BioPharma III Holdings, LP, transact in any of its business or act or bind BioPharma III Holdings, LP. BioPharma III GP has the exclusive and complete right, power, authority, discretion, obligation and responsibility that is vested in a general partner of a limited partnership and as otherwise provided by law. However, BioPharma III GP may not, without Limited Partner consent: (i) make it impossible to carry on the business of BioPharma III Holdings, LP; (ii) possess or assign BioPharma III Holdings, LP's property for a non-BioPharma III Holdings LP purpose; (iii) purchase certain assets; (iv) organise special purpose vehicles; (v) borrow or lend except in limited circumstances; (vi) admit certain new Partners or (vii) cause a Limited Partner to incur liability as a general partner or to be subject to unlimited liability.

10.8.6 BioPharma III Holdings, LP is responsible for its own expenses.

10.8.7 At any time, Limited Partners together holding a 75 per cent. interest may vote to remove BioPharma III GP as general partner, with or without cause, upon 60 days prior written notice to BioPharma III GP.

10.8.8 Certain indemnified parties will not be liable to BioPharma III Holdings, LP except in respect of: (i) actions or inactions of such indemnified parties constituting fraud, gross negligence, wilful misconduct or knowing violation of applicable securities laws or failure to act in good faith; or (ii) losses due to the action or inaction or due to the negligence or dishonesty of any employee, broker or other agent of BioPharma III Holdings, LP, if such indemnified parties did not use reasonable care in selecting the employee, broker or other agent. Except under certain disclosed circumstances, BioPharma III Holdings, LP will also indemnify certain parties as outlined in the BioPharma III Holdings LPA.

10.8.9 No Limited Partner may transfer its interest in BioPharma III Holdings, LP without the consent of BioPharma III GP. Except with respect to transfers to certain affiliates, BioPharma III GP may not transfer its general partner interest in BioPharma III Holdings, LP without the consent of 75 per cent. of the Limited Partners by interest.

10.8.10 In certain circumstances, BioPharma III GP may require a Limited Partner to withdraw its interest in BioPharma III Holdings, LP.

10.8.11 BioPharma III Holdings, LP will be wound up and dissolved upon the first to occur of: (i) the dissolution date; (ii) the dissolution of BioPharma III Holdings, LP as required by the Cayman Islands Exempted Limited Partnership Law (as amended); (iii) the date following 90 calendar days after the date of notice by BioPharma III GP to the Limited Partners of the retirement, bankruptcy, insolvency, commencement of liquidation proceedings, resignation, insolvency or dissolution of BioPharma III GP,

unless otherwise agreed by the Limited Partners; or (iv) subject to some limitations, BioPharma III GP determining to dissolve BioPharma III Holdings, LP. The distribution upon liquidation will occur in the priorities set forth in the BioPharma III Holdings LPA.

10.8.12 Subject to certain exceptions, no amendment may be made to the BioPharma III Holdings LPA without the consent of 75 per cent. of the Limited Partners by interest and BioPharma III GP and, to the extent that such amendment would have an adverse effect on the rights of the Investment Manager, the Investment Manager.

10.8.13 For certain disclosed purposes, each Limited Partner constitutes and appoints BioPharma III GP as its true and lawful attorney-in-fact. Subject to certain exceptions, each Limited Partner will keep confidential and not disclose without the prior written consent of BioPharma III GP any information with respect to BioPharma III Holdings, LP, BioPharma III GP, the Investment Manager or any affiliate thereof or any investment held by BioPharma III Holdings, LP.

10.9 **BioPharma III GP Subscription Agreement**

10.9.1 Prior to Initial Admission, BioPharma III GP (in its capacity as attorney-in-fact of the Participating BioPharma III Investors) will enter into the BioPharma III GP Subscription Agreement, pursuant to which it will subscribe for such number of Shares at the Issue Price with an aggregate value equal to the value of the Participating LP Interest, being the consideration for such Shares (the "**BioPharma III GP Subscription Shares**"). The First Close of the subscription will be conditional on: (i) Initial Admission occurring by 8:00 am on 27 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may determine); (ii) the Gross Cash Proceeds being not less than US$150 million; (iii) all of the Initial Acquisition Agreements being executed and the Initial Acquisition becoming unconditional (save as to Admission) and (iv) by no later than 11:59 pm (UK time) on the Business Day before the closing date of the Placing, valid elections to participate being received under the Tender Offers which (in aggregate) together with the RPS Pharma Investors Agreement would result in: (a) the Gross Initial Acquisition Proceeds being at least US$150 million; (b) the total Participating LP Interest to be acquired by the Company on First Close and Second Close (if any) being equal to or less than 39.9 per cent. of the Net Issue Proceeds; and (c) the principal amount under the RPS Note being equal to or less than 39.9 per cent. of the Net Issue Proceeds; in each case, if Subsequent Admission is successfully completed. The Second Close is conditional on Subsequent Admission occurring no later than 8.00 am (UK time) on 30 March 2017 (or such later time(s) and/or date(s) as the Company and the Joint Bookrunners may determine, being not later than the Long Stop Date) (save for any conditions relating to the consummation of the BioPharma III Tender Offer).

10.9.2 Subject to the conditions listed above and the transfer of the Participating LP Interest, the Company will issue the BioPharma III GP Subscription Shares to the Participating BioPharma III Investors on each of Initial Admission and Subsequent Admission by way of the First Close and Second Close, respectively.

10.9.3 Pursuant to the terms of the BioPharma III GP Subscription Agreement, Participating BioPharma III Investors will be prohibited from disposing of the BioPharma III GP Subscription Shares for a period of 12 months from the date of Subsequent Admission, subject to certain exceptions that are customary for such arrangements. Further details of the lock-up restrictions contained in the BioPharma III Offer Document are described in Part III (Seed Assets) of this Prospectus.

10.9.4 The BioPharma III GP Subscription Agreement will be governed by the laws of England and Wales.

10.10 **PL Subscription Agreement**

10.10.1 As at the date of this Prospectus, Pablo Legorreta has entered into the PL Subscription Agreement dated 1 March 2017, pursuant to which he will subscribe for 25 million Shares at the Issue Price on Initial Admission (the "**PL Subscription Shares**"). Subscription will be conditional on: (i) Initial Admission occurring by 8:00 am on 27 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may agree); (ii) the Gross Cash Proceeds

being at least US$150 million; (iii) all of the Initial Acquisition Agreements being executed and the Initial Acquisition becoming unconditional (save as to Admission); and (iv) by no later than 11:59 pm on the Business Day before the closing date of the Placing, valid tenders being received under the Tender Offers which (in aggregate) together with the RPS Pharma Investors Agreement would result in: (a) the Gross Initial Acquisition Proceeds being at least US$150 million; (b) the BioPharma III Interest being equal to or less than 39.9 per cent. of the Net Issue Proceeds; and (c) the Loan Amount under the RPS Note being equal to or less than 39.9 per cent. of the Net Issue Proceeds, in each case if Subsequent Admission is successfully completed.

10.10.2 Subject to the conditions listed above and the transfer of the consideration of US$25 million, the Company will issue the PL Subscription Shares to Pablo Legorreta on Initial Admission.

10.10.3 Pursuant to the terms of the PL Subscription Agreement, Pablo Legorreta will be prohibited from disposing of the PL Subscription Shares for a period of 12 months from the date of Initial Admission, subject to certain exceptions that are customary for such arrangements.

10.10.4 The PL Subscription Agreement will be governed by the laws of England and Wales.

10.11 **BioPharma III Carry Subscription Agreement**

10.11.1 Prior to Initial Admission, the Special Limited Partner will enter into the BioPharma III Carry Subscription Agreement, pursuant to which it will subscribe for the Carry Shares. The First Close of the subscription will be conditional on: (i) Initial Admission occurring by 8:00 am on 27 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may determine); (ii) the Gross Cash Proceeds being not less than US$150 million; (iii) all of the Initial Acquisition Agreements being executed and the Initial Acquisition becoming unconditional (save as to Admission) and (iv) by no later than 11:59 pm (UK time) on the Business Day before the closing date of the Placing, valid elections to participate being received under the Tender Offers which (in aggregate) together with the RPS Pharma Investors Agreement would result in: (a) the Gross Initial Acquisition Proceeds being at least US$150 million; (b) the total Participating LP Interest to be acquired by the Company on First Close and Second Close (if any) being equal to or less than 39.9 per cent. of the Net Issue Proceeds; and (c) the principal amount under the RPS Note being equal to or less than 39.9 per cent. of the Net Issue Proceeds; in each case, if Subsequent Admission is successfully completed. The Second Close is conditional on Subsequent Admission occurring no later than 8.00 am (UK time) on 30 March 2017 (or such later time(s) and/or date(s) as the Company and the Joint Bookrunners may determine, being not later than the Long Stop Date) (save for any conditions relating to the consummation of the BioPharma III Tender Offer).

10.11.2 Subject to the conditions listed above and the transfer of the Participating LP Interest, the Company will issue the Carry Shares to the Special Limited Partner on each of Initial Admission and Subsequent Admission by way of the First Close and Second Close, respectively.

10.11.3 Pursuant to the terms of the BioPharma III Carry Subscription Agreement, the Special Limited Partner will be prohibited from disposing of the Carry Shares for a period of 12 months from the date of Subsequent Admission, subject to certain exceptions that are customary for such arrangements. Further details of the lock-up restrictions contained in the BioPharma III Offer Document, to which the Special Limited Partner will of the subject, are described in Part III (Seed Assets) of this Prospectus.

10.11.4 The BioPharma III Carry Subscription Agreement will be governed by the laws of England and Wales.

10.12 **RPS Note**

10.12.1 The RPS Borrower will enter into the RPS Credit Agreement with the Company. Conditional upon the satisfaction of all the conditions precedent under the RPS Note, the Company will pay the Loan Amount to the RPS Borrower immediately after Initial Admission.

10.12.2 The key terms of the RPS Note include:

(A) availability up to an amount determined by applying 83.6 per cent. loan-to-value ratio based on the RPS Borrower's pro rata share of the RPS Present Value, which will be determined based on the results of the RPS Tender Offers and the transfer of the units in Royalty Pharma Select;

(B) maturity upon the earlier of (a) repayment of the outstanding aggregate principal (including principal consisting of capitalised interest on such outstanding principal) and interested accrued on such amounts, and (b) 30 June 2026;

(C) interest rate of 12 per cent. per annum; and

(D) the loan will be evidenced by the RPS Credit Agreement, the records of the Company and the Promissory Note, attached as an exhibit to the RPS Credit Agreement.

10.12.3 **Security**

The RPS Note will be secured by substantially all of the assets of the RPS Borrower; including:

(A) a charge over the Royalty Pharma Select units, which will have been transferred to the RPS Borrower pursuant to the RPS Transfer Agreements. Please see paragraph 9.4 of Part X (Additional Information on the RPS Borrower) of this Prospectus for a summary of the key terms of the RPS Transfer Agreements; and

(B) a charge over all monies credited to the Collection Account, which has been designated to receive distributions from the Royalty Pharma Select units.

10.12.4 **Use of proceeds**

It is anticipated that the Loan Amount will be used by the RPS Borrower to make one or more cash distributions to the Participating RPS Investors, as direct or indirect equity owners of the RPS Borrower, as described in this Prospectus.

10.12.5 **Repayment**

The loan will be due and payable in quarterly instalments, with the amounts credited in the Collection Account, after payment of expenses and interest due during such calendar quarter. If on any quarterly payment date the monies available in the Collection Account for payment of accrued and unpaid interest in respect of the loan is insufficient to make the payment in full, the shortfall will instead be ''paid-in-kind'' by being capitalised and added to the outstanding principal balance of the loan on this date. Accordingly, this shortfall will no longer constitute accrued and unpaid interest but instead will form part of the principal of the loan.

10.12.6 **Mandatory Prepayment**

All outstanding amounts of the loan must be prepaid in full within 20 business days after a change in control, meaning (a) the consummation of a transaction in which any person or group is or becomes, directly or indirectly, the beneficial owner of a sufficient number of equity interests in the RPS Borrower or the then general partner of the RPS Borrower to elect a majority of its board of directors, respectively or (b) a direct or indirect sale of all or substantially all of the RPS Borrower's assets.

10.12.7 **Covenants**

(A) The RPS Note will contain covenants of the RPS Borrower and its subsidiaries, that are typical for facilities of this type, including, but not limited to: (i) notification of default; (ii) maintenance of existence as a single purpose entity; and (iii) compliance with applicable laws.

(B) In addition, the RPS Note will contain restrictions (that are also subject to certain agreed exceptions) that are typical for facilities of this type, including restrictions on the RPS Borrower: (i) creating or allowing any liens to exist, including creating or allowing to subsist security interests; (ii) making certain payments in respect of any of its equity interests, including in respect of any dividends or other distributions in respect of these equity interests; (iii) incurring certain additional financial indebtedness; (iv) merging, amalgamating or consolidating with any other person; (v) creating, acquiring or holding an interest in any subsidiaries; and (vi) entering into certain transactions with affiliates or waiving or failing to enforce any term of an agreement with an affiliate that could reasonably affect the royalty payments or granted security.

(C) The RPS Note will also provide that the RPS Borrower may instruct disbursements from the Collection Account only for the purpose of making payment of interest and principal on the RPS Note and paying certain specified administrative and other expenses of the RPS Borrower.

10.12.8 **Events of Default**

The RPS Note will contain certain usual and customary events of default for facilities of this type, including, but not limited to: (i) payment defaults; (ii) failure to deliver royalty payment reports and other financial reports; (iii) cessation of business; (iv) certain other covenant defaults; (v) breaches of representations and warranties, or making misrepresentations; (vi) defaults by the RPS Borrower in agreements executed in connection with the Initial Acquisition; and (vii) certain events of insolvency. The occurrence of an event of default will allow the Company to accelerate the outstanding loan under the RPS Note and/or pursue all other remedies available to it.

10.13 **Account Control Agreement**

10.13.1 In connection with the grant of security interests to secure payment of the principal and interest on the RPS Note, the RPS Borrower has established the Collection Account at the Account Bank and will issue irrevocable instructions to the trustee of Royalty Pharma Select to pay into Collection Account all amounts of distributions from the Royalty Pharma Select units to the RPS Borrower. Under the terms of the RPS Credit Agreement, the RPS Borrower shall, with the consent of the Company, instruct disbursements from the Collection Account only for the purpose of making payment of interest and principal on the RPS Note and paying certain specified administrative and other expenses of the RPS Borrower. The RPS Borrower will, under the terms of the RPS Credit Agreement, grant to the Company a security interest in amounts in the Collection Account from time to time. The RPS Borrower and the Company will enter into the Account Control Agreement to evidence such security interest. In the event of a default on the RPS Note, the Company will have the sole right to instruct disbursements from the Collection Account.

10.14 **Unit Mortgage and Acknowledgment**

10.14.1 The RPS Borrower and the Company will enter into the Unit Mortgage in connection with the RPS Note.

10.14.2 Under the terms of the Unit Mortgage, the RPS Borrower will agree:

(A) that it will, on demand pay and discharge all amounts due under and in accordance with the RPS Credit Agreement;

(B) to charge in favour of the Company those units which it holds in Royalty Pharma Select, together with: all future units which the RPS Borrower might hold in Royalty Pharma Select; and all dividends, interest or other income payable in respect of the units;

(C) that it will, immediately on execution of the Unit Mortgage, deliver to the Company all documents of title, a signed, blank unit transfer form and a certified copy of the register recording the issue of units;

10.14.3 The RPS Borrower will provide certain covenants to the Company including, among other things, that it will:

(A) save for any security permitted under the terms of the RPS Credit Agreement, it will not create or permit to subsist any mortgage, charge, lien, pledge or other security over the units;

(B) not sell the units or do or cause anything which might reasonably be expected in any way to depreciate, jeopardise or otherwise prejudice the value of the security created;

(C) provide such information in relation to the units that the Company might require;

(D) execute and do all such assurances and things as the Company may reasonably require for perfecting the security over the units and for enforcing all or any of the Company's rights in or in respect of all or any of the units; and

(E) obtain and maintain any licence, permission, consent or authorisation which may be required to enable the Company obtain the full benefit of the security.

10.14.4 The Unit Mortgage will provide that if an event of default under the RPS Credit Agreement occurs then the security constituted by the Unit Mortgage may be enforced. Such enforcement events include, *inter alia*, failure to pay the secured obligations, breach of other obligations and insolvency.

10.14.5 The two most significant enforcement remedies which a security holder can have and which will be contained in the Unit Mortgage are a power of sale and a power to appoint a receiver.

10.14.6 The Unit Mortgage will also contain a power of attorney in favour of the Company to carry out certain actions for and on behalf of the RPS Borrower.

10.14.7 The Unit Mortgage will be governed by the laws of Ireland.

10.15 **Unit Control Deed**

10.15.1 The RPS Borrower, the Company and the RPS Manager will enter into the Unit Control Deed in connection with the Unit Mortgage.

10.15.2 Under the terms of the Unit Control Deed, the RPS Manager will acknowledge and agree that the RPS Borrower has charged and assigned to the Company the units and that it has been duly notified of the creation of the security by the RPS Borrower and that it will not object either now or in the future to the security or the rights of the Company thereunder.

10.15.3 The Company will acknowledge that where the Unit Mortgage becomes enforceable, any transfer, sale or assignment of the Royalty Pharma Select units shall be subject to certain conditions which are set out at clause 3 of the Unit Control Deed, including, but not limited to:

(A) the transferee must be either (a) an existing limited partner of the RPS Borrower or the RPS Borrower Feeder, or (b) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company or investment fund, any insurance company, or any broker or dealer, regardless of legal form, that in each case qualifies as a ''qualified purchaser'' as defined in the Investment Company Act;

(B) the transferee must be either (a) a US person who is a ''qualified purchaser'' as defined in the Investment Company Act, or (b) to the extent determined to be acceptable in the RPS Manager's sole discretion, an entity directly or indirectly owned in whole or in part by one or more US Persons, that in each case qualified as a ''qualified purchaser'' as defined in the Investment Company Act;

(C) the transferee must agree to any representations, covenants, restrictions and limitations that any direct or indirect investors in Royalty Pharma Select may be subject to, as the RPS Manager in its sole discretion determines to be necessary for Royalty Pharma Select or any affiliate thereof to claim or preserve US tax treaty benefits or otherwise to avoid or mitigate the incurrence of US withholding tax;

(D) the transferee must agree to reasonably cooperate with Royalty Pharma Select, the RPS Manager and their agents and tax advisers, and to undertake any action reasonably requested by Royalty Pharma Select or the RPS Manager,

including, but not limited to, participating in any restructuring of Royalty Pharma Select or its affiliates, as may be necessary for Royalty Pharma Select or any affiliate thereof to claim or preserve US tax treaty benefits or otherwise to avoid or mitigate the incurrence of US withholding tax, in each case as determined by the RPS Manager in its sole discretion;

(E) the transferee must agree to provide Royalty Pharma Select, the RPS Manager and their agents and tax advisers in a timely manner any tax information or documentation that Royalty Pharma Select or the RPS Manager believe is required or will enable them or any of their affiliates to comply with or mitigate any of their respective tax reporting, tax withholding, and/or tax compliance obligations;

(F) the transferee must execute and deliver to the RPS Manager, at least five business days prior to the date of the transfer, (a) a trust unit transfer form, (b) a trust application form, (c) certain tax certifications each completed with information reasonably satisfactory to the RPS Manager; provided, however, that the RPS Manager may require such certificates, agreements, documents and other writings as may be reasonably necessary in order to comply with any applicable changes subsequent to the date of the Unit Control Deed in law or requirements of any government, court, regulatory or administrative agency or commission, or other governmental authority, agency or instrumentality, whether federal, state or local (domestic or foreign);

(G) where the transferee is: (i) an employee benefit plan subject to the fiduciary provisions of ERISA, (ii) a ''plan'' subject to Section 4975 of the US Tax Code (a party described in (i) or (ii), a ''Plan''), (iii) an entity whose underlying assets include ''plan assets'' for purposes of ERISA by reason of a Plan's investment in the subscriber, or (iv) an entity that otherwise constitutes a ''benefit plan investor'' within the meaning of any US Department of Labour regulation promulgated under Section 3(42) of ERISA, the Company shall have obtained the prior written consent of the RPS Manager;

(H) the transferee must not be a competitor of Royalty Pharma Select, the Feeders or any of their affiliates;

(I) the transferee must be one of:

  (1) an investor who is a professional client within the meaning of Annex II of Directive 2004/39/EC (the Markets in Financial Instruments Directive or ''**MiFID**''); or

  (2) an investor who receives an appraisal from an EU credit institution, an ''investment firm'' within the definition in MiFID or a ''management company'' within the definition in the UCITS Directive, such that the investor has the appropriate expertise, experience and knowledge to adequately understand the investment in the scheme; or

  (3) an investor who certifies that they are an informed investor by certifying in writing the following:

    (a) that the investor has such knowledge of and experience in financial and business matters as would enable the investor to properly evaluate the merits and risks of the prospective investment; or

    (b) that the investor's business involves, whether for its own account or the account of others, the management, acquisition or disposal of property of the same kind as the property of the scheme.

(J) the transferee must certify in writing to the RPS Manager that it is aware of the risks involved in holding units and of the fact that inherent in an investment in Royalty Pharma Select is the potential to lose all of the sum invested;

(K) the transferee must, following the transfer, hold units with a minimum value of EUR 100,000 or its foreign currency equivalent; and

(L) the RPS Manager receiving such opinions of responsible counsel as may be reasonably required by the RPS Manager.

10.15.4 The RPS Borrower will indemnify and hold harmless the RPS Manager, its directors, officers, employees and agents (together the "**Unit Control Deed Indemnified Parties**" and each a "**Unit Control Deed Indemnified Party**") from and against any and all actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by one or more Unit Control Deed Indemnified Parties by any person arising, directly or indirectly, from the control provided, however, that no Unit Control Deed Indemnified Party shall have the right to be indemnified for any liability resulting from the wilful misconduct or gross negligence of such Unit Control Deed Indemnified Party.

10.15.5 The Unit Control Deed is governed by the laws of Ireland.

10.16 **RPS Investor Subscription Agreement**

10.16.1 Prior to Initial Admission, Royalty Pharma shall (in its capacity as attorney-in-fact of the Participating RPS Investors) enter into the RPS Investor Subscription Agreement pursuant to which it will acquire, at the direction of the Participating RPS Investors, at the Issue Price, a number of Shares the aggregate value of which will be equal to the deemed cash distribution made to the Participating RPS Investors (the "**RPS Subscription Shares**"). Subscription will be conditional on: (i) the tender of RPS Interests in the RPS Tender Offers, taken together with the contribution made by Pharma Investors under the RPS Pharma Investors Agreement, resulting in the Loan Amount under the RPS Note being equal to at least US$100 million in the aggregate; (ii) the concurrent closing of the other RPS Tender Offer; (iii) Initial Admission occurring by 8:00 am on 27 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may determine); (iv) the Gross Initial Acquisition Proceeds being at least US$150 million; and (v) Subsequent Admission occurring by no later than 8:00 am on 30 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may determine) (save for any conditions relating to the consummation of the RPS Tender Offers).

10.16.2 Subject to the conditions listed above and the transfer of the consideration sum, the Company will issue the RPS Subscription Shares to Royalty Pharma on Subsequent Admission.

10.16.3 Pursuant to the terms of the RPS Investor Subscription Agreement, Participating RPS Investors will be prohibited from disposing of the RPS Subscription Shares for a period of 12 months from the date of Subsequent Admission, subject to certain exceptions that are customary for such arrangements. Further details of the lock-up restrictions contained in the RPS Offer Documents are described in Part III (Seed Assets) of this Prospectus.

10.16.4 The RPS Investor Subscription Agreement will be governed by the laws of England and Wales.

11. 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 its financial position or profitability.

12. SIGNIFICANT CHANGE

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

13. WORKING CAPITAL

The Company is of the opinion that, taking into account the minimum Gross Cash Proceeds, the working capital available to it is sufficient for the present requirements of the Company, that is for at least 12 months from the date of this Prospectus.

14. CAPITALISATION AND INDEBTEDNESS

As at the date of this Prospectus, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness and the Company's issued share capital consists of 1 Share and 5,000,000 Redeemable Preference Shares with no legal reserve or other reserves.

15. THIRD PARTY INFORMATION AND CONSENTS

15.1 Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

15.2 Each of the Joint Bookrunners has given and not withdrawn their written consent to the inclusion in this Prospectus of references to their names in the form and context in which they appear.

15.3 The Investment Manager has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which they appear. The Investment Manager has given and not withdrawn its written consent to the inclusion in this Prospectus of the information and opinions contained in Part II (Investment Opportunity), Part III (Seed Assets), Part V (The Investment Manager) and Part X (Additional Information on the RPS Borrower) of this Prospectus and any other information or opinion related or attributed to it or Royalty Pharma, and the references to it in the form and context in which they appear and has authorised such information and opinions.

16. GENERAL

16.1 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.

16.2 In accordance with the Prospectus Rules, the Company will file with the FCA, and make available for inspection by the public, details of the number of Shares issued under this Prospectus. The Company will also notify the issue of the Shares through a Regulatory Information Service.

16.3 The effect of the Issue will be to increase the net assets of the Company. On the assumption that the Issue is subscribed as to 300 million Shares, the Issue is expected to increase the net assets of the Company by approximately US$294 million. The Issue is expected to be earnings-enhancing.

17. ADDITIONAL AIFM DIRECTIVE DISCLOSURES

The AIFM Directive imposes detailed and prescriptive obligations on fund managers established in the EEA (the "**Operative Provisions**"). These do not currently apply to managers established outside the EEA, such as the Investment Manager. Rather, non-EEA managers are only required to comply with certain disclosure, reporting and transparency obligations of the AIFM Directive (the "**Disclosure Provisions**") and, even then, only if the non-EEA manager markets shares in a fund to EEA domiciled investors within the EEA. Where the Disclosure Provisions appear to require disclosure on an Operative Provision which does not apply to the Company, no meaningful disclosure can be made. These Operative Provisions include prescriptive rules on measuring and capping leverage in line with known European standards, the treatment of investors, liquidity management, the use of "depositaries" and cover for professional liability risks.

Professional indemnity insurance

The Investment Manager is not authorised under the AIFM Directive and is therefore not subject to the detailed requirements set out therein in relation to the holding of professional indemnity insurance and regulatory capital. Notwithstanding the above, the Investment Manager does maintain professional indemnity insurance cover.

AIFM Directive leverage limits

For the purposes of the AIFM Directive, leverage is required to be calculated using two prescribed methods: (i) the gross method; and (ii) the commitment method, and expressed as the ratio between a fund's total exposure and its net asset value.

As measured using the gross method, the level of leverage to be incurred by the Investment Manager on behalf of the Company is not to exceed 50 per cent of NAV (which is the equivalent of a ratio of 1:2).

As measured using the commitment method, the level of leverage to be incurred by the Investment Manager on behalf of the Company is not to exceed 50 per cent of NAV (which is the equivalent of a ratio of 1:2).

Liquidity risk management

There is no right or entitlement attaching to Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations (primarily, repayment of any debt and the fees payable to the Company's service providers) of the Company as they fall due.

In managing the Company's assets, therefore, the Investment Manager will seek to ensure that the Company holds at all times a portfolio of assets that is sufficiently liquid to enable it to discharge its payment obligations.

Fair treatment of Shareholders

The Company has decided to voluntarily comply with the certain Listing Rules and Principles that are applicable to closed-ended investment companies with a premium listing on the Official List of the UKLA. The CISE Listing Rules also require fair treatment of Shareholders.

18. UK RULES ON MARKETING OF POOLED INVESTMENTS

The FCA Handbook contains rules restricting the marketing within the UK of certain pooled investments or 'funds', referred to in the FCA Handbook as non-mainstream pooled investments ("**NMPIs**"), to 'ordinary retail clients'. These rules took effect on 1 January 2014. These rules currently do not apply to investment trusts.

19. ELIGIBILITY FOR INVESTMENT BY UCITS OR NURS

The Company has been advised that the Shares should be "transferable securities" and, therefore, should be eligible for investment by UCITS or NURS on the basis that: (i) the Company is a closed-ended investment company incorporated in England and Wales as a public limited company; (ii) the Shares are to be admitted to trading on the Specialist Fund Segment; and (iii) the Investment Manager is a registered investment adviser under the Advisers Act and is regulated by the SEC and, as such, is subject to the SEC's rules in the conduct of its investment business. The manager of a UCITS or NURS should, however, satisfy itself that the Shares are eligible for investment by that UCITS or NURS, including the factors relating to that UCITS or NURS itself, specified in the Collective Investment Scheme Sourcebook of the FCA Handbook.

20. DOCUMENTS ON DISPLAY

20.1 The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG until Subsequent Admission or the latest date by which Subsequent Admission may occur (being the Long Stop Date):

20.1.1 this Prospectus; and

20.1.2 the Articles.

20.2 In addition, copies of this Prospectus are available, for inspection only, from the National Storage Mechanism (http://www.hemscott.com/nsm.do) and the Company's website.

20.3 Further copies of this Prospectus and the constitutional documents of the Company may be obtained, free of charge, from the registered office of the Company as provided in paragraph 1.4 of this Part IX (Additional Information on the Company) of this Prospectus and the principal place of business of the Investment Manager as provided in paragraph 3.1 of this Part IX (Additional Information on the Company) of this Prospectus.

PART X – ADDITIONAL INFORMATION ON THE RPS BORROWER

1. OVERVIEW OF THE RPS BORROWER

1.1 The RPS Borrower is RPS BioPharma Investments, LP. It is an exempted limited partnership established under the Cayman Islands Exempted Limited Partnership Law, 2014. It was established on 28 October 2016 and is registered in the Cayman Islands with registered number 87564. Its registered address is at Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands and telephone number is +1 212 883 0200. It has an unlimited life.

1.2 The RPS Borrower has one feeder fund, RPS BioPharma Holdings, LP, which will hold as its sole asset a limited partnership interest in the RPS Borrower and is also an exempted limited partnership established under the Cayman Islands Exempted Limited Partnership Law, 2014. It was established on 28 October 2016 and is registered in the Cayman Islands with registered number 87561. Its registered address is Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands and telephone number is +1 212 883 0200. It has an unlimited life.

1.3 The RPS General Partner is the sole general partner of each of the RPS Borrower and the RPS Borrower Feeder. The directors of the RPS General Partner are Pablo Legorreta and Rory Riggs. The shares of the RPS General Partner are held by Pharma Investors.

1.4 Upon formation, the capital of each of the RPS Borrower and the RPS Borrower Feeder was de minimis and the partners of each consisted of the RPS General Partner and a formation limited partner who will withdraw on the completion of the transactions noted in paragraph 2 below. Upon completion of the transactions noted in paragraph 2 below, the capital of the RPS Borrower will equal the value of the units of Royalty Pharma Select transferred to the RPS Borrower pursuant to the RPS Tender Offers and the RPS Pharma Investors Agreement and the capital of the RPS Borrower Feeder will be equal to the value of the limited partnership interests in the RPS Borrower that are contributed to it by or on behalf of the RPS Investors.

1.5 SS&C Technologies Inc. serves as administrator of the RPS Borrower pursuant to an administration agreement among the RPS Borrower, Royalty Pharma, SS&C Technologies Inc. and other investment entities managed by Royalty Pharma.

1.6 The RPS Borrower has entered into a management agreement with Royalty Pharma, a limited liability company established under the laws of the State of Delaware that serves as investment manager of the US Feeders and the Non-US Feeders (the "**RPS Borrower Management Agreement**"). Pursuant to the RPS Borrower Management Agreement, Royalty Pharma will direct the management of the investments of the RPS Borrower and will implement the transactions noted in paragraph 2 below.

1.7 Pablo Legorreta controls the RPS Borrower and the RPS Borrower Feeder through his control of the RPS General Partner. Pablo Legorreta is also the controlling principal of Royalty Pharma, which will be the investment manager of the RPS Borrower. Pablo Legorreta is a director of the RPS General Partner and is also a managing member of the general partner of the Investment Manager. Pharma Investors, the general partner of the US Feeders and the Non-US Feeders, may hold a significant portion of the limited partnership interest in the RPS Borrower, and Pablo Legorreta may be the largest beneficial owner of that limited partnership interest. Finally, Pablo Legorreta will also control Pharma Investors through its general partner, Pharma Management, LLC, of which Pablo Legorreta is the sole managing member. Accordingly, Pablo Legorreta has conflicts of interest in connection with his duties to the various entities that he owns, controls and/or manages.

1.8 In connection with the grant of security interests to secure payment of the principal and interest on the RPS Note, the RPS Borrower has established the Collection Account, which has been designated to receive all distributions from the Royalty Pharma Select units, at the Account Bank, and will issue irrevocable instructions to the trustee of Royalty Pharma Select to pay into the Collection Account all amounts of distributions from Royalty Pharma Select to the RPS Borrower. The operation of the Collection Account is subject to the Account Control Agreement.

2. INVESTMENTS OF THE RPS BORROWER

2.1 The RPS Borrower currently holds no investments.

2.2 As set out in Part III (Seed Assets) of this Prospectus, each of the RPS Borrower and the RPS Borrower Feeder published an RPS Offer Document on 8 February 2017 whereby they invited the Feeders and all the RPS Investors therein to tender their interests in the Feeders in exchange for limited partnership interests in the RPS Borrower or the RPS Borrower Feeder, as applicable. The RPS Tender Offers will close at 2400 hours (NY time) on 15 March 2017 (unless otherwise extended).

2.3 Subject to the fulfilment of the conditions to the RPS Tender Offers, prior to Initial Admission, each Feeder will transfer or procure the transfer of such number of Royalty Pharma Select units as is reflective of the interest held by RPS Tender Offer Participants in that Feeder to the RPS Borrower and the RPS Borrower Feeder. The RPS Borrower and the RPS Borrower Feeder will, in turn, issue limited partnership interests to the RPS Tender Offer Participants who will withdraw from their relevant Feeders to the extent of their participation in the RPS Tender Offers. The transfer of the Royalty Pharma Select units is one of the conditions precedent to the disbursement of the Loan Amount under the RPS Note.

2.4 Prior to the launch of the RPS Tender Offers, Pharma Investors entered into the RPS Pharma Investors Agreement with the RPS Borrower, pursuant to which Pharma Investors agreed to contribute RPS Interests (resulting from its entitlement to participate in a portion of the distributions made by Royalty Pharma Select to the US Feeders and the Cayman Feeders) to the RPS Borrower in exchange for limited partnership interests in the RPS Borrower. Such contributions would be in addition to its existing RPS Interests which it will tender through the RPS Tender Offers. As of the date of the Pharma Investors Agreement, Pharma Investors agreed to contribute 1.46 million of its additional RPS Interests as a result of the distributions referred to above to the RPS Borrower. Pharma Investors may, at its option, increase its contribution to the RPS Borrower up to all of its additional RPS Interests at any time up to the expiry of the RPS Tender Offers. Pharma Investors would be entitled to receive the same cash distribution as the RPS Tender Offer Participants (as described below) for the limited partnership interests it acquired in the RPS Borrower. Pursuant to the terms of the RPS Pharma Investors Agreement, Pharma Investors will only be permitted to contribute an amount of its interest to the extent that Pharma Investors' contribution, together with participation in the RPS Tender Offers, does not exceed the lower of: (i) 39.9 per cent. of the Net Issue Proceeds; and (ii) the Gross Cash Proceeds less any expenses deducted on Initial Admission.

2.5 Subject to the satisfaction of all the conditions precedent under the RPS Note, the Company shall, immediately after Initial Acquisition and in consideration of its acquisition of the RPS Note, deposit the Loan Amount in the Loan Proceeds Account which will be utilised to make one or more cash distributions to the Participating RPS Investors. The Loan Amount paid under the RPS Note and the interest payments will be secured by the Royalty Pharma Select units held by the RPS Borrower as well as the Collection Account.

3. RISKS RELATING TO THE RPS BORROWER

A loan to the RPS Borrower carries a number of risks including the risk that the entire principal amount of the loan and any interest thereon may be lost. In addition to all other information set out in this Prospectus, the following specific factors should be considered when lending to the RPS Borrower. The risks set out below are those that are considered to be the material risks relating to the RPS Borrower but are not the only risks relating to the RPS Borrower. No assurance can be given that Company will realise profit on, or recover the value of, the principal amount loaned on the acquisition of the RPS Note.

Prospective investors should note that the risks relating to the RPS Borrower and its investment strategy summarised in the section of this Prospectus headed ''Summary'' are the risks that the Directors and the Investment Manager believe to be the most essential to an assessment of the RPS Borrower. However, as the risks which the RPS Borrower faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the

information on the key risks summarised in the section of this Prospectus headed ''Summary'' but also, among other things, the risks and uncertainties described in this paragraph of Part X (Additional Information on the RPS Borrower) of this Prospectus. Additional risks and uncertainties not currently known to the Company, the Directors or the RPS Borrower or that the Company, the Directors or the RPS Borrower consider to be immaterial as at the date of this Prospectus may also have a material adverse effect on the RPS Borrower's financial condition, business, prospects and results of operations and, consequently, the RPS Borrower's ability to pay interest and repay the principal amount under the RPS Note.

3.1 **The RPS Borrower is a newly formed entity with no operating history**

The RPS Borrower is an exempted limited partnership established under the Cayman Islands Exempted Limited Partnership Law on 28 October 2016. The RPS Borrower has no operating history. No historical financial statements or other meaningful operating or financial data is available.

3.2 **The RPS Borrower and the RPS General Partner have no employees and are reliant on the performance of third party service providers**

The RPS Borrower and the RPS General Partner have no employees and whilst the RPS General Partner has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the RPS General Partner is reliant upon the performance of third party service providers for its executive functions. In particular, Royalty Pharma and SS&C Technologies Inc. will be performing services which are integral to the operation of the RPS Borrower. Failure by any service provider to carry out its obligations to the RPS Borrower (or the RPS General Partner acting on its behalf) in accordance with the terms of its appointment or the termination of these agreements may have a material adverse effect on the RPS Borrower's financial condition, business, prospects and results of operations and, consequently, its ability to repay the principal and pay interest on the loan under the RPS Note.

3.3 **The RPS Borrower will have no assets other than the units in Royalty Pharma Select**

The RPS Borrower currently has no assets. The only assets it will hold on Initial Admission are the Royalty Pharma Select units transferred by the Feeders representing an exposure to royalty interests held by Royalty Pharma Select. These royalty interests offer significant diversification among the underlying Products which are used to treat a variety of illnesses, but an investment in Royalty Pharma Select is not a complete investment portfolio. The royalty interests held by Royalty Pharma Select should not be considered long term assets. It is anticipated that 64 per cent. of the payments on those royalty interests will be received by Royalty Pharma Select by 31 December 2018 and that 97 per cent. of the remaining payments on those royalty interests will be received by 31 December 2021. Neither Royalty Pharma Select, nor the entities through which it holds royalty interests, have any significant indebtedness and it is not anticipated that any such indebtedness will be incurred during the term of the RPS Note. The RPS Borrower will not enter into any borrowings other than pursuant to the RPS Note.

3.4 **The Royalty Pharma Select units held by the RPS Borrower represent an exposure to a concentrated portfolio**

Royalty Pharma Select has 10 royalty interests within its portfolio which are currently used in 21 Products. The Royalty Pharma Select units reflect the right of the RPS Borrower to receive a proportion of the payments generated from the sale of the Products relating to the royalty streams. Of the 10 royalty interests included in the Royalty Pharma Select portfolio, the top three royalty interests represent over 65 per cent. of total projected royalty payments to be received by Royalty Pharma Select (and indirectly, the RPS Borrower). Of the three top products, the emtribiticane franchise (Atripla, Truvada, Emtriva, Complera, Stribild, Genvoya, Descovy and Odefsey) is the largest single contributor to total projected royalty payments, representing 23.5 per cent. of total expected payments, followed by Humira at 23.1 per cent. and the DPP-IV franchise (Januvia/Janumet, Galvus/Eucreas, Onglyza/Komboglyze, and Nesina) at 18.8 per cent. Therefore, the Royalty Pharma Select units held by the RPS Borrower represent an exposure to a relatively concentrated portfolio. If for any reason, the royalty payments expected from any of the above three royalty interests (and the related Products) is lower than expected, disputed or judged to be impaired, it would

have material adverse effect on the returns generated by Royalty Pharma Select and, in turn, the returns generated by the RPS Borrower and its ability to repay the principal and interest under the RPS Note.

3.5 **The products in which Royalty Pharma Select owns royalty interests face intense competition**

The biopharmaceutical and pharmaceutical industries are highly competitive and rapidly evolving. The length of any product's commercial life, including that of any product in which Royalty Pharma Select owns a royalty interest, cannot be predicted. There can be no assurance that any product in which Royalty Pharma Select owns a royalty interest will not be rendered obsolete or non-competitive by new products or improvements made to existing products, either by the current marketer of the product or by another marketer.

Competitive factors affecting the market position of the products in which Royalty Pharma Select owns royalty interests include:

- effectiveness;
- side effect profile;
- price;
- timing and introduction of the product;
- effectiveness of marketing strategy;
- governmental regulation;
- introduction of generic competition;
- new and improved medical procedures; and
- third party insurance reimbursement policies.

If a product in which Royalty Pharma Select owns a royalty interest is rendered obsolete or non-competitive by new products or improvements on existing products, such developments could have a material adverse effect on Royalty Pharma Select's investment performance and the ability of the RPS Borrower to pay interest and principal on the RPS Note.

3.6 **Sales of the products in which Royalty Pharma Select owns royalty interests are subject to regulatory actions that could harm Royalty Pharma Select's ability to generate revenues**

All of the products in which Royalty Pharma Select currently owns a royalty interest have been approved for at least one indication by the FDA and/or the EMEA. There can be no assurance, however, that any of these regulatory approvals will not be revoked or restricted in a manner that would have a material adverse effect on the sales of such products and, therefore, on Royalty Pharma Select's financial condition and operational results, and the ability of the RPS Borrower to pay interest and principal on the RPS Note. In addition, there can be no assurance that regulatory authorities will approve additional indications for any products in which Royalty Pharma Select owns a royalty interest.

3.7 **The products in which Royalty Pharma Select owns interests are subject to governmental healthcare policy changes and managed care considerations, which could affect their pricing**

The healthcare industry is likely to continue to change as the public, government, medical practitioners, and the pharmaceutical and biopharmaceutical industries focus on ways to expand medical coverage while controlling the growth in healthcare costs. In the United States, comprehensive legislative changes have been enacted and others may be proposed from time to time. These enactments and proposals could reduce the prices charged for pharmaceutical and biopharmaceutical products. In addition, price increases for prescription drugs have been hindered by the growth of large managed care organisations and prescription benefit managers and the prevalence of generic substitution. These conditions may have a material adverse effect on Royalty Pharma Select. In Europe, following approval by EMEA, the pricing of a new pharmaceutical or biopharmaceutical product is negotiated on a country-by-country basis with each national regulatory agency. In addition, each European country has an approved formulary for which it reimburses the cost of prescription drugs. The failure of any product in which Royalty Pharma Select owns a royalty interest to be

added to the formulary, or to achieve satisfactory pricing, could have a material adverse effect on Royalty Pharma Select and the ability of the RPS Borrower to pay principal and interest on the RPS Note.

3.8 **Product liability claims may diminish revenues**

The manufacturers, developers or marketers of products in which Royalty Pharma Select owns royalty interests could become subject to product liability claims. A successful product liability claim could adversely affect the amount of revenues payable to Royalty Pharma Select on the particular royalty interest. Although the Investment Manager believes neither it nor Royalty Pharma Select will bear responsibility in the event of a product liability claim against the company manufacturing, marketing and selling the underlying products, there can be no assurance that such claims would not materially and adversely affect Royalty Pharma Select and the ability of the RPS Borrower to pay principal and interest on the RPS Note.

3.9 **Royalty Pharma Select generally depends on third parties to maintain, enforce and defend patent rights on the products in which Royalty Pharma Select owns royalty interest**

Royalty Pharma Select's right to receive payments from its royalty interests generally depends on the existence of valid and enforceable claims of registered and/or issued patents in the United States and elsewhere in the world and on the manufacturing, marketing and selling of such products not infringing intellectual property rights of third parties. In most cases, Royalty Pharma Select has no ability to control the prosecution, maintenance, enforcement or defence of patent rights, but must rely on the willingness and ability of third parties to do so. While the Investment Manager believes that the parties required or entitled to maintain, enforce and defend the underlying patent rights are in the best position and have the requisite business and financial motivation to do so, there can be no assurance that these third parties will vigorously maintain, enforce or defend such rights. Even if such third parties do seek to maintain, enforce or defend such rights, they may not be successful. Any failure to successfully maintain, enforce or defend such rights would have a material adverse effect on Royalty Pharma Select and the ability of the RPS Borrower to pay principal and interest on the RPS Note. Royalty Pharma Select could incur substantial litigation costs if it is necessary to assert its interest in intellectual property or contractual rights, or to participate in patent suits brought by third parties.

3.10 **The life sciences industry is dispute-prone and highly litigious and certain assets of Royalty Pharma Select are subject to litigation**

Licensees of patent rights relating to biopharmaceutical products are increasingly seeking to reduce or eliminate their royalty obligations by:

- challenging the patents that are the basis of their royalty obligations and stopping paying the royalties called for by their license agreements; and

- scrutinising the terms of their license agreement with the objective of finding a new interpretation of the license agreement that will reduce their royalty obligations.

Changes in patent law are making patents that were once considered solid vulnerable to challenges from new directions.

Certain royalty interests held by Royalty Pharma Select and in which the RPS Borrower will have an interest are subject to litigation (i) challenging the patents that are the basis of the royalty obligations, or (ii) asserting interpretations of licensing agreements that reduce royalty obligations. In addition, changes in patent laws have led certain licensees to challenge patents from which royalty payments to Royalty Pharma Select are derived. In determining the net present value of projected payments to Royalty Pharma Select from its royalty interest, the Loan Amount and the ability of the RPS Borrower to pay interest and principal on the RPS Note, revenues from portions of products subject to challenge in such litigation have been treated as not receivable, although such challenges to royalty interests held by Royalty Pharma Select may ultimately prove unsuccessful.

3.11 **Royalty Pharma and its Affiliates provide services to other clients that compete directly or indirectly with the activities of the RPS Borrower and are subject to conflicts of interest in respect of its/their activities on behalf of the RPS Borrower**

Royalty Pharma and its Affiliates are involved in other financial, investment or professional activities that give rise to conflicts of interest with the RPS Borrower. In particular, Royalty Pharma and its Affiliates provide investment management and related services to other funds and managed accounts that have similar investment policies to that of the RPS Borrower (each, a "**RP Managed Entity**").

Consequently, Royalty Pharma is not required to commit all of its resources to the RPS Borrower's affairs. Insofar as Royalty Pharma devotes resources to satisfy its responsibilities to other business interests, its ability to devote resources and attention to the RPS Borrower's affairs will be correspondingly less.

Depending on the circumstances, Royalty Pharma and its Affiliates may give advice or take action with respect to the RP Managed Entities that differs from the advice given or action taken with respect to the RPS Borrower, even though their investment policies may be the same or similar as that of the RPS Borrower.

Royalty Pharma may from time to time encounter conflicts of interest given that its Affiliates will be limited partners in the RPS Borrower. Royalty Pharma has established procedures to address any such potential conflicts of interest. While Royalty Pharma has such established procedures and will undertake reasonable efforts to identify and manage such conflicts, there can be no assurance that such conflicts will not interfere with the investment management of the RPS Borrower which, in turn, could have a material adverse effect on the RPS Borrower's ability to pay interest and repay the principal on the RPS Note.

4. FINANCIAL INFORMATION ABOUT THE RPS BORROWER

4.1 The RPS Borrower is a newly formed limited partnership with no operating history. There has been no change in the RPS Borrower's financial condition since its formation.

5. MAJOR SHAREHOLDERS

5.1 As at the date of this Prospectus the sole limited partner of the RPS Borrower is Walker Nominees Limited which serves as a formation limited partner in connection with the establishment of the RPS Borrower. Also as at the date of this Prospectus and insofar as is known to the RPS Borrower, assuming (i) acceptances in the RPS Tender Offers of 1,316,235 interests in Feeders (including anticipated participation by Pharma Investors, Pablo Legorreta, his family and related trusts) and (ii) additional participation by Pharma Investors for 1,460,000 Feeder interests, without reduction for participation by investors in the RPS Tender Offers, which would, in the aggregate, result in an RPS Note amount of approximately $100 million, the following persons will, immediately following the completion of the RPS Tender Offer be directly or indirectly interested in 3 per cent. or more of the limited partnership interests in the RPS Borrower:

- Pharma Investors (53.8 per cent.)
- Pablo Legorreta (together with his family and related trusts) (5.8 per cent.)
- Rory Riggs (1.1 per cent.)

5.2 The precise percentage of limited partnership interests held by such persons will depend on the outcome of the RPS Tender Offers and the RPS Note Loan Limit.

6. RELATED PARTY TRANSACTIONS

The RPS Borrower entered into the RPS Pharma Investors Agreement with Pharma Investors prior to the launch of the RPS Tender Offers, pursuant to which Pharma Investors agreed to contribute its RPS Interests in units of Royalty Pharma Select to the RPS Borrower in exchange for limited partnership interests in the RPS Borrower. As of the date of the Pharma Investors Agreement, Pharma Investors agreed to contribute 1.46 million RPS Interests to RPS Borrower. Pharma Investors may, at its option, increase its contribution to the RPS Borrower up to all of its RPS Interests at any time up to the expiry of the RPS Tender Offers.

Pursuant to the terms of the RPS Pharma Investors Agreement, Pharma Investors will only be permitted to contribute an amount of its interest to the extent that Pharma Investors' contribution, together with participation in the RPS Tender Offers, does not exceed the RPS Note Loan Limit. Depending on the value of the Net Issue Proceeds and the Gross Cash Proceeds, the amount of limited partnership interests to be sold to the RPS Borrower by Pharma Investors pursuant to the RPS Pharma Investors Agreement may be reduced to zero. In the alternative, if the RPS Note Loan Limit is greater than the RPS Maximum Participation Amount (as defined in the section titled ''RPS Tender Offers'' in Part III (Seed Assets) of this Prospectus), Pharma Investors will sell a portion of its interests to the RPS Borrower, which such interests may constitute a greater percentage of its interests than the percentage of RPS Interests that the RPS Tender Offer Participants are permitted to tender pursuant to the RPS Tender Offers.

7. LITIGATION

Save as described below, there have been no governmental, legal or arbitration proceedings, and the RPS Borrower 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 RPS Borrower's financial position or profitability.

Royalty interests held by Royalty Pharma Select are subject to dispute in the following litigation actions, which may be considered as material, although, as noted in paragraph 3 above, in determining the net present value of projected payments to Royalty Pharma Select from its royalty interests, the Loan Amount and the ability of the RPS Borrower to pay interest and principal on the RPS Note, revenues from portions of products subject to challenge in such litigation have been treated as not receivable. Royalty Pharma Select holds its royalty interests indirectly through a Delaware business trust, the Royalty Pharma Collection Trust (''**RPCT**'').

7.1 Dispute relating to Tradjenta/Jentadueto

In December 2015, Boehringer Ingelheim International GmbH (''**BI**'') notified RPCT that it believed that the license agreement between BI and RPCT called for royalties to be paid on a different basis than BI had previously been paying royalties. Beginning with the third quarter of 2015, BI has paid royalties according to this interpretation of the license agreement. BI is also claiming that it is due US$1.7 million for its overpayment of royalties in prior periods when it was applying its earlier interpretation of the license agreement. RPCT does not agree with BI's interpretation of the license agreement. RPCT expects that BI will continue to pay royalties on sales of DPP-IVs using its interpretation of the license agreement until this dispute is resolved. RPCT intends to defend RPCT's rights vigorously, but there can be no assurance that RPCT will prevail in this dispute.

Royalty Pharma Select has accrued US$1.7 million for royalties that BI has claimed that it is due under its new interpretation of the license agreement. For purposes of determining the collateral value of the RPS Note, the Investment Manager's projections for cash flows from the Tradjenta royalty assume that BI will continue to pay royalties using BI's interpretation of the license agreement.

7.2 Dispute relating to Humira

In April 2016, AbbVie Inc. and AbbVie Biotechnology Limited (together, ''**AbbVie**'') filed a complaint against MedImmune LLC seeking to invalidate US Patent No. 6,248,516 (the ''**'516 Patent**''). The license agreement on which the Humira royalty is based provides that the Humira royalty is payable until the expiration of the last to expire patent that is listed in the license agreement. The last to expire patent on this list is the '516 patent, and its expiration date is 19 June 2018. If Abbvie is successful in invalidating the '516 Patent, Abbvie's obligation to pay royalties will end in January 2018 rather than on 19 June 2018. On January 26, 2017, a federal district court dismissed AbbVie's claims with prejudice for lack of standing and, separately, on discretionary grounds. AbbVie is expected to appeal this decision. RPCT intends to defend RPCT's rights vigorously, but there can be no assurance that RPCT will prevail in this dispute. For purposes of determining the collateral value of the RPS Note, the Investment Manager's projections for cash flows from the Humira royalty exclude cash flows in respect of sales of Humira after 31 December 2017.

7.3 **Dispute relating to Remicade**

RPCT receives royalties on Remicade from Janssen Biotech ("**Janssen**") on US sales of Remicade based on US Patent No. 6,284,471 (the "'**471 Patent**"), which is co-owned by Janssen and NYU Medical Center ("**NYU**"). The '471 Patent expires in September 2018.

In September 2013, the US Patent and Trademark Office (the "**USPTO**") initiated an office action against Janssen and NYU rejecting the claims in the '471 Patent. In August 2014 and April 2015, following Janssen and NYU responses to the USPTO's action, the USPTO issued further rejections. Janssen and NYU have appealed USPTO's April 2015 decision and are awaiting a hearing date for that appeal.

In August 2016, in a case brought by Celltrion, the manufacturer of Inflectra, a biosimilar of Remicade, a federal district court ruled that the '471 Patent was invalid. Janssen has stated that it will appeal this decision.

While these two rulings are being appealed, the '471 Patent is valid and enforceable.

For purposes of determining the collateral value of the RPS Note, the Investment Manager's projections for cash flows from the Humira royalty exclude cash flows in respect of sales of Remicade after 31 December 2016.

8. LIMITED PARTNERSHIP AGREEMENT

8.1 **Limited Partnership Agreement**

The RPS Borrower is governed by an Amended and Restated Exempted Limited Partnership Agreement dated 28 February 2017 (the "**RPS Borrower LPA**").

8.2 **Purpose**

The RPS Borrower has been formed principally for the purpose of investing in units of Royalty Pharma Select and, indirectly through Royalty Pharma Select, in royalty interests in intellectual property (including patents) or other contractual rights to income derived from the sales of, or revenues generated by, pharmaceutical and or biopharmaceutical products, processes, devices or enabling and delivery technologies that are protected by patents, governmental or other regulations or otherwise by contract. The RPS Borrower may also invest in liquid investments.

8.3 **Registered Office**

The registered office of the RPS Borrower is at Walkers Corporate Limited, Cayman Corporate Center, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands or at such other place as is determined by the RPS General Partner.

8.4 **RPS General Partner**

The RPS General Partner has the sole and exclusive right to manage the business of the RPS Borrower, including the right to exercise the borrowing rights of the RPS Borrower.

8.5 **Removal of the RPS General Partner**

Investors in the RPS Borrower representing at least a majority of the outstanding interests in the RPS Borrower, upon notice to the RPS General Partner at any time following: (i) a finding of Cause (as defined below) by any court or governmental body of competent jurisdiction in a final judgment; or (ii) an admission of Cause by the RPS General Partner or Royalty Pharma, as the investment manager of the RPS Borrower, in the settlement of any lawsuit, and in either case the failure of the RPS General Partner or of Royalty Pharma to cure such Cause within the period of time specified below, may: (a) require the removal of the RPS General Partner and Royalty Pharma in their respective capacities in relation to the RPS Borrower; or (b) dissolve and require the RPS General Partner to commence the winding up and liquidation of the RPS Borrower; provided, that the RPS General Partner (or Royalty Pharma if such finding of Cause relates to Royalty Pharma) will be deemed to have cured any finding of Cause if it terminates or causes the termination of employment with the RPS General Partner, Royalty Pharma and their respective affiliates of all individuals who engaged in the conduct constituting such Cause and makes the RPS Borrower whole for any financial losses which such conduct had caused the RPS Borrower.

The removal of either of Royalty Pharma or the RPS General Partner will also result in the removal of both Royalty Pharma and the RPS General Partner.

A cure of any event constituting Cause must occur within 90 calendar days after a determination that such event constitutes Cause is communicated in writing to the RPS General Partner by a majority vote of investors in the RPS Borrower, not counting for this purpose the votes of investors in the RPS Borrower that are affiliates of either the RPS General Partner or Royalty Pharma, or partners, managers, members, directors, officers, employees of either of the RPS General Partner or Royalty Pharma or their affiliates.

If the RPS General Partner ceases to be the general partner of the RPS Borrower, a successor general partner may be selected for the RPS Borrower by majority vote of its investors, provided that the investors must have first unanimously voted to continue the business of the RPS Borrower under the circumstances, or the RPS Borrower shall be dissolved and wound-up. Any such successor general partner shall purchase the RPS General Partner's interest in the RPS Borrower at a purchase price equal to the appraised value of such interest (as determined in accordance with the RPS Borrower LPA), with 50 per cent. of such amount payable in cash by the successor general partner, and the remaining 50 per cent. payable in instalments in accordance with a note (as further described in the RPS Borrower LPA).

"**Cause**" will mean: (i) that the RPS General Partner, Royalty Pharma or Pablo Legorreta has committed a material breach of the organisational documents of the RPS Borrower, Royalty Pharma Select or any of its subsidiaries; (ii) that the RPS General Partner, Royalty Pharma or Pablo Legorreta has committed wilful misconduct in connection with the performance of its respective duties under the terms of the RPS Borrower LPA or the RPS Borrower Management Agreement, as the case may be, in each case; (iii) a declaration of dissolution or bankruptcy by the RPS General Partner, Royalty Pharma or Pablo Legorreta; or (iv) a determination by any court with proper jurisdiction that the RPS General Partner or Royalty Pharma has committed a felony or engaged in any fraudulent conduct or wilful misconduct, in each such case of clauses (ii) and (iv), which has a material adverse effect on the business, assets, condition (financial or otherwise) or prospects of the RPS Borrower, Royalty Pharma Select or any of its subsidiaries.

8.6 **Indemnification**

To the fullest extent permitted by law, the RPS Borrower will indemnify and save harmless each of the RPS General Partner, Royalty Pharma and their affiliates and their respective officers, directors, stockholders, members, employees, agents and partners, and any other person, who serves at the request of the RPS General Partner on behalf of the RPS Borrower as an officer, director, employee or agent of, or with respect to, any other entity (each, an "**Indemnitee**") from and against any and all claims, liabilities, damages, losses, penalties, actions, judgments, costs and expenses (including amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim) of any nature whatsoever, known or unknown, liquidated or unliquidated that are incurred by any Indemnitee or to which such Indemnitee may be subject by reason of its activities on behalf of the RPS Borrower or in furtherance of the interests of the RPS Borrower or otherwise arising out of or in connection with the affairs of the RPS Borrower, its subsidiaries or affiliates, including the performance by such Indemnitee of any of the RPS General Partner's responsibilities under the RPS Borrower LPA or Royalty Pharma's responsibilities under the RPS Borrower Management Agreement and/or under the trust deed constituting Royalty Pharma Select and prospectus of Royalty Pharma Select or otherwise in connection with the matters contemplated therein or in the RPS Borrower LPA ("**Indemnification Losses**"); provided, that: (i) an Indemnitee will be entitled to indemnification only to the extent that such Indemnitee's conduct did not constitute fraud, bad faith, wilful misconduct, gross negligence (as determined under the laws of the State of New York), material breach of the RPS Borrower LPA that is not cured in accordance with the terms of the RPS Borrower LPA, or a violation of applicable securities laws; (ii) the indemnity provisions of the RPS Borrower LPA do not constitute a waiver or limitation of any rights which a partner or the RPS Borrower may have under applicable securities laws or other laws and which may not be waived; and (iii) the RPS Borrower's obligations under the indemnity provisions do not apply with respect to (a) economic losses or tax obligations incurred by any Indemnitee as a result of such Indemnitee's ownership of an interest in the RPS Borrower or in royalty interests, (b) expenses of the RPS Borrower that an Indemnitee

has agreed to bear, or (c) amounts recoverable by the Indemnitee from other sources (including without limitation, insurance). The satisfaction of any indemnification and any saving harmless will be from and limited to assets of the RPS Borrower, and no investor will have any personal liability on account thereof. The conduct of the RPS General Partner and Royalty Pharma will be attributed to one another for the purposes of determining whether indemnification is available and whether conduct meets the applicable standards of care.

Expenses reasonably incurred by an Indemnitee in defence or settlement of any claim that may be subject to a right of indemnification hereunder will be advanced by the RPS Borrower prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the Indemnitee to repay such amount to the extent that it is determined ultimately that such Indemnitee is not entitled to be indemnified hereunder.

8.7 **Exculpation**

The RPS General Partner will be subject to all of the liabilities of a general partner in a partnership without limited partners (as such concept is interpreted under the laws of the State of Delaware); provided, that to the fullest extent permitted by law, none of the Indemnitees will be liable to the RPS Borrower, any investor in the RPS Borrower or the RPS Borrower Feeder or Royalty Pharma Select for: (i) any act or omission taken or suffered by an Indemnitee in connection with the conduct of the affairs of the RPS Borrower or otherwise in connection with the RPS Borrower LPA or the matters contemplated therein, unless such act or omission resulted from fraud, bad faith, wilful misconduct, gross negligence (as such concept is interpreted under the laws of the State of New York) or a violation of applicable securities laws by such Indemnitee, and except that nothing herein will constitute a waiver or limitation of any rights which a partner of the RPS Borrower or the RPS Borrower may have under applicable securities laws or other laws and which may not be waived; (ii) any mistake, negligence, dishonesty or bad faith of any broker or other agent of the RPS Borrower selected and monitored by the RPS General Partner with reasonable care; or (iii) a material breach of the organisational documents of the RPS Borrower which is cured within any applicable period herein set therein.

To the extent that, at law or in equity, the RPS General Partner has duties (including fiduciary duties) and liabilities relating thereto to the RPS Borrower or another investor in the RPS Borrower, the RPS General Partner acting under the RPS Borrower LPA or refraining from taking action under the RPS Borrower LPA, will not be liable to the RPS Borrower or to any such other investor in the RPS Borrower for its actions or inaction, taken or suffered in good faith and in reliance on the provisions of the RPS Borrower LPA, provided, that such action or inaction does not constitute fraud, bad faith, wilful misconduct or gross negligence (as such concept is interpreted under the laws of the State of New York). The provisions of the RPS Borrower LPA, to the extent that they expand or restrict the duties and liabilities of the RPS General Partner otherwise existing at law or in equity, are agreed by the investors in the RPS Borrower to modify to that extent such other duties and liabilities of the RPS General Partner.

The RPS General Partner may consult with legal counsel and accountants selected by it and any act or omission taken or suffered by it on behalf of the RPS Borrower or in furtherance of the interests of the RPS Borrower, taken or suffered in good faith and in reasonable reliance thereon, upon and in accordance with the advice of such counsel or accountants will have full justification for any such act or omission, and the RPS General Partner will be fully protected and held harmless in so acting or omitting to act; provided, such counsel or accountants were selected and monitored with reasonable care.

8.8 **Capital Accounts**

A separate capital account ("**Capital Account**") will be established and maintained in the books of account of the RPS Borrower for each partner of the RPS Borrower. The Capital Account of each partner will be credited with an amount equal to the fair value (as defined in the RPS Borrower LPA) of such partner's capital contributions to the RPS Borrower and all profits allocated to such partner and any other items of income or gain which are specially allocated to such partner, and will be debited with all losses allocated to such partner, any items of loss or deduction of the RPS Borrower specially allocated to such partner, and all cash and the carrying value of any property (net of liabilities assumed by such partner and the liabilities to which such property is subject) distributed by the RPS

Borrower to such partner. No partner of the RPS Borrower will be required to pay to the RPS Borrower or to any other partner, the amount of any negative balance that may exist from time to time in such partner's Capital Account.

8.9 **Distributions**

The RPS Borrower LPA provides that the RPS Borrower may make quarterly distributions as of the last days of March, June, September and December of net cash flow. However, no distributions will be made to partners of the RPS Borrower until after the RPS Note is paid in full. Any such distributions will be made in accordance with the relative partnership percentages of the partners.

8.10 **Expenses**

The RPS Borrower bears its own operating expenses including, but not limited to, administrative and operating expenses, out-of-pocket costs and expenses incurred in holding investments, interest on and fees and expenses arising out of borrowings by the RPS Borrower, its pro rata share of certain fees and expenses of and relating to the Investment Committee of the US Feeders and the Non-US Feeders, which are shared with the US Feeders and the Non-US Feeders, costs of any litigation, D&O liability or other insurance and indemnification or extraordinary expense or liability relating to the affairs of the RPS Borrower, expenses of liquidating the RPS Borrower, any taxes, fees or other governmental charges levied against the RPS Borrower and all expenses incurred in connection with any tax audit, investigation, settlement or review of the RPS Borrower. The RPS Borrower will promptly reimburse the RPS General Partner, Royalty Pharma or their affiliates, to the extent that any of such costs and expenses are paid by such entities.

8.11 **Meetings**

The RPS General Partner may call a meeting of investors in the RPS Borrower on not less than 20 days' notice to the investors in the RPS Borrower. If investors holding more than 50 per cent. of the outstanding interests in the RPS Borrower request in writing (a "**Meeting Request**") that a meeting of investors be convened or that the RPS Borrower requests a meeting of the holders of the Royalty Pharma Select units, the RPS General Partner will cause notices to be sent to each investor which will provide for a meeting date not more than 20 days after receipt by the RPS General Partner of the Meeting Request and provide such other details of the meeting as the RPS General Partner has been provided or the RPS General Partner will request on behalf of the RPS Borrower that Royalty Pharma call a meeting of the holders of the Royalty Pharma Select units, as the case may be.

8.12 **Voting of Royalty Pharma Select units**

Generally, the RPS General Partner has the ability to vote RPS Interests held by the RPS Borrower. However, the RPS General Partner is required, on or about 23 December 2021, to vote RPS Interests held by the RPS Borrower in favour of a scheme of merger or amalgamation, as set forth in the trust deed constituting Royalty Pharma Select.

8.13 **Withdrawals**

Except as otherwise provided in the RPS Borrower LPA, no investor has the right to withdraw from the RPS Borrower or to withdraw any part of its Capital Account.

8.14 **Transfers**

An investor in the RPS Borrower may not assign or otherwise transfer its interest in the RPS Borrower in whole or in part to any person or enter into a derivative arrangement with respect to its interests, without the prior written consent of the RPS General Partner, which consent may be given or withheld in the sole and absolute discretion of the RPS General Partner. Certain transfers will in no event be permitted by the RPS General Partner, and in the event an investor transfers its interests without prior consent from the RPS General Partner, the investor will be subject to certain penalties, as further provided in the RPS Borrower LPA.

8.15 **Amendments to the RPS Borrower LPA**

The consent of investors holding a majority of the outstanding interests in the RPS Borrower will generally be required to approve amendments to the RPS Borrower LPA proposed by the RPS General Partner, except for amendments that do not materially and adversely affect the rights of such investors under the RPS Borrower LPA. However, the RPS General

Partner may amend the RPS Borrower LPA without the consent of such investors to ensure that the RPS Borrower will not be treated as a ''publicly traded partnership'' under Section 7704 of the US Internal Revenue Code.

9. MATERIAL CONTRACTS

9.1 RPS Borrower Management Agreement

The RPS Borrower entered into the RPS Borrower Management Agreement on 28 February 2017 with Royalty Pharma, pursuant to which, among other things, Royalty Pharma shall have the right to (i) monitor, evaluate and make recommendations regarding acquisitions or dispositions of Royalty Investments (as defined in the RPS Borrower LPA), and (ii) provide such other services relating to the assets and liabilities of the RPS Borrower in accordance with the RPS Borrower LPA. In connection therewith, Royalty Pharma shall be authorised to act in the name of and bind the RPS Borrower in accordance with the terms of the RPS Borrower LPA. The management, policies and operations of the RPS Borrower will be the responsibility of Royalty Pharma. Certain acts, however, will require the approval of the RPS General Partner. Royalty Pharma shall not receive a fee or other monetary consideration for the services it provides under the RPS Borrower Management Agreement. The term of the agreement shall be the same as the term of the RPS Borrower LPA. Royalty Pharma, its affiliates and their respective officers, directors, employees, agents and partners, stockholders and members are beneficiaries of and are subject to the terms and conditions of the exculpation and indemnification provisions of the RPS Borrower LPA. Royalty Pharma is also the investment manager of the US Feeders and the Non-US Feeders and has entered into management agreements on substantially similar terms (except that the RPS Borrower will not pay Royalty Pharma a fee or other monetary consideration for the services it performs).

9.2 RPS Pharma Investors Agreement

Pharma Investors entered into the RPS Pharma Investors Agreement with the RPS Borrower on 8 February 2017 prior to the launch of the RPS Tender Offers pursuant to which Pharma Investors agreed to contribute its RPS Interests (resulting from its entitlement to participate in a portion of the distributors made by Royalty Pharma Select to the US Feeders and the Cayman Feeders) to the RPS Borrower in exchange for limited partnership interests in the RPS Borrower. Pursuant to the terms of the RPS Pharma Investors Agreement, as of the date of the Pharma Investors Agreement, Pharma Investors agreed to contribute 1.46 million RPS Interests to RPS Borrower. Pharma Investors may, at its option, increase its contribution to the RPS Borrower up to all of its RPS Interests at any time up to the expiry of the RPS Tender Offers. Pharma Investors will only be permitted to contribute an amount of its interest to the extent that Pharma Investors' contribution, together with participation in the RPS Tender Offers, does not result in the RPS Note constituting the RPS Note Loan Limit.

In the event that the RPS Note does not exceed a principal amount calculated in relation to the RPS Interests attributable to Participating RPS Investors, Pharma Investors would not be permitted to contribute any of its RPS Interests to the RPS Borrower, pursuant to the terms of the RPS Pharma Investors Agreement.

9.3 Administration Agreement with SS&C Technologies, Inc.

SS&C Technologies, Inc. (''**SS&C**'') is party to an agreement (the ''**SS&C Administration Agreement**''), dated 15 May 2016, with Royalty Pharma pursuant to which SS&C performs fund administration services for funds affiliated with Royalty Pharma, including the US Feeders and the Cayman Feeders, which will include the RPS Borrower and the RPS Borrower Feeder. The services performed include maintaining each fund's investor register and other fund records and acting as registrar of, and transfer agent for, each fund. SS&C collects investor documentation and facilitates investor transactions with respect to each fund, including subscriptions, distributions, withdrawals and transfers of fund interests. In addition, SS&C assists Royalty Pharma and its affiliates in maintaining anti-money laundering procedures with respect to each of the funds. Fees are generally charged on a per investor basis and are subject to increase if the scope of the services provided by SS&C expands. The SS&C Administration Agreement is set to expire on 31 August 2017, but automatically renews for successive periods through to the next 30 June of each year

unless either party provides 90 days' prior written notice. SS&C is not liable for its actions or inactions under the SS&C Administration Agreement except to the extent of losses resulting from its gross negligence, wilful misconduct or fraud in the performance of its duties. SS&C's cumulative liability under the SS&C Administration Agreement is capped at the amount of fees paid by Royalty Pharma to SS&C under the SS&C Administration Agreement during the most recent 12 months immediately preceding the date of any event giving rise to a claim against SS&C. Fees of SS&C are apportioned among the funds managed by Royalty Pharma based on the relative number of investors in each.

9.4 **Transfer, Subscription, Distribution and Assignment and Assumption Agreements (the ''RPS Transfer Agreements'')**

Prior to Initial Admission, the RPS Transfer Agreements will be entered into in order to effectuate a series of restructuring transactions which will result in the RPS Tender Offer Participants receiving limited partnership interests in the RPS Borrower or the RPS Borrower Feeder, as applicable, in accordance with the RPS Tender Offers.

The first RPS Transfer Agreement, by and among the US Feeders, the RPS Tender Offer Participants who are investors in the US Feeders (each, a ''**Participating US Feeder Investor**''), the RPS Borrower, RPS General Partner and Pharma Investors (the general partner of each of the US Feeders), provides that the RPS Interests indirectly owned by each Participating US Feeder Investor will be transferred to the RPS Borrower by the applicable US Feeder as an in-kind subscription for limited partnership interests in the RPS Borrower. Following the receipt of such limited partnership interests in the RPS Borrower, the applicable US Feeder will then make an in-kind distribution of a portion of such limited partnership interests to each Participating US Feeder Investor, in full or partial redemption of the Participating US Feeder Investor's interests in the applicable US Feeder. In connection with such distribution, each Participating US Feeder Investor will be admitted as a limited partner of the RPS Borrower (with the consent of the RPS General Partner) and withdraw from the applicable US Feeder (with the consent of Pharma Investors) to the extent of the RPS Interests transferred to the RPS Borrower in respect of such Participating US Feeder Investor.

The second RPS Transfer Agreement (the ''**First Cayman Transfer Agreement**''), by and among the Non-US Feeders, the Cayman Feeders, the RPS Borrower, the RPS General Partner and Pharma Investors provides that the RPS Interests indirectly owned by the investors in the applicable Cayman Holdings Feeders and Pharma Investors in its capacity as a limited partner of the Non-US Feeders will be transferred to the RPS Borrower by the Non-US Feeders as an in-kind subscription for limited partnership interests in the RPS Borrower. Following the receipt of such limited partnership interests in the RPS Borrower, the applicable Non-US Feeder will then make an in-kind distribution of a portion of such limited partnership interests to each Cayman Feeder and Pharma Investors (in its capacity as a limited partner of the applicable Non-US Feeder) (each, a ''**Distributee**''), in full or partial redemption of the Distributee's interests in the applicable Non-US Feeder. In connection with such distribution, each Distributee will be admitted as a limited partner of the RPS Borrower (with the consent of the RPS General Partner) and withdraw from the applicable Non-US Feeder (with the consent of the RPS General Partner) to the extent of the RPS Interests transferred to the RPS Borrower in respect of such Distributee (and ultimately, other than with respect to Pharma Investors, in respect of the Participating Cayman Feeder Investors (as defined below) in the Cayman Feeders).

The third RPS Transfer Agreement, by and among the Non-US Feeders, the RPS Tender Offer Participants who are investors in the Cayman Feeders (each, a ''**Participating Cayman Feeder Investor**''), the Cayman Feeders, the RPS Borrower Feeder and the RPS General Partner, provides that the limited partnership interests in the RPS Borrower held by the Cayman Feeders following the consummation of the transactions contemplated by the First Cayman Transfer Agreement will be transferred to the RPS Borrower Feeder by the applicable Cayman Feeder as an in-kind subscription for limited partnership interests in the RPS Borrower Feeder. Following the receipt of such limited partnership interests in the RPS Borrower Feeder, the applicable Cayman Feeder will then make an in-kind distribution of a portion of such limited partnership interests to each Participating Cayman Feeder Investor, in full or partial redemption of the Participating Cayman Feeder Investor's interests in the applicable Cayman Feeder. In connection with such distribution, each Participating Cayman

Feeder Investor will be admitted as a limited partner of the RPS Borrower Feeder (with the consent of the RPS General Partner) and withdraw from the applicable Cayman Feeder (with the consent of the RPS General Partner) to the extent of the RPS Interests transferred to the RPS Borrower pursuant to the First Cayman Transfer Agreement in respect of such Participating Cayman Feeder Investor.

9.5 **RPS Note**

Please see paragraph 10.12 of Part IX (Additional Information on the Company) of this Prospectus for a summary of the key terms of the RPS Note.

9.6 **Account Control Agreement**

Please see paragraph 10.13 of Part IX (Additional Information on the Company) of this Prospectus for a summary of the key terms of the Account Control Agreement.

9.7 **Unit Mortgage and Acknowledgment**

Please see paragraph 10.14 of Part IX (Additional Information on the Company) of this Prospectus for a summary of the key terms of the Unit Mortgage and Acknowledgement.

9.8 **Unit Control Deed**

Please see paragraph 10.15 of Part IX (Additional Information on the Company) of this Prospectus for a summary of the key terms of the Unit Control Deed.

10. DOCUMENTS ON DISPLAY

10.1 A copy of the RPS Borrower LPA will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company Secretary, Beaufort House, 51 New North Road, Exeter EX4 4EP until Subsequent Admission or the latest date by which Subsequent Admission may occur (being the Long Stop Date).

PART XI – TERMS AND CONDITIONS OF THE PLACING

1. INTRODUCTION

Each Placee which confirms its agreement (whether orally or in writing) to either Joint Bookrunner to subscribe for Shares under the Placing will be bound by these terms and conditions and will be deemed to have accepted them. The Company and/or either Joint Bookrunner may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a "**Placing Letter**").

2. AGREEMENT TO SUBSCRIBE FOR SHARES

Conditional on: (i) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Initial Admission; (ii) Initial Admission occurring by 8:00 am on 27 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may agree); (iii) the Gross Cash Proceeds being at least US$150 million; (iv) all of the Initial Acquisition Agreements being executed and the Initial Acquisition becoming unconditional (save as to Admission); and (v) by no later than 11:59 pm on the Business Day before the closing date of the Placing, valid tenders being received under the Tender Offers which (in aggregate) together with the RPS Pharma Investors Agreement would result in: (a) the Gross Initial Acquisition Proceeds being at least US$150 million; (b) the BioPharma III Interest being equal to or less than 39.9 per cent. of the Net Issue Proceeds; and (c) the Loan Amount under the RPS Note being equal to or less than 39.9 per cent. of the Net Issue Proceeds, in each case if Subsequent Admission is successfully completed; and on either of the Joint Bookrunners confirming to the Placees their allocation of Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Shares allocated to it by either of the Joint Bookrunners at the Issue Price in respect of the Shares allocated to the Placee. 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

(i) Each Placee must pay the Issue Price for the Shares allocated to the Placee in the manner and by the time directed by the relevant Joint Bookrunner. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Shares may, at the discretion of the relevant Joint Bookrunner, either be rejected or accepted. In the case of acceptance, paragraph (ii) of these terms and conditions shall apply.

(ii) Each Placee is deemed to agree that if it does not comply with its obligation to pay the Issue Price for the Shares allocated to it in accordance with paragraph (i) of these terms and conditions and the relevant Joint Bookrunner elects to accept that Placee's application, the relevant Joint Bookrunner may sell all or any of the Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for the relevant Joint Bookrunner's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Shares on such Placee's behalf.

4. REPRESENTATIONS AND WARRANTIES

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

(i) in agreeing to subscribe for Shares, it is relying solely on this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to Initial Admission and not on any other information given, or

representation or statement made at any time, by any person concerning the Company, the Shares or the Placing. It agrees that none of the Company, the Investment Manager, the Registrar, either of the Joint Bookrunners, nor any of their respective Affiliates, 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;

(ii) the contents of this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to Initial Admission are exclusively the responsibility of the Company and the Directors (and other persons that accept liability for the whole or part of this Prospectus and any such supplementary prospectus) and apart from the responsibilities and liabilities, if any, which may be imposed on either of the Joint Bookrunners by FSMA or the regulatory regime established thereunder, neither of the Joint Bookrunners nor any person acting on its (or their) behalf nor any of its (or their) Affiliates accepts any responsibility whatsoever for, and makes any representation or warranty, express or implied, as to the contents of this Prospectus or any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to Initial Admission or for any other statement made or purported to be made by the Company, or on its (or their) behalf, in connection with the Company, the Shares, the Issue or Admission and nothing in this Prospectus and any such supplementary prospectus will be relied upon as a promise or representation by either of the Joint Bookrunners, whether or not it relates to the past or future. Each of the Joint Bookrunners accordingly disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it or they might otherwise have in respect of this Prospectus or any such supplementary prospectus or any such statement;

(iii) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Shares, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Manager, the Registrar, the Joint Bookrunners or any of their respective Affiliates, officers, agents, or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;

(iv) it acknowledges the representations, warranties, undertakings, agreements and acknowledgements set out in this Prospectus, including those set out in the section entitled ''United States transfer restrictions'' and ''Representations, Warranties and Undertakings'' in Part VII (Issue Arrangements) of this Prospectus;

(v) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Shares and it is not acting on a non-discretionary basis for any such person;

(vi) it agrees that, having had the opportunity to read this Prospectus, it shall be deemed to have had notice of all information and representations contained in this Prospectus, that it is acquiring Shares solely on the basis of this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to Initial Admission and no other information, and that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for the Shares;

(vii) it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to Initial Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Manager, the Registrar or either of the Joint Bookrunners;

(viii) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;

(ix) it accepts that none of the Shares have been or will be registered under the laws of any Restricted Territory. Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Restricted Territory unless an exemption from any registration requirement is available;

(x) if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Shares may be lawfully offered under that other jurisdiction's laws and regulations;

(xi) if it is a resident in the EEA (other than the United Kingdom), it is a ''Qualified Investor'' within the meaning of the law in the Relevant Member State implementing Article 2(1)I(i), (ii) or (iii) of the Prospectus Directive;

(xii) if it is a professional investor (as such term is given meaning in the AIFM Directive) resident, domiciled in, or with a registered office in, the EEA, it confirms that the Shares have only been promoted, offered, placed or otherwise marketed to it, and the subscription will be made from, (a) a country outside the EEA; (b) a country in the EEA that has not transposed the AIFM Directive as at the date of the Placee's commitment to subscribe is made; or (c) Ireland, the Netherlands, Sweden, Belgium, Luxembourg or the United Kingdom or (d) a country in the EEA in which the Investment Manager has confirmed that it has made the relevant notification or applications in that EEA country and are lawfully able to market Shares into that EEA country.

(xiii) if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

(xiv) it acknowledges that neither of the Joint Bookrunners nor any of their respective Affiliates, nor any person acting on behalf of either of them (or their respective Affiliates) is making any recommendations to it advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing, and its participation in the Placing is on the basis that it is not and will not be a client of either of the Joint Bookrunners nor any of their respective Affiliates, and that neither of the Joint Bookrunners nor any of their respective Affiliates has any duties or responsibilities to it for providing the protections afforded to their respective clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in these terms and conditions or in any Placing Letter, where relevant;

(xv) it confirms that any of its clients, whether or not identified to the Joint Bookrunners or any of their respective Affiliates or agents, will remain its sole responsibility and will not become clients of the Joint Bookrunners or any of their respective Affiliates or agents for the purposes of the rules of the Financial Conduct Authority or for the purposes of any other statutory or regulatory provision;

(xvi) where it or any person acting on its behalf is dealing with a Joint Bookrunner, any money held in an account with that Joint Bookrunner on its behalf and/or any person acting on its behalf will not be treated as client money within the meaning of the relevant rules and regulations of the Financial Conduct Authority which therefore will not require that Joint Bookrunner to segregate such money as that money will be held by that Joint Bookrunner under a banking relationship and not as trustee;

(xvii) it has not and will not offer or sell any Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 102B of FSMA;

(xviii) it is an ''eligible counterparty'' within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook and it is subscribing for or purchasing the Shares for investment only and not for resale or distribution;

(xix) it irrevocably appoints any Director and any director of the Joint Bookrunners to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;

(xx) it accepts that if the Placing does not proceed or the conditions to the Placing Agreement are not satisfied, or the Placing Agreement is terminated prior to Initial Admission for any reason whatsoever, or the Shares for which valid applications are received and accepted are not admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange and/or the Official List of the CISEA for any reason whatsoever, then none of the Company and the Joint Bookrunners nor any of their respective Affiliates, nor persons controlling, controlled by or under common control with any of them, nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

(xxi) it has not taken any action or omitted to take any action which will or may result in the Company, the Joint Bookrunners or any of their respective Affiliates, directors, officers, agents, employees or advisers being in breach of the legal or regulatory requirements of any territory in connection with the Placing or its subscription of Shares pursuant to the Placing;

(xxii) in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and countering terrorist financing and that its application is only made on the basis that it accepts full responsibility for any requirement to identify and verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;

(xxiii) due to anti-money laundering and the countering of terrorist financing requirements, the Company or either of the Joint Bookrunners may require proof of identity of the Placee and its related parties and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the Placee to produce any information required for verification purposes, the Company and the Joint Bookrunners may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify the Company and the Joint Bookrunners and their respective Affiliates against any liability, loss or cost ensuing due to the failure to process the application, if such information as has been required was not provided by it or has not been provided on a timely basis;

(xxiv) it and each person or body (including, without limitation, any local authority or the managers of any pension fund) on whose behalf it accepts Shares pursuant to the Placing or to whom it allocates such Shares have the capacity and authority to enter into and to perform their obligations as a Placee of the Shares and will honour those obligations;

(xxv) as far as it is aware, save as otherwise disclosed in this Prospectus, it is not acting in concert (within the meaning given in the Takeover Code) with any other person in relation to the Company;

(xxvi) the Company and the Joint Bookrunners (and any agent acting on their behalf) are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it (or any person on whose behalf the Placee is acting);

(xxvii) the representations, undertakings and warranties contained in this Prospectus or in any Placing Letter, where relevant, are irrevocable. It acknowledges that the Company and the Joint Bookrunners and their respective Affiliates will rely upon the truth and accuracy of such

representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by it in connection with its subscription for the Shares are no longer accurate, it shall promptly notify the Company and the Joint Bookrunners;

(xxviii) it confirms that it is not, and at Initial Admission will not be, an Affiliate of the Company or a person acting on behalf of such Affiliate, and it is not acquiring Shares for the account or benefit of an Affiliate of the Company or of a person acting on behalf of such an Affiliate;

(xxix) it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its Shares in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules issued by the FCA and made under Part VII of FSMA as they apply to the Company;

(xxx) it accepts that the allocation of Shares shall be determined by the Joint Bookrunners (in their absolute discretion) in consultation with the Company and that the Company and the Joint Bookrunners may scale down any applications for this purpose on such basis as they may determine; and

(xxxi) time shall be of the essence as regards its obligations to settle payment for the Shares and to comply with its other obligations under the Placing.

5. SUPPLY AND DISCLOSURE OF INFORMATION

If the Company, the Investment Manager, the Registrar, the Joint Bookrunners or any of their agents request any information in connection with a Placee's agreement to subscribe for Shares under the Placing or to comply with any relevant legislation, such Placee must promptly disclose it to them.

6. DATA PROTECTION

(i) Pursuant to the Data Protection Act 1998 (the "**DP Act**") the Company and/or the Registrar may hold personal data (as defined in the DP Act) relating to past and present Shareholders.

(ii) Personal data held by the Registrar may be used to process basic changes to shareholder records, process bank account information for processing dividend payments, and to carry out other ancillary processing functions in order to ensure that the Registrar is able to discharge its obligations under the Registrar Services Agreement; and may be disclosed to any person with legal, administrative or regulatory power over the Registrar in respect of the services under the Registrar Services Agreement, the Registrar's Affiliates, including such Affiliates which are outside of the EEA in countries which do not have similar protections in place regarding the information and its use (provided that the Registrar shall ensure that any Affiliates outside the EEA to whom personal data is disclosed have put in place proper security measures to ensure at least the same level of protection of the personal data as is required under the DP Act) and to any third parties who are involved in carrying out functions related to the services under the Registrar Services Agreement.

(iii) By becoming registered as a holder of Shares, a person becomes a data subject (as defined in the DP Act) and is deemed to have consented to the processing by the Company or the Registrar of any personal data relating to them in the manner described above.

7. MISCELLANEOUS

(i) The rights and remedies of the Company, the Investment Manager, the Registrar and the Joint Bookrunners 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.

(ii) 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 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 and at the Placee's risk.

(iii) Each Placee agrees to be bound by the Articles (as amended from time to time) once the Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for Shares under the Placing, and any

non-contractual obligations arising under or in connection with the Placing, and the appointments and authorities mentioned in this Prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Manager, the Registrar and the Joint Bookrunners and their respective Affiliates, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.

(iv) In the case of a joint agreement to subscribe for Shares under the 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.

(v) The Joint Bookrunners and the Company expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined.

(vi) The Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated prior to Initial Admission. For further details of the terms of the Placing Agreement please refer to the section entitled ''Material Contracts'' in Part IX (Additional Information on the Company) of this Prospectus.

PART XII – TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION

1. INTRODUCTION

(i) If you apply for Shares under the Offer, you will be agreeing with the Company, the Registrar and the Receiving Agent to the terms and conditions of application set out below. Potential investors should note the section entitled ''Notes on how to complete the Application Form for the Offer'' set out at the back of Appendix 1 to this Prospectus.

(ii) The Application Form may also be used to subscribe for Shares on such other terms and conditions as may be agreed in writing between the applicant and the Company.

2. OFFER TO SUBSCRIBE FOR ORDINARY SHARES

(i) Your application must be made on the Application Form attached at Appendix 1 to this Prospectus or as may be otherwise published by the Company. By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

(a) offer to subscribe for such number of Shares at the Issue Price as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum of US$1,000, or such smaller number for which such application is accepted, and thereafter in multiples of US$1,000) on the terms, and subject to the conditions, set out in this Prospectus, including these Terms and Conditions of the Offer for Subscription, and the Articles (as amended from time to time);

(b) agree that in respect of any Shares for which you wish to subscribe under the Offer you will submit payment in US Dollars;

(c) agree that, in consideration of the Company agreeing that it will not, prior to the date of Initial Admission, offer for subscription any Shares to any person other than by means of the procedures referred to in this Prospectus and in the Tender Offer Documents, 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 Initial Admission) and that this section shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by the Receiving Agent of your Application Form;

(d) undertake to pay the amount specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured, you will not be entitled to receive the share certificates for the Shares applied for in certificated form or be entitled to commence dealing in the Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Receiving Agent (which acceptance shall not constitute an acceptance of your application under the Offer and shall be in its absolute discretion and on the basis that you indemnify the Company, the Receiving Agent and the Joint Bookrunners and their respective Affiliates against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) void the agreement to allot the Shares and may allot them to some other party, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque, in your favour, at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);

(e) agree that where on your Application Form a request is made for Shares to be deposited into a CREST Account, the Receiving Agent may in its absolute discretion amend the Application Form so that such Shares may be issued in certificated form registered in the name(s) of the applicant(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds);

(f) agree, in respect of applications for Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph (e) above to issue Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph (e) above (and any monies returnable to you) may be retained by the Receiving Agent:

(i) pending clearance of your remittance;

(ii) pending investigation of any suspected breach of the warranties contained in paragraph 6 below or any other suspected breach of these Terms and Conditions of the Offer for Subscription; or

(iii) pending any verification of identity which is, or which the Receiving Agent or the Company considers may be, required for the purpose of applicable anti-money laundering requirements;

(g) agree that where an electronic transfer of a sum exceeding the US Dollar equivalent of EUR 15,000 is being made by CHAPS, you will supply your bank statement to show from where the sources of the funds have been sent. If your investment is £50,000 or more in US Dollars, you also confirm that you will provide a certified copy of your passport and a recent bank statement;

(h) agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;

(i) agree that, if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request therefor, the Company may terminate the agreement with you to allot Shares and, in such case, the Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;

(j) agree that you are not applying on behalf of a person engaged in money laundering, drug trafficking or terrorism;

(k) undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;

(l) undertake to pay interest at the rate described in paragraph 3(iii) below if the remittance accompanying your Application Form is not honoured on first presentation;

(m) authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Shares for which your application is accepted or, if you have completed section 7 on your Application Form, but subject to paragraph (e) above, to deliver the number of Shares for which your application is accepted into CREST, and/or to return any monies returnable by cheque in your favour without interest and at your risk;

(n) confirm that you have read and complied with paragraph 8 of this Part XII (Terms and Conditions of the Offer for Subscription);

(o) agree that all subscription cheques and payments will be processed through a bank account in the name of Capita Registrars Ltd Re: BioPharma Credit plc OFS A/C opened with the Receiving Agent;

(p) agree that your Application Form is addressed to the Company and the Receiving Agent;

(q) agree that, if a fractional entitlement to a Share arises on your application, the number of Shares issued to you will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit; and

(r) acknowledge that the Issue will not proceed if the conditions set out in paragraph 4 below are not satisfied.

(ii) In addition to the Application Form, you must also complete and deliver an appropriate Common Reporting Standard Self-Certification Form and an IRS Form W-9 or IRS Form(s) W-8 (as applicable).

(iii) Any application may be rejected in whole or in part at the sole discretion of the Company.

3. ACCEPTANCE OF YOUR OFFER

(i) The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) for Shares either:

(a) by notifying the UK Listing Authority of the basis of allocation (in which case the acceptance will be on that basis); or

(b) by notifying acceptance to the Company.

(ii) The basis of allocation will be determined by the Joint Bookrunners (in their absolute discretion) in consultation with the Company. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application on such basis as they may determine. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of 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 the Company in some other manner to apply in accordance with these Terms and Conditions of the Offer for Subscription. The Company and Receiving Agent reserve the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received otherwise than in accordance with these Terms and Conditions of the Offer for Subscription.

(iii) The Receiving Agent will present all cheques and bankers' drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payments. The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Company, to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Receiving Agent plus 2 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

(iv) The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than the minimum subscription.

4. CONDITIONS

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

(a) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Initial Admission;

(b) Initial Admission occurring by 8:00 am on 27 March 2017 (or such later date, not being later than the Long Stop Date, as the Company and the Joint Bookrunners may agree);

(c) the Gross Cash Proceeds being at least US$150 million;

(d) all of the Initial Acquisition Agreements being executed and the Initial Acquisition becoming unconditional (save as to Admission); and

(e) by no later than 11:59 pm on the Business Day before the closing date of the Placing, valid tenders being received under the Tender Offers which (in aggregate) together with the RPS Pharma Investors Agreement would result in: (a) the Gross Initial Acquisition Proceeds being at least US$150 million; (b) the BioPharma III Interest

being equal to or less than 39.9 per cent. of the Net Issue Proceeds; and (c) the Loan Amount under the RPS Note being equal to or less than 39.9 per cent. of the Net Issue Proceeds, in each case if Subsequent Admission is successfully completed.

(ii) You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other rights you may have.

5. RETURN OF APPLICATION MONIES

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest and after the deduction of any applicable bank charges by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate non-interest bearing account.

6. WARRANTIES

(i) 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 and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of 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) acknowledge that the representations, warranties, undertakings, agreements and acknowledgements set out in this Prospectus, including those set out in the section entitled ''United States transfer restrictions'' and ''Representations, Warranties and Undertakings'' in Part VII (Issue Arrangements) of this Prospectus;

(c) warrant, if the laws of any territory or jurisdiction other than the United Kingdom are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, the Investment Manager, the Receiving Agent or either of the Joint Bookrunners, or any of their respective Affiliates, officers, agents or employees, acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Offer in respect of your application;

(d) represent and warrant that, if you have a registered address or are otherwise resident or domiciled in an EEA state:

(i) you are a ''professional investor'' within the meaning of the AIFM Directive (unless you are also eligible to participate in the Offer being made in the United Kingdom); and

(ii) you have not been marketed to or received any marketing materials in any EEA state other than the United Kingdom or any member state of the European Economic Area that has not transposed the AIFM Directive or a EEA State in which the Investment Manager or any of the Joint Bookrunners have confirmed that they have made the relevant notification or applications in that EEA State and are lawfully able to market Shares into that EEA State;

(e) warrant that you do not have a registered address in, and are not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Shares and you are not acting on a non-discretionary basis for any such person;

(f) confirm that in making an application you are not relying on any information or representations in relation to the Company and the Shares other than those contained in this Prospectus and any supplementary prospectus published by the Company

subsequent to the date of this Prospectus and prior to Initial Admission (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this Prospectus, any such supplementary prospectus or any part thereof shall have any liability for any such other information or representation and any information relating to the exchange of tax information;

(g) agree that, having had the opportunity to read this Prospectus, you shall be deemed to have had notice of all information and representations contained herein;

(h) acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to Initial Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Manager, the Receiving Agent, any of the Joint Bookrunners or any of their respective Affiliates;

(i) warrant that you are not under the age of 18 on the date of your application;

(j) agree that all documents and monies sent by post to, by or on behalf of, the Company, or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint applicants, the address of the first-named applicant) as set out in your Application Form;

(k) confirm that you have reviewed the restrictions contained in paragraph 8 of this Part XII (Terms and Conditions of 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 therein;

(l) agree that, in respect of those 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;

(m) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer and any non-contractual obligations arising in connection therewith shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

(n) irrevocably authorise the Company, the Receiving Agent or either of the Joint Bookrunners or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representatives of the Company, the Receiving Agent or either of the Joint Bookrunners to execute any documents required thereafter and to enter your name on the Register;

(o) warrant that you are: (i) highly knowledgeable and experienced in business and financial matters as to be capable of evaluating the merits and risks of an investment in the Shares; (ii) fully understand the risks associated with such investment; and (iii) are able to bear the economic risk of your investment in the Company and are currently able to afford the complete loss of such investment;

(p) warrant that as far as you are aware, save as otherwise disclosed in this Prospectus, you are not acting in concert (within the meaning given in the Takeover Code) with any other person in relation to the Company;

(q) agree to provide the Company, the Investment Manager, the Receiving Agent and the Joint Bookrunners with any information which any of them may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with applicable anti-money laundering provisions;

(r) agree that each of the Receiving Agent and the Joint Bookrunners are acting for the Company in connection with the Offer and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Shares or concerning the suitability of Shares for you or be responsible to you for providing the protections afforded to their customers;

(s) warrant that the information contained in your Application Form is true and accurate; and

(t) agree that if you request that Shares are issued to you on a date other than Initial Admission and such Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Shares on a different date.

7. MONEY LAUNDERING

(i) You agree that, in order to ensure compliance with the UK Money Laundering Regulations 2007 (where applicable), the Company, the Investment Manager, the Receiving Agent or either of the Joint Bookrunners may respectively, in their absolute discretion, require verification of identity from any person lodging an Application Form.

(ii) The Receiving Agent may verify your identity. To do so the Receiving Agent may verify the details against your identity, but may also request further proof of your identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

(iii) Payments being made by cheque or banker's draft must be made in US Dollars drawn on a United Kingdom branch of a bank or building society. Cheques, which must be drawn on your personal account where you have sole or joint title to the funds, should be made payable to Capita Registrars Ltd Re: BioPharma Credit plc OFS A/C. Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has inserted the full name of the account holder and have added the building society or bank branch stamp by stamping or endorsing the back of the cheque/banker's draft by following the instructions in paragraph (vii) below.

(iv) The name on the bank account must be the same as that shown on the Application Form.

(v) Where you appear to the Receiving Agent to be acting on behalf of some other person, certifications of identity of any persons on whose behalf you appear to be acting may be required.

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

(vii) In all circumstances, verification of the identity of applicants will be required. If you use a building society cheque, banker's draft or money order, you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft or money order and adds its stamp.

(viii) You should endeavour to have the certificate contained in Box 8 of the Application Form signed by an appropriate firm as described in that Box. If you cannot provide the certificate, you must provide with the Application Form the identity documents detailed in section 7 of the Application Form.

8. OVERSEAS PERSONS

The attention of potential investors who are not resident in, or who are not citizens of, the United Kingdom is drawn to this paragraph 8:

(i) The offer of Shares under the Offer to persons who are resident in, or citizens of, countries other than the United Kingdom (''**Overseas Persons**'') may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Shares under the Offer. It is the responsibility of all Overseas Persons receiving this Prospectus and/or wishing to subscribe to the Shares under the Offer, to satisfy themselves as to full observance of the laws of any relevant

territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities required to be observed and paying any issue, transfer or other taxes due in such territory.

(ii) 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 him without compliance with any further registration or other legal requirements.

(iii) Persons (including, without limitation, custodians, nominees and trustees) receiving this Prospectus should not distribute or send it to Australia, Canada, South Africa, the US or Japan, their respective territories or possessions or any other jurisdiction where to do so would or might contravene local securities laws or regulations.

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

9. DATA PROTECTION

9.1 Pursuant to the Data Protection Act 1998 (the "**DP Act**") the Company, the Registrar, the Receiving Agent and/or the Administrator may hold "personal data" (as defined in the DP Act) relating to past and present Shareholders.

9.2 The Registrar has acknowledged that it will generally hold personal data as a "data processor" (as defined in the DP Act). Personal data held by the Registrar may be used to process basic changes to shareholder records, process bank account information for processing dividend payments, and to carry out other ancillary processing functions in order to ensure that the Registrar is able to discharge its obligations under the Registrar Services Agreement; and may be disclosed to any person with legal, administrative or regulatory power over the Registrar in respect of the services under the Registrar Services Agreement, the Registrar's Affiliates, including such Affiliates which are outside of the EEA in countries which do not have similar protections in place regarding the information and its use (provided that the Registrar shall ensure that any Affiliates outside the EEA to whom personal data is disclosed have put in place proper security measures to ensure at least the same level of protection of the personal data as is required under the DP Act) and to any third parties who are involved in carrying out functions related to the services under the Registrar Services Agreement.

9.3 The Receiving Agent has acknowledged that it will generally hold personal data as a "data processor" (as defined in the DP Act). Personal data held by the Receiving Agent may be used to maintain and update a record of Shareholders (for example, by logging Application Forms), to process bank account information in connection with distribution payments and to perform other ancillary processing functions in order to ensure that the Receiving Agent is able to discharge its obligations under the Receiving Agent Services Agreement; and may be disclosed to any person with legal, administrative or regulatory power over the Receiving Agent in respect of the services under the Receiving Agent Services Agreement, the Receiving Agent's Affiliates, including such Affiliates which are outside of the EEA in countries which do not have similar protections in place regarding the information and its use (provided that the Receiving Agent shall ensure that any Affiliates outside the EEA to whom personal data is disclosed have put in place proper security measures to ensure at least the same level of protection of the personal data as is required under the DP Act) and to any third parties who are involved in carrying out functions related to the services under the Receiving Agent Services Agreement.

9.4 The Administrator has acknowledged that it will generally hold personal data as a "data processor" (as defined in the DP Act). The Administrator may use and disclose any personal data held by it, as is necessary for the performance of the Fund Administration Services Agreement and to any person with legal, administrative or regulatory power over the Administrator in respect of the services under the Fund Administration Services Agreement, or the Administrator's Affiliates who are involved in carrying out functions related to such services including such Affiliates which are outside of the EEA in countries which do not have similar protections in place regarding the information and its use (provided that the

Administrator shall ensure that any such Affiliate has put in place proper security measures to ensure at least the same level of protection of the personal data as is required under the DP Act).

9.5 By becoming registered as a holder of Shares, a person becomes a ''data subject'' (as defined in the DP Act) and is deemed to have consented to the processing by the Company, Registrar or the Administrator of any personal data relating to them in the manner described above.

10. MISCELLANEOUS

(i) The rights and remedies of the Company, the Investment Manager, the Receiving Agent and the Joint Bookrunners under these Terms and Conditions of 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.

(ii) The Company reserves the right to shorten or extend the closing time and/or date of the Offer from 1:00 pm (London time) on 16 March 2017 (provided that if the closing time is extended this Prospectus remains valid at the closing time as extended) by giving notice to the London Stock Exchange and, as required, the CISEA. The Company will notify investors via an RIS and any other manner, having regard to the requirements of the London Stock Exchange and, as required, the CISEA.

(iii) The Company may terminate the Offer, in its absolute discretion, at any time prior to Initial Admission. If such right is exercised, the Offer will lapse and any monies will be returned to you as indicated at your own risk and without interest.

(iv) The dates and times referred to in these Terms and Conditions of the Offer for Subscription may be altered by the Company, including but not limited to so as to be consistent with the Placing Agreement (as the same may be altered from time to time in accordance with its terms).

(v) Save where the context requires otherwise, terms used in these Terms and Conditions of the Offer for Subscription bear the same meaning as used elsewhere in this Prospectus.

PART XIII – DEFINITIONS

''2010 PD Amending Directive''	Directive 2010/73/EU of 24 November 2010 amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market
''Account Bank''	Bank of America N.A.
''Accredited Investor''	an ''accredited investor'' as defined in Rule 501 of Regulation D under the Securities Act
''Act''	the UK Companies Act 2006, as amended from time to time
''Additional Subscription''	any subscription from Placees for additional Shares to be issued outside of the Placing on Subsequent Admission pursuant to an Additional Subscription Agreement
''Additional Subscription Agreement''	a standard form subscription agreement that may be entered into between the Company and any Placee for an Additional Subscription
''Administrator''	Capita Sinclair Henderson Limited, a limited liability company incorporated in England and Wales with registration number 02056193, whose registered office is at The Registry, 34 Beckenham Road, Kent BR3 4TU
''Admission''	(i) together, the Initial Admission and the Subsequent Admission, or (ii) if, for any reason, the Subsequent Admission does not occur, the Initial Admission only
''Advisers Act''	the United States Investment Advisers Act of 1940, as amended
''Affiliate''	an affiliate of, or person affiliated with, a specified person being a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified and in the case of the Investment Manager, includes Royalty Pharma and its affiliates
''AIC''	the Association of Investment Companies
''AIC Code''	the AIC's Code of Corporate Governance, as amended from time to time
''AIC Guide''	the AIC's Corporate Governance Guide for Investment Companies, as amended from time to time
''AIF''	an alternative investment fund, within the meaning of the AIFM Directive
''AIFM Directive''	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No. 1095/2010; the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
''Application Forms'' and each, an **''Application Form''**	the application forms on which applicants may apply for Shares to be issued pursuant to the Offer, as set out in Appendix 1 to this Prospectus or as may otherwise be provided by the Company
''Articles''	the articles of association of the Company as at the date of this Prospectus

''Audit Committee''	the committee of this name established by the Board and having the duties described in the section titled ''Audit Committee'' in Part VI (Directors, Management and Administration) of this Prospectus
''BioPharma I''	BioPharma Secured Debt Fund, LP, together with its subsidiaries
''BioPharma II''	BioPharma Secured Debt Investments II, S.à r.l., together with its subsidiaries
''BioPharma III''	BioPharma Secured Investments III Partners, LP, an exempted limited partnership established under the laws of the Cayman Islands
''BioPharma III Carry Subscription Agreement''	the standard form subscription agreement signed by the Special Limited Partner and summarised in paragraph 10.11 of Part IX (Additional Information on the Company) of this Prospectus
''BioPharma III GP''	BioPharma Secured Investments III GP Cayman Limited, a company established under the laws of the Cayman Islands
''BioPharma III GP Subscription Agreement''	the standard form subscription agreement signed by BioPharma III GP and summarised in paragraph 10.9 of Part IX (Additional Information on the Company) of this Prospectus
''BioPharma III Holdings, LP''	BioPharma Secured Investments III Holdings Cayman, LP, an exempted limited partnership established under the laws of the Cayman Islands
''BioPharma III Interest''	the limited partnership interest in BioPharma III Holdings, LP proposed to be acquired by the Company from BioPharma III on Admission
''BioPharma III Offer Document''	has the meaning given to it in Part III (Seed Assets) of this Prospectus
''BioPharma III Tender Offer''	the tender offer made by the Company to the investors in BioPharma III inviting them to tender their indirect interests in BioPharma III Holdings LP in exchange for Shares
''BioPharma IV''	BioPharma Credit Investments IV, S.à r.l., together with its subsidiaries
''Borrower''	a LifeSci Company or a Royalty Owner issuing the Debt
''Business Day''	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
''C Shares''	redeemable C Shares of US$0.01 each in the capital of the Company carrying the rights set out in the Articles
''Capita Asset Services''	a trading name of Capita Registrars Ltd
''Carried Forward Amount''	has the meaning given to it in Part VI (Directors, Management and Administration) of this Prospectus
''Cayman Feeders''	Royalty Pharma Cayman Holdings, LP and Royalty Pharma Cayman Holdings 2008, LP and the Non-US Feeders
''certificated'' or **''in certificated form''**	not in uncertificated form
''Chairman''	the chairman of the Company
''CISEA''	the Channel Islands Securities Exchange Authority
''CISEA Listing Rules''	the listing rules made by CISEA
''Collection Account''	an account established by the RPS Borrower with the Account Bank which has been designated to receive all distributions from the Royalty Pharma Select units

''Common Reporting Standard''	the global standard for the automatic exchange of financial information between tax authorities developed by the Organisation for Economic Co-operation and Development
''Company''	BioPharma Credit PLC, a limited liability company incorporated under the Act in England and Wales with registration number 10443190, whose registered office is at Beaufort House, 51 New North Road, Exeter EX4 4EP
''Company Secretarial Services Agreement''	the agreement dated 1 March 2017, between the Company and Capita Registrars Limited summarised in paragraph 10.3 of Part IX (Additional Information on the Company) of this Prospectus
''Company Secretary''	Capita Company Secretarial Services Limited, a limited liability company incorporated in England and Wales with registration number 05306796, whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU
''Competition and Markets Authority''	the UK Competition and Markets Authority
''Credit Linked Notes''	derivative instruments referencing Debt Assets, being a synthetic obligation between the Company and another party where the repayment of principal and/or the payment of interest is based on the performance of the obligations under the underlying Debt Assets
''CREST''	the relevant system as defined in the CREST Regulations in respect of which Euroclear UK & Ireland Limited is operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
''CREST Account''	an account in CREST
''CREST Regulations''	the UK Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
''Debt''	includes loans, notes, bonds and other debt instruments and securities, including convertible debt, and, for the purposes of this Prospectus, Priority Royalty Tranches
''Debt Assets''	Royalty Investments, Senior Secured Debt, Unsecured Debt and Credit Linked Notes
''default Shares''	has the meaning given in paragraph 5.2.10 of Part IX (Additional Information on the Company) of this Prospectus
''Director Resolution''	any resolution of members concerning the appointment or removal of one or more of directors of the Company
''Directors'' or **''Board''**	the board of directors of the Company, including any duly constituted committee of the board of directors of the Company
''Disclosure Guidance and Transparency Rules''	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
''DP Act''	the UK Data Protection Act 1998
''EEA''	the European Economic Area
''ERISA''	the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
''EU''	the European Union
''Exchange Act''	the United States Securities Exchange Act of 1934, as amended
''Existing Shareholder''	Sardis Capital Limited, a company registered in England and Wales with registered number 04482188

''FATCA''	Sections 1471 to 1474 of the US Tax Code, known as the US Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such US Tax Code sections and any applicable intergovernmental agreement or information exchange agreement and related statutes, regulations, rules and other guidance thereunder)
''FCA'' or **''Financial Conduct Authority''**	the Financial Conduct Authority of the United Kingdom including any replacement or substitute thereof, and any regulatory body or person succeeding, in whole or in part, to the functions thereof
''FCA Handbook''	the FCA Handbook of Rules and Guidance issued by the FCA, as amended
''FCA Rules''	the rules and guidance set out in the FCA Handbook from time to time
''FDA''	the United States Food and Drug Administration
''Feeders''	the US Feeders and the Cayman Feeders, or any of them
''First Close''	the issue of Shares in connection with the BioPharma III Interests on Initial Admission
''Follow On Investments''	means an investment or prospective investment subject to a commitment (being an offer and acceptance of heads of terms or a letter of intent in respect to such investment (whether or not such heads of terms or letters of intent are legally binding)) made by the Company or the Investment Manager (acting on behalf of the Company) on or prior to the termination of, or a material amendment (as appropriate) to, the Shared Services Agreement;
''FSMA''	the UK Financial Services and Markets Act 2000, as amended
''Fund Administration Services Agreement''	the agreement dated 1 March 2017, between the Company and the Administrator summarised in paragraph 10.4 of Part IX (Additional Information on the Company) of this Prospectus
''Gross Cash Proceeds''	the sum of the Gross Placing and Offer Proceeds and the gross proceeds of the PL Subscription
''Gross Initial Acquisition Proceeds''	the gross proceeds of the Initial Acquisition, being the total number of Shares to be issued pursuant to the Initial Acquisition multiplied by the Issue Price
''Gross IRR''	the aggregate, annual, compound (as applicable) IRR, calculated on the basis of historical and projected capital inflows and outflows related to a particular investment, without taking into account the impact of management fees, incentive compensation, taxes, or transaction and organisational costs and expenses
''Gross Issue Proceeds''	the sum of the Gross Cash Proceeds, the Gross Initial Acquisition Proceeds and any Additional Subscriptions
''Gross Placing and Offer Proceeds''	the gross proceeds of the Placing and Offer, being the number of Shares issued pursuant to the Placing and Offer multiplied by the Issue Price
''GSI''	Goldman Sachs International
''HMRC''	HM Revenue & Customs
''IFRS''	International Financial Reporting Standards
''Initial Acquisition''	the issue of Shares in connection with the acquisition of the Seed Assets
''Initial Acquisition Agreements''	(a) in relation to the BioPharma III Interest, the BioPharma III Holdings LPA, the Assignment and Assumption Agreement and any other related agreement; and

	(b) in relation to the RPS Note, the Promissory Note, the Account Control Agreement, the Unit Mortgage, the Unit Control Deed, the RPS Investor Subscription Agreement and any other related agreement.
''Initial Admission''	the admission of all Shares issued in connection with the Placing and the Offer, the PL Subscription and the First Close of the BioPharma III Tender Offer to trading on the Specialist Fund Segment becoming effective in accordance with the LSE Admission Standards and to listing and trading on the Official List of the CISEA becoming effective in accordance with the CISEA Listing Rules
''Initial Expenses''	the formation and initial expenses of the Company that are necessary for the establishment of the Company, the Issue, Admission and the acquisition of the Seed Assets (including all costs associated with the Tender Offers and any related reorganisation expenses of BioPharma III and the RPS Borrower)
''Initial Target Dividend''	has the meaning given in Part I (The Company) of this Prospectus
''Investment Company Act''	the United States Investment Company Act of 1940, as amended
''Investment Management Agreement''	the agreement dated 1 March 2017, between the Company and the Investment Manager summarised in paragraph 10.2 of Part IX (Additional Information on the Company) of this Prospectus
''Investment Manager''	Pharmakon Advisors L.P., a limited partnership established under the laws of the State of Delaware registered as an investment adviser with the SEC under the Advisers Act
''IRR''	internal rate of return
''IRS''	the United States Internal Revenue Service
''ISA''	an individual savings account approved in the UK by HMRC
''ISIN''	the International Securities Identification Number
''Issue''	the Placing, the Offer, the PL Subscription, any Additional Subscriptions and the Initial Acquisition
''Issue Price''	US$1.00 per Share
''Joint Bookrunner''	GSI and JPMC in their capacity as bookrunners for the Issue
''JPMC''	J.P. Morgan Securities plc
''Key Person''	Pedro Gonzalez de Cosio, or such other person designated as such by the Investment Manager with the Board's prior written consent
''Key Person Event''	has the meaning given in paragraph 10.2.15(H) of Part IX (Additional Information on the Company)
''LifeSci Companies''	companies operating in the life sciences industry
''Listing Rules''	the listing rules made by the UK Listing Authority under section 73A of FSMA
''Loan Amount''	the loan amount to be advanced to the RPS Borrower under the terms of the RPS Note
''London Stock Exchange'' or **''LSE''**	London Stock Exchange plc, a limited liability company registered in England and Wales with registration number 02075721, whose registered office is at 10 Paternoster Square, London, EC4M 7LS
''Long Stop Date''	14 April 2017
''LSE Admission Standards''	the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to trading on the Specialist Fund Segment
''Main Market''	the main market for securities of the London Stock Exchange

''Managed Entities'' or ''Managed Entity''	investment vehicles or accounts managed by the Manager Affiliated Parties including but not limited to BioPharma I, BioPharma II, BioPharma III, BioPharma IV and any such investment vehicle or accounts that may be managed in the future, other than the Company and any of its wholly owned subsidiaries
''Management Engagement Committee''	the committee of this name established by the Board and having the duties described in the section titled ''Management Engagement Committee'' in Part VI (Directors, Management and Administration) of this Prospectus
''Management Fee''	has the meaning given to it in Part VI (Directors, Management and Administration) of this Prospectus
''Manager Affiliated Parties''	the Investment Manager, its principals and their respective affiliates
''Market Abuse Regulation''	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing the Directive of the European Parliament and of the Council of 28 January 2003 and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
''Member State'' or **''EEA State''**	any member state of the European Economic Area
''Money Laundering Regulations''	the UK Money Laundering Regulations 2007, as amended
''NAV'' or **''Net Asset Value''**	the Company's net asset value, calculated as set out in Part I (The Company) of this Prospectus
''Net IRR''	the IRR calculated based on consolidated gross capital inflows and outflows for all relevant investments and entities, taking into account the impact of management fees, incentive compensation, taxes, transaction, organisational, and other costs and expenses
''Net Issue Proceeds''	the net proceeds of the Issue, being the number of Shares issued under the Issue multiplied by the Issue Price less the Initial Expenses to be borne by the Company
''Non-Qualified Holder''	any person: (i) whose ownership of shares may cause the Company's assets to be deemed ''plan assets'' for the purposes of ERISA or the US Tax Code; (ii) whose ownership of shares may cause the Company to be required to register as an ''investment company'' under the Investment Company Act or to lose an exemption or a status thereunder to which it might otherwise be entitled (including because the holder of shares is not a ''qualified purchaser'' as defined in the Investment Company Act); (iii) whose ownership of shares may cause the Company to be required to register under the Exchange Act or any similar legislation; (iv) whose ownership of shares may cause the Company to be a ''controlled foreign corporation'' for the purposes of the US Tax Code, or may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the US Tax Code); (v) whose ownership of shares may cause the Company to cease to be considered a ''foreign private issuer'' for the purposes of the Securities Act or the Exchange Act; or (vi) whose ownership of shares would or might result in the Company not being able to satisfy its obligations on the Common Reporting Standard developed by the Organisation for Economic Co-Operation and Development or such similar reporting obligations on account of, *inter alia*, non-compliance by such person with any information request made by the Company

''Non-US Feeders''	Royalty Pharma Cayman Partners, LP and Royalty Pharma Cayman Partners 2008, LP
''NURS''	a non-UCITS retail scheme, which is an authorised fund which is neither a UCITS nor a qualified investor scheme
''Offer'' or **''Offer for Subscription''**	the offer for subscription of Shares at the Issue Price, as described in this Prospectus
''Official List''	the official list maintained by the UK Listing Authority
''Official List of the CISEA''	the official list maintained by CISEA
''Overseas Persons''	persons who are resident in, or who are citizens of, or who have registered addresses in, territories other than the UK
''Participating BioPharma III Investors''	the investors in BioPharma III that tender their direct or indirect interests in BioPharma III Holdings, LP to the Company under the BioPharma III Tender Offer
''Participating LP Interest''	the aggregate limited partnership interest in BioPharma III Holdings, LP held by Participating BioPharma III Investors
''Participating RPS Investors''	the RPS Tender Offer Participants and Pharma Investors (with respect to its contributions under the Pharma Investors Agreement, if any)
''Pharma Investors''	Pharmaceutical Investors, LP, a limited partnership established under the laws of the State of Delaware
''PL Associates''	has the meaning given to it in paragraph 6 of Part IX (Additional Information on the Company) of this Prospectus
''PL Subscription''	the subscription for Shares having a value of US$25 million by Pablo Legorreta pursuant to the PL Subscription Agreement
''PL Subscription Agreement''	the subscription agreement dated 1 March 2017, between the Company and Pablo Legorreta summarised in paragraph 10.10 of Part IX (Additional Information on the Company) of this Prospectus
''Placee''	a person subscribing for Shares under the Placing
''Placing''	the conditional placing of Shares by the Joint Bookrunners described in this Prospectus, on the terms and subject to the conditions set out in the Placing Agreement and this Prospectus
''Placing Agreement''	the agreement dated 1 March 2017, between the Company, the Directors, the Investment Manager and the Joint Bookrunners summarised in paragraph 10.1 of Part IX (Additional Information on the Company) of this Prospectus
''Placing Letter''	has the meaning given to it in paragraph 1 of Part XI (Terms and Conditions of the Placing) of this Prospectus
''Principal''	Pedro Gonzalez de Cosio, Pablo Legorreta and Martin Friedman and such other person(s) as may be agreed between the Company and the Investment Manager from time to time
''Priority Royalty Tranches''	contracts with Borrowers that provide the Company with the right to receive payment of all or a fixed percentage of the future royalty payments receivable in respect of a Product (or Products) that would otherwise belong to the Borrower up to a fixed monetary amount or a pre-set rate of return, with such royalty payment being secured by Royalty Collateral in respect of that Product (or Products)
''Product''	a life sciences product in respect of which the Borrower, directly or indirectly, holds an interest in the royalty rights attached thereto
''Promissory Note''	a promissory note in favour of the Company issued by the RPS Borrower for the Loan Amount

''Prospectus''	this document
''Prospectus Directive''	Directive 2003/71/EC of the European Parliament and of the Council of the European Union and any relevant implementing measure in each Relevant Member State (and the amendments thereto, the 2010 PD Amending Directive)
''Prospectus Rules''	the rules and regulations made by the FCA under section 73A of FSMA
''Qualified Purchaser''	a ''qualified purchaser'' as defined in the Investment Company Act
''Receiving Agent''	Capita Registrars Limited, a limited liability company incorporated in England and Wales with registration number 2605568, whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU
''Receiving Agent Services Agreement''	the agreement dated 1 March 2017, between the Company and the Receiving Agent summarised in paragraph 10.6 of Part IX (Additional Information on the Company) of this Prospectus
''Redeemable Preference Shares''	5,000,000 redeemable preference shares of 1 penny, each having the rights as set out in the Articles, allotted to the Sardis Capital Limited on the incorporation of the Company and to be cancelled following Admission at the same time as the Company's share premium account with the approval of the courts of England and Wales
''Register''	the Company's register of members
''Registrar''	Capita Registrars Limited, a limited liability company incorporated in England and Wales with registration number 2605568, whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU
''Registrar Services Agreement''	the agreement dated 1 March 2017, between the Company and the Registrars summarised in paragraph 10.5 of Part IX (Additional Information on the Company) of this Prospectus
''Regulation S''	Regulation S under the Securities Act
''Regulatory Information Service'' or **''RIS''**	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange
''Relevant Member State''	each Member State of the EEA which has implemented the Prospectus Directive or where the Prospectus Directive is applied by the regulator
''Restricted Territory''	Australia, Canada, Japan, South Africa, and any other jurisdiction where the extension or availability of the Placing or the Offer would breach any applicable law
''Royalty Collateral''	with respect to a Debt Asset: (i) future royalty payments receivable by the Borrower on one or more Products; (ii) future distributions receivable by the Borrower based on royalty payments generated from one or more Products; or (iii) both (i) and (ii)
''Royalty Debt Instruments''	Debt issued by a Royalty Owner where the Royalty Owner's obligations in relation to the Debt are secured as to repayment of principal and payment of interest by Royalty Collateral, including the RPS Note
''Royalty Investments''	Royalty Debt Instruments and Priority Royalty Tranches
''Royalty Owner''	an entity, other than a LifeSci Company, which directly or indirectly holds an interest in royalty rights to certain Products, including any investment vehicle or special purpose vehicle

''Royalty Pharma''	RP Management LLC, a limited liability corporation established under the laws of the State of Delaware registered as an investment adviser with the SEC under the Advisers Act
''Royalty Pharma Select''	Royalty Pharma Select, a limited liquidity unit trust constituted under the laws of Ireland and authorised by the Bank of Ireland pursuant to the Unit Trusts Act, 1990
''RPS Borrower''	RPS BioPharma Investments, LP, an exempted limited partnership established under the laws of the Cayman Islands
''RPS Borrower Feeder''	the feeder fund of the RPS Borrower, being RPS BioPharma Holdings, LP, an exempted limited partnership established under the laws of the Cayman Islands
''RPS Credit Agreement''	a credit agreement to be entered into between the Company and the RPS Borrower
''RPS General Partner''	Pharma Management (Cayman) Limited, an exempted company established under the laws of the Cayman Islands
''RPS Interests''	the interests in the Feeders held by investors that reflect an indirect interest in the units of Royalty Pharma Select held by the US Feeders and the Non-US Feeders
''RPS Investor Subscription Agreement''	the standard form subscription agreement to be signed by Royalty Pharma and summarised in paragraph 10.16 of Part IX (Additional Information on the Company) of this Prospectus
''RPS Investors''	the investors in Royalty Pharma Select who currently participate indirectly through limited partnership interests in one or more Feeders
''RPS Manager''	RP Management (Ireland) Limited, an Affiliate of Royalty Pharma
''RPS Note''	together, the RPS Credit Agreement and the Promissory Note
''RPS Note Loan Limit''	the lower of: (i) US$231.6 million; (ii) 39.9 per cent. of the Net Issue Proceeds; and (iii) the Gross Cash Proceeds less any expenses deducted on Initial Admission
''RPS Offer Documents''	has the meaning given to it in Part III (Seed Assets) of this Prospectus
''RPS Pharma Investors Agreement''	the agreement dated 8 February 2017, between Pharma Investors and the RPS Borrower, summarised in paragraph 9.2 of Part X (Additional Information on the RPS Borrower) of this Prospectus
''RPS Tender Offer Participants''	RPS Investors that tender their RPS Interests under the RPS Tender Offers
''RPS Tender Offers''	the tender offers made by RPS Borrower and the RPS Borrower Feeder respectively inviting RPS Investors (other than Pharma Investors) to tender their RPS Interests
''RPS Transfer Agreements''	has the meaning given to it in paragraph 9.4 of Part X (Additional Information on the RPS Borrower) of this Prospectus
''SDRT''	UK stamp duty reserve tax
''SEC''	the United States Securities and Exchange Commission
''Second Close''	the issue of Shares in connection with the BioPharma III Interest on Subsequent Admission
''Securities Act''	the United States Securities Act of 1933, as amended
''SEDOL''	the Stock Exchange Daily Official List
''Seed Assets''	the initial portfolio of the Company, consisting of the BioPharma III Interest and the RPS Note

''Senior Secured Debt''	Debt issued by a LifeSci Company, and which is secured as to repayment of principal and payment of interest by a first priority charge over some or all of such LifeSci Company's assets, which may include: (i) Royalty Collateral; or (ii) other intellectual property and marketing rights to the Products of that LifeSci Company
''Service Standard''	has the meaning given to it in paragraph 10.2.8 of Part IX (Additional Information on the Company) of this Prospectus
''Shared Services Agreement''	the shared services agreement dated 30 November 2016 between the Investment Manager and Royalty Pharma
''Shareholder''	a holder of Shares or any other class of shares in the capital of the Company
''Shares''	ordinary shares of US$0.01 each in the capital of the Company
''SIPP''	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK
''Solvency II Directive''	the Solvency II Directive, Directive 2009/138/EC, approved by the European Council on 5 May 2009
''Specialist Fund Segment''	the Specialist Fund Segment of the Main Market of the London Stock Exchange
''Sterling'' or **''£''**	pounds sterling, the lawful currency of the UK
''Subsequent Admission''	the admission of all Shares issued in connection with the acquisition of the Seed Assets (other than the First Close of the BioPharma III Tender Offer) and any Additional Subscriptions to trading on the Specialist Fund Segment becoming effective in accordance with the LSE Admission Standards and to listing and trading on the Official List of the CISEA becoming effective in accordance with the CISEA Listing Rules
''Takeover Code''	the City Code on Takeovers and Mergers
''Takeover Panel''	the UK Panel on Takeovers and Mergers
''Target Dividend''	has the meaning given in Part I (The Company) of this Prospectus
''Target Return''	has the meaning given in Part I (The Company) of this Prospectus
''Tender Offer Documents''	the BioPharma III Offer Document and the RPS Offer Documents
''Tender Offers''	the BioPharma III Tender Offer and the RPS Tender Offers
''Transaction Fees''	has the meaning given to it in Part VI (Directors, Management and Administration) of this Prospectus
''Treaty''	means the Convention between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital Gains of July 24, 2001, including any Protocols
''UCITS''	an authorised fund authorised by the FCA in accordance with the UCITS Directive
''UCITS Directive''	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended
''UK Corporate Governance Code''	the United Kingdom Corporate Governance Code as published by the UK Financial Reporting Council
''UK Listing Authority''	the FCA acting in its capacity as the competent authority for the purposes of admissions to the Official List

''uncertificated'' or in **''uncertificated form''**	a Share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
''Unit Control Deed''	a control deed to be entered into between the RPS Borrower, the RPS Manager and the Company in connection with the Unit Mortgage
''Unit Mortgage''	a unit mortgage to be entered into between the RPS Borrower and the Company in connection with the RPS Note
''United Kingdom'' or **''UK''**	the United Kingdom of Great Britain and Northern Ireland
''United States'' or **''US''**	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
''Unsecured Debt''	Debt issued by a LifeSci Company which is not secured or is secured by a second lien on assets of the Borrower
''US Feeders''	Royalty Pharma US Partners, LP and Royalty Pharma Partners 2008, LP
''US Person''	a ''US Person'' as defined in Regulation S
''US Plan Assets Regulations''	regulations issued by the US Department of Labor, as modified under section 3(42) or ERISA
''US Resident''	a resident of the United States within the meaning of Rule 405 under the Securities Act or Rule 3b-4(c) under the Exchange Act
''US Tax Code''	the US Internal Revenue Code of 1986, as amended (including any successor statute)
''US$'' or **''US Dollar''**	United States dollars, the lawful currency of the United States
''Valuer''	Grant Thornton Corporate Finance Limited

APPENDIX 1 – APPLICATION FORM FOR THE OFFER FOR SUBSCRIPTION

BioPharma Credit Plc

If you wish to apply for Shares, please complete, sign and return this Application Form, by post or (during normal business hours only) by hand to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham BR3 4TU, **so as to be received by no later than 1:00 pm on 16 March 2017**.

IMPORTANT: Before completing this Application Form, you should read the prospectus dated 1 March 2017 published by the Company (the ''Prospectus''), to which this Application Form is appended, and the notes set out under the section entitled ''Notes on how to complete the Application Form for the Offer'' at the back of this Application Form. Applicants who are individuals must complete Box 2 and corporate applicants should complete Box 3.

If you have any questions relating to this document, and the completion and return of the Application Form, please telephone Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00 am – 5:30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

To: BIOPHARMA CREDIT PLC

1. APPLICATION

I/We offer to subscribe for a number of fully paid Shares to be calculated by dividing the subscription amount set out in Box 1 below by the Issue Price of US$1.00 (the minimum amount of such subscription being US$1,000), subject to the terms and conditions set out in Part XII (Terms and Conditions of the Offer for Subscription) of the Prospectus, including the representations, warranties and agreements therein, and subject to the memorandum of association and Articles of the Company (as amended from time to time) and, if paying by cheque or banker's draft, enclose a cheque or banker's draft for the amount payable (the ''**Application Monies**'').

Minimum amount of US$1,000	US$

2. APPLICANT DETAILS (INDIVIDUALS)

2.1 Single Applicant

Title	
Forenames (in full)	
Surname	
Address (in full)	
Postcode	

2.2 Joint Applicants

By completing Box 2.2 below, you are deemed to have read the Prospectus and agreed to the terms and conditions set out in Part XII (Terms and Conditions of the Offer for Subscription) of the Prospectus and to have given the representations, warranties and agreements therein.

Second joint applicant	
Title	
Forenames (in full)	
Surname	
Third joint applicant	
Title	
Forenames (in full)	
Surname	
Fourth joint applicant	
Title	
Forenames (in full)	
Surname	

3. APPLICANT DETAILS (CORPORATE)

Company Name	
Registered Number	
Company Address	

4. PAYMENT DETAILS

Complete Box 4.1, Box 4.2 or Box 4.3.

4.1 By Bank Transfer ☐

4.1.1 Please provide the following details:

Name of Bank	
Branch	
Sort Code	
Account Name	
Account Number	
Reference (your initials and telephone number)	

4.1.2 Capita Electronic Bank details

Account Name	CAPITA REGISTRARS LTD RE: BIOPHARMA CREDIT OFS CHAPS A/C
Account Number	00765302
Sort Code	16-63-00
IBAN	GB62RBOS16630000765302
SWIFT No	RBOSGB2L

4.2 By Cheque or Banker's Draft ☐

Attach your cheque or banker's draft for the exact amount shown in Box 1 made payable to **CAPITA REGISTRARS LIMITED RE: BIOPHARMA CREDIT PLC OFS A/C** and crossed "A/C Payee".

4.3 ☐ I/We confirm that I/we will make payment through CREST via a DVP (Delivery Versus Payment).

5. CREST DETAILS

Only complete this Box 5 if you wish to register your application directly into your CREST account, which should be in the same name(s) as the applicants identified in Boxes 2 or 3 above (as applicable).

CREST Participant ID	
CREST Member Account ID	

6. SIGNATURE

By completing Box 6 below, you are deemed to have read the Prospectus and agreed to the terms and conditions set out in Part XII (Terms and Conditions of the Offer for Subscription) of the Prospectus and to have given the representations, warranties and agreements therein.

6.1 Execution by Individuals:

First Applicant Signature		Date	
Second Applicant Signature		Date	
Third Applicant Signature		Date	
Fourth Applicant Signature		Date	

6.2 Execution by a Corporate:

Executed by (Name of Corporate)			
Name of Director			
Signature of Director		Date	
Name of Director/Secretary			
Signature of Director/Secretary		Date	
If you are affixing a company seal, please mark a cross here:		Affix Company Seal here:	

7. IDENTITY INFORMATION

In accordance with internationally recognised standards for the prevention of money laundering, if you are applying for Shares on your own behalf, you must provide the following documents.

If you enclose a confirmation of verification of identity in accordance with Box 8 of this Application Form, you do not need to enclose the documents described in this Box 7. However, in any event the Receiving Agent reserves the right to ask for additional documents and information.

		Tick box as applicable			
7.1 For each individual enclose:	**Applicant:**	**1**	**2**	**3**	**4**
7.1.1 a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and		☐	☐	☐	☐
7.1.2 certified copies of at least two of the following documents, no more than three months old, which purport to confirm that the address given in Box 2 is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill, a recent bank statement, a council tax or rates bill or similar document issued by a recognised authority; and		☐	☐	☐	☐
7.1.3 if none of the above documents show their date and place of birth, enclose a note of such information; and		☐	☐	☐	☐
7.1.4 details of the name and address of their personal bankers from which Capita Asset Services may request a reference, if necessary.		☐	☐	☐	☐

7.2 For each applicant being a company (a ''corporate applicant'') enclose:

7.2.1 a certified copy of the certificate of incorporation of the corporate applicant; and

7.2.2 the name and address of the corporate applicant's principal bankers from which Capita Asset Services may request a reference, if necessary; and

7.2.3 a statement as to the nature of the corporate applicant's business, signed by a director; and

7.2.4 a list of the names and residential addresses of each director of the corporate applicant; and

7.2.5 for each director provide documents and information similar to that mentioned in 7.1.1 to 7.1.4 above; and

7.2.6 a copy of the authorised signatory list for the corporate applicant.

7.3 If the payor is not an applicant and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:

7.3.1 if the payor is a person, for that person the documents mentioned in 7.1.1 to 7.1.5; or

7.3.2 if the payor is a company, for that company the documents mentioned in 7.2.1 to 7.2.7; and

7.3.3 an explanation of the relationship between the payor and the applicant(s).

8. CONFIRMATION OF VERIFICATION OF IDENTITY

If you enclose with your completed Application Form a confirmation of verification of identity in the prescribed form and completed by a suitable person or institution (a ''**Verification of Identity**''), the Receiving Agent may decide not to request the identity documents required in Box 7 of this Application Form.

The Verification of Identity 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) which is itself subject in its own country to operation of ''know your customer''

and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom. Acceptable countries include Australia, Austria, Belgium, Bulgaria, Canada, Cayman Islands, Cyprus, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland and the United States.

8.1 I/we enclose with this Application Form:

☐ in respect of each individual applicant, a duly completed Confirmation of Verification of Identity (Private Individual) in the form as Annex 5-I/1attached to this Application Form

☐ in respect of a corporate applicant, a duly completed Confirmation of Verification of Identity (Corporate and other Non-Personal Entity) in the form attached as Annex 5-I/5 to this Application Form

9. CONTACT DETAILS

To ensure the efficient and timely processing of this Application Form please enter below the contact details of a person that the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in Box 6. If no details are entered here 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:	
Contact address:	
Email address:	
Telephone no:	
Fax no:	

NOTES ON HOW TO COMPLETE THE APPLICATION FORM FOR THE OFFER

Applications should be returned so as to be received by no later than 1:00 pm on 16 March 2017.

If you have any questions relating to this document, and the completion and return of the Application Form, please telephone Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00 am – 5:30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

1. APPLICATION

Fill in Box 1 with the total subscription amount for which your application is made. The amount being subscribed must be for a minimum of US$1,000. However, the Company may, in its absolute discretion, determine to accept applications in other amounts: (i) from authorised persons; (ii) from persons (including Directors) having a pre-existing connection with the Company; or (iii) where such application amount is equal to the maximum investment allowance permitted into a New ISA under current rules.

2. APPLICANT DETAILS (INDIVIDUALS)

Fill in (in block capitals) the full name(s) and address of the applicant. Applications may only be made by persons aged 18 or over as at the date that the application is made. In the case of joint applicants only the first named may bear a designation reference and the address given for the first named applicant will be entered as the registered address for the register of members and used for all future correspondence. A maximum of four joint applicants is permitted. All applicants named must sign the Application Form at Box 6.1.

3. APPLICANT DETAILS (CORPORATE)

Fill in (in block capitals) the company name, registered number and company address. All applicants named must sign the Application Form at Box 6.2.

4. PAYMENT DETAILS CREST SETTLEMENT

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

The Application Forms contain details of the information which the Company's Registrar, Capita Asset Services, will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Capita Asset Services to match to your CREST account, Capita Asset Services will deliver your Shares in certificated form provided payment has been made in terms satisfactory to the Company.

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

The person named for registration purposes in your Application Form (which term shall include the holder of the relevant CREST account) must be: (a) the person procured by you to subscribe for or acquire the relevant Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither Capita Asset Services nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. You will need to input the DVP instructions into the CREST system in accordance with your application. The input returned by Capita Asset Services of a matching or acceptance instruction to your CREST input will then allow the delivery of your Shares to your CREST account against payment of the Issue Price through the CREST system upon the Settlement Date.

By returning your Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of Shares to be made prior to 8:00 am on 27 March 2017 against payment of the Issue Price. Failure by you to do so will result in you being charged interest at the rate of 2 percentage points above the then published bank base rate of a clearing bank selected by Capita Asset Services.

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:	23 March 2017
Settlement Date:	27 March 2017
Company:	BioPharma Credit Plc
Security Description:	ordinary shares of $0.01
SEDOL:	BDGKMY2
ISIN:	GB00BDGKMY29

Should you wish to settle on a ''delivery versus payment'' basis, you will need to input your instructions to Capita Asset Services' Participant account RA06 to settle by no later than 11:00 am on 27 March 2017.

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

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

Payment may be made by either bank transfer or cheque or banker's draft. If payment is made by bank transfer, such payment must be for the exact amount shown in Box 1 of your Application Form and the details of such payment must be included in Box 4.1. Where an electronic transfer of a sum exceeding the US dollar equivalent of GBP 15,000 is being made by CHAPS, the investor should also supply their bank statement to show from where the sources of the funds have been sent. If your investment is GBP 50,000 or more in US dollars, the investor must also provide a certified copy of their passport and a recent bank statement. No receipt in respect of electronic payments or acknowledgement of Applications will be issued.

If payment is by cheque or banker's draft, such payment must accompany your Application Form and be for the exact amount shown in Box 1 of your Application Form. Your cheque or banker's draft must be drawn on your personal account where you have sole or joint title to the funds and should be made payable to **CAPITA REGISTRARS LIMITED RE: BIOPHARMA CREDIT PLC OFS A/C** and crossed ''A/C Payee''. If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp. Your cheque or banker's draft must be drawn in US Dollars on an account at a bank branch in the United Kingdom and must bear a United Kingdom bank sort code number in the top right hand corner. Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of cheque/banker's draft.

5. CREST DETAILS

If you wish your Shares to be deposited in a CREST Account in the name of the applicant(s) given in Boxes 2 or 3, enter in Box 5 the details of that CREST Account. Where it is requested that Shares be deposited into a CREST Account please note that payment for such Shares must be made prior to the day such Shares might be allotted and issued. It is not possible for an applicant to request that Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

6. SIGNATURE

All applicant(s) named in Boxes 2 or 3 must sign Box 6 (where applicable) and insert the date. The Application Form may be signed by another person on behalf of each applicant if that person

is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

7. IDENTITY INFORMATION

Applicants need only consider Box 7 of the Application Form if the confirmation of verification of identity referred to in Box 8 cannot be provided. Notwithstanding that the confirmation of verification of identity referred to in Box 8 has been completed and signed, the Receiving Agent reserves the right to request of you the identity documents listed in Box 7 and/or to seek verification of identity of each applicant 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 requested in Box 7, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, a stockbroker or investment firm, a financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation, and the name of the firm should be clearly identified on each document certified.

8. CONFIRMATION OF VERIFICATION OF IDENTITY

Applications will be subject to the UK Money Laundering Regulations 2007. You must provide the verification of identity documents listed in Box 7 of the Application Form unless you provide a Verification of Identity as described in Box 8 of the Application Form, completed 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 enclose with their completed Application Form a Verification of Identity completed by an appropriate firm.

9. 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 Box 6. If no details are entered here and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

INSTRUCTIONS FOR DELIVERY FOR COMPLETED APPLICATION FORMS

Completed Application Forms should be returned, by post or by hand (during normal business hours), to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham BR3 4TU, so as to be received by no later than 1:00 pm on 16 March 2017, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.